



Special Closed & Regular Public Session of May 23, 2017

**Santa Cruz Port Commission  
MINUTES**

*Commissioners Present:*

Toby Goddard	Chairman
Dennis Smith	Vice-Chairman
Reed Geisreiter	Commissioner
Stephen Reed	Commissioner
Darren Gertler	Commissioner

**SPECIAL PUBLIC SESSION – 5:00 PM**

Chairman Goddard brought the special public session to order at 5:00 PM at the Santa Cruz Harbor Office, 135 Fifth Avenue, Santa Cruz, CA 95062.

1. Oral Communication

Mauro Olivieri, proprietor of Aldo's Restaurant, distributed design concepts for a new restaurant building. Mr. Olivieri discussed the potential for the design to include the addition of a newly constructed public restroom near the entrance to the West Jetty Walkway.

2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8 and 54957.

At 5:01 PM, Chairman Goddard announced the Commission will meet in closed session to discuss agenda items 3 and 4.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Property: 616 Atlantic Avenue  
Agency Designated Representative: M. Olin  
Negotiating Parties: Aldo's Restaurant  
Under Negotiation: Lease

4. Public Employment: Port Director

**SPECIAL PUBLIC SESSION**

5. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1.

Chairman Goddard announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Goddard adjourned the special open session following the closed meeting at 6:43 PM.

### **REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Goddard brought the regular public session to order at 7:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

6. Pledge of Allegiance
7. Oral Communication (*There was no discussion on this agenda item*)

### **CONSENT AGENDA**

8. Approval of Minutes
  - a) Special Closed & Regular Public Session of April 25, 2017
9. Award of Contract for 2017-18 Sediment Sampling and Analysis Plan Services

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Reed to approve the consent agenda.  
- *Motion carried unanimously.*

### **REGULAR AGENDA**

10. Presentation by U.S. Coast Guard Auxiliary on Safe Boating Week  
  
Discussion: Wally Smith, District Commodore of District 11 North U.S. Coast Guard Auxiliary, gave a presentation on National Safe Boating Week.  
  
The Commission expressed their appreciation for Coast Guard Auxiliary's efforts and thanked Mr. Smith for his contribution.
11. Presentation by City of Santa Cruz on Active Transportation Plan  
  
Discussion: Claire Fliesler, Transportation Planner I for the City of Santa Cruz, gave a presentation on the City of Santa Cruz's Active Transportation Plan.  
  
The Commission thanked Ms. Fliesler and the City of Santa Cruz for their time and hard work invested in the Active Transportation Plan.

12. Approval of Modification to Lease – Bayside Marine (333B Lake Avenue)

Discussion: Commissioner Reed stated that he will abstain from this item.

Interim Port Director Olin stated that Todd Fraser of Bayside Marine is in attendance at tonight's meeting. She stated that Mr. Fraser is requesting approval of a lease modification, which would waive the 3.5% CPI increase to base rent that was implemented April 1, 2017.

Interim Port Director Olin stated that Bayside Marine is in good standing with its current lease, which is set to expire January 31, 2018. She stated that one option to renew the lease is available to Mr. Fraser, and as part of the lease option renewal process, the Commission will perform a market rent review. She noted that if approved, the lease modification will result in a \$125 total cost savings for Mr. Fraser.

Mr. Fraser stated that he is requesting the modification to help offset negative impacts associated with the District's extended launch ramp closures in 2016. Mr. Fraser thanked the Commission for their time and consideration.

Vice-Chairman Smith stated that he is supportive of the request, noting that Bayside Marine benefits the public and the harbor community.

MOTION: Motion made by Vice-Chairman Smith, seconded by Commissioner Geisreiter to approve a lease modification for Bayside Marine, which waives a 3.5% CPI increase to base rent for the leasehold, effective April 1, 2017.  
- *Motion carried. Commissioner Reed ABSTAINED.*

13. Approval of Long-Term Leases

- a) 790A Mariner Park Way – Chardonnay Sailing Charters, LLC
- b) 790B Mariner Park Way – Chardonnay Sailing Charters, LLC, dba Pacific Yachting and Sailing

Discussion: Interim Port Director Olin stated that lease negotiations with Chardonnay Sailing Charters have spanned nearly two years, beginning with Chardonnay's original request to operate a second charter vessel coming in June 2015. She credited retired Port Director Lisa Ekers, Kris Reyes and Karl Rice of the Santa Cruz Seaside Company for their work in bringing negotiations to a point where mutually agreeable lease terms have been reached.

Interim Port Director Olin stated that if approved, the long-term leases are expected to generate approximately \$54,000 to \$82,500 in new revenue to the Port District.

Kris Reyes of the Santa Cruz Seaside Company thanked the Commission and staff for their support throughout the lease negotiations process.

Chairman Goddard noted that a correction to the staff report should be made to reflect that the minimum insurance requirement is \$2 million, rather than \$1 million.

The Commission expressed support for the staff recommendation.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to award leases to Chardonnay Sailing Charters, LLC for 790 Mariner Park Way:

- Suite A – Chardonnay Sailing Charters, LLC, office and 49-pak charter operation.
- Suite B – Chardonnay Sailing Charters, LLC, dba Pacific Yachting and Sailing, office and 6-pak bare boat and skippered charter program.
- *Motion carried unanimously.*

#### 14. 2016-2017 Dredge Season Report

Discussion: Interim Port Director Olin reviewed the 2016-17 Dredge Season Report.

Vice-Chairman Smith asked for an update on *Twin Lakes*' listing bow issue. Supervising Harbor Maintenance Worker Andy Stuhan stated that to facilitate welding of the fendering system, staff placed two float cans below the fendering couplings, which has successfully alleviated weight from the bow. Supervising Harbor Maintenance Worker Stuhan noted that the floats are a temporary fix, and crews will work to permanently address the issue.

Commissioner Reed asked for additional information regarding off-season dredge improvements and maintenance. Supervising Harbor Maintenance Worker Stuhan stated that crews plan to address the following items during the off-season:

- *Twin Lakes* Fendering System
- Warranty Design Issues
- General Maintenance

Supervising Harbor Maintenance Worker Stuhan stated that he will provide the Commission with periodic updates regarding ongoing off-season dredge maintenance.

A discussion ensued regarding dredge maintenance policies and procedures. In response to a question posed by Chairman Goddard, Interim Port Director Olin stated that shoaled conditions exist in the areas outside of the harbor mouth and along the east and west jetties on both sides of the marked federal entrance channel.

15. Approval of Cash / Payroll Disbursements – April 2017

Discussion: Vice-Chairman Smith asked for additional information on Warrant #47577 – *Sammy G* Workboat Consulting Services. Interim Port Director Olin stated that CF Bean LLC assessed several workboats and helped obtain *Sammy G* while *Dauntless* was repaired.

MOTION: Motion made by Commissioner Gertler, seconded by Vice-Chairman Smith to approve the Cash / Payroll Disbursements for April 2017, in the amount of \$918,974.02.  
- *Motion carried unanimously.*

## **INFORMATION**

16. Port Director's Report

### Twin Lakes Beachfront Project Update

Interim Port Director Olin stated that paving of East Cliff Drive was completed on Tuesday, May 2, 2017. She stated that completion of paving work allows for the next phase of work to begin, which includes the design and construction of the retaining wall along the south (beach) side of East Cliff Drive.

Interim Port Director Olin stated that a business roundtable meeting will be held for harbor concessionaries to discuss impacts associated with the project when the County has updates to share.

Commissioner Geisreiter directed staff to review the District's construction easement with the County to determine the easement's expiration date.

### PG&E North Harbor Gas Pipeline

Interim Port Director Olin stated that PG&E has proposed plans to replace the gas pipeline, which is currently routed underneath the north harbor. She stated that staff and TranSystems have reviewed the project and will provide the necessary feedback to PG&E in an effort to keep the project moving forward.

### U.S. Army CORPS of Engineers Work Plan

Interim Port Director Olin stated that the U.S. Army CORPS of Engineers' FY 17 Work Plan will be published soon. The Port District has requested \$549,000 in total (\$385,000 for FY 17 and \$164,000 for FY 16 shortfall).

Cal OES / FEMA Emergency Declaration

Interim Port Director Olin stated that she met with CalOES and FEMA officials to follow up on the District's disaster recovery grant for damages related to the January 2017 storms. She stated that the District will pursue reimbursement for damages related to the storms.

17. Harbormaster's Report

Chairman Goddard requested that additional information regarding the Division of Boating and Waterways (DBW) grant proposal, which seeks funding for a new patrol vessel, be placed on June's agenda as an information item.

Commissioner Reed stated that he is pleased with the amount of harbor patrol trainings.

18. Facilities Maintenance & Engineering Manager's (FME) Report

Vice-Chairman Smith asked if the old autolift will be sold as surplus. Interim Port Director Olin stated that additional information about the old autolift will be obtained and presented to the Commission.

19. Review of Delinquent Accounts *(There was no discussion on this agenda item)*

20. Review of Financial Reports *(There was no discussion on this agenda item)*

a) Comparative Seasonal Revenue Graphs

21. Crime / Incident / Citation Report – April 2017.

In response to a question posed by Commissioner Geisreiter, Harbormaster Marshall confirmed that three sailing vessels ran aground while transiting the entrance channel on April 23, 2017. She stated that the vessels ran aground while navigating outside of the federal entrance channel and at low tides.

22. Written Correspondence *(There was no discussion on this agenda item)*

23. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Goddard adjourned the regular public session at 8:28 pm.



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Toby Goddard, Chairman