



TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: January 17, 2025

SUBJECT: Approval of Resolution 25-01 – finding that an emergency exists that will not permit a delay resulting from a competitive solicitation for bids; and that emergency repair work is necessary to respond to the emergency; and waiving the competitive bidding process; and authorizing the Port Director to enter into a contract with Cushman Construction Corporation in an amount not-to-exceed \$1,500,000 for emergency dock repair in the north harbor.

Recommendation: Approve Resolution 25-01, waiving the competitive bidding process for emergency dock repair work, and authorizing the Port Director to execute a contract with an established not-to-exceed amount of \$1,500,000.

BACKGROUND

The Port Commission previously declared an emergency at Santa Cruz Harbor due to conditions of extreme peril that arose on December 23, 2024, as a result of a major surge event (Attachment B). Impacts from the surge event caused considerable damage to the Port District's marine infrastructure, including pilings, docks, utility service, and other critical equipment. Recovery efforts within the harbor remain ongoing.

Under emergency authorization (Attachment C), staff contracted with Cushman Construction Corporation (Cushman) to mobilize response efforts and perform emergency dock repairs and debris removal work in the north harbor. Cushman arrived onsite during the week of December 30, 2024, and has successfully completed temporary repairs to portions of G and X-Dock, which has restored approximately 19 out of the 97 damaged berths in the north harbor. Additionally, other minor debris removal, dock work, and pile guide repair has occurred.

More extensive dock repairs are necessary, primarily from the X-1 to X-2 gates, to restore critical berthing capacity ahead of the upcoming Murray Street Bridge Project (commencement anticipated in Spring 2025) and while permanent design plans for the north harbor are developed and prioritized.

ANALYSIS

Cushman has provided a total lump sum quote of \$1,500,000 for approximately 68 days of work (including demobilization) that includes labor and material for the following:

X-1 Dock

Slips 3 & 12	Repair Pile Bracket and End of Dock
Slips 13-21	Repair 5 Fingers and Decking
Slips 23-24	Repair Finger and Decking
Slips 25-26	Cut Flush and Check Pile
Slips 27-28	Repair Fingers and Dive/Remove Submerged Objects
Slips 29-30	Repair Finger and End of Dock
Slips 34-35	Repair Finger and End of Dock

X-2 Dock

Slips 34-40 Repair Fingers and Decking
Slips 41-50 Remove 4 Piles and Cut Docks Flush
Slips 41-50 Connect and Build Missing Dock Sections

G Dock

Miscellaneous Repairs and Finger Installation
Remove Submerged Objects

Upon completion of this work, it is anticipated that berthing for approximately 43 vessels will be restored, bringing the total number of repaired berths in the north harbor to 62.

IMPACT ON PORT DISTRICT RESOURCES

All costs associated with the storm surge recovery efforts are unanticipated expenses in the FY25 budget. The County of Santa Cruz (on behalf of the Port District) has submitted a formal request for disaster recovery assistance to the California Governor's Office of Emergency Services (CalOES) and is currently awaiting a determination. If disaster recovery assistance is made available, 75% of eligible debris removal and reconstruction costs become reimbursable by CalOES, with the remaining 25% covered by the Port District. (This disaster event is not anticipated to receive any recovery assistance from the Federal Emergency Management Agency (FEMA)).

Completion of this emergency work by Cushman is necessary to restore critical berthing and access in the north harbor. To fund the repairs, the Commission may elect to utilize reserve funding or unrestricted cash.

The Port District's available cash balance as of January 15, 2025, is approximately \$9.4 million (Attachment D).

The Port District's Reserve Fund currently totals \$1,836,776. As indicated in the Reserve Fund Policy (Attachment E), conditions on use are generally limited to unanticipated, non-recurring needs (i.e., unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances that the District may face on an infrequent basis). If the Commission elects to utilize reserve funding for this project, a subsequent resolution for appropriating the funds will occur at an upcoming meeting.

ATTACHMENTS: A. Resolution 25-01
 B. Resolution 24-10
 C. Resolution 24-11
 D. Cash on Hand – January 15, 2025
 E. Reserve Fund Policy

Santa Cruz Port District
Resolution No. 25-01

January 21, 2025

A resolution finding, with regard to Santa Cruz Harbor, that an emergency exists that requires the immediate expenditure of public funds to safeguard life, health and property without a competitive solicitation of bids to respond to the emergency; and authorizing the Port Director to enter into a contract with Cushman Construction Corporation in an amount not-to-exceed \$1,500,000 for emergency dock repair in the north harbor.

RESOLVED, by the Santa Cruz Port District Commission, State of California, acting as the governing board of the Santa Cruz Port District, that

WHEREAS, Santa Cruz Harbor was inundated by a series of powerful surge waves beginning on December 23, 2024; and,

WHEREAS, the surge waves caused significant damage throughout the harbor including, but not limited to, damage to pilings, docks, utility service, and critical equipment, the full extent of which is still being assessed; and,

WHEREAS, the Santa Cruz Port District Commission acted to declare an emergency on December 23, 2024; and,

WHEREAS, the Director of Emergency Services of the County of Santa Cruz proclaimed the existence of a local emergency on December 24, 2024, due to the surge event; and,

WHEREAS, the integrity and serviceability of damaged docks, pilings, and other infrastructure necessitate immediate emergency repair to protect the environment, safeguard property, and ensure public safety and navigability of harbor waters; and,

WHEREAS, the marine environment, public interest, and general welfare will be served by performing emergency repair work in an expedited manner; and,

WHEREAS, the Santa Cruz Port District Commission has authority to waive the formal bidding requirements when it determines that an emergency exists that requires the immediate expenditure of public money to safeguard life, health and/or property and that it is in the best interest of the Santa Cruz Port District to respond to such emergency.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. It is found that an emergency exists at Santa Cruz Harbor that requires the immediate expenditure of public money to safeguard life, health and/or property that will not permit a delay resulting from a competitive solicitation for bids, and that emergency repair work is necessary to respond to such emergency.
2. It is found that docks, pilings, and other critical infrastructure are required to secure vessels against ordinary tidal movements, storm surges, and other events; that north harbor docks, primarily G-Dock and X-Dock sustained significant damage during the surge event resulting in a loss of berthing capacity; and that that emergency repair work is necessary to restore berthing capacity and mitigate against additional damage that may arise in the event of additional storm surges or other events.

ATTACHMENT A

3. It is found that Cushman Construction Corporation is experienced with working in the conditions prevalent in the Santa Cruz Harbor, and has experience performing emergency reconstruction work.
4. The Port Director is authorized to enter a contract with Cushman Construction Corporation for emergency repair work, with a not-to-exceed amount established by the Commission, in order to safeguard life, health and/or property without a competitive solicitation for bids.
5. It is determined to be in the best interests of the Santa Cruz Port District that the requirements under the Port District's Ordinance Section 108, Contracting, be waived in connection with the contracts necessary to respond to the emergency, if determined by the Port Director to be necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED THAT THE Santa Cruz Port District Commission hereby approves Resolution 25-01, finding, with regard to Santa Cruz Harbor, that an emergency exists that requires the immediate expenditure of public funds to safeguard life, health and property without a competitive solicitation of bids to respond to the emergency; and authorizing the Port Director to enter into a contract with Cushman Construction Corporation in an amount not-to-exceed \$1,500,000 for emergency dock repair in the north harbor.

PASSED AND ADOPTED, by the Santa Cruz Port District Commission this 21st day of January 2025, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

APPROVED BY:

Toby Goddard, Chair
Santa Cruz Port Commission

Santa Cruz Port District
Resolution 24-10

**DECLARATION OF EMERGENCY AT SANTA CRUZ HARBOR
SURGE EVENT OF DECEMBER 23, 2024**

A declaration of emergency at Santa Cruz Harbor by the Santa Cruz Port District Commission.

WHEREAS, the Santa Cruz Port District Commission does hereby declare that:

- I. Conditions of extreme peril to the safety of persons and property arose on December 23, 2024, within Santa Cruz Harbor as a result of a major surge event, thereby causing major damage to Santa Cruz Harbor and threatening and damaging public and private properties; and,
- II. The significant surge event caused damage throughout the harbor including, but not limited to, damage to pilings, docks, utility service, and critical equipment; and,
- III. That the emergency will cause Santa Cruz Harbor to seek public assistance including all levels of state and federal aid; and,
- IV. That the aforesaid conditions of extreme peril warrant and necessitate the proclamation of the existence of an emergency at Santa Cruz Harbor.

Now, therefore, be it resolved that the Santa Cruz Port District Commission, under emergency meeting provisions of the Brown Act, does declare that an emergency situation exists that severely impairs public health and safety and has caused significant damage to Santa Cruz Harbor; and,

It is further declared and ordered that said emergency declaration shall remain in effect until terminated by the Santa Cruz Port District Commission.

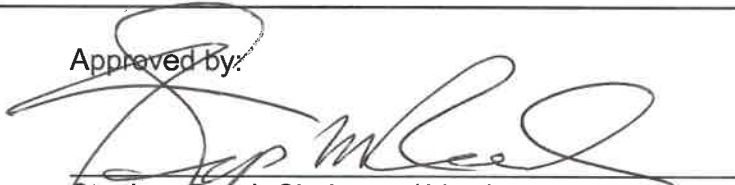
PASSED AND ADOPTED, by the Santa Cruz Port District Commission this 23rd day of December 2024, at a special emergency meeting of the Commission, by the following vote:

AYES: REED, GEISREITER, GODDARD, LEE, DEWITT _____

NOES: N/A _____

ABSENT: N/A _____

Approved by:



Stephen Reed, Chairman (2024)
Santa Cruz Port Commission

Santa Cruz Port District
Resolution No. 24-11

December 23, 2024

A resolution finding, with regard to Santa Cruz Harbor, that an emergency exists that requires the immediate expenditure of public funds to safeguard life, health, and property without a competitive solicitation of bids to respond to the emergency; and authorizing the Port Director to enter into contracts up to \$150,000 each to address the emergency without a competitive solicitation for bids.

RESOLVED, by the Santa Cruz Port District Commission, State of California, acting as the governing board of the Santa Cruz Port District, that

WHEREAS, Santa Cruz Harbor was inundated by a series of powerful surge waves beginning on December 23, 2024; and,

WHEREAS, the Santa Cruz Port District Commission acted to declare an emergency on December 23, 2024; and,

WHEREAS, the surge waves caused significant damage throughout the harbor including, but not limited to, damage to pilings, docks, utility service, and critical equipment; and,

WHEREAS, immediate emergency repair is required to restore the integrity and serviceability of harbor infrastructure, to protect the environment, safeguard property, ensure public safety, and ensure public access and navigability of harbor waters; and,

WHEREAS, the marine environment, public interest and general welfare will be served by performing emergency repair work in an expedited manner; and,

WHEREAS, contractors must be selected utilizing a streamlined process in order to complete repairs, prevent further damage, provide protection of existing harbor infrastructure, and such other work as may be deemed necessary during and immediately after the emergency response; and,

WHEREAS, the Santa Cruz Port District Commission has authority to waive the formal bidding requirements when it determines that an emergency exists that requires the immediate expenditure of public money to safeguard life, health and/or property and that it is in the best interest of the Santa Cruz Port District to respond to such emergency.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. It is found that an emergency exists at Santa Cruz Harbor that requires the immediate expenditure of public money to safeguard life, health and/or property that will not permit a delay resulting from a competitive solicitation for bids, and that emergency repair work is necessary to respond to such emergency.
2. The Port Director is authorized to enter into individual contracts for emergency repair work up to \$150,000 to address the emergency and to safeguard life, health and/or property without a competitive solicitation for bids.

3. It is determined to be in the best interests of the Santa Cruz Port District, that the requirements under the Port District's Ordinance Section 108, Contracting, be waived in connection with the contracts necessary to respond to the emergency, if determined by the Port Director to be necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED THAT THE Santa Cruz Port District Commission hereby approves Resolution 24-11, finding, with regard to Santa Cruz Harbor, that an emergency exists that will not permit a delay resulting from a competitive solicitation for bids, and that emergency repair work is necessary to safeguard life, health and/or property and respond to the emergency; and authorizing the Port Director to enter into individual contracts up to \$150,000 to address the emergency without a competitive solicitation for bids.

PASSED AND ADOPTED, by the Santa Cruz Port District Commission this 23rd day of December 2024, by the following vote:

AYES: REED, GEISREITER, GODDARD, LEE, DEWITT _____

NOES: N/A _____

ABSENT: N/A _____

APPROVED BY:



Stephen Reed, Chairman (2024)
Santa Cruz Port Commission

CASH FLOW PROJECTION

1/15/2025

SOURCE/LOCATION

CASH ON HAND	20,829,049
MONTHLY REVENUES	800,000
MONTHLY EXPENSES	(750,000)
DEBT SERVICE	
INSURANCE PREMIUMS	
ESTIMATED CASH ON HAND->>>	20,879,049

Fund

Dredge Intermediate	160,205
Reserve Fund	1,836,776
Cap. Improv.	9,317,415
Election	138,449
PEMHCA	0
Total Designated Funds	\$ 11,452,845
Comerica	954,957
LAIF + CLASS	19,874,092
Total Cash on Deposit	\$ 20,829,049
Available Cash	\$ 9,376,204
BBVA Reserve	1,057,277
TOTAL CASH	\$ 10,433,481
Cash Available (not held @ BBVA)	\$ 9,376,204



Santa Cruz Port District
GENERAL FUND RESERVE POLICY

*Adopted by the Santa Cruz Port Commission
November 24, 2015*

ATTACHMENT E

RESERVE POLICY OBJECTIVES

To strengthen the financial stability of the District against economic uncertainty, unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances that the Port District may face that are infrequent in occurrence.

TARGET AMOUNT HELD IN RESERVE

The Port District will strive to hold in reserve an amount equal to 25 percent of the District's annual operating expenses in the current fiscal year's adopted general fund budget. The District recognizes that reserve fund amount may fluctuate and may need to be rebuilt over time as needed.

FUNDING SOURCES

The reserve fund will generally come from one-time revenue and from excess revenues over expenditures. Examples of one-time revenue include infrequent sales of Port District assets, infrequent revenues from development and grants, or other sources that are typically non-recurring in nature.

CONDITIONS ON USE OF RESERVES

The use of reserves shall generally be limited to unanticipated, non-recurring needs. Reserve fund balances shall not be used for normal or recurring annual operating expenditures.

The Port Director shall make recommendations to the Port Commission for use of reserves. Appropriations from this reserve fund shall require a resolution approved by the Port Commission.

Requests for use of reserves shall occur only after exhausting the current year's budgetary flexibility. The Port Director shall, within six months of its use, present to the Port Commission a plan and timeline for replenishing the reserve fund.