

**MINUTES OF THE REGULAR SESSION
OF THE BOARD OF HARBOR COMMISSIONERS OF THE
CRESCENT CITY HARBOR DISTRICT**

February 4, 2008

COMMISSIONERS PRESENT:

Garry Young
Patrick Bailey
Ron Phillips
John Yingst
Ray Martell

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Mike Scavuzzo, City Council
Michelle Ma, Triplicate
Kenneth Towe, Harbor RV Anchorage
Paul McAndrews, Facilities Manager
Ward Stover, Stover Engineering

Karen Phillips, P.S. Secretarial
Kathy Yingst, Public Member
Don Alber, Alber Seafood
Wayne Gavin, Alber Seafood
Rick Sheppard, Public Member
Larry Keller, Fundraising Consultant

Call to order.

President Bailey called the meeting to order at 6:31 p.m. in regular session.

Pledge of allegiance.

Commissioner Phillips led the pledge.

Consent calendar. Possible Board action. (Estimated time: 5 minutes).

REMOVAL OF ITEMS FROM THE CONSENT CALENDAR: Public comment:

Requests to remove items from Consent Calendar.

Motion to approve the following consent Calendar items.

Approval of the warrants issued since the Special Meeting of January 21, 2008.

Approval of the minutes of the special meeting of January 21, 2007.

No requests were made to remove items from the consent calendar, nor were there any public comments made regarding the consent calendar.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED THE CONSENT CALENDAR CONSISTING OF ITEMS A.i-ii AS PRESENTED.

Public Comment.

The following public comments were made: None.

Discussion and consideration of extending the Alber Seafood Lease. Possible Board action.

C.E.O. Young reported on the extension of the Alber Seafood lease and possible action. Mr. Alber has requested an extension of the lease through the end of July 2008 to complete Hake season. Staff outlined the alternatives and components to the processing operation: 1) the building; 2) the dock; and 3) the HTP. Options for the lease would be to: 1) let the lease extension expire at the end of April; 2) enter into a long term lease at the end of April; 3) enter into a short term lease extension through the end of July and then; 4) let the lease expire at the end of July; or 4) enter into a long term lease extension after July. Staff suggested that the terms of the extension need to be defined and the board needs to decide whether or not to subsidize processing and whether to lease the building and dock to Alber Seafoods, or to search for another processor who might be willing to pay the operating cost of the HTP. Commissioners asked if there was a way to reduce the cost of the discharge. Staff indicated that they had looked into storing the water and then discharging it at different times; however, they are afraid that this would cause the water to ferment and the associated costs would go up, not down. The fines over the last year have not been established or billed yet and there have been several incidents that Harbor staff and Mr. Alber recognize and possible issues. Mr. Alber indicated that he would not want to pay for those incidents or fines imposed that they were not in control of. He indicated that the board needed to decide whether the treatment plant and the processor were an asset to the Harbor. He stated that if the processing plant is shut down, the Harbor is reducing their income. Discussion followed regarding Hake being more bio-intensive than crab processing, the season for Hake is on a quota basis, which could last two weeks or three months, the length of which cannot be predicted. When asked if they were interested in negotiating a long-term lease, Mr. Alber said that they have been trying to negotiate a long-term lease since 2006. He suggested that the boats unloading and not processing here be charged an extra penny or two to force them to begin thinking of processing here. Discussion was held with regard to the pump maintenance days, turbidity, ammonia levels, etc.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, WITH COMMISSIONERS BAILEY AND YOUNG ABSTAINING, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE LEASE EXTENSION WITH ALBER SEAFOODS THROUGH THE HAKE SEASON

(JULY 30, 2008), WITH ALBER ASSUMING THE LIABILITY FOR THE FINES THEY INCUR. THE LEASE RATE SHALL BE \$7,500 PER MONTH.

Discussion and consideration of sending a letter to potential developers requesting expressions of interest in implementing the Master Plan. Possible Board action.

C.E.O. Young reported on sending a letter to potential developers requesting expressions of interest in implementing the Harbor's Master Plan. No developers have stepped forward with a development plan; therefore, staff is asking to send letters seeking input.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YOUNG, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS AGREED TO SEND OUT LETTERS TO POTENTIAL DEVELOPERS REQUESTING EPXRESSIONS OF INTERESST IN IMPLEMENTING THE HARBOR'S MASTER PLAN.

Discussion and consideration of financial alternatives for funding the inner basin Reconstruction Project. Possible Board action.

C.E.O. Young, Larry Keller and Ward Stover (Kennedy Jencks/Stover Engineering) presented a report regarding financial alternatives to fund the inner basin reconstruction project. Mr. Larry Keller reported on his plan to pursue grant funding first to ease the burden of the Harbor in funding the twenty-five percent (25%) match dollars required by this project. He has approached several agencies (NOAA, Small Business Administration and Department of Commerce Economic Development Administration), and indicated that loans could come from a variety of sources based on their requirements. Questions were asked about grant funding and how soon funds could be received. Mr. Keller stated "several months to several years." He would like to meet again to discuss funding cycles with the board. Ward Stover reported that the funding requests need to get moving and the preliminary cost estimates need to be looked at to make sure that the funding requested adequate so the Harbor does not have to go back and ask for more funds. Mr. Stover stated that he was able to negotiate a better rate with Kennedy Jencks their Oregon office rather than their normal southern California rates.

Discussion and consideration of committee appointments for 2008. Possible Board action.

President Bailey made the following changes and appointments to committees and ad hoc committees for 2008:

<u>Ad Hoc Committees</u>	<u>Members</u>	<u>Alternate</u>
Labor Negotiations	Bailey and Phillips	Young
CG Auxiliary/Wives Hall	Martell and Yingst	
Crescent Harbor Gallery	Yingst and Martell	Bailey
Lighthouse Museum	Bailey and Phillips	Yingst
Port Safety Advisory	Young	Bailey
Plant Walk Throughs	Young and Bailey	
Harbor RV Anchorage Lease	Phillips and Bailey	

Redevelopment Authority	Bailey and Martell	Yingst
Design Guideline	Bailey and Yingst	
Billboards	Yingst and Young	
Economic Development	Bailey and Young	
Chartroom Lease	Disbanded	
Boat @ Anchor Way & 101	Martell and Yingst	
Harbor Reconstruction	Bailey and Young	Yingst
<u>Standing Committees</u>	<u>Members</u>	<u>Alternate</u>
Chamber of Commerce	Bailey	
IGRC	Bailey and Yong	Phillips
Maintenance & Operations	Bailey and Young	Martell
Tri-Agency	Bailey and Martell	Phillips

**Committee Reports. Reports from other standing and ad hoc committees:
a. Tri Agency meeting of January 30, 2008.**

The following reports were made: Tri-Agency meeting on the 30th of the month, no significant actions were taken; and Harbor Reconstruction Project meeting was held and a donation of \$2,500 has been offered to set up the fund with the Wild Rivers Community Foundation. The paperwork necessary to establish the fund is being processed between staff, Mr. Stover and the foundation.

C.E.O.'s report on current matters and issues planned or in progress.

The C.E.O.'s report included discussion on the following topics: 1) Harbor RV Park Models – the application for a County use permit has been submitted and is currently under environmental review by the County, it will go to the County Planning Commission in March 2008; 2) Whale on South Beach – a small sperm whale (male, 40' in length) washed up on South Beach last week, the whale is being cut up by folks from Humboldt State University and will be disposed of by them, the skeleton will come back to the community at a later date for display; and 3) Fishing Heritage Study – a press release was given to the board describing the results of a fishing heritage study that has just been completed “showing exceptionally strong linkage between the presence of commercial fishing operations, opportunities for recreational fishing, the view of working waterfronts, as the ability of the public to obtain fresh local seafood, to those community's successful and much larger tourism economies.” Further discussion was held regarding the RFP for the economic development zone that is being discussed at the Tri-Agency level.

Board comments.

The following commissioners made comments: Commissioner Yingst stated that he is trying to stay out of trouble; Commissioner Phillips commented that he would like the board to make a decision to host the Chamber Mixer on April 24, 2008. Commissioners Phillips and Martell will coordinate the mixer.

Adjournment.

There being no further business to come before the Board of Harbor Commissioners, President Bailey adjourned the meeting at 7:47 p.m. until the next regularly scheduled meeting on February 19, 2008 at 6:30 p.m.

Patrick Bailey, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2008.