



Regular Public Session of November 26, 2019

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Dennis Smith Chairman
Stephen Reed Vice-chairman
Toby Goddard Commissioner

Commission Members Absent:

Darren Gertler Commissioner

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Smith 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: Chairman Smith began the meeting with a moment of silence to honor Commissioner Cardoso, who passed away on November 20, 2019.

CONSENT AGENDA

3. Approval of Minutes
 - a) Special Closed and Special Public Session of October 29, 2019.
4. Approval of Sublease Agreement from O'Neill Sea Odyssey
(Tenant: Dr. Donald Markle)
5. Approval of Sublease Agreement from Clean Oceans International
(Tenant: C. Frank)

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve the consent agenda.
- *Motion carried. Commissioner Gertler ABSENT.*

REGULAR AGENDA

6. Presentation by Fisheries Biologist Michael O'Farrell, National Marine Fisheries Service.

Discussion: Research Fish Biologist for National Marine Fisheries Service, Michael O'Farrell, presented an overview of current and anticipated impacts on the commercial and recreational salmon fishery in Monterey Bay.

7. Approval of Ordinance 19-05 and Lease for Restaurant Business to be located at 616 Atlantic Avenue, Santa Cruz, CA 95062. (Tenant: A&I Olivieri, LLC, dba Aldo's Harbor Restaurant)

Discussion: Port Director Olin stated that the District has worked closely with Aldo's proprietor, Mauro Olivieri, over the last several years to develop this long-term lease agreement.

Port Director Olin reviewed the basic terms of the ground lease:

- 25 years, with 3, 5-year options, effective January 1, 2020.
- Ground Lease: Tenant shall construct a new restaurant building and deck with a public walkway on the premises at Tenant's sole cost and expense.
- Leasehold Mortgage: Tenant shall have the right to obtain financing for the cost of constructing the tenant improvements, including a new restaurant building.
- Additional rent of \$1,445.55/month for the full term of the lease including each extended term will be paid to the District for the Tenant's share of seawall cost.

Port Director Olin stated that Ordinance 19-05 complies with and was advertised in accordance with H&N Code Section 6270.

Chairman Smith thanked Port Director Olin and staff for all of the work associated with the seawall replacement project, as well as negotiating a new lease agreement with Aldo's. Vice-chairman Reed and Commissioner Goddard agreed.

Mr. Olivieri expressed appreciation to the Commission and staff for their support through the planning and lease negotiations process.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve Ordinance 19-05, awarding a 25-year lease with 3, 5-year options to A&I Olivieri for a restaurant building to be located at 616 Atlantic Avenue, Santa Cruz, CA, commencing January 1, 2020.
- *Motion carried. Commissioner Gertler ABSENT*

8. Award Contract for Garbage Hauling and Recycling Services (NTE \$39,000 annually)

Discussion: Facilities Maintenance and Engineering Manager Kerkes stated that the City of Santa Cruz has discontinued recycling service to the District publicly available recycling containers, due to high contamination in the receptacles. He stated that for the last three months, maintenance staff has been collecting and sorting the recycling as a short-term solution to the problem.

FME Kerkes stated that discussions with the City will need to continue, but in the interim, NMH Maintenance, the District's current garbage contractor, is available to perform the collection and sorting of recycling as an add-on service to the current contract.

Port Director Olin stated that the lids on the remaining recycling receptacles will be altered in an attempt to combat contamination. She stated that discussions with the City will continue after a longer-term solution is reached.

Port Director Olin noted that the Commission funded \$10,000 in the Capital Improvement Program to study how to better manage the harbor's garbage and recycling, but that effort has not yet started. She stated that this new contract is intended to address an immediate problem, but it is not a long-term solution and she acknowledged that further work will be needed.

In response to a question posed by Commissioner Goddard, Port Director Olin stated that staff will perform outreach to landside concessionaires to inform them of recycling receptacle locations.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to authorize the Port Director to execute a contract with NMH Maintenance for regular and on-call garbage and recycling hauling services in an amount not to exceed \$39,000 annually.
- *Motion carried. Commissioner Gertler ABSENT.*

9. Election of Port Commission Officers 2020 (*Item tabled*)

10. Approval of Cash / Payroll Disbursements – November 2019

Discussion: In response to a question posed by Commissioner Goddard, FME Kerkes confirmed that Warrant #52544 – *Twin Lakes Jet Pump*, was for the purchase of a spare jet pump.

Chairman Smith commented that Warrant #52536 – California Special District Annual Memberships in the amount of \$7,815 and Warrant #5237 – City of Santa Cruz Finance Department Annual Stormwater User Charges in the amount of \$8,830 are both significant expenses to the Port District.

MOTION: Motion made by Commission Goddard seconded by Vice-chairman Reed, to approve cash/payroll disbursements for November 2019, in the amount of \$1,853,096.03.
- *Motion carried. Commissioner Gertler ABSENT.*

INFORMATION

11. Port Director's Report

Aldo's Seawall Project

Port Director Olin stated that Granite Construction concluded tieback and concrete strength testing. She stated that temporary fencing is being installed and crews are currently working to complete the decking on the public pier. The project is on schedule to be completed by November 30, 2019.

2019-20 Dredge Season

Port Director Olin stated that entrance channel dredging commenced on November 4, 2019, which is the earliest start in the last eight years. She stated that the crew continues to make good progress digging in the entrance but will need to stop dredging to repair the cross-channel pipe during the next several days.

Boatyard Marine Ways Pile Replacement Project

Port Director Olin stated that the Boatyard Marine Ways Pile Replacement Project has been completed as a change order to the Phase II Pile Repair and Replacement Project.

Pappy Display Cradle Project

Port Director Olin updated the Commission on the *Pappy* Display Cradle Project, stating that the project is currently out to bid. Bids are due Tuesday, December 3, 2019, at 11:00 AM.

Claims

Port Director Olin stated that the following claims have been settled:

- Roberts - \$289.10 for vehicle damage
- Wilson - \$250.00 for vessel damage

Lighted Boat Parade Harbor Business Meeting

Port Director Olin stated that a Harbor Business Roundtable Meeting was held on Monday, November 25, 2019, to discuss the upcoming Light Boat Parade Event. Representatives of the Coast Guard Auxiliary and the Santa Cruz Yacht Club were in attendance.

December Commission Meeting

Port Director Olin announced that the Regular Public Session of December 24, 2019, has been rescheduled to December 17, 2019, at 7:00 PM.

12. Harbormaster's Report

Interim Harbormaster Anderson reported that a pre-construction meeting for the District's replacement patrol boat is tentatively scheduled for December.

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

FME Manager Kerkes reported that Bellingham Marine has completed installation of new pile rings and caps to conclude Phase II of the Pile Repair and Replacement Project.

FME Manager Kerkes reported that the new jet ring accessory for the Toyo pump has been installed and tested and performs effectively.

Commissioner Goddard expressed appreciation toward staff for efficiently working as a team to complete Phase II of the Pile Replacement Project in this fiscal year.

14. Delinquent Account Reporting *(There was no discussion on this agenda item)*
15. Review of Financial Reports *(There was no discussion on this agenda item)*
 - a) Comparative Seasonal Revenue Graphs
16. Crime/Incident/Citation Report – October 2019 *(There was no discussion on this agenda item)*
17. Port Commission Review Calendar / Follow-Up Items

Chairman Smith recommended staff add a future item on the calendar to discuss development and reconfiguration options for the District's 7th Avenue dry storage yard and provide funding in the FY21 budget.

Chairman Smith adjourned the regular public session at 8:20 PM.



Dennis Smith, Chairman