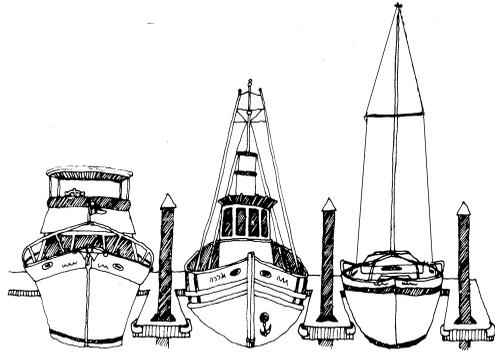

Santa Cruz Harbor

AN OVERVIEW OF THE SANTA CRUZ PORT DISTRICT



Gateway to the Monterey Bay National Marine Sanctuary

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EARLY YEARS

Local boaters, commercial fishermen, businessmen, and residents had sought the construction of a harbor in Santa Cruz County since before the turn of the century.

The Santa Cruz coast was first surveyed by the Army Corps of Engineers for a possible harbor of refuge in 1879. It was not until after World War II, however, that a strong enough local support group was organized to secure the attention and backing of the state and federal governments. In 1949, Santa Cruz was resurveyed by the U.S. Army Corps of Engineers. The Corps strongly recommended the formation of a local, special district to lead and administer the harbor development and to manage the harbor after completion.

THE PORT DISTRICT IS FORMED

Citizen groups obtained 3,000 signatures and presented them to the County Board of Supervisors, who authorized an election. The election, held in 1950, officially formed the Santa Cruz Port District under the guidelines of the State of California Harbors and Navigation Code. The purpose of the district was to provide and manage small craft harbor facilities in Santa Cruz County. Several sites were evaluated for the harbor, including both Neary's and Wood's Lagoons. Wood's Lagoon (the other "Twin Lake" to Schwan Lagoon) was eventually selected by the Corps of Engineers. This site, however, has proven to be problematic, as there are no natural features to support a sheltered harbor entrance. In fact, its close, down-coast and down-drift proximity to the San Lorenzo River mouth has had a major, negative impact on the harbor entrance. The original boundaries of the Port District were drawn to coincide with those of the Santa Cruz City Schools. This boundary includes the entire City of Santa Cruz and most of Live Oak and Pasatiempo areas. By legal definition a "Port District" may contain only one incorporated city, which in our case is the City of Santa Cruz. A 10 cent (per hundred dollars of assessed value) tax on real property in the district was also authorized by the election. The funds generated by this assessment

were viewed as "seed money" to provide start-up capital for the harbor and to create a business and recreational climate centered around boating that would stimulate the Santa Cruz economy and provide other forms of local tax income.

In 1958, with tremendous local and state support, HD 357 was passed and was the fundamental federal legislation that authorized the Santa Cruz Small Craft Harbor and Beach Erosion Project. There were several key concepts in HD 357 that have proved quite important to the Port District since 1958. They are the concepts of littoral drift of sand; beach stabilization; annual federal dredging; federal ownership of the harbor entrance channel; and the eventual need for a permanent sand bypass system paid for by cost-sharing between the federal government and the Port District.

SANTA CRUZ SMALL CRAFT HARBOR BECOMES A REALITY

Between 1958 and 1960, the State Department of Parks and Recreation began acquiring land for the harbor itself and its supporting parking and concession areas.

In 1962, Congress appropriated \$1.6 million for jetty construction and the dredging of the original south harbor basin.

Loans from the State Department of Harbors & Watercraft (now called "Division of Boating and Waterways") were obtained, totaling \$3 million, to pay for the cost of the pilings, docks, restrooms, and parking facilities. The local share (35.1%) of the federally built jetty system was paid for by the Port District from property tax funds accumulated since 1951.

To grant these loans, the state required that Santa Cruz Harbor be built as a state or regional resource. Hence, the Port District is mandated to provide equal boating opportunities to all residents of the state, not just Santa Cruz County or Port District residents. Construction actually began on the south

harbor in 1962, with the facility being completed in 1964. 360 slips were dedicated.

THE NORTH HARBOR EXPANSION

The south harbor proved to be a success and generated interest in expansion. A state planning loan was obtained in 1968 to study the physical and economic feasibility of adding more slips north of the Murray Street Bridge. The studies were positive, additional state loans of \$5 million were secured, and 455 more slips were completed in 1973.

HARBOR USER GROUPS

Santa Cruz Harbor now has space for approximately 1,000 wet-berthed and 275 dry-stored vessels. Roughly 15% of these vessels are commercial fishing boats, 37% pleasure power boats, and 48% pleasure sailboats. The official name of this harbor is Santa Cruz Small Craft Harbor. "Small Craft" is fitting as the design depth of inner-harbor fairways is 10' MLLW and berthing areas are 8' MLLW. 75% of our current boaters are Santa Cruz County residents. Of the approximately 1,000 persons waiting for slip space, 66% are from Santa Cruz County. Approximately 10,000 visitor-nights are spent each year by boaters using Santa Cruz as a harbor of refuge and the launch ramp is used about 19,000 times per year. There are also about 2,000 local people who crew on boats regularly, and many hundreds of thousands of people who enjoy the harbor's concessions, beaches, and grounds.

PORT DISTRICT ADMINISTRATION

The Port District itself is a municipal corporation and a political sub-division of the State of California.

The Santa Cruz Port District is governed by a five-person Board of Commissioners. The Commission is elected at-large by the voting residents of the Port District. Commissioners receive no pay for their service and are elected to four-year seats. The basic responsibilities of the Port District Commission are to set the policies of the Port District, approve the yearly operating budget, govern land-use questions,

and act as judge for any tenant disputes over policy or enforcement of Port District regulations.

The Commission directly hires the Port Director to act as an officer of the municipal corporation.

The Port District provides for nearly all its own services, including maintenance, security, financial and administrative functions. It is very much like a small city, operating within the City of Santa Cruz boundaries. The only outside services required are for major fire suppression, City of Santa Cruz Police and Santa Cruz County Sheriff's Department assistance in jail transports and booking for criminal offenses committed in the harbor; and City of Santa Cruz City Schools supports any children who liveboard boats in the harbor. The Port District voluntarily acts as a "Good Samaritan" using its harbor patrol boat to assist the Coast Guard and local agencies in year-round emergency ocean rescue and law enforcement services. If another local agency had to provide this service, it would cost several hundred thousand dollars each year. Twenty-seven full-time equivalent employees and seasonal staff provide harbor services over seven days a week, twenty-four hours a day, year round.

Slip licenses are not allowed to be sold or transferred in any way with the sale of a boat. Slips are assigned through a chronological waiting list system. Approximately 10% of our total slips are reassigned through the waiting list each year; this percentage compares very favorably with other California harbors.

HARBOR ECONOMICS

There are ten major concessions and over 30 other smaller businesses which operate directly out of the harbor. These businesses employ approximately 800 people. The Port District's economic generation (direct sales) is approximately \$16.8/million per year to Santa Cruz County. There are also many other harbor-related businesses, not located on harbor property, which contribute significantly to the local economy.

The Port District operates as a government-owned business, funded entirely by user fees. By agreement with the City and the County of Santa Cruz, the Port District divested itself of all property tax income. Personal property and possessory interest taxes paid by boat owners and businesses in the harbor generate approximately \$537,000 back to the County. Also, of the over \$600,000 in sales taxes generated by harbor businesses, the State receives \$436,000 and the City, County and Transit District receive \$164,000. The Port District does not receive any portion of the personal property, possessory interest, or sales taxes which it generates. These revenues go to other governmental agencies and therefore directly benefit local taxpayers by paying for some of the services provided by those agencies.

HARBOR ENTRANCE SHOALING / DREDGING

The problem of winter shoaling of the harbor entrance has plagued the Port District since 1964. The harbor was placed by the U.S. Army Corps of Engineers in an area of the coastline where there are no natural features to support a safe and deep entrance. In fact, the harbor's proximity to the San Lorenzo River and the drift of its run-off sand eastward substantially worsens the shoaling problem. The original federal legislation (HR357) passed in 1958 contained the provision for the federal government and Port District to cost-share a harbor-based dredge, with the Port District then providing the yearly operating and maintenance funds. Between the years 1964 and 1986, the federal government chose to provide yearly maintenance dredging of the harbor entrance by contract rather than supply the Port District with a dredge. Although this solution was free to the Port District, it was fraught with problems. The Port District could never rely on a level of federal funding from year to year and would not know whether any funding was available until October 1 of each year, with the entrance problems usually beginning in November or December. The tightening of the federal budget in response to deficit problems continued to make this problem worse. The Port District began earnestly pressing

the Corps of Engineers to implement their federally mandated solution (the cost-shared, harbor-based dredge) in 1980. Federal funding was obtained in 1986 for the federal government's share of the dredging system.

In March, 1986, with authorized federal funding, the District purchased the dredging system. This system included a dredge, a dredge-tending workboat, pipeline, floating pontoons, and a number of pieces of landside equipment. The total cost of the system was approximately \$2.3 million, with the federal government paying 80%. The Port District brought this system on-line on October 1, 1986 with the first year's operation being the winter of 1986-87.

The Port District now pays for the yearly operating and maintenance expenses of the dredge, which currently cost approximately \$1 million. With the Port District finally in control of the dredging operation, the District has been able to keep the harbor entrance open and safe a substantially greater amount of time. However, because of the high cost of dredging, the Port Commission and staff are actively exploring ways to reduce and offset costs.

ANCHOVY KILL PROBLEM

Four times in the history of the harbor (1964, 1974, 1980, 1984), large schools of anchovies have entered the inner harbor area, consumed all of the available oxygen in the water and died. The estimates of the size of the schools of fish that have died are in the 1,000-2,000 ton range. For over ten years, the Port District has been actively seeking to identify solutions to this problem. A primary solution that has been identified and has been implemented is mechanical aeration of the water. Currently, 30 aeration units aerate the water as needed during the summer months. It is possible, however, that the size of schools of fish could be large enough that even the artificial aeration is overwhelmed. Other experiments have occurred, including establishing a net system to try to physically keep the fish from entering the harbor. Work has also been done with a variety of sound sources which hopefully are such that the fish will

avoid the source of sound and stay out of the harbor. None of these potential solutions are, however, completely able to guarantee that the harbor will not experience another fish kill. This problem is a difficult, naturally occurring phenomenon; the Port District staff is continuing to look at every possible solution.

COMMISSION MEETINGS

Commission meetings are held the fourth Tuesday of each month at 7:00 pm. Items for the agenda need to be submitted to the Port Director by the Tuesday prior to the meeting date of each month. The public is welcome to attend Commission meetings. There is a time set aside at each Commission meeting for "oral communication" in which any public member can address the Commission and staff on harbor-related topics. Public meetings are usually held at the Harbor Public Meeting Room, 365-A Lake Avenue, Santa Cruz.