

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	April 2, 2024 2:00 p.m.



Board of Harbor Commissioners of the Crescent City Harbor District

MINUTES

Regular Session, Tuesday, April 2, 2024, at 2:00 P.M.

CALL TO ORDER: **2:00 PM**

ROLL CALL:

<i>PRESENT:</i>	<i>President</i>	HARRY ADAMS
	<i>Secretary</i>	RICK SHEPHERD
	<i>Commissioner</i>	WES WHITE
	<i>Commissioner</i>	BRIAN STONE
	<i>Commissioner</i>	GERHARD WEBER

ABSENT: *NONE*

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENT:

President Adams delivered a formal statement announcing a settlement agreement with Stover Engineering and Wayne Maples Plumbing and Heating. The agreement stipulated that the contractors would compensate the harbor by paying \$1.4 million, settling disputes related to a 2013 project to reconstruct the inner boat basin after tsunami damage.

Commissioner Weber voiced frustration because the harbor's website was not providing comprehensive financial information to the public. He pledged to his constituents that he would hold CCHD staff accountable to correct the issue, because it was a fundamental campaign promise he had made, which he intended to keep.

Commissioner Stone expressed concern about the harbor's financial reserves, warning that they were at extremely low levels. Linda Sutter criticized the harbor's expenditures on travel and training, which she deemed excessive and, on some occasions, improper. Sandy Moreno recommended stricter controls on discretionary spending and pointed out a mistake in the

minutes from the Board's March 19, 2024 meeting. CEO/Harbormaster Petrick concurred with Ms. Moreno's observation and instructed staff to amend the minutes and resubmit them for the Board's approval.

2) New Business

2A) Approve 2nd Annual Longboard Surfing Competition to be Held at South Beach on September 28, 2024.

CEO/Harbormaster Petrick provided an overview, explaining that the surfing competition would be organized by California State Parks and it had enjoyed considerable success the previous year. He anticipated that it would once again be well received by the community.

Commissioner White proposed a **motion** to approve the event, which Commissioner Shepherd **seconded**.

POLLED VOTE was called, **MOTION CARRIED:**

AYES: WEBER, WHITE, STONE, SHEPHERD, ADAMS // **NAYS:** NONE

ABSENT: NONE // **ABSTAIN:** NONE

2B) Approve Rent Abatement for 201 Citizens Dock Rd (Port O'Pints) Due to Unforeseen Permitting Delays.

CEO/Harbormaster Petrick provided background, explaining that during the lease negotiations with Port O'Pints (POPs), CCHD represented to POPs that the leased premises were under the jurisdiction of the harbor's Local Coastal Plan (LCP). This was important information for POPs, because it meant that the permitting process would be faster and cheaper than having to go through a full coastal permit process. The LCP, which had been approved by the California Coastal Commission (CCC), streamlines the permitting process by allowing Del Norte County to use its delegated authority to issue permits that are then accepted by the CCC. This results in permits that are issued more quickly and more affordably. POPs negotiated the lease with this understanding, thereby expecting it would be relatively easy to obtain the necessary permits by the March 1, 2024 lease payment inception date.

However, unexpectedly, the CCC relied upon a map that CCHD believes to be inaccurate, and the CCC used the map to claim that the premises fell under CCC's direct permitting jurisdiction. This shift resulted in a more complex and costly permitting process than either CCHD or POPs had anticipated.

Upon reviewing property deeds and maps approved by the California legislature, the harbor disputes the CCC's map interpretation, and has requested a formal map study to hopefully settle the issue. Meanwhile POPs, having followed the permitting process promptly, based on all of the information that was available to them at the time, found themselves unexpectedly caught in a jurisdictional dispute.

Commissioner Shepherd explained his viewpoint that it seemed as though the "rug was pulled out from underneath" POPs through no fault of their own, and on that basis, Commissioner Shepherd supported the rent abatement proposal.

Commissioner Stone explained that the property in question was owned by the harbor fee simple, and from his background working for a title company, he believed that the position taken by CCC was incorrect. Nonetheless, he also explained that he was uncomfortable approving the rent abatement, which amounted to \$2,700 per month of lost revenue to the harbor until POPs opens for business. Commissioner Stone felt that despite the unforeseen delays, it remained the responsibility of POPs to abide by the contract, because it is common for businesses to encounter unforeseen expenses during the normal course of doing business.

President Adams expressed frustration that the harbor had spent 4 years to get the LCP approved through the CCC, and now the CCC was denying the harbor and its tenants the ability to benefit from that previous work. The LCP had important provisions to streamline the permitting process. President Adams also noted that the building had been vacant for approximately 6 years, and so he urged the Board not to jeopardize the valuable relationship with POPs over a couple of months of lost lease payments. As President Adams explained it, the rent abatement represented a compromise, because it set a hard deadline of June 1st for POPs to begin making its rent payments, regardless of whether POPs was still waiting for a CCC permit at that point. As another protective measure, if POPs were to receive permitting approval earlier, it would trigger the initiation of rent payment immediately.

Commissioner White emphasized that the actions of the CCC was yet another needless bureaucratic delay at the State level that was now contributing to the crippling financial burden the harbor was experiencing. This followed a pattern of other bureaucratic delays at the State and Federal levels, which resulted in Fashion Blacksmith being awarded millions of dollars at the harbor's expense. Nonetheless, Commissioner White wasn't fully convinced that he could absolve POPs of its obligations under the lease. It was a difficult decision that he needed to consider further.

Linda Sutter urged the Board to enforce the original terms of the contract it had signed with POPs, regardless of any erroneous standards imposed by the CCC. She argued that the burden of opening a business on schedule typically falls solely on the business owner, who must always be prepared for unexpected delays.

Commissioner Shepherd **moved** to approve the temporary rent abatement, with a hard deadline of June 1, 2024 for rent to commence. President Adams **seconded** the motion.

POLLED VOTE was called, **MOTION FAILED**

AYES: SHEPHERD, ADAMS // **NAYS:** STONE, WEBER, WHITE

ABSENT: NONE // **ABSTAIN:** NONE

3) Unfinished Business

3A) Continue Public Hearing on CCHD Hazard Mitigation Plan (HMP).

CEO/Harbormaster Petrick advised the public that the comment period for the HMP was approaching its closing date, and he encouraged any interested persons to submit their comments. No members of the public commented.

4) Communications and Reports

4A) CEO/Harbormaster Report

CEO/Harbormaster Petrick reviewed his report to the Board, as contained in the Board's briefing packet. Discussion focused on the success of the 3rd Annual Easter Egg Hunt, which drew a large crowd. Approximately 15,000 eggs were picked up in about three minutes. The festivities continued long afterwards. Another successful event was the Tsunami Resiliency Festival, which marked the 60th anniversary of the 1964 tsunami. The event featured talks from historians, poetry reading, and live music. On a separate matter, it was mentioned that an upcoming fleet poundage report was expected to indicate a drop in overall numbers but an increase in price per pound.

The Board then discussed a bill pending in the California legislature (AB2220), which intended to ban gill nets and also require commercial fishing vessels operating with a state permit to carry an independent third-party observer onboard. This bill would impose a significant financial burden on the commercial fishing industry, because independent observers often cost \$600 to \$700 per day. The Board expressed its opposition to the bill.

4B) Harbor Commissioner & Ad Hoc Committee Reports.

Commissioner Stone highlighted the need for a future meeting to address multiple concerns arising from the KRRC dam removal, specifically focusing on the observed decline in wildlife and the need to replace lost monitoring buoys. Commissioner White mentioned that the Tri-Agency was awaiting the County Board of Supervisors' decision on proposed amendments to the Joint Powers Agreement. Meanwhile, Commissioner Weber shared updates on his work on the website ad hoc committee. The focus was aimed at updating and improving the usability of the harbor's website. He also discussed his engagement with Bayside RV Park residents, including exploring mail delivery options. Additionally, President Adams emphasized his collaborative efforts with Commissioner Weber to devise solutions for the challenges facing Bayside RV park residents.

5) Adjourn to Closed Session

CONFERENCE REGARDING REAL PROPERTY NEGOTIATIONS

(Government Code section 54956.8) Agency negotiator: Tim Petrick, CEO/Harbormaster
Real Properties: To be determined. Authorization for price and terms of payment.
Negotiating with: LRE Development

6) Report Out from Closed Session

Nothing to report.

ADJOURNMENT TO THE BOARD OF HARBOR COMMISSIONERS NEXT REGULAR MEETING SCHEDULED FOR TUESDAY APRIL 16, 2024, AT 2 P.M., VIA ZOOM WEB CONFERENCE AND IN-PERSON AT THE MAIN HARBOR OFFICE, LOCATED AT 101 CITIZENS DOCK ROAD.

Approved this ____ day of _____, 2024.

Harry Adams, President

Rick Shepherd, Secretary