



Regular Public Session of January 26, 2016

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Toby Goddard Chairman
Dennis Smith Vice-chairman
Stephen Reed Commissioner
Bill Lee Commissioner

Commission Members Absent:

Reed Geisreiter Commissioner

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.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Slip Renter Richard Bartlett requested that a slip rent increase not be imposed for FY17, commenting that the federal government did not grant social security recipients a cost-of-living increase this year.

O'Neill Sea Odyssey (OSO) Director Dan Haifley informed the Commission of the following upcoming events:

- Faces of the Sea Fundraiser – February 5, 2016
- OSO 20th Anniversary Celebration – September 17, 2016

CONSENT AGENDA

3. Approval of Minutes
 - a) Special Public Session of November 9, 2015
 - b) Regular Public Session November 24, 2015
4. Approval of Sublease Agreements – 2222 E. Cliff Drive, Suite 220 and 216 (Tenants: Estriatus Law and Mary Morgan)
5. Authorize Execution of Agreement with Verizon for Small Cell Site
6. Authorize Purchase of HDPE Pipe Fuser

7. Acceptance of Temporary Repairs to Aldo's Seawall and Deck Project
8. Acceptance of East Access Road Sinkhole Repair Project
9. Approve Month-to-Month Rentals at 495 Lake Avenue

Discussion: Commissioner Reed requested that Item 5 – Authorize Execution of Agreement with Verizon for Small Cell Site be moved to the regular agenda for discussion.

MOTION: Motion made by Commissioner Reed, seconded by Vice-chairman Smith to approve consent agenda items 3, 4, 6, 7, 8, and 9.
 - *Motion carried unanimously. Commissioner Geisreiter ABSENT.*

REGULAR AGENDA

6. Authorize Execution of Agreement with Verizon for Small Cell Site

Discussion: Commissioner Reed stated that he is supportive of adding language to the draft agreement, which requires Verizon to take all reasonable steps to correct and/or eliminate radio interference caused by the placement of the small cell site. Additionally, he stated that a CPI increase should be written into the agreement.

Port Director Ekers stated that the proposed agreement includes a 10% increase after five years, but she is willing to negotiate further with Verizon at the Port Commission's pleasure.

Vice-chairman Smith asked if the Port District is required to receive public input prior to installation of the cell site. Port Director Ekers stated that it is not required, but it is at the Port Commission's discretion if they want a hearing.

MOTION: Motion made by Commissioner Lee, seconded by Vice-chairman Smith to authorize the Port Director to negotiate a clause requiring Verizon to immediately take all reasonable steps to correct and/or eliminate radio interference caused by placement of their cell site. Staff is authorized to then execute a lease agreement with Verizon Wireless to install a rooftop cupola enclosure and antenna and an equipment enclosure on the west side of the D Dock restroom building for \$12,000 per year for a period of five years.
 - *Motion carried unanimously. Commissioner Geisreiter ABSENT.*

10. Parking Management Plan

Discussion: Port Director Ekers reviewed the parking management plan, highlighting the following:

- Implementation of a fee-based concessionaire and employee parking will commence April 1, 2016.
- Fee of \$10/month for employee parking (\$0/quarter). Employee parking permits will allow for parking in any visitor space in the north harbor before 4:00 PM and any visitor space in the south harbor after 4:00 PM. Employee parking permits will not be valid in the concession lot.
- Concessionaires with East Cliff Drive addresses will be eligible to purchase an annual "C" parking permit for \$240/year. "C" parking permits will allow for parking in reserved "C" spaces at the harbor office or launch ramp area at all times.

Commissioner Reed asked how many spaces will be allocated for "C" parking passes. Port Director Ekers stated that approximately 16-20 spaces will be reserved.

A discussion ensued about the arrival of the new dredge, and the impact that delivery will have on launch ramp parking. Port Director Ekers stated that the new dredge is scheduled to arrive in May. She stated that several launch ramp spaces will be utilized for assembly.

Members of the public expressed the following concerns regarding the implementation of the parking management plan:

- Proposed north harbor parking area for employees is located too far away from south harbor business locations, presenting safety concerns.
- Safety concerns regarding employees walking to vehicles, especially after dark.
- Proposed fee for seasonal employees is unwarranted / too high.
- Visitor parking / beach parking utilizes a large portion of the lot, leaving insufficient space for employee parking.
- No adjustment in rules based on season and parking availability.
- "C" lot parking too far from business – distance creates an unreasonable inconvenience for high-priced rents.

Chairman Goddard thanked the public for their input and stated that the Commission will consider the impacts to businesses and employees during this process.

Commissioner Lee stated that he is supportive of accepting the proposed parking management plan. He stated that it will be beneficial to review the newly implemented program to see if seasonal changes to the program are warranted.

Commissioner Reed stated that it is a priority of the Commission to find a balance between competing user groups and their parking needs. He stated that implementing a more simplified parking program will be beneficial to staff, as well as concessionaires and their employees.

Vice-chairman Smith agreed and stated that he supports accepting the proposed parking plan, and tends to agree with Commissioner Lee that seasonal parking demands should be considered as the new program is assessed.

Chairman Goddard stated he is prepared to receive the report and commented that while employee parking is an important aspect of the report, ensuring that ample parking exists for visitors is equally significant to balance the needs of all user groups.

MOTION: Motion made by Commissioner Lee, seconded by Commissioner Reed to receive the final Santa Cruz Harbor Parking Management Plan report by Watry Design, Inc.
- *Motion carried unanimously. Commissioner Geisreiter ABSENT.*

11. Approval of Johnny's Harborside Lease Option – 493 B Lake Avenue

Discussion: Port Director Ekers stated that the current lease for Johnny's Harborside Restaurant provides for a Fifth and Final Lease Option, which will extend the lease through April 15, 2021.

Port Director Ekers stated that the tenant has requested to exercise the option and is not currently in default of any lease terms. Gross sales for the twelve months preceding the option request date are in excess of \$800,000, as required by the lease.

MOTION: Motion made by Commissioner Reed, seconded by Vice-chairman Smith to approve the final lease option (Fifth Amendment to Lease) for Johnny's Harborside, 493 B Lake Avenue, extending the term of the lease by five years, to August 15, 2021.

- Motion carried unanimously. Commissioner Geisreiter ABSENT.

12. Approval of Cash / Payroll Disbursements – November / December 2015

Discussion: Chairman Goddard noted that the warrant amount for several key deposit refunds seems exorbitantly high. Accounting Technician Scott stated that several warrant descriptions were mislabeled as they were actually security deposit refunds.

MOTION: Motion made by Commissioner Lee, seconded by Commissioner Reed to approve cash/payroll disbursements for November/December 2015, in the amount of \$1,638,864.04

- Motion carried unanimously. Commissioner Geisreiter ABSENT.

INFORMATION

14. Port Director's Report

Dredge Update

Port Director Ekers stated that the dredge crew continues to make progress in the entrance channel. She stated that shoaling persists, however, and staff does not recommend transiting the entrance until the federal channel is restored back to safe depths.

Washington Representation

Port Director Ekers stated that RJ Lyerly of Carpi & Clay will be leaving her position in Washington as the District's legislative representative. Port Director Ekers suggested that the Commission recognize Ms. Lyerly for her dedication to the harbor during her time in Washington through the form of a Resolution at an upcoming meeting.

Coast Guard Auxiliary Anniversary

Port Director Ekers stated that the Coast Guard Auxiliary Flotilla 67 will be celebrating its 65th anniversary, and shared a Certificate of Appreciation she recently accepted on behalf of the Port District.

15. Harbormaster's Report (There was no discussion on this agenda item)

16. Facilities Maintenance & Engineering Manager's Report (There was no discussion on this agenda item)

17. Update on *Seabright* Replacement Project

Discussion: Port Director Ekers stated that public participation in the "Name the New Dredge" contest has been overwhelming. She stated that an initial review of names will take place at a Dredge Committee meeting on February 11, 2016.

The Committee recommendation will be presented to the full Commission on February 23, 2016.

18. Update on Monterey Bay Salmon and Trout Project Net Pens

Discussion: Port Director Ekers reported that the Monterey Bay Salmon and Trout Project (MBSTP) has been notified that USFWS will not issue permits for the upcoming season. It appears that MBSTP is seeking a letter of support for next year's permit application.

Vice-chairman Smith stated that philosophical differences between NMFS, USFWS, and MBSTP are impacting their ability to obtain permits, one of which is NMFS' demand that the program address Coho restoration. Vice-chairman Smith commented that he was disappointed to see the letter by Larry Wolf, which did not align with previous discussions. He added that he would like to see the program return to the harbor, with provisions to address concerns previously discussed.

Commissioner Reed stated he would like to get more information about concerns he has heard expressed that the net pen species is not the right species from an environmental standpoint, before the Commission agrees to write a letter of support.

Port Director Ekers reviewed the smolt numbers the program has released. She reported that she sent MBSTP a letter in 2014, indicating a willingness to consider permitting a program that limited the release to 120,000 smolt to reduce impacts.

A lengthy discussion ensued about the program. Chairman Goddard summarized by stating that it is clear the Commission supports the program, but that support is not unqualified. The program and its impacts are a serious matter for the harbor, and the MBSTP project principals should engage in talks about their program before the Commission entertains writing a blanket letter of support.

Port Director Ekers suggested that Vice-chairman Smith reach out to MBSTP to continue dialogue on the program and its future at Santa Cruz Harbor.

19. Electronic Shower Key Transition Update (There was no discussion on this agenda item)
20. Delinquent Account Reporting (There was no discussion on this agenda item)
21. Review of Financial Reports (There was no discussion on this agenda item)
 - a) Preliminary Quarterly Budget Report as of December 31, 2015

- b) Comparative Seasonal Revenue Graph
 - c) Tsunami Financial Overview
 - d) Employee Count
 - e) Quarterly Boatyard Sales Report
 - f) Quarterly Fuel Sales Report
22. Crime/Incident/Citation Report – November/December 2015 (There was no discussion on this agenda item)
23. Written Correspondence
- a) Letter from U.S. Coast Guard Auxiliary District 11 Northern Region, to Port Director Ekers
 - b) Letter from Bay Planning Coalition, to Port Director Ekers
 - c) Letter from Second Harvest Food Bank, to Harbormaster Marshall
 - d) Letter from Steve and Nikki Peterson, to Port Commission
24. Committee Assignments for 2016 (There was no discussion on this agenda item)
25. Port Commission Review Calendar/Follow Up Items (There was no discussion on this agenda item).

Discussion: Vice-chairman Smith commented that a few outstanding issues have no specified timeline, for example, sublets/end-ties/partnerships.

Chairman Goddard adjourned the regular public session at 9:04 PM



Toby Goddard, Chairman (2016)