

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

September 3, 2008

COMMISSIONERS PRESENT:

Patrick Bailey
Ron Phillips
John Yingst
Ray Martell

COMMISSIONERS ABSENT:

Garry Young

OTHERS PRESENT:

Richard Young, C.E.O/Harbormaster
Matt Durkee, Triplicate
Mr. Gavin

Karen Phillips, P.S. Secretarial
Master and Miss Martell
Kathy Yingst

Call to order for the special meeting.

President Bailey opened the meeting in special session at 6:05p.m.

Pledge of allegiance.

Commissioner Bailey led the pledge of allegiance.

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.

- A.i Approval of the warrants issued since August 19, 2008.
- A.ii Approval of the minutes of the Special Meeting of July 29, 2008.
- A.iii Approval of the minutes of the Regular Meeting of August 5, 2008.
- A.vi Approval of the minutes of the Special Meeting of August 12, 2008.
- A.v Approval of the minutes of the Regular Meeting of August 19, 2008.

There were no public comments regarding the removal of items from the consent calendar, nor public comments regarding the consent calendar.

C.E.O. Young indicated that there were no warrants that needed to be approved and therefore the list of warrants was removed from the agenda. Commissioners asked that the minutes be tabled until the next meeting to allow commissioners a chance to read them prior to their approval.

Public comment.

The following public comments were made: None.

Discussion and consideration of terms for renewing the lease of the Coast Redwoods Art Association. Possible Board action.

C.E.O. Young reported on the lease committee meeting with the Coast Redwoods Art Association and the recommendations from that meeting, summarized in the report given to all commissioners. The ownership of the building shall remain with the Coast Redwood Art Association for the duration of the new lease, the term of the lease is recommended for five years, the rent would be the larger of percentage rent or minimum rent, whichever is greater, and insurance must be maintained by Coast Redwoods Art Association for the replacement value of the building, \$1,000,000 general liability or such amount as the District Counsel recommends, and the lease must specify that the Crescent City Harbor District shall be listed as an additionally named insured.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER YOUNG ABSENT, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED THE LEASE EXTENSION WITH THE COAST REDWOODS ART ASSOCIATION AS RECOMMENDED BY THE AD HOC COMMITTEE. STAFF WAS DIRECTGEG TO PUT THE RECOMMENDATIONS OF THE CRESCENT HARBOR ART GALLERY AD HOC COMMITTEE INTO LEGAL EASE AND THAT IT BE BROUGHT TO THE BOARD FOR FINAL APPROVAL.

Discussion was held regarding the building reverting to the Harbor if the lease was terminated and whether or not title would pass upon this event. Commissioners indicated that Carrol Parker was a great emissary/liaison for this organization and was easy to get along with in his representation of the association. Members of the association are aware of the lease extension proposal even though none of the members was present at this meeting.

Off Agenda

C.E.O. Young presented an e-mail to the commission from himself to Don Alber regarding a lease extension for Alber Seafood with the following considerations 1) financial and other considerations as in extensions 2 and 3; 2) term is through March 31, 2009; and 3) if we cannot negotiate some reasonable change in definition of "processing day" with the water board, we simple store any water that arrives on "non-processing" days until we have a processing day and discharge it then. If there is no discharge on "non-processing" days, there will be no fines. These lease extension

considerations would take the lease through the end of crab season, allow both parties to gather the information they need for future decisions, the financial risk on both sides is about the same as before, and the extensions have provisions for catastrophic equipment failures and fine sharing.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER YOUNG ABSENT, THE HARBOR DISTRICT BOARD OF COMMISSIONERS MADE THE FINDING THAT THE MATTER AROSE SUBSEQUENT TO THE POSTING OF THE AGENDA, THAT IT WAS SIGNIFICANT ENOUGH TO REQUIRE ACTION PRIOR TO THE NEXT REGULARLY SCHEDULED MEETING, AND AGREED TO ADD IT TO THE AGENDA.

Discussion was held regarding the lease, staff having time to studying the use such a facility and wastewater treatment plant and seafood processing in Fort Bragg and Eureka, to see if their water is pretreated and what issues they have. In order to accommodate this testing and research, staff requested that the lease be extended through March 31, 2009, based on the above recommendations. Commissioners expressed concern regarding the fines, how long it takes to get notice of them and working better with the foremen and others that work at the plant to avoid further fines. The existing fines are on the table for discussion and Alber's have had their attorney write a letter to the water board. Discussion was held regarding any possible assistance from the City with regard to the discharge of the waste water through the sewer plant. Once the study and research are done the Harbor could look into funding changes or corrections to the facility in order to keep the processors here in the harbor.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINST, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER YOUNG ABSENT, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED THE RECOMMENDATION OF STAFF AS LISTED ABOVE, WHICH WILL BE BROUGHT BACK IN THE APPROPRIATE LEGALESE TO THE FULL BOARD FOR APPROVAL.

Discussion and consideration of cancelling the Special Meeting scheduled for September 23, 2008. Possible Board action.

C.E.O. Young reported on the request to cancel the special meeting set for September 9, 2008.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER YOUNG ABSENT, THE HARBOR DISTRICT BOARD OF COMMISSIONERS, VOTED TO CANCEL THE SEPTEMBER 9TH MEETING.

Committee reports from other standing and ad hoc committees.

The following reports were made: Chairman Bailey reported on the Tri-Agency EDA meeting held August 27th, 2008, wherein Mr. Grossman, the new Executive Director of Tri-Agency EDA was introduced to the board. No other committee reports were given.

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

The C.E.O.'s report consisted of the following topics: 1) staff held a meeting with Jim Grossman, he felt it was a good meeting and Mr. Grossman has a good understanding of where the Harbor is coming from, hopeful he can help move things forward ; 2) dredging – talks with Corps of Engineers and their staff indicate that all their staff have been sent east for hurricane season, they will try to get the Harbor's request out this week, the turbo for the dredge is being repaired; 3) RV park model – the material is at PlanWest and will be on the next agenda; 4) Captain's Table space - is ready to be occupied and the lease needs to go the counsel; and 5) BC's Boardwalk - is ready to open, lease needs to go to counsel also.

Board comments.

The following commissioners made comments: None.

Adjournment.

There being no further business to come before the Commission, President Bailey adjourned the meeting at 6:38 p.m., until the next special meeting scheduled on September 23, 2008 at 6:30 p.m. at the Crescent City Harbor District conference room.

Patrick Bailey, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2008.