



Board of Harbor Commissioners of the Crescent City Harbor District

Ronald A. Phillips, President

Patrick A. Bailey, Secretary

James Ramsey, Commissioner

Brian L. Stone, Commissioner

Wes White, Commissioner

AGENDA

Board of Harbor Commissioners of the Crescent City Harbor District

At the **Harbor District Office meeting room**

101 Citizens Dock Road, Crescent City, California 95531

Special Meeting

Tuesday, October 10, 2017

5:30 P.M.

The Board of Harbor Commissioners of the Crescent City Harbor District is now meeting in special session. Only those items that indicate a specific time will be heard at the assigned time. All other items may be taken out of sequence to accommodate the public and staff availability.

5:30 p.m. The Board of Harbor Commissioners will meet in open session to discuss the following agenda items.

Pledge of Allegiance

Public Comment

Public comments are welcomed and encouraged by the Board. The President invites anyone in the audience to speak to the Board of Harbor Commissioners to identify themselves and the matter they wish to discuss. The Harbor Commission will then determine if such matters should be discussed at this time or scheduled for a subsequent meeting. As per the District's bylaws, each speaker shall be limited to a maximum of three (3) minutes.

1. **Consent Agenda**

Requests to remove items from the Consent Agenda may be heard at this time

- A) Approval of the warrant list since the October 3, 2017 Harbor Commission Meeting
- B) Approval of the minutes of the October 3, 2017 Harbor Commission Regular Meeting
- C) Approval of the minutes of the October 3, 2017 Harbor Commission Special Meeting

2. **Review and discuss Ordinance 48 proposal update.** Discuss, edit as needed, approve and direct staff accordingly.

3. **Presentation by David Finigan, Realtor, in response to the Harbor Commission's request for Real Estate Professional representation in lease property marketing.** Mr. Finigan will address the Commission about the Harbor's representation request.

4. **Discuss allowing use of Dr. Richard Young's research data by Humboldt State University.** George Williamson, Planwest, requested permission to use Dr. Young's data in a Fishing Community Sustainability study

5. **Tutorial on Chrome Book notebook usage and protocol for Harbor Commissioners and staff.**

6. **Presentation of delinquent uncollectible accounts.** Review accounts and reason why they are uncollectible and direct staff on how to proceed.

7. **CEO Report**

8. **Commissioner Reports.** Reports from Commissioners who represent the Harbor District on the Chamber of Commerce, Tri-Agency, Inter Governmental Relations Committee, Harbor Safety Committee and any other civic or community groups and from any current ad hoc committees

9. **Board Comments.** The Agenda allows Board of Harbor Commission members the opportunity to discuss items of general interest, provide a reference or other resource to staff and to ask for clarification or request staff to report to the Board on certain matters

10. **Adjournment**

***** Adjournment to the Board of Harbor Commissioners meeting scheduled for Tuesday, November 7, 2017 at 5:30 P.M. at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California.**

Crescent City Harbor District
Warrant List

September 29 through October 8, 2017

Type	Num	Date	Name	Account	Class	Paid Amount	Original Amount
Check	2983	10/03/2017	FASHION BLACKSMITH	1040 · CCHD US Bank Operating 4766			-10.47
				4020.20 · Electric Use Income	1:CCHD	-10.47	
						<u>-10.47</u>	
Paycheck	2974	10/04/2017	BELCASTRO, ERIC	1040 · CCHD US Bank Operating 4766			-153.57
Paycheck		10/04/2017	FANSLER, TRACI L	1040 · CCHD US Bank Operating 4766			-1,704.61
Paycheck		10/04/2017	FEARS, TERI L	1040 · CCHD US Bank Operating 4766			-261.52
Paycheck		10/04/2017	GROGAN, MARK C	1040 · CCHD US Bank Operating 4766			-1,209.34
Paycheck		10/04/2017	HELMS, CHARLES A	1040 · CCHD US Bank Operating 4766			-2,036.62
Paycheck	2977	10/04/2017	KING, KARL K	1040 · CCHD US Bank Operating 4766			-853.36
Paycheck	2978	10/04/2017	NEWPORT, BILLY JOE	1040 · CCHD US Bank Operating 4766			-975.03
Paycheck	2982	10/04/2017	SALVARESSA, RICHARD	1040 · CCHD US Bank Operating 4766			-1,362.62
Paycheck		10/04/2017	HANKS, JUSTIN C	1040 · CCHD US Bank Operating 4766			-823.13
Paycheck		10/04/2017	TAVASCI, LANE D	1040 · CCHD US Bank Operating 4766			-1,206.63
Paycheck		10/04/2017	BAILEY, PATRICK A	1040 · CCHD US Bank Operating 4766			-147.51
Paycheck		10/04/2017	BODMER, CECLIA	1040 · CCHD US Bank Operating 4766			-134.22
Paycheck	2975	10/04/2017	CHA, SAI	1040 · CCHD US Bank Operating 4766			-326.95
Paycheck	2976	10/04/2017	DANNER, MARC	1040 · CCHD US Bank Operating 4766			-311.07

Crescent City Harbor District
Warrant List
September 29 through October 8, 2017

Type	Num	Date	Name	Account	Class	Paid Amount	Original Amount
Paycheck		10/04/2017	DUCKEY, SHANNON	1040 · CCHD US Bank Operating 4766			-474.93
Paycheck		10/04/2017	ENOS, JACOB	1040 · CCHD US Bank Operating 4766			-263.65
Paycheck		10/04/2017	ESSARY, BARBARA	1040 · CCHD US Bank Operating 4766			-545.00
Paycheck		10/04/2017	PHILLIPS, RONALD	1040 · CCHD US Bank Operating 4766			-107.51
Paycheck	2979	10/04/2017	RAMSEY, JR, JAMES K	1040 · CCHD US Bank Operating 4766			-115.51
Paycheck	2980	10/04/2017	REGIS, WILLIAM	1040 · CCHD US Bank Operating 4766			-320.40
Paycheck	2981	10/04/2017	RIVENBURGH, DAVID	1040 · CCHD US Bank Operating 4766			-400.79
Paycheck		10/04/2017	SHAFER, BRANDON	1040 · CCHD US Bank Operating 4766			-246.80
Paycheck		10/04/2017	SHANNON, TIFFANY R	1040 · CCHD US Bank Operating 4766			-454.29
Paycheck		10/04/2017	STONE, BRIAN	1040 · CCHD US Bank Operating 4766			-146.06
Paycheck		10/04/2017	TUBBS, PATRICE	1040 · CCHD US Bank Operating 4766			-449.13
Paycheck		10/04/2017	WHITE, WES	1040 · CCHD US Bank Operating 4766			-147.51
Check		10/02/2017	BAILEY, P	1040 · CCHD US Bank Operating 4766			-104.90
				6352 · Medical-Commissioners	1:CCHD	-104.90	
						-104.90	
Check		10/02/2017	Brian L Stone	1040 · CCHD US Bank Operating 4766			-149.57
				6352 · Medical-Commissioners		-149.57	

Crescent City Harbor District
Warrant List

September 29 through October 8, 2017

Type	Num	Date	Name	Account	Class	Paid Amount	Original Amount
Check		10/02/2017	PHILLIPS,R	1040 · CCHD US Bank Operating 4766		-149.57	-269.75
				6352 · Medical-Commissioners	1:CCHD	<u>-269.75</u>	
						<u>-269.75</u>	
Check		10/02/2017	WHITE, W	1040 · CCHD US Bank Operating 4766			-298.00
				6352 · Medical-Commissioners	1:CCHD	<u>-298.00</u>	
						<u>-298.00</u>	
Liability Check	E-pay	10/02/2017	EDD	1040 · CCHD US Bank Operating 4766			-244.31
				2145 · Accrued State Taxes Payable		<u>-244.31</u>	
						<u>-244.31</u>	
Liability Check	E-pay	10/02/2017	EDD	1040 · CCHD US Bank Operating 4766			-688.99
				2145 · Accrued State Taxes Payable		<u>-185.36</u>	
				2145 · Accrued State Taxes Payable		<u>-503.63</u>	
						<u>-688.99</u>	
Check	2985	10/03/2017	JOHN HETT	1040 · CCHD US Bank Operating 4766			-38.00
				Guest said that there was to much bird poop	4010 · Inner Boat Basin	<u>-38.00</u>	
					1:CCHD	<u>-38.00</u>	
Check	2990	10/01/2017	RAMSEY, J	1040 · CCHD US Bank Operating 4766			-273.62
				6352 · Medical-Commissioners	1:CCHD	<u>-273.62</u>	
						<u>-273.62</u>	
Check	1152	10/03/2017	CLR Laundry	1045 · Redwood Harbor Village			-103.37

Crescent City Harbor District
Warrant List

September 29 through October 8, 2017

Type	Num	Date	Name	Account	Class	Paid Amount	Original Amount
				4048 · Laundry Facility RV Park	Redwood Harbor Village	-103.37	
						-103.37	
Check	1153	10/03/2017	Sarah Hundley	1045 · Redwood Harbor Village			-25.00
Credit Memo	322253	09/29/2017	Deposit Key	2180 · Deposits-Key	Redwood Harbor Village	-25.00	
						-25.00	
Check	1154	10/03/2017	Tony Adam Herschler	1045 · Redwood Harbor Village			-655.00
Credit Memo	322402	10/03/2017	RV Monthly Space Rent	4073 · RV Rentals	1:Inner Boat Basin	-400.00	
			Over 4 People RV Park	4073 · RV Rentals	1:Inner Boat Basin	-30.00	
			Deposit Key	2180 · Deposits-Key	1:Inner Boat Basin	-25.00	
			Deposit-Lease	2175 · Lease Deposits	1:Inner Boat Basin	-200.00	
						-655.00	
Check		10/01/2017	JOHN WILLIARD	1045 · Redwood Harbor Village			-45.00
Credit Memo	322407	10/01/2017	RV Daily Space Rent Guest have trouble with electricity	4073 · RV Rentals	Redwood Harbor Village	-45.00	
						-45.00	

WARRANTS ISSUED SINCE Oct 3 2017 -18,083.74

DEPOSITS RECEIVED SINCE OCT 3 2017

43941.25



Regular Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	October 3, 2017 5:30 p.m.

Call to Order

President Phillips called the meeting to order in open session at 5:30 p.m.

Roll Call

Present were President Phillips, Commissioner Ramsey, Commissioner Stone, and Commissioner White. Staff; CEO/Harbormaster Helms, Deputy Harbormaster Tavasci, Financial Director Fansler.

Guest: James Haussener

Absent: Secretary Bailey

Pledge of Allegiance

The Pledge of Allegiance was led by Deputy Harbormaster Tavasci, after a moment of silence for victims of recent storms requested by Commissioner Stone.

Public Comment

President Phillips asked for Public Comment - None received.

Business Items

1. Consent Agenda

- A) Approval of the warrant list since the October 03, 2017 Harbor Commission Meeting
- B) Approval of the minutes of the October 03, 2017 Harbor Commission Regular Meeting
- C) Approval of the Special minutes of October 03, 2017 Harbor Commission Meeting.

Action:

Motion by Commissioner Ramsey, seconded by Commissioner Stone, **Motion approved. With a 4-0** polled vote to consent Agenda.

2. Presentation by James Haussener, Executive Director, California Marine Affairs and Navigation Council. Discussion of CMANC efforts on behalf of California Harbors

Harbormaster Helms introduced Mr. Haussener with California Marine Affairs and Navigation-CMANC. Mr. Haussener's presentation on their efforts on behalf of California Ports and Harbors was helpful. Understanding what they do is important to Port's and Harbors. Started by saying how CMANC was started. They were started to be a collective voice in Washington DC to ensure Ports and Harbors receive money for things like, dredging and Breakwater repairs, and other projects. On a final note Mr.

Haussener encouraged Board/Harbor to stay in touch with the USACE, reach out and write letters and attend CMANC meetings. Be a voice for our Harbor.

Board thanked him for his work on our behalf and his presentation.

Presentation was presented in written form attached.

President Phillips asked for public comment – NONE received

Action: No action

3. Discussion and Review Ordinance #48 Temporary Crab Pot Storage. Discuss, approve and direct staff accordingly

Deputy Harbormaster Tavasci, explained the reasons for updating Ordinance. Current Ordinance does not sound enough in detail to cover all issues that have arisen in years past. New ordinance would clarify storage on Harbor property. Autumn Luna has reviewed proposed Ordinance. Deputy Harbormaster Lane asked the board to review proposed Ordinance and set special meeting for next week to discuss and finalize. Crab season opens soon. President Phillips suggested inserting “review Fee Schedule (Chapter 15)” in Ordinance.

President Phillips asked for public comment – NONE received

Action: No Action. Special meeting scheduled Oct 10, 2017@5:30.

4. Del Norte Association of Realtors requesting to place a memorial Bench in honor of Norma Cassady. Discuss, approve and direct staff accordingly.

Discussion on the of bench location and who oversees maintenance.

President Phillips asked for public comment-NONE received

Action: Motion by Commissioner White, seconded by Commissioner Ramsey to allow Del Norte Association of Realtors to place a Memorial Bench in honor of Norma Cassady. **Motion approved. 4-0**

Adjourned to Special session 6:38

Re-opened regular session @6:45

5. CEO Report-Written report delivered to Commissioners.

Debt Reduction Update, contacted Bob Black on the direction of Ad Hoc committee. In discussion with Mr. Black it is a two Step process. First, approving a sales tax increase and second, dedicating the increase to the Harbor District. Contacted SCI to discuss initiating the survey process for either a ¼ cent sales tax increase or a property tax assessment on the 20,189 Del Norte County parcels.

Sent Stacy Shull, Grant Writer background on projects. Met with Ed Gorman, Managing Director of the National Community Reinvestment Coalition’s GROWTH program to discuss challenges and

opportunities for growth that we have here at the Harbor District. Spoke to Michael Montgomery, Vice President, and Community Development Manager for US Bank. Met with Nate McCoy Executive Director of the National Association of Minority Contractors, Oregon branch. They have programs that will offset certain labor costs associated with construction projects. Met with representatives of our Federal Legislators in Washington DC to ask for their assistance in getting our Dredge Material Management Plan project moving again on the way back from FEMA training.

Land Use Plan - will be meeting with George Williamson October 10, 2017. Harbormaster Helms had a request from George Williamson to give Rich Young's Report on fishing and the fishing industry to HSU for their Grant funded study. Request will be added to Agenda, scheduled for October 10, 2017, special meeting.

Attended FEMA training-Emmetsburg, Maryland - Flood simulation exercise, about 50 people from Del Norte County were involved. Harbormaster Helms stated simulation went very well, many things learned.

Lastly, he gave presentation to Amya Miller of Global Public Relations on behalf of Harbor.

President Phillips asked for public comment – NONE received.

6. Commissioner Reports

Commissioner Ramsey- Chamber of Commerce - Mr. Finnegan is having a mixer this Thursday, Oct. 5 at his office, 5:30-7 p.m.

Commissioner Stone Tri-Agency - No meeting.

President Phillips IGRC - No meeting

Commissioner White - Redwood Conservancy- No meeting.

Commissioner White - Visitors Bureau - No meeting.

Harbormaster Helms Harbor Safety Committee - . Attended meeting in Humboldt Bay.

7. Board comments.

Commissioner Ramsey; Friends of the Harbor, Haunted House moving along. Need someone to build ramp. Mr. Wakefield, Fire Marshall will inspect it shortly after his return Oct. 8. Wants to advertise it on message Board at Fairgrounds. Has advertised on KFOG and KCRE radio stations. Still working on using Old Marine Building use for continuing Farmer's Market. Have 11 hats to sell at Farmers Market.

Commissioner Bailey; Not present

Commissioner Stone; Met with Mr. Black he came up with a new concept regarding the 50/50. Received call from CSDA. If it came down to it they would not only be willing to issue amicus briefs in our defense. They would be willing to be involved on our behalf, more discussion to come.

Commissioner White; would like to see another A/R aging summary. A new Park Superintendent will be starting Nov/Dec from the Great Basin area. Supposed to be a good person in respect to collaborations and partnerships.

President Phillips; Received email information for training for 501(c) 3. He asked commissioners if they are interested. Commissioner Ramsey is receiving same information and is interested.

President Phillips asked for final public comments NONE received.

Motion to Adjourn by Commissioner Ramsey, seconded by Commissioner Stone. Motion carried.

13. Adjournment

The Board of Harbor Commissioners adjourned at 7:15 p.m. to the next Special meeting on Tuesday, October 10, 2017 at 5:30 p.m. at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California.

Attest:

Cecilia Bodmer, Secretary to the Board

Ronald A. Phillips, President

Approved this ____ day of _____, 2017

Patrick A. Bailey, Secretary



Special Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	October 3, 2017 6:39 p.m.

Call to Order

President Phillips called the meeting to order in open session at 6:39 p.m.

Roll Call

Present were President Phillips, Commissioner Ramsey, Commissioner Stone and Commissioner White. Staff present; Harbormaster Helms, Deputy Harbormaster Tavasci and Financial Director Fansler.

Guest: James Haussener and Jessica Cejnar

Absent: Secretary Bailey

Public Comment

Business Items

1. Review and approve Parking Agreement with River Bend Productions, LLC.

Background: River Bend is in need of short-term parking privileges in connection with a film production entitled "Bird Box". Harbor has parking available for a fee in the North End of the Inner Boat Basin parking area.

Harbormaster Helms clarified that he does not have the authority to approve without legal counsel and approval of Board. He also explained the fee schedule that covers public usage of Harbor depending on the square footage but not on individual Truck/vehicle parking. Because River Bend Productions, LLC has presented a parking agreement (contract), approval of Commission is needed. Deputy Harbormaster Tavasci was recently contacted by River Bend and the production has been postponed until January, but with approval, we will not have to bring it back to board, it would have already been approved and pending their return.

President Phillips asked for clarification on liability. Autumn Luna wants an ending date in contract

Action: On a motion by Commissioner White, seconded by Commissioner Ramsey, and carried 3-1 (President Phillips) polled vote to approve contract with River Bend Productions, LLC upon their return with amendment of end date.

President Phillips asked for public comment NONE received

2. Adjournment

The Board of Harbor Commissioners adjourned at 6:44 p.m. to the next Special meeting on Tuesday, October 10, 2017 at 5:30 p.m. at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California.

Attest:

Cecilia Bodmer, Secretary to the Board

Ronald A. Phillips, President

Approved this ____ day of
_____, 2017

Patrick A. Bailey, Secretary



October 10, 2017

Agenda Item #2: Review and discuss Ordinance 48 proposal update. Discuss, edit as needed, approve and direct staff accordingly.

Background: Deputy Harbormaster Lane Tavasci presented an Ordinance 48 Proposal Update to the Board of Harbor Commissioners at the October 3, 2017, meeting. This proposal incorporates the changes suggested by the Harbor Commissioners at the October 3, 2017, meeting.

Recommendation: Review, discuss, approve and direct staff to proceed.

CHAPTER 8 – DISTRICT PROPERTY REGULATIONS

8.300 – Storage Yards & Areas

E) Temporary Crab Pot Storage

- 1) **Designated Areas.** The Harbormaster or designee shall designate certain areas of District property to be used for the storage of crab pots. The area shall be divided into individual spaces and marked with numbers and/or letters for identification.
No Crab pots are allowed to be stored at any other area, other than tenants designated space.
(Except as noted in E-2 of this Chapter)
- 2) **Recovered Crab Pots.** Must be unloaded ONLY at Citizens Dock hoist area. Then immediately transferred to the designated space located at the Southern corner of Public hoist & cable dock seawall.
- 3) **Lottery.** Each person with a current berthing permit who enters his or her name before 12:00 PM on the last Wednesday of October shall be included in a lottery for choice assignment of storage space(s). At such time as the Harbormaster shall designate during the last workday of October, the District shall hold a drawing to assign spaces for all requests received by the deadline date. Lottery results will be posted at the Harbor office.
- 4) **Rental.** After the lottery is held on the last day of October, all other persons (with current berthing permits) may rent spaces on a first come, first serve basis.
- 5) **Free Storage.** As of the last Friday of October to the last Friday of November, for a total of no more than thirty (30) days, storage in a designated fee free storage area will be available for all persons with valid berthing permits until the official crabbing season opens. Failure to comply, will result in being assessed the monthly space fee rate. (See Chapter 15.200 - Fee Schedule)
- 6) **Registration.** Any person using a designated area to store crab pots, free or paid, must register with the Harbor District office.
- 7) **End of Season.** All crab pots shall be removed from the harbor area within thirty (30) days of the end of the official crabbing season. Failure to comply, will result in being assessed the monthly space fee rate. (See Chapter 15.200 - Fee Schedule)
- 8) **Storage.** Any crab pots or other gear which are stored on District property and not in compliance with this section will be "RED TAGGED" and may be removed by the Harbormaster and the owner charged storage fees. Any crab pots which are found on District property and are not properly marked for identification will be removed and turned over to the Department of Fish & Game. (See Chapter 15.200 - Fee Schedule)
- 9) **Cleaning.** If District Staff is required to clean up any space, the registered party will then be charged current district labor rates, per the current Fee schedule. (See Chapter 15.200 - Fee Schedule)
- 10) **Liability of Lessee.** The provisions of subsection C – Liability of Lessee – also applies to any person renting a designated space under this section.

(Ord. No. 33-2000, Ord. No. 48-2017)

RED are the changes requested by Commissioners at 10-03-2017 Special Meeting.
GREEN are NEW additions.

**CRESCENT CITY HARBOR DISTRICT
NOTICE OF PROPOSED ORDINANCE**

NOTICE IS HEREBY GIVEN that on Tuesday, October XX, 2017 at 8:00 p.m., or as soon thereafter as the matter may be heard, at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California, the Board of Harbor Commissioners of the Crescent City Harbor District will consider for adoption Ordinance No. 48, "An Ordinance Adopting Temporary Crab Pot Storage and all related rules and regulations." The ordinance adopts Designated Areas, Recovered Crab Pots, Space lottery, Rental, Free Storage, Registration, End of Season, Storage, Cleaning and Liability of Lessee. The ordinance (#48) will be effective immediately upon adoption. A copy of the ordinance is available for public inspection during business hours (8:00 a.m. to 4:00 p.m.), Monday through Friday, at the District office located at 101 Citizens Dock Road, Crescent City, California.

/s/

Pat A. Bailey
Secretary of the Board

Publication Date:



October 10, 2017

Agenda Item #3: Presentation by David Finigan, Realtor, in response to the Harbor Commission's request for Real Estate Professional representation in lease property marketing. Mr. Finigan will address the Commission about the Harbor's representation request.

Background: Mr. Finigan will discuss his ideas for marketing Harbor District lease properties and will solicit further information from the Board of Harbor Commissioners on what they are seeking from a Realtor representative.

Recommendation: Discuss and direct staff to prepare the appropriate agreement for Mr. Finigan's representation of the Harbor District.



October 10, 2017

Agenda Item #4: Discuss allowing use of Dr. Richard Young's research data by Humboldt State University. George Williamson, Planwest, requested permission to use Dr. Young's data in a Fishing Community Sustainability study

Background: Mr. Williamson, Planwest, asked if Dr. Young's work can be shared with the Humboldt Fishing Community Sustainability Planning team. Mr. Williamson will make sure that the Crescent City Harbor District will get proper recognition as a funder and gets credit for sharing Dr. Young's data. He will also convey the expectation that there be reciprocal sharing of data and results for the benefit of the Crescent City Harbor District.

Recommendation: Discuss and approve the release of Dr. Young's data to the Humboldt State University Fishing Community Study Team



October 10, 2017

Agenda Item #5: Tutorial on Chrome Book notebook usage and protocol for Harbor Commissioners and staff

Background: Harbor Commissioners received Google Chrome book notebooks at the October 3, 2017, Harbor Commission meeting. Time will be used to orient the Harbor Commissioners to the Google Chrome book system and allow them to utilize the Chrome book features during this phase of the meeting

Recommendation: That Harbor Commissioners and Staff become better acquainted with Chrome book capabilities

FY 2017-2018 Harbor Commission Goals for CEO

The goals that I was assigned by the Harbor Commission for the 2017- 2018 Fiscal Year:

- Revenue generation – RV Park (Tourist Lodging)
- Tsunami Experience – Friends of the Harbor
- Reduction of Debt
- Lawsuit management

I have created draft timeline charts for: Revenue Generation – RV Park (Tourist Lodging); and Tsunami Experience – Friends; assigned to me by the Harbor Commissioners for FY 2017-18.

Reduction of Debt

Because my efforts are dictated by the decisions of the Board of Harbor Commissioners, I can not include a list of actions and proposed timelines as I have for the Revenue generation goals. It is very likely that the Commissioners will decide to pursue a multi-faceted approach to the 'Reduction of Debt' project. As I work under the direction of the ad hoc committee focusing on debt reduction, I will report my activities to the full Board on a regular, at least bi-weekly, basis.

Lawsuit management

Because the pace of lawsuit activities is determined by the courts and the attorneys and is outside of my sphere of influence, I am not able to create a timeline of activities for the Board.

I will supply any material requested by our attorneys in an expeditious manner. I will touch base weekly with our attorney for updates and will report lawsuit related activity to the Board of Harbor Commissioners on a weekly or bi-weekly basis.

Revenue Generation – RV Park

I have created a 24 month timeline chart that shows the steps that I plan to take to achieve the Revenue Generation goals linked to the RV Park (Tourist Lodging).

The 24 month goal illustrated by the timeline is extremely aggressive. Ward Stover shared that he plans for a three year time period from inception to completion when he starts a funded project.

The preliminary steps, months 1 through 6, both in the fundraising and the engineering/development process, represent an accurate timeline of activities.

I will report on activities and outcomes as they occur.

On the Engineering/Development timeline, once the plans are submitted for permitting and sign offs from the various regulatory agencies, there is no way to accurately predict the number of months that will be required to obtain the coastal development permit.

As indicated on the timeline, we will be meeting with the Coastal Commission to solicit their opinions and misgivings, if any, about the project before submitting any development permit applications. I have assigned Months 7 through 12 to the permitting process on the timeline. In reality, this may be a much lengthier process.

On the Fundraising timeline, the first six months of the timeline represent an intensive search for project funding. I will reach out to any possible funding sources for our project and will be soliciting leads from as many trustworthy sources as I can.

I will file frequent, at times weekly, reports to the Board of Harbor Commissioners on the fundraising search.

Tsunami Experience – Friends of the Harbor

This is an additional Revenue Generation goal for the Harbor District. The funding search for the Tsunami Experience will happen concurrently with the fundraising effort for the Harbor District Tourist Lodging project.

Although the Tsunami Experience is a distinct funding search, there is overlap among potential sources of funding. My goal is to keep the two searches separate in the minds of possible funders so as not to lessen the focus on any one effort. The Tsunami Experience orientation and support documentation will be unique from the collateral material used for the Tourist Development project.

I will endeavor to reach as wide a spectrum of possible funders for the Tsunami Experience project.

Many of the steps in the Development/Construction timeline will be similar to those created for the RV Park Tourist Lodging project. The process for the Tsunami Experience however will be considerably longer than what is projected for the RV Park Tourist Lodging project due to the complexity of the structure.

As with the RV Park Tourist Development process, I will file frequent, often weekly, reports to the Harbor Commissioners on the progress of my efforts.

Timeline Development Process RV Park; Optimal Scenario— September 2017 Initiation of Timeline (Month 5 = Jan. 2018; Month 17 = Jan 2019)

	Month 1	2	3	4	5.	6	7	8	9	10	11	12	13	14	15	16	17.	18	19	20	21	22	23	24
Commission Approves Surlis Development Plan	X																							
Retain Civil Engineer for engineering drawings and cost estimates for RV and tent sites	X																							
Select Permitting Consultant for expediting Coastal Commission process if needed	X																							
Preliminary cost estimates for tent site, RV site, Tsunami Ctr.		X																						
Preliminary meeting with Coastal Comm. – engineer & CCHD reps			X																					
Engineering drawings - tent site (tiny home prelim selection)			X	X	X																			
Commission Approval of Eng. Drawings & tiny home selection					X																			

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Engineering drawings – RV site			X	X	X																			
Commission Approval of RV Park drawings				X	X																			
Prepare permitting docs and submit to permitting agencies – tent site/RV site			X	X	X																			
State agencies permitting process							X	X	X	X	X	X												
Clarification meetings with state agencies as needed							X	X	X	X	X	X												
Approval to begin construction													X											
Prepare construction bid documents(+atty. review); publish bid docs													X	X	X									
Award construction job – tent site (RV site if funding available)															X									
Begin construction - tent site																X	X	X	X	X	X	X		

Month	1	2	3	4	5.	6	7	8	9	10	11	12	13	14	15	16	17.	18	19	20	21	22	23	24	
Opening of tent/tiny home site																						X	X	X	

- *Construction Timeline Assumes Project is funded by Month 12*

RV Park Tourist Development Funding Search – September 2017 Initiation of Timeline

(Month 5 = Jan 2018; Month 17 = Jan 2019)

Project Funding Process	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Refine estimates for job creation from Tourist development	X	X																							
Work on financial projections for tent site area/ RV Park- refine Surles estimates	X	X																							
Create approach letter and collateral material to support grant funding / investor search	X	X																							
Research CDBG/Econ Dev Sources for grant funding	X	X	X	X	X	X																			
Work with Del Norte County to explore CDBG and other funding opportunities	X	X	X	X	X	X																			
Work with Stacy Shull on researching grant funding for tourist development site	X	X	X	X	X	X																			

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Work with Sen. McGuire's office to locate Econ. Dev. and other grant funding	X	X	X	X	X	X																		
Work with Assemblyman Wood office to locate Econ. Dev. And other grant funding	X	X	X	X	X	X																		
Work with Rep. Huffman's office to locate federal Econ. Dev. And other grant funding	X	X	X	X	X	X																		
Research funders of similar development projects	X	X	X	X	X	X																		
Create Tourist development investment proposal for Coastal conservancy			X	X																				
Negotiate investment partner plan with Coastal Conservancy					X	X	X	X																
Discuss tax credit investment funding options with Atwood Investments		X	X	X																				
Explore hiring funding consultant for project			X	X	X	X	X	X																

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Contract with Funding Consultant if necessary								X	X															
Negotiations with probable investor prospects/ includes grant funding investors										X	X													
Funding Secured											X													
Commission approval of funding package											X	X												

- When Funding is Secured, move to Development Process Timeline – “Prepare Construction Bid” in Month 13 Column

Timeline Development Process Tsunami Experience; Optimal Scenario– September 2017 Initiation of Timeline (Month 5 = Jan. 2018;
 Month 17 = Jan 2019)

	Month 1	2	3	4	5.	6	7	8	9	10	11	12	13	14	15	16	17.	18	19	20	21	22	23	24	
Retain Civil Engineer for engineering drawings and cost estimates for Tsunami Experience	X																								
Preliminary cost estimates for Tsunami Experience.		X	X	X	X																				
Preliminary meeting with Coastal Comm.– engineer & CCHD reps						X																			
Preliminary Engineering drawing			X	X	X																				
Commission Approval of engineering drawings					X		X																		
Follow up with changes suggested by Coastal Commission							X	X																	
Prepare permitting docs and submit to applicable agencies								X	X		X														

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
State agencies permitting process							X	X	X	X	X	X	X	X										
Clarification meetings with state agencies as needed							X	X	X	X	X	X	X	X										
Approval to begin construction															X									
Prepare construction bid documents(+atty. review); publish bid docs															X	X								
Award construction job to winning bidder																	X							
Select 3D/4D Theater Package																	X	X	X					
Begin site prep																		X	X	X	X			
Begin construction of structure																						X	X	X

• Construction Timeline Assumes Project is funded by Month 14

Tsunami Experience Creation Fundraising Process – September 2017 Initiation of Timeline

(Month 5 = Jan 2018; Month 17 = Jan 2019)

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Secure preliminary development / construction cost estimates for Tsunami Experience from consulting engineer	X	X																							
Create report on employment generated by Tsunami Experience	X	X																							
Create financial projections and break even analysis for Tsunami Experience	X	X																							
Create approach letter and collateral material to support grant funding / investor search	X	X																							
Explore possibility of 30% engineering study funding from Coastal Conservancy			X	X																					
Research CDBG / Econ Dev sources for grant funding		X	X	X	X																				
Work with Del Norte County to explore CDBG and other funding opportunities		X	X	X	X																				

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Work with City of Crescent City to explore CDBG and other funding opportunities		X	X	X	X																			
Work with Sen. McGuire's staff to find Econ Dev grant funding		X	X	X	X																			
Work with Assemblyman Wood's staff to find Econ Dev grant funding		X	X	X	X																			
Work with Rep. Huffman's staff to find Econ Dev grant funding		X	X	X	X																			
Work with Sen. Harris Sacramento staff on grant funding opportunities		X	X	X																				
Make contact with Sen. Feinstein office staff on a San Francisco trip			X	X																				
Explore grant funding opportunities with National Community Reinvestment Coalition		X	X	X																				
Work with Stacy Shull on researching grant funding for project		X	X	X	X	X																		
Research Foundation Center's database of funders at Wild Rivers FDN to find potential funders		X	X	X	X	X																		

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Explore California funding options with Laurie Johnson, CAL OES consultant		X	X																						
Discuss funding/partnership possibilities with Elk Valley Rancheria		X	X	X																					
Work with Tetra Tech on feasibility of FEMA funding for vertical evacuation center		X	X	X	X	X																			
Pursue funding / investment options discovered through Month 6							X	X	X																
Consider hiring funding consultant dependent upon search results							X	X	X																

• *Timeline sheet will be updated as results, positive or negative, are achieved*

Proposals to Increase Funding for the Crescent City Harbor District

Background Information

The Harbor District is fast approaching the threshold of **bankruptcy**. The Harbor District is currently running annual deficit of over \$498,000 per year without adding in the cost of depreciation. The harbor and all of the businesses associated with it employs over 500 people. All of these people are dependent upon the harbor staying open for their employment. If the harbor were to close, it would be a devastating blow to our local economy.

Why is the harbor in financial trouble?

The harbor was struck by two successive damaging Tsunami's in a five-year period. In 2006 a Tsunami struck the harbor and caused severe damage. Again, in 2011, the harbor was totally destroyed by a second Tsunami. Both of these Tsunami's caused in excess of \$54 million dollars in damage. After receiving both federal and state aid to just rebuild the inner-boat basin the Harbor District was left with a \$5.3 million dollar of debt. As a result, the district is making payments approximately \$300,000 per year to the federal government for our newly rebuilt harbor.

In addition to the debt, the Harbor District still needs to make other repairs to the harbor. The seawall in the outer boat basin is in danger of failing and will cost an additional \$5 million dollars to rebuild. Both the Whaler Island Groin and the Citizens Dock need repairs that will cost about \$5.5 million dollars. All total, the Harbor District needs to raise about \$15.9 million dollars to pay back the debt over the next 40 years and make the needed repairs.

Proposed Funding Request

The Crescent City Harbor District is a \$54 Million Dollar asset that is owned by the citizens of Del Norte County. The Harbor is a fully functioning and vibrant port as a result of the reconstruction of the harbor. The Harbor District needs to find a funding mechanism to pay for the \$5.3 million-dollar debt, and make the needed repairs of the Seawall, the Whaler Island Groin, and to Citizens Dock. In Addition, the Harbor District needs the ability to put away a Reserve Fund for day to day operations and to shield the harbor from future disasters.

As it stands now, the Harbor District needs to increase its basic revenue stream to cover these costs and become solvent. Currently, the District needs to increase its funding by \$735,000 per year to keep from going bankrupt, fund needed repairs within the next 2 ½ years.

The following is a breakdown of the funding needed to keep the district solvent:

Retirement of our Disaster Debt , \$5.3 Million over the next 38 years:	\$ 300,000 / year
Build a Disaster Reserve Fund (4.5 million over 30 years):	\$ 150,000 / year
Repair and Reconstruction of Harbor Facilities , (\$11 Million):	<u>\$ 280,000</u> / year
Total Revenue Increase Needed	\$735,000 /year

Proposed Methods to Solve the Harbor’s Debt Problems

Members of the Board of Harbor Commissioners have been working on the debt problems since the Tsunami Disasters. The following is a list of the different courses of action that the current board has taken to solve this problem:

1 Debt Forgiveness – State

The Harbor District approached the State Legislature and the Governor’s Office back in 2012 and asked the them to help the Citizens of Del Norte County pay for the \$5.3 Million Dollar debt. The Bill passed the State Legislature unanimously in 2012, but the Governor vetoed the bill because he did not want to set a precedence of having the state pay for all of the disaster relief. Representatives of the Harbor District have met with both our State Senator and our Assemblyman about the possibility of starting a second bill in the 2018 session of the legislature requesting relief from the State of California. Both our State Assemblyman’s and State Senator’s offices were reluctant to sponsor legislation until after the current Governor retires in 2019. By that point in time the harbor’s reserve funds will have been depleted and the harbor will be on the verge of going bankrupt.

2 Debt Forgiveness -Federal

Members of the Harbor Board have approached our Congressman. Members of the Harbor Board have been told that because of the current spending limitations and the

general mood of congress toward federal spending, forgiveness of the debt would not be acceptable to the New Administration. The Harbor Commission has approached the USDA the bond holder of our notes about forgiving the debt by the agency. The Harbor District was told flat out that, "Forgiveness of the Debt was not an option."

3 Increase Transient Occupancy Taxes

The Harbor District cannot impose a TOT tax increase upon either the city or the County and can only ask both agencies to increase the tax and earmark a portion of the tax increase to the Harbor District. A proposal to increase the City and County Occupancy tax was presented by members of the board of the Crescent City Harbor District. The Harbor District requested an increase in the City TOT by 2% and an increase in the county TOT from 8% to 10% and include the RV spaces in the county. The City of Crescent City turned the idea down and the members of the Board of Supervisors were lukewarm to the proposal and stated that they would need to talk about it. The commissioners representing the Harbor District have dropped this approach to solving the debt problem due to the lack of a positive response. In addition, the Board of Supervisors could possibly change the agreement with the Harbor District in the future.

Remaining Options for the Harbor District

Members of Board of Harbor Commissioners have held a series of public meetings in which a list of 15 different possible options on how to get the harbor out of debt were explored. This included everything from debt forgiveness to the creation of our tax exempt 501(c)3 called "Friends of the Harbor" which could accept grants from private Corporations to help the harbor out. But, to date the only way out of our dilemma is to ask the citizens of Del Norte County to reach into their own pockets to fund our harbor.

The following is a list of possible remaining solutions:

1 Harbor Sales Tax Initiative

The Harbor District could request (via a resolution) that the sales taxes be increased by ¼ cent to pay for the needed funding for the Harbor District. This method would raise about \$725,000 dollars per year in revenue to fund the district. If the Harbor District were to put a measure on the ballot, the initiative would be required to pass with a 2/3 vote by the citizens of the County. The likelihood of passage is almost impossible.

2 Harbor Property Tax Assessment Initiative

The Harbor District could request (via a resolution) that special assessment of \$36 dollars per parcel be placed upon the ballot to pay for the needed funding. This method would raise about \$727,000 dollars per year in revenue for the district. This

ballot measure would require a 2/3 vote in favor of the initiative by the citizens of the county to pass. The likelihood of passage is almost impossible.

3 Citizen's Initiative Process

On July 28, 2017, the California Supreme Court, under decision S234148A, ruled that an initiative started by a citizens group would not be required to meet the same election threshold as that required of a public agency. Currently a public agency (like the Harbor District) is required to meet a 66.6% voter approval threshold for the ballot measure to pass. A citizen's initiative on the other hand, would only be required to meet a 50% voter approval threshold for a measure to pass. Therefore, if a citizen group were place a citizen's initiative on the ballot, the possibility of passage would much greater.

In order to put a citizen's initiative on the ballot, a citizens group would only need to collect the signatures 10% of the number of votes cast in the last gubernatorial election in the county. During the 2014 election there were 7023 votes cast in the Governor's race. Therefore, a citizens group would only need to collect 703 valid signatures to place the initiative on the Ballot.

Suggestion

A citizen's initiative has the greatest possibility of passage by the public. This would require a citizens group (that is interested in saving the Harbor District from bankruptcy) to step up and help the harbor out. A group like the Surf Riders Association, The Fisherman's Association and/or the Yacht Club could individually or as an association could ask the Citizens of Del Norte County to tax themselves a modest amount to help save the harbor.

Sales Tax Initiative

A ¼ cent Sales Tax (\$0.0025) would cause the tax burden to be shared by all of the citizens of Del Norte County and the visitors to the area. But, the down side is that the Sales Taxes are controlled by the Board of Supervisors (BOS). The BOS could decide up front to limit the number of years that the tax could be imposed and at some point, in the future the BOS could redirect the funds away from the Harbor District. This could in effect could leave the Harbor District in the same dilemma in the future.

A Property Tax / Special Assessment Initiative

A \$3.00 dollar per month special assessment on every parcel in Del Norte County would in effect be a permanent solution to the problem. A "Citizens Initiative" requesting that such a special assessment would only be require to meet a minimum 50% vote threshold according to a recent Supreme Court Decision passed on July 28, 2017. This decision makes it easier for the public to tax themselves when the need arises. And, this is just one of those circumstances where public involvement in solving a serious public need like saving the harbor is in the best interest of the public.

Problems with a Citizen's Initiative

The biggest problem with a Citizen's Initiative is that it has never been tried before. *If the Initiative passes it is sure to be challenged in the courts. After further investigation, it is projected that it could cost as much as \$2 million dollars to defend the Citizens Initiative in the courts all the way up to the Supreme Court of the State of California.*

Conclusion

No matter what the Harbor Commission decides to do, it will be difficult. At the present time, the Commissioner's can by resolution can ask the Board of Supervisors to put a measure of some kind on the Ballot. The question is what type of measure? Do we ask the public to raise their Taxes or should a citizen's group?

Therefore, the bottom line is this, if either a citizens group or the Harbor District were to ask the public to help out the harbor, either one would be asking the public **"Can you spare a cup of coffee each month to keep the harbor open?" Can you afford \$3.00 a month?**

**CRESCENT CITY HARBOR DISTRICT
BOARD OF HARBOR COMMISSIONERS
SEPECIAL MEETING OCTOBER 10, 2017**

SPEAKER SIGN-IN SHEET

**PLEASE PRINT YOUR NAME SO THAT IT WILL BE SPELLED
CORRECTLY IN THE MINUTES. THANK YOU!**

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