



Regular Public Session of October 24, 2017

**Santa Cruz Port Commission  
MINUTES**

*Commissioners Present:*

Reed Geisreiter                      Commissioner  
Stephen Reed                        Commissioner  
Darren Gertler                      Commissioner

*Commissioners Absent:*

Toby Goddard                      Chairman  
Dennis Smith                      Vice-Chairman

**REGULAR PUBLIC SESSION – 7:00 PM**

Commissioner Geisreiter 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.

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

**CONSENT AGENDA**

3. Approval of Minutes
  - a) Special Closed Session & Regular Public Session of September 26, 2017

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Gertler to approve the consent agenda.

- *Motion carried. Commissioners Goddard and Smith ABSENT.*

**REGULAR AGENDA**

4. Approval of Exercise of Lease Option for 333B Lake Avenue  
(Tenant: Bayside Marine)

Discussion: Port Director Olin stated that Bayside Marine's current lease term expires on January 31, 2018, and approval of the first two-year lease option will extend the lease through January 31, 2020.

Port Director Olin stated that Bayside Marine's current base rent for the retail space is \$2.32/SF, which falls between area comps (\$1.51/SF to \$2.56/SF). Port Director Olin stated that no change to the current rent structure is proposed, which was reduced as of April 1, 2017. She stated that annual CPI adjustments will be applied annually, during the option period. The next CPI adjustment is scheduled for April 1, 2018.

Todd Fraser of Bayside Marine thanked the Commission for their consideration and stated that he looks forward to continued business in the harbor, if approved.

Commissioner Reed thanked staff for the detailed market rate analysis and back-up data presented in the staff report.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Gertler to approve the exercise of lease option to extend the lease by 2 years, through January 31, 2020.  
- *Motion carried. Commissioners Goddard and Smith ABSENT.*

5. Approval of Cash / Payroll Disbursements – September 2017

Discussion: Commissioner Reed asked for additional information on Warrant #48422 – Consulting Services - Aldo's Seawall Design and Engineering Services. Port Director Olin stated that she will give an update on Aldo's Restaurant in the Port Director Report.

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Reed to approve the Cash / Payroll Disbursements for September 2017, in the amount of \$613,481.60.  
- *Motion carried. Commissioners Goddard and Smith ABSENT.*

## INFORMATION

6. Port Director's Report.

### Sanctuary Advisory Committee – Beneficial Re-use of Sediment

Port Director Olin stated that she attended the Sanctuary Advisory Council (SAC) meeting on October 20, 2017, to participate in the SAC's discussion of beneficial re-use of dredged sediment.

Port Director Olin reported that the SAC is actively discussing how it can shift its perspective to allow clean dredged sand to be used for beach replenishment below mean high water. She stated this will require a shift in how dredged material is defined, from viewing it as a waste product to a beneficial resource.

### Hydrogen Sulfide (H<sub>2</sub>S) Emissions

Port Director Olin stated that the Monterey Air Resources District (MBARD) approved a modification to the hydrogen sulfide (H<sub>2</sub>S) permit protocol for this season's dredging operation. Twin Lakes Beachfront Improvement Project will run concurrently with the District's dredge operation. She reported that the revised H<sub>2</sub>S protocol recognizes the difficulties of monitoring for H<sub>2</sub>S while the construction project is underway, and allows for stationary monitoring. MBARD has also recognized that the Port District cannot be held responsible for emissions related to the County's project.

### Marina Recreation Tour

Port Director Olin stated that the District hosted a harbor tour for the Marina Recreation Association on Monday, October 23, 2017. The group toured the boatyard, and learned about the harbor's tsunami recovery; Operations Department and marina management; Facilities Department and dredging operation.

### Aldo's Restaurant

Port Director Olin reported that she met with Harris and Associates, the environmental services firm that will be obtaining permits for Aldo's seawall construction project. She stated that Harris and Associates will likely pursue a Notice of Exemption under CEQA for this repair / reconstruction project of an existing facility.

Port Director Olin reported that she also met with Charlie Eadie, Aldo's land use planner. She reported that Mr. Eadie was optimistic about parking ratios and general permissibility of the conceptual plans.

Port Director Olin reported that counsel is reviewing the draft lease. She noted that the ground lease and building development will require a public process.

## 7. Harbormaster's Report

Harbormaster Marshall reported that a small fuel leak was identified at the harbor's fuel dock. She stated that staff performed appropriate containment measures, and the leak has since been repaired.

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

Commissioner Geisreiter thanked Facilities Maintenance & Engineering Manager (FME) Kerkes for his hard work at the 4<sup>th</sup> Annual Classic Car Show on Sunday, October 15, 2017.

FME Kerkes stated that the dredge crew has finished dredging quadrant Q3C in the north harbor. He stated that crews remain on schedule to move *Twin Lakes* to the entrance channel on November 3, 2017. FME Kerkes stated that crews anticipate that they will begin dredging the entrance channel on November 13, 2017.

In response to a question posed by Commissioner Geisreiter, FME Kerkes stated that the District's 8" hydraulic dredge, *Squirt*, and the Toyo pump will be used to dredge remaining material in the north harbor.

FME Kerkes stated that crews have layed a new fog seal on the asphalt in the north harbor parking lots.

FME Kerkes stated that crews have installed new stainless steel flashing at 2222 East Cliff Drive.

9. Delinquent Account Reporting *(There was no discussion on this agenda item)*
10. Review of Financial Reports
  - a) Comparative Seasonal Revenue Graphs
  - b) Quarterly Budget Report as of September 30, 2017
  - c) Employee Count as of September 30, 2017
  - d) Quarterly Fuel Sales Report
  - e) Quarterly Boatyard Report
  - f) FY17 Debt Service Ratio Coverage
11. Sea Scouts' Bi-Annual Report

Jim Bosso provided an update on the current Sea Scouts' Program.
12. Crime / Incident / Citation Report – September 2017 *(There was no discussion on this agenda item)*
13. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Commissioner Geisreiter adjourned the regular public session at 7:35 pm.



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Toby Goddard, Chairman