



Special Public Budget Session of February 6, 2024

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Stephen Reed	Chair
Dennis Smith	Vice-chair
Toby Goddard	Commissioner
Reed Geisreiter	Commissioner
Darren Gertler	Commissioner

**SPECIAL PUBLIC BUDGET SESSION – 5:30 PM**

Chair Reed convened the special public budget session at 5:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA (hybrid meeting platform).

1. Pledge of Allegiance
2. Oral Communication
3. Presentation by Mesiti-Miller Engineering – Westside Seawall Condition Assessment

Discussion: Dale Hendsbee of Mesiti-Miller Engineering, Inc. (MME), provided a condition assessment and preliminary engineering options for the Westside Seawall Replacement. Mr. Hendsbee highlighted the following:

Structure Overview

- The seawall was constructed circa 1963.
- The existing seawall is 1,240 feet in length.
- The seawall consists of a row of 3/8 inch thick, uncoated PZ-27 Steel Sheet Piles with a reinforced concrete pile cap.
- The sheet piles are restrained by steel tie rods spaced at 9 feet on-center.
- The steel tie rods connect the seawall to buried concrete panels (deadmen) located at a distance of 50 feet behind the sheet pile wall.
- The original seawall was expected to have a 20-year lifespan – it has now endured more than 60 years in the harbor.

Sheet Pile Condition

- Wall thickness was tested at eight locations with ultrasonic thickness gauge.
- Original thickness of steel sheet piles was 3/8" (0.375 inches).
- Based on average corrosion measurements, approximately 1/8" of steel has been lost to corrosion over 60 years (35% loss of thickness).

- Severe levels of corrosion are indicated by having 30% or greater loss of thickness.
- Several holes were found in the sheet piles near the mudline.

Pile Cap Condition

- Condition varies from completely undamaged with no evidence of corrosion or spalling (almost like new condition) to significantly damaged with numerous cracks, splits, and spalls.
- Pile cap was seriously damaged by the Loma Prieta earthquake of 1989.
- Rust stains are visible which indicates the reinforcing steel is corroding.

Tie Rod Condition

- A detailed examination was not conducted as part of the study
- There have been several studies of tie rods over the years which have found mild to severe corrosion.
- The tie rods are critical for the support of the sea wall. The loss of a tie rod could lead to progressive failure of the wall.

Mr. Hendsbee stated that the general conclusion is that the seawall has reached the end of its useful service life and will require replacement in the near future. Replacement options, including installing a new wall in front or behind the existing wall, were discussed.

There was a consensus among the Commission to advance this critical project and proceed with developing preliminary designs for replacement.

4. Review of Draft FY25 Budget and 5-Year Capital Improvement Plan

Discussion: Audience member Linda Wilshusen requested that as part of CIP deliberations, the Commission consider designating an additional public restroom in the northwest harbor.

Port Director MacLaurie presented the FY25 Draft Budget and stated that the budget approach for FY25 focuses on the following:

- Presenting a balanced budget that meets debt service requirements.
- Maintaining a conservative approach to budgeted revenues.
- Funding approved labor contracts and pension related costs.
- Funding the Capital Improvement Program (CIP) at a level satisfactory to achieve a balanced budget.

Port Director MacLaurie highlighted the following FY24 budget projections:

- FY24 operating revenues are projected to exceed budget by approximately \$1,042,508 (9%), due to increases in the following categories:
  - Increased Interest Earnings (\$650,000)
  - Receipt of Easement Funds for the Murray Street Bridge Seismic Retrofit Project (\$348,000)
- FY24 operating expenses are projected to be less than budgeted by approximately \$107,497 (1%), due to the following
  - Reduction in Salaries (vacancy in the Administrative Services Department)
  - Reduction in Fuel Expenses
  - Increased Insurance Premiums
- FY24 net income is projected at -\$2,443,201. Net of depreciation and capitalized expenses, net income is projected to be positive overall.

Port Director MacLaurie reviewed the FY25 Salary and Benefit Costs and highlighted the following:

- Salary and Benefits are projected to increase 3%, primarily due to increases in the following categories:
  - Labor Contracts
  - CalPERS' Pension Costs
  - Addition of one provisional Harbor Maintenance Worker

Port Director MacLaurie reviewed the FY25 Dredge Operations budget. She stated that a \$152,000 contribution will increase available funding in the Dredge Fund (DF) to \$279,757.

Port Director MacLaurie reviewed the Port District's fund balances and current financial position, noting that the amount of unrestricted cash on hand available for operations, emergencies, and improvements is approximately \$9,592,837.

Port Director MacLaurie stated that the draft FY25 budget proposes to allocate \$1,095,000 to the CIP (\$750,000 contribution from operating budget + reallocation of \$345,000 from the Unallocated CIP). She reviewed the recommended FY25 Capital Improvement Program (CIP) funding:

- Harbor Security Upgrades - \$12,000
- Sanitary Sewer Lift Stations - \$20,000
- Piling Replacement - \$50,000
- Pavement Repairs - \$215,000
- Pier Rehabilitation - \$5,000
- Building Restoration - \$125,000
- Restroom Building Rehabilitation - \$18,000

- West Jetty Walkway - \$20,000
- SH Revetment & Seawall - \$80,000
- Aldo's Seawall Replacement - \$50,000
- Embankment Assessment - \$10,000
- Fuel System Upgrades - \$25,000
- NH Transformer - \$355,000
- 2222 EC Deck Replacement - Close Out
- Twin Lakes Haul - \$110,000

Commissioner Geisreiter expressed support for continuing to increase funding to the CIP, noting that the CIP funding goal should total at least \$1,000,000 annually to meet future funding needs.

Port Director MacLaurie stated that the draft FY25 budget does not include a proposed marina fee increase. She stated that the Consumer Price Index (San Francisco-Oakland-Hayward) increase (CPI) for 2023 is 2.6%. A discussion ensued about the implementation of a slip fee increase.

A discussion ensued regarding the implementation of a marina fee increase.

There was consensus among the Commission to direct staff to incorporate the following items into the FY25 budget for review and action at the upcoming regular public session on February 27, 2024:

- 3% increase to marina fees.
- 3% increase to the Small (6 Pak) Charter Fee (fee increases from \$125 x passenger capacity /12-months to \$128.75 x passenger capacity / 12-months).

Chair Reed adjourned the special public budget session at 7:21 pm.

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Stephen Reed, Chair



Special Closed Session of February 13, 2024

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Stephen Reed	Chair
Reed Geisreiter	Vice-chair
Toby Goddard	Commissioner
Dennis Smith	Commissioner
Darren Gertler	Commissioner

**SPECIAL PUBLIC SESSION – 4:30 PM**

Chair Reed convened the special public session at 4:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) §54956.8

At 4:30 PM, Chair Reed announced that the Commission will meet in closed session to discuss agenda item 3.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Property: 7th and Brommer (Southwest Parcels)  
Agency Designated Representative: H. MacLaurie  
Under Negotiation: Property Acquisition

**SPECIAL PUBLIC SESSION**

4. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Chair Reed announced that the Commission took no reportable action in closed session on item 3.

Chair Reed adjourned the special open session following the closed meeting at 4:56 PM.

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Stephen Reed, Chair



Special Closed and Regular Public Session of February 27, 2024

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Stephen Reed	Chair
Dennis Smith	Vice-chair
Toby Goddard	Commissioner
Reed Geisreiter	Commissioner
Darren Gertler	Commissioner

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Agency Designated Representative: H. MacLaurie  
Under Negotiation: Property Acquisition

**SPECIAL PUBLIC SESSION**

4. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) §54957.1

Chair Reed announced that the Commission took no reportable action in closed session on item 3.

Chair Reed adjourned the special open session following the closed meeting at 5:10 PM.

**REGULAR PUBLIC SESSION – 5:30 PM**

Chair Reed convened the regular public session at 5:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz CA (hybrid meeting platform).

5. Pledge of Allegiance

6. Oral Communication

Chair Reed announced that the Commission took no reportable action in closed session on item 3.

Commissioner Geisreiter requested that agenda item 11 be moved to the beginning of the meeting for discussion / action.

**CONSENT AGENDA**

7. Approval of Minutes

a) Special Closed Meeting of January 16, 2024

b) Special Closed and Regular Public Meeting of January 27, 2024

8. Approval of Month-to-Month Rental Agreement – 413 Lake Avenue, Suite 103 (Tenant: Alternative Legal Services)

9. Approval of Resolution 24-01 – Approving Salary Schedules and Authorizing Amendment to the Port Director’s Employment Agreement

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to approve consent agenda items 7 through 9.  
- *Motion carried unanimously.*

**REGULAR AGENDA**

11. Consideration of 6-Pak Charter Permit Application – Damon Walker (*Discussed out of order*)

Discussion: Harbormaster Anderson requested that the Commission consider authorization of a 6-pak charter operation in the north harbor. He stated that approval of this request will have minimal impact on parking in the area near X-Dock.

Mr. Walker thanked the Commission for their consideration of his request.

In response to a question posed by Commissioner Goddard, Harbormaster Anderson confirmed that Mr. Walker's slip was offered through the waiting list.

Vice-chair Smith expressed support for approving the proposed charter operation.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to approve the north harbor charter operation (6-pak) for Damon Walker.  
- *Motion carried unanimously.*

10. Approve the FY25 Budget and Capital Improvement Plan

Discussion: Port Director MacLaurie reviewed the proposed FY25 budget and highlighted the following:

- 3% increase to marina fees.
- 3% increase to the Small (6 Pak) Charter Fee (fee increases from \$125 x passenger capacity /12-months to \$128.75 x passenger capacity / 12-months).

Port Director MacLaurie stated that the budget worksheet, revenue summaries, Capital Improvement Plan summary table, fee schedule, and Projected Debt Service Ratio (DSR) have been revised accordingly since the Commission's review of the draft budget on February 6, 2024.

In response to a question posed by Commissioner Goddard, Port Director MacLaurie stated that the FY25 Budget Summary on page 7 will be updated to reflect that a 3% marina fee increase will be implemented.

The Commission thanked staff for the budget presentation.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Geisreiter to approve the FY25 budget and capital improvement projects.  
- *Motion carried unanimously.*

12. Approval of Cash/Payroll Disbursements – January 2024

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant # 59299 – Bayside Oil II, Inc. for Waste Fuel Disposal (\$1,704.00) – Staff stated that the high volume of fuel was due to the vessel disposal event performed on November 15, 2023 (SAVE Grant Reimbursable).
- Warrant # 59437 – Pacific Gas & Electric Company for Utilities (\$43,189.89) – Staff stated that the check total accounts for numerous PG&E meters, of which a proportional share is tenant reimbursable.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve cash and payroll disbursements for January 2024, in the amount of \$1,361,596.87.  
- *Motion carried unanimously.*



## INFORMATION

13. Port Director's Report

Port Director MacLaurie informed the Commission that Verizon Wireless has expressed interest in reinitiating negotiations for the installation of a cell tower in the vicinity of the O-Dock restroom. She sought direction from the Commission on whether there was interest in proceeding with negotiations. The Commission indicated that there may be interest in commencing negotiations if Verizon would compensate the District for prior legal fees.

14. Harbormaster's Report

Harbormaster Anderson stated that he will attend the Salmon Information Meeting virtually on March 1, 2024, and will report back with any findings.

15. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance & Engineering (FME) Manager Wulf stated that north harbor dredging will conclude on February 29, 2024.

In response to a question posed by Commissioner Goddard, FME Manager Wulf confirmed that the replacement suction pipes for the ladder are on hand at the dredge yard and the work will have to coincide with the haulout of *Twin Lakes*.

16. Financial Reports (*There was no discussion on this agenda item*)

- a) Comparative Seasonal Revenue Graph
- b) LAIF Statement & PMIA/LAIF Performance Report
- c) CLASS Statement

17. Delinquent Account Reporting (*There was no discussion on this agenda item*)

18. Harbor Patrol Incident Response Report – January 2024 (*There was no discussion on this agenda item*)

19. Written Correspondence (*There was no discussion on this agenda item*)

- a) California Special Districts Association Call for Nominations – Seat A

20. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chair Reed adjourned the regular public session at 6:08 PM.

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Stephen Reed, Chair



TO: Port Commission  
FROM: Renee Ghisletta, Administrative Services Officer  
DATE: March 19, 2024  
SUBJECT: Approval of Month-to-Month Rental Agreement for 2222 East Cliff Drive, Suite 212  
(Tenant: Martha Macambridge)

**Recommendation: Approve the month-to-month rental agreement.**

## BACKGROUND

Martha Macambridge was subleasing the office space located at 2222 East Cliff Drive, Suite 212, from O'Neill Sea Odyssey (OSO) since December 2020.

Effective June 1, 2022, under a new Amended and Restated Lease with OSO, the Port District assumed control of all second-story suites, including Ms. Macambridge's sublease which was on a month-to-month basis until completion of the deck replacement project which concluded in November 2023.

Ms. Macambridge wishes to execute a new month-to-month rental agreement with the Santa Cruz Port District effective April 1, 2024, with terms as outlined below. The monthly rent proposed has been adjusted to reflect the 2.6% increase in the 2023 San Francisco-Oakland-Hayward Consumer Price Index (CPI).

## ANALYSIS

Terms of lease: Month-to-Month  
Tenant: Martha Macambridge  
Space: 2222 East Cliff Drive, Suite 212 (270 SF)  
Rent: \$1,193.40 mo. (\$4.42/SF) – Adjusted annually by CPI  
Use: Office Space  
Insurance: \$1 million with Santa Cruz Port District named as additional insured

## IMPACT ON PORT DISTRICT RESOURCES

Approval of this lease will generate approximately \$14,320.80 per year in concession income.

ATTACHMENTS: A. Rental Agreement – 2222 East Cliff Drive, Suite 212

**SANTA CRUZ PORT DISTRICT  
RENTAL AGREEMENT**

THIS AGREEMENT is made and entered into as of the Agreement date in Section 1, by and between the SANTA CRUZ PORT DISTRICT COMMISSION, a political subdivision, 135 5th Avenue, Santa Cruz, California, 95062, hereafter referred to as "Landlord," and Tenant indicated in Section 1, hereafter referred to as "Tenant."

RECITALS:

A. Landlord is the owner of that certain real property described in Section 1 and located in the City and County of Santa Cruz, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Landlord desires to rent to Tenant and Tenant wishes to rent from Landlord the land and improvements as indicated in Exhibit A and described in Section 1 (the "Premises").

NOW, THEREFORE, in furtherance of the foregoing, and in consideration of the mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Rental of Premises. Landlord hereby rents the Premises to Tenant, and Tenant rents the Premises from Landlord, for the term, at the rental, and upon the other terms and conditions summarized in this Section and more fully described in subsequent sections:

Agreement Date:	<u>April 1, 2024</u>	Term:	<u>Month to Month</u>
Tenant:	<u>Martha Macambridge</u>		
Property:	<u>2222 East Cliff Drive, Suite 212</u>		
Premises:	<u>Office Space (approx. 270 SF)</u>		

	<i>Fixed Minimum</i>	<i>Time Period</i>	<i>Percentage Rent</i>
Rent:	<u>\$1,193.40</u>	<u>per month</u>	<u>N/A</u>

Rent Payable:	<u>Monthly</u>	on:	<u>the 1<sup>st</sup></u>	starting:	<u>April 1, 2025</u>
Rent Adjusted:	<u>annually</u>	on:	<u>April 1</u>	based on:	<u>SF Bay Area CPI</u>
Deposit:	<u>N/A</u>	paid:	<u>\$1,163.00</u>		
Use:	<u>Office Space</u>				

Tenant Insurance Requirements:	<u>Casualty</u>	<u>N/A</u>	<u>Liability</u>	<u>\$1 million</u>
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Notice of Rent Adjustment:	<u>30 days</u>	Notice of Termination:	<u>30 days</u>
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	<i>Landlord</i>	<i>Tenant</i>
Notice Addresses:	<u>Santa Cruz Port District</u>	<u>Martha Macambridge</u>
	<u>Attn: Port Director</u>	<u>2222 East Cliff Drive, Suite 212</u>
	<u>135 5<sup>th</sup> Avenue</u>	<u>Santa Cruz, CA 95602</u>
	<u>Santa Cruz, CA 95062</u>	<u><a href="mailto:mmacambridge@gmail.com">mmacambridge@gmail.com</a></u>

2. Term. The term of this agreement shall be month-to-month, commencing as of the date indicated in Section 1.

3. Notice of Termination. Landlord or Tenant may terminate this agreement with advance written notice to the other party. Such written notice must be given on the first day of the calendar month and shall be in advance of its effective date by the number of days indicated in Section 1.

4. Rent.

(a) Fixed Minimum Rent. As described in Section 1, Tenant shall pay to Landlord a fixed amount of rent ("Fixed Minimum Rent") which shall be subject to periodic adjustment as described in subparagraph 4(b).

(b) Adjustment of Fixed Minimum Rent. Landlord shall notify Tenant if rent is to be adjusted as indicated in Section 1. Any adjustment shall be effective as indicated in Section 1.

(c) Payment of Fixed Minimum Rent. Fixed Minimum Rent shall be payable as indicated in Section 1, in advance, without notice, offset, or abatement. All rent and other sums payable by Tenant hereunder shall be paid to Landlord in currency of the United States of America (or by personal check unless Landlord otherwise notifies Tenant) at Landlord's address set forth in Paragraph 23 hereof, or at such other place as Landlord may from time to time designate in writing.

(d) Deposit. Tenant shall also pay the amount indicated in Section 1, to be held as security deposit.

5. Use.

(a) Permitted Uses. Tenant shall use the Premises solely for the use indicated in Section 1 and for no other uses whatsoever. Tenant acknowledges that Landlord has made no warranties or representations to Tenant regarding the suitability of the Premises for Tenant's intended use, and Tenant waives all claims against Landlord regarding the suitability of the Premises for Tenant's intended uses. Landlord reserves the right to fix and determine rates charged (per Section 72 H&N).

(b) Roof. Tenant shall have no right to use any portion of the roof of the Building for any purpose.

(c) Continuous Use. Tenant shall continuously and uninterruptedly during the Agreement term, occupy and use the Premises for the purposes permitted under this Agreement.

(d) Hazardous Materials. No goods, merchandise, or materials shall be kept, stored, or sold in such a manner as to create any unusual hazard on the Premises; and no offensive or dangerous trade, business, or occupation shall be conducted thereon, and nothing shall be done on the Premises which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the Premises or upon adjacent properties or improvements thereon.

No machinery or apparatus shall be used or operated on the Premises, which will in any way injure the Premises, or adjacent properties or improvements thereon.

Tenant shall indemnify Landlord from any damages suffered by Landlord, including, without limitation, cleanup costs, as a result of the generation, use, storage, transport, or release of hazardous materials by Tenant in, on, or about the Premises or the Property. For the purpose of this Agreement, the term "hazardous materials" shall mean (A) those substances listed in Title 22 section 66680 of the California Administrative Code, (B) substances within the criteria set forth in Title 22 sections 66693 through 66723 of the California Administrative Code, (C) substances which, at any time during the term hereof, are added to the list described in paragraph (A) above or which are within any future criteria described in subparagraph (B) above, (D) petroleum and all byproducts and distillates thereof, and (E) asbestos. Prior to bringing or allowing any hazardous materials to be brought onto the Premise or Property, Tenant shall notify Landlord as to the identity of said materials and the safeguards to be used in connection therewith. Landlord shall be entitled, in its sole discretion, to refuse to allow hazardous materials to be brought onto the Premises or Property. Landlord's consent to the introduction of any hazardous material onto the Property (i) shall not release Tenant from its duty to indemnify Landlord for any damages resulting from such materials, (ii) shall not be deemed to waive Landlord's right to disapprove of any subsequent introductions of hazardous materials onto the Property whether of the same or of a different nature than the material to which Landlord consented, and (iii) may be revoked at any time, in Landlord's sole discretion, whereupon Tenant shall remove such materials from the Property within five (5) days of receipt of Landlord's demand for removal. In all events, if any hazardous materials become located upon the Property for any reason other than as consented to by Landlord in accordance with the foregoing procedure; Tenant shall immediately notify Landlord as to the same.

(e) Effect on Navigable Waters. Under federal law, no construction, installation, dredging, filling, or other activity, which would have an effect on navigation, may be conducted in or adjoining navigable waters without a permit therefore first being issued by the Secretary of the Army. The Port Director determines whether any proposed facility of Tenant may be construed to have an effect on navigation. In the event the Port Director so determines, Tenant shall prepare at its expense a permit application for submittal by Landlord in Landlord's name to the Corps of Engineers, United States Army. The permit application shall be prepared in strict conformity with regulations published by the United States Army.

(f) Non-permitted Uses. Tenant shall not permit the Premises to be used for any purpose not described in Paragraph 5(a) or for any unlawful purpose; and Tenant shall not perform, permit, or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of the laws and ordinances of the United States, State of California, or City of Santa Cruz, as the same may be now or hereafter in force and effect. Without limiting the generality of the foregoing, Tenant specifically agrees not to cause or permit generation of unreasonable levels of noise from other sources, which might disturb liveaboard slip licensees, or residential neighbors of the Port District from 9:00 pm until 6:00 am each day during the lease term. Tenant further specifically agrees to prevent emission from the Premises into the air of any smoke or other noxious substances, or any odors reasonably deemed offensive to personnel of Landlord, liveaboard slip licensees or residential neighbors of the Port District.

(g) Compliance with Laws. Tenant shall abide by all applicable rules, codes, regulations, resolutions, ordinances and statutes of Landlord, the City of Santa Cruz, County of Santa Cruz, California Coastal Commission, State of California, or other governmental body where applicable, respecting the use, operation, maintenance, repair or improvement of the Premises and equipment therein, and shall pay for any and all licenses or permits required in connection with the use, operation, maintenance, repair, or improvement of the Premises.

6. Ownership of Improvements. All structures, buildings, improvements, additions, and fixtures now existing or hereafter constructed, erected, or installed in or upon the Premises, and all alterations and additions thereto, shall be deemed a part of the Premises and title thereto shall be deemed vested in and remain in Landlord during the agreement term, and upon expiration or sooner termination of the agreement term shall remain upon and be surrendered with the Premises as part thereof.

7. Construction of Improvements.

(a) No Landlord Improvements. Landlord shall not be obligated to install or construct any improvements, additions, or alterations (collectively called "improvements") on the Premises during the agreement term.

(b) Tenant Improvements. Tenant may, at Tenant's expense, construct certain new additions and improvements to the Premises required in connection with the conduct of Tenant's business; provided, (a) that Tenant shall obtain, at Tenant's expense, all necessary plans and specifications for the construction of said additions and improvements, (2) that Tenant's plans and specifications shall be subject to review and prior written approval by Landlord, and (3) that Tenant shall be responsible for obtaining, at Tenant's expense, all necessary governmental permits and approvals for construction of any new additions or improvements to the Premises.

(c) Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless against liability, loss, damage, cost, and all other expenses (including but without limitation, attorneys' fees) arising out of claims of lien for work performed or materials or supplies furnished at the request of Tenant or persons claiming under Tenant.

8. Taxes and Assessments.

(a) Payable by Tenant. Tenant shall pay directly to the taxing authority during each year or partial year during the term hereof, all real and personal property taxes, general and special assessments, use and possessory taxes, environmental protection charges, and other charges of every kind or description whatsoever, foreseen or unforeseen, levied on or assessed against the Premises, improvements or personal property therein, the leasehold estate or any personal property therein, the leasehold estate or any subleasehold estate permitted by Landlord. Tenant shall pay each installment of such taxes and assessments prior to the date such installment becomes delinquent. The taxes and assessments to be paid by Tenant hereunder shall be prorated at the end of the agreement term, in order that Tenant will pay only the proportionate part of said taxes and assessments attributable to the period of the agreement term, based on the ratio of the unit's square feet to the building's total square feet.

(b) Substitute Taxes. If at any time during the agreement, under the laws of the United States of America, the State of California, or any political subdivision thereof in which the Premises are located, a tax on rent or other charge by whatever name called, is levied, assessed, or imposed against Landlord, or against the rent payable hereunder to Landlord, as a substitute in whole or in part for any of the taxes described in Paragraph 8(a), Tenant, to the extent such substitute tax or other charge relieves Tenant from the payment of taxes provided for herein, shall pay such tax or other charge in the manner provided in this Paragraph 8.

9. Insurance.

(a) Casualty Insurance. If indicated in Section 1, Landlord shall, at Tenant's expense, procure and maintain in full force and effect at all times during the term of this agreement, fire, and extended coverage insurance satisfactory to Landlord covering the Premises and all improvements therein in an amount not less than ninety percent (90%) of the actual replacement cost thereof. The insurance provided for in this Paragraph 9(a) shall, in Landlord's sole discretion, provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (all risk), including earthquake, and loss of rents covering Fixed Minimum Rent for a period of up to twelve (12) months, and shall contain an inflation endorsement. Insurance proceeds thereunder shall be payable to Landlord. Landlord shall have no obligation to insure against loss by Tenant to Tenant's leasehold improvements, fixtures, furniture, or other personal property in or about the Premises occurring from any cause whatsoever and Tenant shall have no interest in the proceeds of any insurance carried by Landlord. Landlord shall be entitled to carry any such insurance in the form of a blanket policy covering property in addition to the Premises. Tenant shall reimburse Landlord upon demand for its share of the cost to Landlord of any insurance policy or policies, which Landlord may carry on the Premises in accordance with this paragraph. Such costs shall include both premiums and deductibles. Tenant's share of the cost of such insurance shall be a prorated share based upon the portion of the building square footage contained within the Premises, or if in Landlord's reasonable judgment the foregoing square footage based apportionment does not fairly apportion the insurance costs related to the building, Landlord may adjust such insurance costs as appropriate to reflect any disparity in risk level or other factors which may affect the relative cost of insurance between and among all tenants of the building; as to any blanket policy of insurance covering properties other than the building, the portion of insurance costs allocable to the building shall be as equitably determined by Landlord. The premiums for such insurance of Landlord shall be prorated as of the expiration of the agreement term so that Tenant pays only for insurance coverage attributable to the agreement term.

(b) Liability Insurance. Tenant, at Tenant's sole expense, shall provide and keep in force at all times during the term of this agreement for the benefit of Landlord and Tenant general liability insurance policies with an insurance company reasonably satisfactory to Landlord, protecting Landlord and Tenant against any and all liability occasioned by any occurrence in, on, about, or related to the Premises in an amount not less than the amount indicated in Section 1, single combined limit for personal injury and property damage. Tenant shall cause Landlord to be named as an additional insured under such policy.

(c) Workers' Compensation Insurance. Tenant shall procure, at its own expense, and shall keep in force during the agreement term, adequate insurance against liability arising on account of injuries or death to workers or employees on the Premises. Such workers' compensation insurance shall be in amounts at least equal to the maximum liability of Tenant, its agents, and contractors under the Workers' Compensation Insurance and Safety Act of the State of California or other applicable laws.

(d) Other Insurance. Tenant shall procure, at its sole cost and expense, and shall keep in force, such other insurance in amounts from time to time reasonably required by Landlord against other insurable risks if at the time they are commonly insured against for business operations similar to that of Tenant.

(e) Written Notice of Cancellation or Reduction. Each policy of insurance, which Tenant is required to procure and maintain in effect, shall contain the following clause:

*"It is agreed that this policy shall not be cancelled nor the coverage reduced until thirty (30) days after the Port Director of Santa Cruz Port District shall have received written notice of such cancellation or reduction. The notice shall be sent by certified or registered mail and shall be deemed effective the date delivered to said Port Director, as evidenced by properly validated return receipt."*

(f) Waiver of Subrogation. Tenant and Landlord each hereby waives any and all rights of recovery against the other, and against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage to the extent of the insurance proceeds actually paid in connection therewith. Tenant and Landlord shall, upon obtaining any of the policies of insurance required or desired hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of rights of recovery is contained in this agreement, and shall each use their best efforts to cause the insurer for each such policy to waive in writing any rights of subrogation it may have against the other party.

(g) Submittal of Policies. Tenant agrees to deposit with Landlord, at or before the times at which the insurance policies necessary to satisfy the insurance provisions of this agreement are required to be in effect, a copy of each such policy or policies required hereunder and to keep such insurance in effect and the policy or policies therefore on deposit with Landlord during the entire term of this agreement.

(h) Review of Coverage. Landlord shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of Landlord, the insurance provisions in this agreement do not provide adequate protection for Landlord and for members of the public using the Premises, Landlord may require Tenant to obtain (or may obtain at Tenant's expense) insurance sufficient in coverage, form and amount to provide adequate protection. Landlord's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of the risks, which exist at the time a change in insurance is required.

Landlord shall give Tenant written notice of changes in the insurance requirement and Tenant shall deposit copies of acceptable insurance policies with Landlord incorporating such changes within sixty (60) days following receipt of such notice.

The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this agreement. Notwithstanding said policy or policies or insurance, Tenant shall be obligated for the full and total amount of any damage, injury, or loss caused by Tenant's negligence or neglect connected with this agreement or with use or occupancy of the Premises.

(i) Landlord's Remedies. In case of failure on the part of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, Landlord may at its discretion, and in addition to any other remedies it may have upon failure of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, procure or renew such insurance and pay any and all premiums therefore and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.



10. Indemnification.

(a) Tenant's Hold Harmless. Tenant hereby indemnifies Landlord against and holds Landlord harmless from any and all claims, damage, cost, liability, or expense, including but not limited to attorneys' fees and costs of suit, resulting from or arising out of Tenant's use of the Premises, Tenant's default in the performance of any obligation of Tenant under this agreement, any act or failure to act of Tenant or any employees, agents, contractors, customers, or other invitees of Tenant occurring in or about the Premises, or construction of any improvements by Tenant in the Premises. Such indemnification specifically includes without limitation any damage to property or injury or death to any person arising from the use of the Premises by Tenant or from the failure of Tenant to keep the Premises in good condition, order, and repair. Tenant expressly agrees to exercise due care in the handling of fuel or any other flammable materials in, on, or around the Premises. Tenant shall maintain on the Premises adequate firefighting equipment, which shall remain under the use, control, maintenance, and repair of Tenant.

(b) Tenant's Waiver of Claims. Tenant hereby waives all claims against Landlord for damage to any property, goods, wares, or merchandise of Tenant stored in, upon, or about the Premises, and for injury to persons in, upon, or about the Premises from any cause whatsoever arising at any time, except as may be caused by the active negligence or willful misconduct of Landlord. Landlord shall not be liable to Tenant for any damage caused by any act or negligence of any person, other than Landlord's personnel, in, upon, or about the Premises, whether a customer of Tenant or otherwise. Tenant expressly waives any claims against Landlord for damage to Tenant's business on the Premises or loss of goodwill or any other damage to Tenant arising from complete or partial closure of the Santa Cruz Harbor at any time and from time to time, whether such closure shall result from inclement weather, excess deposits of sand in the harbor, or any other reason whatsoever. Landlord shall have no obligation or responsibility to dredge the entrance channel of the Santa Cruz Harbor.

11. Maintenance and Repairs.

(a) Tenant's Obligations. Subject to Paragraph 15 below relating to damage and destruction, and subject to Landlord's maintenance responsibilities set forth in Paragraph 11(c) below, through the term of this agreement Tenant shall, at Tenant's sole cost and expense, maintain the Premises and every part thereof, and all fixtures, machinery and equipment located in or on the Premises and utilized in the conduct of Tenant's business in first class condition, order and repair, and in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) municipal, county, state, federal, and other governmental agencies and bodies having or claiming jurisdiction of the Premises and all their respective departments, bureaus, and officials; and (2) all insurance companies insuring all or any part of the Premises or improves or both. For purposes of this paragraph, the obligation to repair includes the obligation to replace as and when reasonably necessary. Tenant hereby waives such rights as it may have under California Civil Code Sections 1941 and 1942 and any similar or successor laws that permit a tenant to perform repairs and offset the cost thereof against rent.

(b) Outside Areas. Tenant acknowledges that the cleanliness and neat and attractive appearance of the interior and exterior of the Building and all other areas of the Premises are a material concern of Landlord. Accordingly, Tenant shall continuously exercise diligence throughout the agreement term in keeping the Premises and the Outside Area in a neat, clean, sanitary, and attractive condition. Tenant shall arrange for regular and prompt disposal of garbage generated by Tenant's operations on the Premises, and shall not permit garbage or refuse to accumulate in or around the Premises. Tenant shall not cause or permit offensive odors to emanate from the Premises.

(c) Landlord's Obligations. Notwithstanding anything to the contrary contained in this Paragraph 11, and subject to the provisions of Paragraph 15 below relating to damage and destruction, Landlord shall maintain in good condition, order and repair the parking area upon the Property, the heating, ventilation and air conditioning equipment, if any, servicing the Premises, and the structural portions of the Building, including the roof, walls and foundation of the Building, except to the extent any such maintenance is necessitated by damages due to the negligence or greater culpability of Tenant, its agents, employees or invitees. Landlord shall have no obligation to maintain or repair under this Paragraph 11(c) until a reasonable period of time after receipt by Landlord of notice from Tenant of the need therefore, specifying the nature of the maintenance or repair needed.

12. Utilities. Tenant shall pay promptly as the same become due and payable its pro rata share of all bills and costs for water, gas, electricity, refuse pickup, sewer service charges, and any other utilities or services supplied to the Premises as indicated in Section 1. Tenant shall pay its pro rata share of utilities within five (5) days of receiving notice from Landlord as to the amount thereof. The parties hereby agree that Tenant's pro rata share of said utility costs shall be reasonably calculated by Landlord and conveyed to Tenant. In no event shall Landlord be liable to Tenant for any interruption or failure of any utility services to the Premises.

13. Assignment and Subletting.

(a) Landlord's Consent Required. Tenant shall not assign, sublease, mortgage, pledge, hypothecate, encumber, or transfer the Premises or any part thereof, or this agreement or any rights or obligations hereunder without Landlord's written consent.

(b) Incorporation of Terms. Should Landlord consent to any Transfer such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this agreement. Such terms, covenants, or conditions shall apply to each and every transfer hereunder and shall be severally binding upon each and every encumbrancer, assignee, transferee, subtenant, or other successor in interest of tenant. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall incorporate directly or by reference all the provisions of this agreement.

14. Damage or Destruction.

(a) Partial Damage-Insured. Subject to the provisions of Paragraphs 15(c) and 15(d), if the Premises or any improvements therein are damaged, such damage involves damage to the building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), such damage was caused by an act or casualty covered under an insurance policy provided for in Paragraph 9, and the proceeds of such insurance received by Landlord are sufficient to repair the damage, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible and this agreement shall continue in full force and effect.

(b) Partial Damage-Uninsured. Subject to the provisions of Paragraphs 15(c) and 15(d), if at any time during the term hereof the Premises or any improvements are damaged, such damage involves damage to the Building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), and the insurance proceeds received by Landlord are not sufficient to repair such damage, or such damage was caused by an act or casualty not covered under an insurance policy, Landlord may at Landlord's option either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this continue in full

force and effect, or (b) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of Landlord's intention to cancel and terminate this agreement as of the date of the occurrence of such damage.

(c) Total Destruction. If at any time during the term hereof either the Premises or the improvements contained therein are damaged from any cause, whether or not covered by the insurance provided for in Paragraph 9, and such damage involves damage to the Building to the extent of eighty percent (80%) or more of the replacement value thereof (excluding excavations and foundations of the Building), including any total destruction required by any authorized public authority, this Lease shall at the option of Landlord terminate as of the date of such total destruction. Landlord shall exercise its right to terminate this agreement by delivery of notice to Tenant within thirty (30) days after the date that Tenant notifies Landlord of the occurrence of such damage. In the event Landlord does not elect to terminate this agreement, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible, and this Lease shall continue in full force and effect.

(d) Damage Near End of Term. If the Premises or the improvements therein are destroyed or damaged in whole or part during the last six (6) months of the term of this agreement, Landlord may at Landlord's option cancel and terminate this agreement as of the date of occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage.

(e) Abatement of Rent. Notwithstanding anything to the contrary contained elsewhere in this Lease, if the Premises are partially damaged and Landlord repairs or restores them pursuant to the provisions of this agreement Paragraph 14, the Fixed Minimum Rent payable hereunder for the period commencing on the occurrence of such damage and ending upon completion of such repair or restoration shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired during the period of repair; provided that, nothing herein shall be construed to preclude Landlord from being entitled to collect the full amount of any rental loss insurance proceeds if such rental loss insurance is then carried with respect to the Premises. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair, or restoration.

(f) Waiver. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4), and any similar or successor statutes relating to termination of agreement when the agreement term is substantially or entirely destroyed, and agrees that such event shall be governed by the terms of this agreement.

(g) Tenant's Property. Landlord's obligation to rebuild or restore shall not include restoration of Tenant's equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

(h) Notice of Damage. Tenant shall notify Landlord within five (5) days after the occurrence thereof of any damage to all or any portion of the Premises. In no event shall Landlord have any obligation to repair or restore the Premises pursuant to this Paragraph 14 until a reasonable period of time after Landlord's receipt of notice from Tenant of the nature and scope of any damage to the Premises, and a reasonable period of time to collect insurance proceeds arising from such damage (unless such damage is clearly not covered by insurance then in effect covering the Premises).

(i) Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, or of the replacement cost, shall be conclusive for purposes of this Paragraph 14.

15. Eminent Domain.

(a) Termination. In the event the whole or any part of the Premises is condemned in the lawful exercise of the power of eminent domain by any public entity, then this agreement shall terminate as to the part condemned on the date possession of that part is taken.

(b) Partial Taking Renders Economically Unfeasible. If only a part of the Premises is condemned, but such taking makes it economically unfeasible for Tenant to use the remainder of the Premises for the purposes contemplated by this agreement, then Tenant may, at its option, terminate this agreement as of the date possession of the condemned part is taken by giving written notice to Landlord of its intention within thirty (30) days following the date said possession is taken.

(c) Partial Taking with Business Continued. If only part of the Premises is condemned and this agreement terminated as set forth above, then this Lease shall, as to the condemned portion of the Premises, terminate as of the date possession of such portion is taken. The Fixed Minimum Rent shall thereupon be reduced in the same proportion that the area of the Premises taken bears to the initial total area of the Premises. Fixed Minimum Rent, as so reduced, shall continue to be subject to adjustment in accordance with Paragraph 4 hereof.

(d) Repairs. Tenant shall, at its sole cost and expense and in a prompt and expeditious manner, make all necessary repairs or alterations to the remainder of the Premises so as to make them reasonably suitable for Tenant's continued occupancy for those uses and purposes contemplated by this agreement.

(e) Compensation. All compensation awarded or paid upon the total or partial taking of the fee title to the Premises or part of the Premises, or for the taking of all or any portion of the Premises, shall belong to Landlord. The Building and other improvements made by Landlord on the Premises at Landlord's expense shall belong to Landlord. Landlord shall not be entitled to any compensation paid to Tenant for costs incurred by Tenant in removing its furniture, equipment, and trade fixtures from the condemned Premises.

16. Tenant Default. Tenant shall be deemed in default under this agreement upon occurrence of any of the following:

(a) Tenant Default

(1) Tenant fails to pay a monetary sum when due under this Lease (provided that Tenant shall not be deemed in default if Tenant pays such sum within ten (10) days after notice from Landlord that such sum is overdue; and provided further that, Tenant shall not be entitled to any such ten (10) day grace period or notice and shall be deemed in default immediately upon failure to so pay when due if Landlord has already delivered two notices of overdue payments within the immediately preceding twelve (12) month period;

(2) Tenant fails to perform any of its other obligations under this agreement provided that, if such failure is of the nature that it may be cured, Tenant shall not be deemed in default if Tenant cures such failure within twenty (20) days after notice from Landlord of such failure;

(3) Tenant's interest in the Premises or the Lease, or any part thereof, is assigned or transferred, either voluntarily or by operation of law (except as expressly permitted by other provisions of this agreement), including, without limitation, the filing of an action by or against Tenant, or by any member of Tenant if Tenant is a partnership or joint venture, under any insolvency or bankruptcy laws, or if Tenant makes a general assignment for the benefit of its creditors, or;

(4) Tenant vacates, abandons, or surrenders the Premises during the agreement term. In the event of a default by Tenant under this agreement, Landlord may pursue such remedies as it may have for such default under law or in equity, including but not limited to the remedies set forth below.

(b) Repossession. Landlord may repossess the Premises and remove all persons and property therefrom. If Landlord repossesses the Premises because of a breach of this Lease, this agreement shall terminate and Landlord may recover from Tenant:

(1) the worth at the time of award of the unpaid rent, which had been earned at the time of termination including interest at ten percent (10%) per annum;

(2) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided including interest at ten percent (10%) per annum;

(3) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, computed by discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%); and

(4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this agreement or which in the ordinary course of things would be likely to result therefrom.

(c) No repossession. If Landlord does not repossess the Premises, then this agreement shall continue in effect for so long as Landlord does not terminate Tenant's right to possession and Landlord may enforce all of its rights and remedies under this agreement, including the right to recover the rent and other sums due from Tenant hereunder. For the purposes of this Paragraph 16, the following do not constitute a termination of Tenant's right to possession:

(1) Acts of maintenance or preservation by Landlord or efforts by landlord to relent the Premises; or

(2) The appointment of a receiver by landlord to protect Landlord's interest under this agreement.

17. Attorneys' Fees. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements, or conditions of this agreement or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as a part of the

prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgement rendered. "Prevailing party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other party after the other party's breach or default, if such action is settled or dismissed upon the payment by the other party of the sums allegedly due or performance of the covenants allegedly breached or the plaintiff obtains substantially the relief sought by it in the action.

18. Removal of Property. Tenant hereby irrevocably appoints Landlord as agent and attorney in fact of Tenant to enter upon the Premises in the event of a default by Tenant in the payment of any rent herein reserved, or in the performance of any term, covenant, or condition herein contained to be kept or performed by Tenant, and to remove any and all furniture and personal property whatsoever situated upon the Premises, and to place such property in storage for the account of and at the expense of Tenant. In the event that Tenant shall not pay the cost of storing any such property after the property has been stored for a period of ninety (90) days or more, Landlord may sell any or all of such property, at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant or any demand upon Tenant for the payment of any part of such charge or the removal of any such property and shall apply the proceeds of such sale first to the costs and expenses of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

19. Subordination.

(a) Subordination of Lease. This agreement at Landlord's option shall be subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon all or any portion of the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent, observe, and perform all of the provisions of this agreement unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee or trustee shall elect to have this agreement prior to the lien of its mortgage or deed of trust, and shall give written notice thereof to Tenant, this agreement shall be deemed prior to such mortgage or deed of trust, whether this agreement is dated prior or subsequent to the date of said mortgage or deed of trust or the date of recording thereof.

(b) Execution of Documents. Tenant agrees to execute any documents required to effectuate such subordination or to make this agreement prior to the lien of any mortgage or deed of trust, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in Tenant's name, place and stead, to do so.

20. Landlord's Right to Reenter.

(a) Peaceable Surrender. Tenant agrees to yield and peaceably deliver possession of the Premises to Landlord on the date of termination of this agreement regardless of the reason for such termination. Upon giving written notice of termination to Tenant, Landlord shall have the right to reenter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the agreement and reentry of any Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the Lease terms and shall not constitute an acceptance or surrender.

(b) Waiver of Redemption and Stipulated Damages. Tenant waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any reason or in the event, Landlord reenters and takes possession of the Premises in a lawful manner.

21. Notices. All notices, statements, demands, requests, approvals or consents given hereunder by either party to the other party shall be in writing and shall be sufficiently given and served upon the other party if served personally or if sent by first class mail of the United States Postal Service, certified, return receipt requested, postage prepaid, and addressed to the parties as indicated in Section 1, or to such other address as any party may have furnished to the others as a place for the service of notice. Notices sent by mail shall be deemed served on the date actually received, as indicated on the return receipt.

23. No Commission. Landlord and Tenant each agree that Landlord and Tenant, respectively, have not had any dealings with any realtor, broker, or agent in connection with the execution of this agreement. Tenant shall pay the commission or compensation payable to any agent or broker employed by Tenant in connection with the execution of this agreement.

24. Waiver. The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this agreement, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of partial payments of rent or any other sum due hereunder shall not be deemed a waiver of its right to recover the full amount of such payment and shall not be deemed an accord and satisfaction whether or not the amount due is disputed by the parties.

25. Holding Over. Any holding over after the expiration of the term with the consent of Landlord shall be construed to be a tenancy from month to month on the same terms and conditions specified herein so far as applicable.

26. Parking. Tenant acknowledges that all parking areas and all other common areas within the Santa Cruz Small Craft Harbor shall remain under the operation and control of Landlord. The manner in which such areas and facilities are operated and maintained shall be at the sole discretion of Landlord, and the use of such areas and facilities shall be subject to such rules and regulations as Landlord shall make from time to time. Landlord shall have the right to regulate access and parking and to install parking meters in such parking areas.

27. Non-Discrimination. Tenant agrees in the conduct of Tenant's business not to discriminate against any person or class of persons by reason of sex, race, creed, national origin, age, or physical condition. Tenant shall make its accommodations and services available to all persons on equal and reasonable terms.

28. Entry by Landlord. Landlord and its agents shall be entitled to enter into and upon the Premises at all reasonable times, upon reasonable notice (except in the case of an emergency, in which event no notice shall be required), for purposes of inspecting or making repairs, alterations or additions to all or any portion thereof, or any other part of the Building, including the erection and

maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, and during the one hundred eighty (180) day period prior to the expiration of this agreement to place upon the Premises any usual or ordinary "for rent" signs and exhibit the Premises to prospective tenants at reasonable hours, all without any abatement of rent and without liability to Tenant for any injury or inconvenience to or interference with Tenant's business, quiet enjoyment of the Premises, or any other loss occasioned thereby.

29. General.

(a) Entire Agreement. This agreement contains all of the terms, covenants, and conditions agreed to by Landlord and Tenant and it may not be modified orally or in any manner other than by an agreement in writing signed by all of the parties to this agreement or their respective successors in interest.

(b) Covenants and Conditions. Each term and each provision of this agreement performable by Tenant shall be construed to be both a covenant and a condition, all of which conditions shall be for the sole benefit of Landlord.

(c) Binding on Successors. The covenants and conditions hereof, subject to the provisions as to subletting and assignment, shall apply to and bind the heirs, successors, executors, administrators, sublessees, and assigns to the parties.

(d) Joint and Several Liability. All persons who have signed this agreement shall be jointly and severally liable hereunder.

(e) Gender. When the context of this agreement requires, the masculine gender includes the feminine, a corporation, or a partnership, and the singular number includes the plural.

(f) Captions. The captions of the numbered and lettered paragraphs of this agreement are for convenience only and are not a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.

(g) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California.

(h) Time of Essence. Time is of the essence as to all of the provisions of this agreement.

(i) Partial Invalidity. If any term, covenant, condition, or provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(j) Relationship. Tenant shall not be an agent of Landlord for any purpose, and nothing in this agreement shall be deemed to create a partnership relationship between Tenant and Landlord.

(k) No Recordation. Tenant shall not record either this Agreement or a short form memorandum of this agreement.



(l) Calendar Days. All references herein to "days" shall mean calendar days unless otherwise stated.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

"LANDLORD"

SANTA CRUZ PORT DISTRICT  
COMMISSION,  
a political subdivision

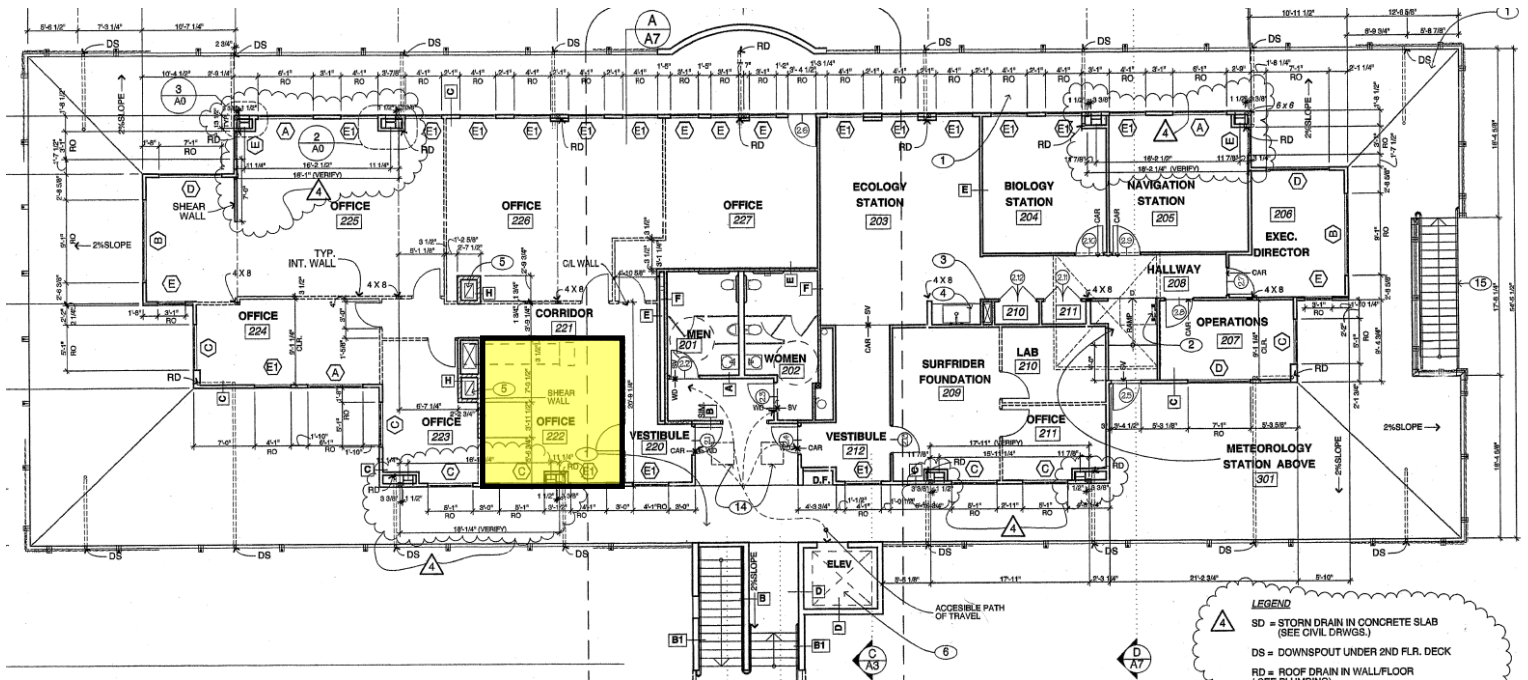
By \_\_\_\_\_  
Holland MacLaurie, Port Director

"TENANT"

By Martha Macambridge  
Martha Macambridge

# PREMISE MAP

Martha Macambridge  
2222 East Cliff Drive, Suite 212





TO: Port Commission  
FROM: Blake Anderson, Harbormaster  
DATE: March 18, 2024  
SUBJECT: Consideration of 6-Pak Charter Permit Application – Windfall Charters (A. Dahlen)

**Recommendation:** *Consider authorization of a south harbor charter operation (6-pak) for Adam Dahlen of Windfall Charters.*

## BACKGROUND

Adam Dahlen received his 40' multihull slip on B-Dock in December of 2022, through the waiting list. He and his boat partner, Austin Towhig, purchased their vessel, a 42' Solaris sailing catamaran in southern California shortly thereafter. Both Dahlen and Towhig have decades of sailing experience locally and in Alaska. The vessel is a robust blue water catamaran in good operable condition.

Mr. Dahlen has submitted a proposal to operate a 6-pak charter from his slip on B-Dock.

## ANALYSIS

The vessel is held in an approved partnership, and both partners would be active in the charter business if approved for operation. Mr. Dahlen envisions the charter business to be a mix of sailing and wildlife viewing based on guests' preferences. He has also suggested offering a unique package during the summer months, weather permitting, in which the vessel would anchor at Cowells or Capitola, and guests could enjoy the day swimming, paddling, surfing and relaxing.

If approved, this vessel would be the only sailing catamaran in the harbor operating as a 6-pak. Previously, there had been a 6-pak sailing catamaran operating from a C-Dock multihull slip from February 2017 to September 2020.

Currently, three 6-pak charters are operating in the southern portion of the southwest harbor (one each on B-Dock, C-Dock, and D-Dock). The northern portion of the southwest harbor (F-Dock and FF-Dock) is home to a majority of the large-scale charters. While parking on the harbor's southwest side is generally impacted during peak season, parking in the southern portion (A, B, and C-Docks) typically has more availability than the area near F/FF-Docks.

With a passenger limit of six, it is reasonably assumed that customers would arrive in 2-3 cars, making the impact on parking availability minimal. Additionally, Mr. Dahlen has stated that, if approved, he will make customers aware of the limited parking on weekends and will encourage alternate modes of transportation during those times.

Mr. Dahlen has completed the charter application and paid the associated fee. If approval is granted, he intends to initially hire a local captain with catamaran experience while he pursues obtaining his own OUPV (6-pak) captain's license.

The vessel is currently insured although, if approved, Mr. Dahlen will need to have an out of water survey performed prior to obtaining a commercial charter policy in the amount of \$1 million. If approved,

staff will ensure that Mr. Dahlen obtains correct insurance with the Port District listed as additional insured prior to operating.

It also should be noted that the vessel sits approximately 7 feet from the west side seawall and will likely be unaffected if the seawall were to be altered as part of future reconstruction.

Overall, staff feels this is a reasonable request with minimal impacts on southwest harbor operations.

**IMPACT ON PORT DISTRICT RESOURCES**

If approval is granted, the Port District will generate an additional \$773 in charter fees annually, and associated visitor parking revenue.

ATTACHMENTS:      A. Charter Application and Supporting Materials



Santa Cruz Port District  
**BUSINESS USE OF SLIP / CHARTER PERMIT APPLICATION**  
135 5th Avenue, Santa Cruz, CA 95062 • (831) 475-6161 • [scpd@santacruzharbor.org](mailto:scpd@santacruzharbor.org)

**INFORMATION**

Berths in Santa Cruz Harbor may be used for marine business purposes. Such use may include, but is not limited to: public chartering operations, boat brokerage, boating education / instruction / lessons, and marine research.

The Port Commission shall be the sole judge in granting consent for a slip to be used for business use and its decision will be final. Subsequent to Commission approval, each business use shall be reviewed yearly to assure that the objectives of the business use are being met.

All business use of slips will be subject to specific fees which will be set by the Port Commission, and amended from time to time.

Businesses making use of a slip for business purposes may not transfer a slip license up the sale, lease, or partial sale of their business to any second party. The Port District regulations and their intent on governing the non-transference of slip licenses for individual slip shall also apply to a slip used for business purposes.

The Port Commission has the right to revoke any slip license if it is determined that business use of the slip is being used for purposes other than those approved.

**APPLICATION PROCESS**

Please submit the following business use of slip / charter permit application to the Harbormaster for review. A \$250 non-refundable application fee is due at the time of submission.

Please note that the submission of a business use of slip / charter permit application does not constitute approval or confirmation of any request. Approval is not granted until the application form has been completed, all fees have been paid, insurance requirements have been met and the Port Commission has deliberated.

**APPLICATION FEE**

A non-refundable application fee of \$250 is due at the time your application is submitted.

**PLEASE SUBMIT ALL APPLICATION MATERIAL,  
INCLUDING \$250 NON-REFUNDABLE APPLICATION FEE TO:**

Santa Cruz Port District  
Attn: Harbormaster  
135 5th Avenue  
Santa Cruz, CA 95062

OR

[scpd@santacruzharbor.org](mailto:scpd@santacruzharbor.org)

**BUSINESS USE OF SLIP / CHARTER PERMIT APPLICATION**

**CONTACT & BUSINESS INFORMATION**

Applicant Name:

Home Address:

Email Address:

Phone Number:

Assigned Slip #:  Slip Assigned through Port District Waiting List?  YES  NO

Vessel Pak Rating:  Vessel Type:  Vessel Size:  Operating Schedule:

**THE FOLLOWING INFORMATION MUST BE SUBMITTED AS PART OF THE APPLICATION PROCESS. THE INFORMATION WILL ASSIST IN THE APPROVAL PROCESS. ADDITIONAL INFORMATION MAY BE SUBMITTED, IF DESIRED.**

**PROPOSED OPERATING PLAN**

Include days, times, and seasons of planned operation. Please note that any changes to the operating plan, including changes to the vessel's pak rating or size, will require additional Port Commission approval.

**PROPOSED PARKING PLAN**

Parking within the harbor is limited. Please address how parking will be utilized and any steps you will take to minimize parking impacts.

**SAFETY PLAN**

A comprehensive safety plan, outlining courses, certifications, licensing of each qualified vessel operator and/or skipper.

**INSURANCE REQUIREMENTS**

Liability insurance, in the amount of \$1 million, naming the Santa Cruz Port District as additional insured, must be provided.

**SIGNATURE**

Owner hereby agrees that, to the full extent permitted by law, Port District shall not be liable or responsible for any claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions or causes of action of any kind whatsoever, resulting (1) from any collision with any of the dredging equipment or any other boat, (2) from any collision or contact with the bottom of the Harbor or any obstructions on the bottom of the Harbor, (3) from any collision or contact with the jetties or surrounding beaches, or (4) from, or in any way relating to, the dredging operations or the lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances

NAME:  SIGNATURE:

SIGNATURE:  DATE:

PRIMARY BANKING INSTITUTION:

**FOR PORT DISTRICT USE**

Application Fee:  Insurance Req't (Date Submitted):

Received Date:  Other Special Conditions:

Approval Date:



*Windfall*  
CHARTERS

## BUSINESS PROPOSAL

ADAM DAHLEN, AUSTIN TWOHIG

(831)-588-1575

WINDFALLCHARTERS@GMAIL.COM

## **OUR MISSION**

WINDFALL CHARTERS WILL AIM TO PROVIDE A UNIQUE AND PERSONAL SAILING EXPERIENCE

LOCALLY OWNED, WINDFALL CHARTERS AIMS TO PROVIDE SCENIC AND RELAXING SAILING CHARTERS ABOARD OUR 42 FOOT SOLARIS CATAMERAN FOR UP TO SIX PEOPLE. AS AN ALTERNATIVE TO LARGER PUBLIC SAILING CHARTERS, OUR GOAL IS TO HAVE OUR CUSTOMERS EXPERIENCE THE BEST THE MONTEREY BAY HAS TO OFFER FROM SAILING TO WILDLIFE VIEWING TO JUST RELAXING ON THE OCEAN.

## **OPERATING PLAN**

PROPOSED OPERATING LOCATION IS FROM SLIP B23 IN THE LOWER SANTA CRUZ HARBOR. CHARTERS WILL PRIMARILY TAKE PLACE IN SPRING, SUMMER, AND EARLY FALL. THE NUMBER OF TRIPS AND DAYS OF OPERATION WILL BE DEPENDENT UPON DEMAND. THE LENGTH AND TYPE OF CHARTERS WILL VARY DEPENDING ON CUSTOMER PREFERENCE. ADDITIONALLY, OUR LOCATION NEXT TO THE GATE WILL ALLEVIATE ANY DISRUPTION TO OTHER SLIP HOLDERS ON THE DOCK

SEASON: SPRING/SUMMER/FALL

DAYS: 7 DAYS A WEEK, DEPENDANT ON DEMAND

TIME: TBD

## **PARKING PLAN**

THE VESSEL'S LOCATION IS HIGHLY VISIBLE FROM THE WALKWAY SO WE PLAN TO MARKET TO THOSE ALREADY VISITING THE HARBOR. OUR PROPOSED CHARTER MAY ACCOMMODATE A MAXIMUM OF SIX PASSENGERS, WHICH SHOULD RESULT IN VERY LITTLE IMPACT ON EXISTING PARKING. WE ARE ONLY PLANNING TO BOOK WHOLE BOAT CHARTERS WITH SINGLE GROUPS AND AS SUCH CUSTOMERS WILL LIKELY ARRIVE IN ONE OR TWO VEHICLES AND USE THE AUTOMATED PAY STATIONS NEAR B-DOCK.

## **ADVERTISING**

DUE TO THE HIGH VISIBILITY OF OUR LOCATION ADJACENT TO THE SIDEWALK, THERE WILL BE NO NEED FOR SANDWICH BOARDS OR LANDSIDE BANNERS. ALL ADVERTISING AND SIGNAGE WILL BE OF PRESCRIBED DIMENSIONS AND BE MOUNTED TO THE VESSEL ITSELF.

## **SAFETY PLAN**

OUR VESSEL IS A BLUE WATER OCEAN GOING CRUISERS WITH AN EXCELLENT PERFORMANCE UNDER SAIL OR POWER. THE CENTER COCKPIT IS DESIGNED TO PROVIDE THE MAXIMUM OF SAFETY AND COMFORT AT SEA.

WINDFALL CHARTERS WILL REGULARLY CONDUCT TRAINING RELATED TO PASSENGER AND CREW SAFETY. ALL OPERATORS WILL HOLD A UNITED STATES COAST GUARDS MASTERS LICENSE AND BE CERTIFIED IN CPR, FIRST AID AND AED.

## **INSURANCE REQUIREMENTS**

INSURANCE WILL BE EXTENSIVE AND MEET OR EXCEED ALL CHARTER AND SANTA CRUZ PORT DISTRICT REQUIREMENTS. [REDACTED]





TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: March 5, 2024  
SUBJECT: Approval of Resolution 24-02 – Opposing Proposed Removal of Mile Buoy

**Recommendation:** *Adopt Resolution 24-02 opposing the US Coast Guard's proposed removal of the Santa Cruz Lighted Whistle Buoy ("Mile Buoy").*

## BACKGROUND

The US Coast Guard District 11 recently issued a Local Notice to Mariners indicating that fourteen Aids to Navigation (AtoNs) were proposed for removal. Included on the removal list is the Santa Cruz Lighted Whistle Buoy ("Mile Buoy").

Comments on the proposed removal were initially requested by the Coast Guard by March 22, 2024, but the submission deadline was subsequently extended to April 3, 2024.

## ANALYSIS

Staff has distributed the Local Notice to Mariners to neighboring harbors, the City of Santa Cruz, County of Santa Cruz and all subscribers to Port District emails. Several comments have been submitted to the US Coast Guard by Santa Cruz Harbor tenants. The attached resolution emphasizes both the Port District's operational uses of the Mile Buoy and the functions it fulfills in assisting inexperienced boaters and paddlers.

## IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with adopting the resolution.

ATTACHMENT: A. Resolution 24-02

Santa Cruz Port District  
**Resolution 24-02**  
March 26, 2024

ON THE MOTION OF \_\_\_\_\_

SECONDED BY \_\_\_\_\_

A resolution opposing the United States Coast Guard’s proposal to remove the Santa Cruz lighted whistle buoy (LLNR 4080), known locally as the “Mile Buoy.”

WHEREAS, the Pacific Ocean waters along the Santa Cruz coast are a community asset, providing both the opportunity and the environment for commercial, recreational, research and educational aquatic activities; and

WHEREAS, thousands of residents, visitors and commercial operators use and enjoy the waters along the Santa Cruz coast every year; and

WHEREAS, weather and sea conditions frequently combine to create hazardous conditions for boaters, paddlers, swimmers and surfers with varying degrees of experience and ability; and

WHEREAS, the Santa Cruz Port District is charged with rescuing boaters, paddlers, swimmers and surfers from the waters along the Santa Cruz coast; and

WHEREAS, the Santa Cruz County Coastal Incident Response Plan, a mutual aid plan involving the Port District along with City, County and State agencies, provides for responses to emergencies at sea being coordinated between land-based and ocean-going emergency responders; and

WHEREAS, the Santa Cruz Mile Buoy is the only physical reference point visible from shore and usable for directing rescuers to victims and distressed vessels; and

WHEREAS, the Santa Cruz Mile Buoy serves as a safety demarcation between the open ocean and calmer, near shore waters; and

WHEREAS, countless children and adults, including disabled persons, learn basic boating and navigation skills in the waters between the Santa Cruz Mile Buoy and the shoreline; and

WHEREAS, during heavy weather and emergencies at sea, mariners may not be able to program and operate small electronic devices and must be able to rely on available audible and visible aids for safe navigation; and

WHEREAS, the Santa Cruz Mile Buoy is critical and indispensable to the safety of all mariners navigating waters along the Santa Cruz coastline; and

WHEREAS, a mark on a chart is insufficient for serving the needs of rescuers, commercial operators and other mariners regardless of the availability of electronic navigation devices;

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz Board of Port Commissioners opposes the US Coast Guard’s proposed removal of the Santa Cruz lighted whistle buoy (LLNR 4080), known locally as the “Mile Buoy,” and urges the US Coast Guard to continue to maintain its aids to navigation as essential infrastructure for the safety of all mariners.

PASSED AND ADOPTED by the Santa Cruz Port Commission, this 26<sup>th</sup> day of March, 2024, by the following vote:

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSENT \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Stephen Reed, Chair

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

TO: Port Commission  
FROM: Carl Wulf, Facilities Engineering Manager  
DATE: March 21, 2024  
SUBJECT: Award of Contract for Concession Lot Pavement Repairs (NTE \$200,000)

**Recommendation:** *Award a contract for concession parking lot paving repairs; authorize the Port Director to execute the contract; and authorize a not-to-exceed amount of \$200,000.00.*

## **BACKGROUND**

Maintenance crews have identified that the entirety of the concession parking lot is in need of paving repairs. Informal bids were solicited in accordance with the California Public Contract Code.

## **ANALYSIS**

Bids will be received until Friday, March 22, at 5:00 PM. Staff will review all bids received for consistency with the proposal requirements. Staff will check references and qualifications, determine the lowest responsive bidder, and determine the contract amount and appropriation.

## **IMPACT ON PORT DISTRICT RESOURCE**

Adequate funding for this project is available in the Capital Improvement Project Pavement Repairs (F006) project fund, which as of April 1, 2024, will have an available balance of \$300,532.

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

TO: Port Commission  
FROM: Carl Wulf, Facilities Engineering Manager  
DATE: March 25, 2024  
SUBJECT: Award of Contract for Concession Lot Pavement Repairs (NTE \$195,300)

**Recommendation:** *Authorize the Port Director to execute the contract documents with Granite Construction; and authorize a not-to-exceed amount of \$195,300 for paving repairs from the Capital Improvement Project fund for the amount of the contract.*

## BACKGROUND

Maintenance crews have identified that the entirety of the concession parking lot is in need of paving repairs.

Informal bids were solicited in accordance with the California Public Contract Code. Granite Construction submitted the lowest bid, totaling approximately \$3.86/SF. The project consists of repaving approximately 50,500 SF, for a project total of \$195,300.

## ANALYSIS

Work required as part of this project consists, in general, of grinding out the existing pavement, compaction of subgrade material, installation of 2" asphalt concrete, raising manholes and valve boxes to finish grade, and striping to match existing spaces. In total, approximately 50,500 SF will be repaved. A contingency is not included as the project was bid on a price per square foot basis.

Granite Construction has a good reputation for quality work. They have previously performed work at the harbor, including most recently the paving repairs at the fishery pier in 2023.

## IMPACT ON PORT DISTRICT RESOURCE

Adequate funding for this project is available in the Capital Improvement Project Pavement Repairs (F006) project fund, which as of April 1, 2024, will have an available balance of \$300,532.

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
February 2024

Date	No.	Vendor	Description	Amount
2/1/2024	59455	Near Future, LLC	Marine Search and Rescue Program Promotional Video	\$ 12,500.00
2/1/2024	59456	Ramos, Brenda	Expense Reimbursement: Drinking Water	\$ 378.01
2/7/2024	59457	Murrer Certified Inspections	Building Inspections: 493 & 345 Lake Avenue	\$ 3,440.00
2/9/2024	59458	Nielsen Studios	Design Services: 616 Atlantic Avenue Permitting	\$ 2,363.50
2/9/2024	59459	Ace Portable Services	Portable Toilet Rental	\$ 359.34
2/9/2024	59460	Airtec Service	2222 East Cliff Boiler Inspection & Thermostat Replacement	\$ 796.16
2/9/2024	59461	Amazon Capital Services	Welding Helmet Hardware, Block Set, Air Hose, Coupler, Angle Grinder, <i>Twin Lakes</i> Christmas Tree Hydraulic Valve	\$ 705.77
2/9/2024	59462	Amerigas	Ancillary Equipment Fuel	\$ 92.23
2/9/2024	59463	Aramark	Uniform Sweaters	\$ 125.29
2/9/2024	59464	Batteries + Bulbs	Parking Meter Batteries	\$ 30.62
2/9/2024	59465	Bay Plumbing Supply, Inc.	D-Dock Restroom Faucet Replacement	\$ 143.44
2/9/2024	59466	Bayside Oil II, Inc.	Hazmat Disposal	\$ 1,112.50
2/9/2024	59467	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$ 210.88
2/9/2024	59468	Burke, Williams & Sorensen, LLP	Legal Consultation	\$ 170.00
2/9/2024	59469	Carpi & Clay	Washington Representation	\$ 800.00
2/9/2024	59470	Central Coast Systems	2222 East Cliff Drive Annual Alarm Test	\$ 768.00
2/9/2024	59471	City of Santa Cruz	Tree Pruning Permit Application	\$ 53.00
2/9/2024	59472	CopWare, Inc.	California Peace Officers Legal Sourcebook	\$ 115.00
2/9/2024	59473	County of Santa Cruz DPW	Hazmat Disposal	\$ 26.00
2/9/2024	59474	County Specialty Gases	Welding Rods	\$ 374.36
2/9/2024	59475	Draeger, John	Security Deposit Refund	\$ 801.50
2/9/2024	59476	Dredging Supply Company, Inc.	Dredge RX Annual Subscription	\$ 1,638.75
2/9/2024	59477	Elevator Service Company	Monthly Elevator Service & Elevator Repair	\$ 1,690.00
2/9/2024	59478	Fresno Pipe & Supply	Pipe Flange	\$ 481.75
2/9/2024	59479	Michelle Fry	Volleyball Reservation Fee Refund	\$ 70.00
2/9/2024	59480	Garda CL West, Inc.	Deposit Courier Service	\$ 762.61
2/9/2024	59481	Mike Gorman	Security Deposit Refund	\$ 113.70
2/9/2024	59482	Grainger	Clamps, Pliers, Work Gloves, Janitorial Supplies, Welding Supplies, Batteries, Roof Repair Supplies	\$ 447.70
2/9/2024	59483	Gsolutionz	Telephone System Support	\$ 262.85
2/9/2024	59484	Haro Kasunich & Associates, Inc.	Geotechnical Engineering Services: East Access Road Embankment Assessment	\$ 980.00
2/9/2024	59485	Home Depot Credit Services	Hammer Drill, Restroom Fixture Hardware, J-Dock Shower Timers	\$ 317.12

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
February 2024

Date	No.	Vendor	Description	Amount
2/9/2024	59486	Hose Shop	Booster Pump Parts, <i>Twin Lakes</i> Hydraulic Hose & Fittings, <i>Twin Lakes</i> Ball Valve, Disposable Gloves	\$ 4,049.72
2/9/2024	59487	Jonas, David	Security Deposit Refund	\$ 1,210.42
2/9/2024	59488	Joy Jordan	Security Deposit Refund	\$ 690.00
2/9/2024	59489	Koffler Electrical Mechanical	Air Compressor Motor	\$ 770.96
2/9/2024	59490	Large's Metal Fabrication, Inc.	Aerator Spacers	\$ 147.24
2/9/2024	59491	Lawson	<i>Twin Lakes</i> Hydraulic Hose Fittings, Ear Plugs	\$ 2,197.74
2/9/2024	59492	McMaster-Carr Supply Company	Pipe Fittings, Hose Fittings, Clamps	\$ 588.52
2/9/2024	59493	Mid County Auto Supply	Automotive Wrench, Oil, Oil Filter, Forklift Thrust Bearing, Diesel Exhaust Fluid, Brake Cleaner, Fuel Filter	\$ 566.67
2/9/2024	59494	Mission Uniform Service	Uniform Service, Uniform Pant Replacement, Uniform Shirt Replacement, First Aid Supply	\$ 1,028.03
2/9/2024	59495	MKB Stormwater Innovation	Storm Drain Filters	\$ 3,451.21
2/9/2024	59496	Monterey Bay Analytical Services	Boatyard Stormwater Testing	\$ 546.00
2/9/2024	59497	National Demographics, Inc.	Demographer Consulting Services for Transition to District-Based Elections	\$ 23,500.00
2/9/2024	59498	Operating Engineers	Union Dues (Payroll Deduction)	\$ 276.00
2/9/2024	59499	Capital One Trade Credit - OSH	Maintenance Vehicle Brake Fluid, Caliper Measuring Tool, Batteries	\$ 44.64
2/9/2024	59500	Pacific Gas & Electric Company	Utilities	\$ 2,122.08
2/9/2024	59501	Palace Business Solutions	Office Supplies	\$ 117.97
2/9/2024	59502	Ramos Oil Inc.	<i>Twin Lakes</i> Fuel	\$ 31,466.04
2/9/2024	59503	RDO Equipment Co.	<i>Dauntless</i> Engine Parts, <i>Dauntless/Squirt</i> Oil Filters	\$ 575.13
2/9/2024	59504	Rowe Machinery	<i>Twin Lakes</i> Christmas Tree Machining	\$ 500.00
2/9/2024	59505	Santa Cruz Fire Equipment Company	Annual Fire Extinguisher Recertification	\$ 1,027.00
2/9/2024	59506	Santa Cruz Tire & Auto Care	Patrol Truck Radiator Fan Repair	\$ 518.45
2/9/2024	59507	Bruce Sawhill	Security Deposit Refund	\$ 141.04
2/9/2024	59508	Santa Cruz Municipal Utilities	Utilities	\$ 2,951.76
2/9/2024	59509	Robert Smith	Security Deposit Refund	\$ 386.60
2/9/2024	59510	Staples Business Advantage	Office Supplies	\$ 622.73
2/9/2024	59511	Mark Tepper	Legal Consultation	\$ 3,720.00
2/9/2024	59512	Total Secure Technology	Dredge Monitor Laptop Memory Stick, Email Scanning & Backup, Technical Support (January),	\$ 848.29
2/9/2024	59513	US Relay	Webcam Service	\$ 484.00
2/9/2024	59514	Verizon Wireless	Cell Phone & Tablet Service	\$ 305.52
2/9/2024	59515	Mark Larsen DBA: Viking	Window Cleaning	\$ 35.00

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
February 2024

Date	No.	Vendor	Description	Amount
2/9/2024	59516	West Coast Wire Rope	<i>Twin Lakes</i> Wire Rope Assemblies	\$ 17,168.22
2/9/2024	59517	West Marine Pro	Boatyard Retail Items	\$ 38.96
2/9/2024	59518	Wex Bank	Fleet Fuel	\$ 2,299.31
2/9/2024	59519	PNC Bank, N.A.	Tax Exempt Loan Principle & Interest	\$ 691,979.62
2/26/2024	59520	Charles Ahlem	Security Deposit Refund	\$ 160.45
2/26/2024	59521	Allied Administrators for Delta Dental	Dental Insurance	\$ 3,020.12
2/26/2024	59522	Allied Universal	Security Patrol	\$ 5,705.81
2/26/2024	59523	Amazon Capital Services	Wrench Set	\$ 113.26
2/26/2024	59524	Aramark	Uniform Jacket	\$ 59.92
2/26/2024	59525	AT&T	Telephone	\$ 893.37
2/26/2024	59526	Atchison Barisone Condotti & Kovacevich	Legal Consultation	\$ 615.00
2/26/2024	59527	First-Citizens Bank & Trust Co.	Telephone System Lease	\$ 337.97
2/26/2024	59528	B & B Small Engine	Chainsaw	\$ 634.53
2/26/2024	59529	Batteries + Bulbs	Parking Meter Batteries	\$ 20.41
2/26/2024	59530	Patricia & Steve Cates	Security Deposit Refund	\$ 381.30
2/26/2024	59531	Comcast	Business Internet	\$ 402.61
2/26/2024	59532	Complete Mailing Service	Statement Mailing & Postage	\$ 775.42
2/26/2024	59533	Crystal Springs Water Co.	Boatyard Drinking Water	\$ 6.50
2/26/2024	59534	Data Ticket, Inc.	Citation Processing (December)	\$ 300.00
2/26/2024	59535	Mark Gieseke	Security Deposit Refund	\$ 395.80
2/26/2024	59536	Jeremy Hurst	Security Deposit Refund	\$ 393.54
2/26/2024	59537	James P. Allen	Arborist Inspection Report	\$ 1,500.00
2/26/2024	59538	MBS Business Systems	Copier Usage Charges	\$ 556.28
2/26/2024	59539	McDermott, Dick	497 Lake Avenue Installment Payment	\$ 4,535.45
2/26/2024	59540	Mid County Auto Supply	Patrol Truck Taillight Bulb	\$ 10.48
2/26/2024	59541	Mission Uniform Service	Uniform Service, Uniform Pant Replacement, Uniform Shirt Replacement, First Aid Supply	\$ 545.83
2/26/2024	59542	Mutual of Omaha	Life/AD&D/LTD Insurance	\$ 943.86
2/26/2024	59543	Operating Engineers	Union Dues (Payroll Deduction)	\$ 276.00
2/26/2024	59544	Capital One Trade Credit	Aerator Fasteners, 2222 East Cliff Drive, Suite 130 Door Fasteners	\$ 31.84
2/26/2024	59545	Pacific Gas & Electric Company	Utilities	\$ 49,188.71
2/26/2024	59546	Pagoda Technologies Inc	IT Management & Cyber Security Monthly Services (February & March)	\$ 4,397.59
2/26/2024	59547	Ramos Oil Inc.	<i>Twin Lakes</i> Fuel	\$ 30,926.80



Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
February 2024

Date	No.	Vendor	Description	Amount
2/26/2024	59548	Riverside Lighting & Electric	Security Camera Electrical Wire Clamps, Lighting Ballast, Wire Cutters	\$ 150.81
2/26/2024	59549	Stoy Robinson	Security Deposit Refund	\$ 731.25
2/26/2024	59550	San Lorenzo	Dock Repair Lumber	\$ 114.37
2/26/2024	59551	SC Fuels	Fuel Dock Gas & Diesel	\$ 27,717.86
2/26/2024	59552	Santa Cruz Municipal Utilities	Utilities	\$ 13,369.69
2/26/2024	59553	Soil Control Lab	Stormwater Testing & Analysis	\$ 718.00
2/26/2024	59554	The Ferguson Group	Grant Writing Consulting Services	\$ 3,400.00
2/26/2024	59555	The Skylight Place, Inc.	2222 East Cliff Drive, Suite 100 Window Glass Replacement	\$ 1,617.73
2/26/2024	59556	Triton Construction	Fuel Dock Control Unit Repair	\$ 362.50
2/26/2024	59557	James Tuakalau	Security Deposit Refund	\$ 290.00
2/26/2024	59558	West Marine Pro	Inflatable Life Jacket Refill	\$ 40.81
2/26/2024	59559	West Marine Pro	Boatyard Retail Items	\$ 1,249.83
2/5/2024	Various	Various Employees	1/16/24-1/31/24 Payroll	\$ 6,124.87
2/20/2024	Various	Various Employees	2/1/24-2/15/24 Payroll	\$ 6,124.86
2/1/2024	EFT	Cardconnect	RV Park Credit Card Fees	\$ 1,225.67
2/1/2024	EFT	ElectronicPayments	Fuel Dock Credit Card Fees	\$ 346.43
2/1/2024	EFT	Gravity Payments	Front Desk Credit Card Fees	\$ 3,639.90
2/1/2024	EFT	Merchant Services	Online Billpay Credit Card Fees	\$ 386.76
2/1/2024	EFT	Merchant Services	CALE Credit Card Fees	\$ 476.93
2/1/2024	EFT	Merchant Services	Boatyard Credit Card Fees	\$ 428.09
2/1/2024	EFT	Transaction Express	Online Billpay ACH Fees	\$ 730.01
2/1/2024	EFT	Windcave, Inc.	Concession Lot Credit Card Fees	\$ 2,069.75
2/5/2024	EFT	PAYCHEX	1/16/24-1/31/24 Payroll	\$ 69,894.18
2/5/2024	EFT	PAYCHEX	1/16/24-1/31/24 Payroll	\$ 32,254.01
2/5/2024	EFT	PAYCHEX	Payroll Service Fees	\$ 680.38
2/6/2024	EFT	California State Disbursement Unit	Wage Garnishment	\$ 125.00
2/6/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 9,572.68
2/6/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 7,459.31
2/6/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 1,940.25
2/6/2024	EFT	CalPERS	457 Contributions (Payroll Deduction)	\$ 4,491.59
2/6/2024	EFT	CalPERS	Health Insurance	\$ 52,176.82
2/6/2024	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	\$ 300.89

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
February 2024

Date	No.	Vendor	Description	Amount
2/7/2024	EFT	Comerica Commercial Card Services	WhenIWork Subscription, Lodging, Invoice Receipt Stamp, Check Scanner Cleaning Kit, 1099 Forms, Zoom Subscription, Office Space Advertising, Uniform Shirts, Commission Meeting Refreshments, Office Supplies, Light Bulbs, Tape Measures, Pesticide Applicator Seminar, Calibration Gas, Wire Wheels, Grinding Wheels, Chipping Hammer, Annular Cutters, Sanding Discs, Coolant, Port Commissioner Name Plates, Maintenance Vehicle Spindle Nuts & Hub Locks	\$ 4,279.32
2/9/2024	EFT	Comerica Bank	Service Charges	\$ 688.36
2/10/2024	EFT	Campspot	RV Park Software Monthly Fees	\$ 446.40
2/10/2024	EFT	Gravity Payments	Front Desk Credit Card Gateway Fee	\$ 24.26
2/20/2024	EFT	PAYCHEX	2/1/24-2/15/24 Payroll	\$ 73,253.84
2/20/2024	EFT	PAYCHEX	2/1/24-2/15/24 Payroll	\$ 34,388.18
2/20/2024	EFT	PAYCHEX	Time & Attendance Fees	\$ 119.90
2/20/2024	EFT	PAYCHEX	Payroll Service Fees	\$ 671.45
2/21/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 10,154.37
2/21/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 7,457.98
2/21/2024	EFT	CalPERS	Retirement Contributions (Employee & Employer)	\$ 1,930.11
2/21/2024	EFT	CalPERS	457 Contributions (Payroll Deduction)	\$ 5,696.57
2/21/2024	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	\$ 300.89
2/22/2024	EFT	Wex Bank	Fleet Fuel	\$ 2,367.02
<b>Total February 2024 Disbursements</b>				<b>\$ 1,327,623.68</b>

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

TO: Port Commission  
FROM: Holland MacLaurie, Port Director  
DATE: March 14, 2024  
SUBJECT: Port Director's Report – March 26, 2024

FY24 Federal Budget – Dredge Reimbursement

On March 3, 2024, congressional appropriators released the final text of the first minibus package of FY24 appropriations bills. The six-bill package included the Energy & Water Appropriation and \$2.16 million for Santa Cruz Harbor. The funding is anticipated to include \$560,000 for the District's annual dredge reimbursement, and funding to repair the West Jetty Walkway.

FY25 Federal Budget – Dredge Reimbursement

On Monday, March 11, 2024, President Biden released his Fiscal Year 2025 Budget Proposal to Congress. The President's Budget (PBUD) recommends \$560,000 for the District's annual dredge reimbursement, which is favorable news. Typically, Corps projects that are listed in the PBUD are reliably included in the House and Senate Energy & Water Appropriations bill for that fiscal year.

Site Visit – U.S. Army Corps of Engineers (USACE)

On Wednesday, March 27, 2024, LTC Timothy Shebesta of the US Army Corps of Engineers will be onsite to tour the harbor and review the District's dredge operation.

Insurance Update – Non-Renewing Notice

Earlier this month, the Port District was informed that its lead insurer for its Marine General Liability, Wet Property, and Equipment policies, Nationwide Insurance, has issued a non-renewing notice due to the Port District's claims history. The Port District's insurance broker is currently marketing the renewal. As a result of the non-renewal, annual premium costs are once again anticipated to significantly increase.

Grant Update

On March 11, 2024, the full Notice of Funding Opportunity for the Port Infrastructure Development Program (PIDP) grant was released. PIDP provides funding to projects that will improve the safety, efficiency, or reliability of the movement of goods (including commercial fish offloads) through ports and intermodal connection to ports, and allows for operational improvements, including projects to improve port resilience. Total available funding under the grant is \$450,000,000. Staff is working with our grant consultant to determine if the Port District's proposed projects (West Side Seawall and East Side Embankment) will be competitive. Applications are due by May 10, 2024.

Harbor Cove HOA

The Harbor Cove Homeowners' Association, which governs the property directly to the north of the 7<sup>th</sup> and Brommer Dry Storage Yard (shared fence along the northern boundary), has requested that the Port District enter into negotiations for a maintenance agreement to outline responsibilities and cost sharing provisions for the shared fence. If there is interest among the Commission to initiate negotiations, staff will proceed accordingly.



TO: Port Commission  
FROM: Blake Anderson, Harbormaster  
DATE: March 15, 2024  
SUBJECT: Harbormaster's Report

### Tsunami Tabletop Exercise

The Port District hosted a tsunami simulation tabletop exercise on March 6, 2024. A total of twenty-six people participated, including representatives from the California Office of Emergency Services, the California Geological Society, the County Office of Response, Recovery and Resilience (OR3), the National Weather Service, and local fire/police agencies. The exercise simulated the local response to a major tsunami resulting from a magnitude 9.3 earthquake in the Aleutian Islands. The exercise was the first of its kind on the west coast and was a major success. The Santa Cruz Yacht Club (SCYC) provided the meeting space. Thank You SCYC!



### Coast Guard Proposal - Mile Buoy Removal

The US Coast Guard (USCG) announced a proposal to remove the Mile Buoy and replace it with a “virtual” aid to navigation (i.e., a mark on an electronic chart). The Mile Buoy plays a significant and vital role in supporting safe navigation in the northern Monterey Bay. The Coast Guard is currently soliciting public comment regarding the proposal. They are interested in any rationale relating to why the buoy is necessary for safe navigation despite the current availability and affordability of electronic navigation equipment. Comments can be directed to USCG LTJG Samantha Hu at [Samantha.G.Koval@uscg.mil](mailto:Samantha.G.Koval@uscg.mil). The public comment period ends April 3, 2024.

### Outrigger Santa Cruz Club Annual Meeting

Deputy Harbormaster staff gave a presentation to the Outrigger Santa Cruz (OSC) group at their annual membership meeting on February 22, 2024. Staff and OSC members discussed proper radio use, safety equipment, marine rescue emergencies, safe operation near the dredge, and safe operation near the harbor entrance.

### State Parks Training

Harbor Patrol staff hosted a training with the State Parks lifeguard service on March 10, 2024. The eight-hour training covered rescue boat operations, vessel rescues, and deckhand skills.

Fishery Update

Staff remotely attended the Salmon Information Meeting on March 1, 2024. The annual meeting is hosted by the CA Department of Fish and Wildlife and is generally the first overview and analysis of the predicted salmon abundance for the year. Coastwide, the commercial and recreational seasons will be constrained due to low stock abundance and diminished returns in protected runs. The Monterey management zone will either see a complete closure or a severely limited season for both commercial and recreational fishing.

On March 11, 2024, the Pacific Fisheries Management Council released the season alternatives with a final decision being made at the April 5-11, 2024 meeting:

<i>Fishery Zone (Monterey)</i>	<i>Alternative 1</i>	<i>Alternative 2</i>	<i>Alternative 3</i>
<b>Recreational*</b>	June 5-9 July 3-7 August 1-6 September 1-3, 27-29 October 18-20	July 4-7 August 1-4, 29-31	Closed
<b>Commercial</b>	June 1-5, 8-12 <i>(total harvest limit of 3500 fish and a limit of 40 fish per vessel per week)</i>	June 1-6 <i>(total harvest limit of 2500 fish and a limit of 30 fish total per vessel)</i>	Closed

*\*If open, recreational fisheries will be limited to 10,000 fish statewide*

The rockfish season structure remains unresolved. There is speculation that the Monterey Bay management area will see some combination of fishing allowed inside twenty fathoms and outside fifty fathoms, although not concurrently. The final determination will be made at the Pacific Fisheries Management Council meeting on April 5-11, 2024.

Additionally, an alarming proposal has been brought before the California Fish and Game Commission. The proposal, made by an out-of-town environmental group, would expand Marine Protected Areas (MPAs) throughout the California coastline. The proposal calls for the creation of an entirely new MPA near Pleasure Point, and the expansion of an existing MPA near Natural Bridges and Wilder Ranch. The proposal would eliminate all fishing opportunities within the MPA boundaries and have a significant negative impact on the public and our stakeholders. Fortunately, a strong local contingent is working to eliminate the proposal from consideration. The Port District’s opposition letter is included as written correspondence.

Fisheries Report

The fisheries report consists of data from two sources: the Department of Fish and Wildlife (DFW) and the H&H Fresh Fish (resident fish buyer). The data from DFW is partially redacted in accordance with federal fisheries laws. Data is considered confidential when less than three separate vessels land species at any one port. For species landed by three or more separate vessels, the full data is made public and includes weight and value. For other data, the species landed is shown with no weight data.

**February 2024 – Total Port Landings:**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Dungeness Crab	37,654.70	\$3.33	\$125,587.23

**Total Reported: 37,654.70 lbs. Total Ex-Vessel: \$125,587.23**

Species also landed\* - Rock Crab, Barred Surfperch

*\*weight and value data redacted by Fish and Wildlife pursuant to Fish and Game Code, Section 8022.*

**February 2024 – Resident Buyer Landings:**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Dungeness Crab	33,169.00	\$3.50	\$116,091.50
Rock Crab	885.00	\$2.75	\$2,433.75

**Total Reported: 34,054.00 lbs. Total Ex-Vessel: \$118,525.25**



TO: Port Commission  
FROM: Carl Wulf, Facilities Maintenance & Engineering Manager  
DATE: March 26, 2024  
SUBJECT: Facilities Maintenance & Engineering Manager's Report

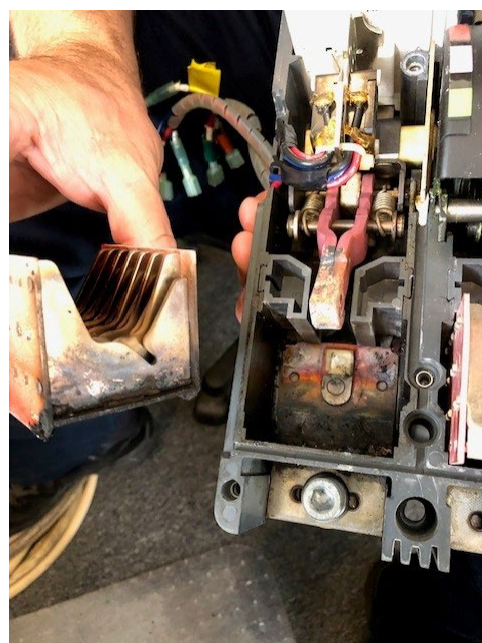
### Dredging Operations:

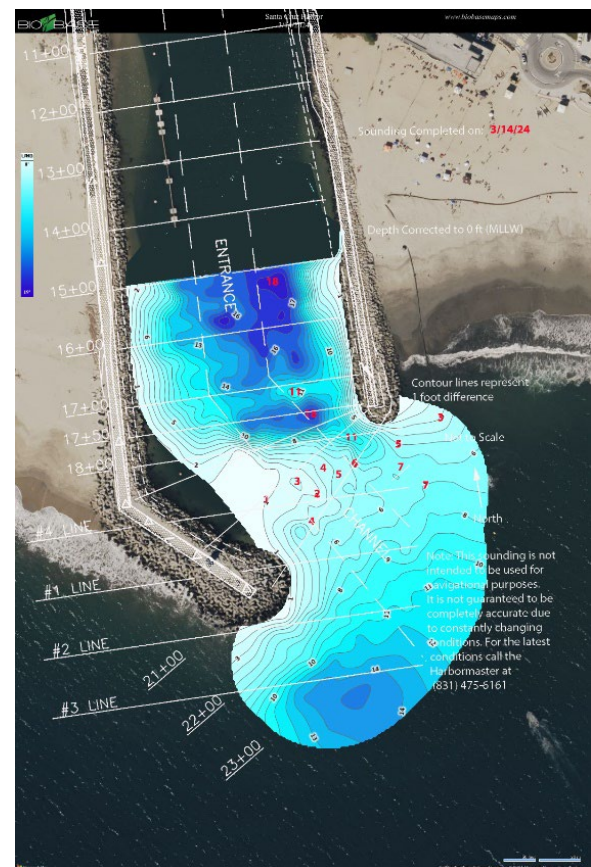
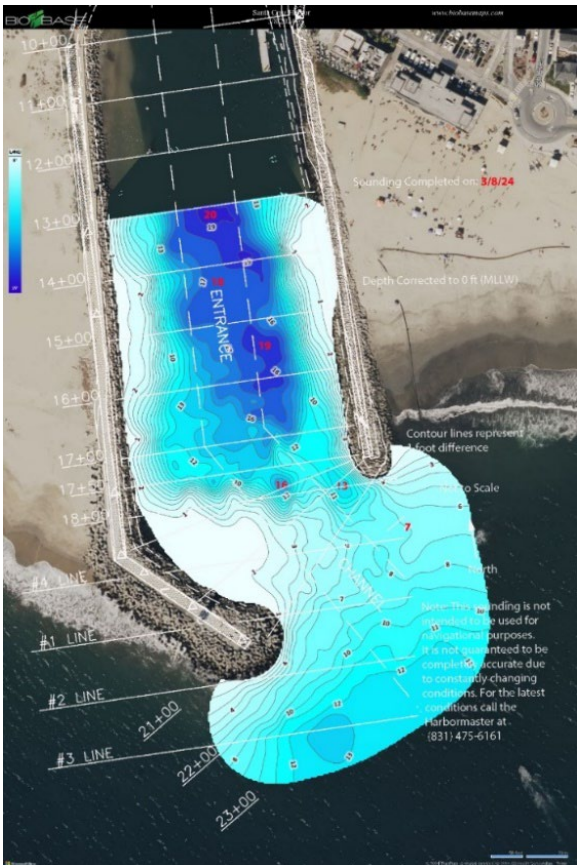
#### Twin Lakes

The dredge crew has been diligently working on clearing the entrance channel. The week of March 4, 2024, the crew pumped approximately four thousand cubic yards a day and made significant headway toward clearing the shoal.

On February 29, 2024, the *Twin Lakes* jet pump main breaker experienced a failure and required replacement. Staff was able to source the 450 amp 3-phase replacement breaker quickly, despite the original part being discontinued by the manufacturer. The dredge was inoperable for a period of three days as a result

On March 14, 2024, the dredge suffered an electrical shortage in one of the starting batteries on the C18 engine. Staff purchased and installed a new set of batteries to make the dredge operable, however, a separate failure on the Christmas Tree anchoring system occurred later in the same day. Staff removed the Christmas Tree on March 15, 2024, and brought it to the boatyard for repair. Staff sourced 20-inch flanges for the Christmas Tree and Lighthouse Welding completed the repair. Staff reinstalled the Christmas Tree and resumed dredging on March 19, 2024.







### Squirt

North harbor dredging concluded on February 29, 2024. The operation has been demobilized and *Squirt* was hauled out on March 14, 2024, at the Santa Cruz Harbor Boatyard.

### **Maintenance:**

#### East Side Embankment and Crane Pad

Staff has been working with Mesiti-Miller Engineering (MME) and Haro, Kasunich & Associates, Inc. to explore alternative approaches to the east side embankment and crane pad repairs. MME has met with staff and will be exploring a more simplistic approach to repair the crane pad. They are refining the design details to be presented at a future meeting.

#### FF-Dock Sink Hole

Staff has met with MME regarding the west side sinkhole (near FF-Dock) and they suggested a ground penetrating radar (GPR) survey of the area be performed. Staff will execute a contract with Penhall Corporation for the GPR survey work.

#### Building Condition Assessments (345 Lake Avenue & 493 Lake Avenue)

Building condition assessments for 345 and 493 Lake Avenue have been completed. Reports have been issued and staff is currently reviewing the findings.

#### I-Dock Restroom Rehabilitation Project

The Port District issued a Request for Proposals (RFP) on March 18, 2024, for the I-Dock Restroom Rehabilitation Project. Bids are scheduled to be opened on Monday, April 8, 2024.

#### CAT Forklift Repair

Staff has been able to repair our old CAT forklift. The flywheel ring gear teeth had become stripped, and the starter would not engage. Staff removed the motor and replaced the ring gear, clutch, and throw-out bearing.

## SEA SCOUT SHIP 669

### Quarterly Report

March 2024

Santa Cruz Sea Scouts continue to grow and be very active in scouting. Our number is 35 scouts with about 26 active participants.

We have participated in meetings and regattas with San Francisco Bay Sea Scouts these past few months. We are planning an Easter trip to Angel Island for 4 nights where we are planning on meeting up with one or two other Sea Scout Ships.

Our Summer Cruise will be back to San Francisco and the Delta. We will again meet up with other Scout Ships and spend 10-12 days cruising.

We are very close to finishing our Ranger 23 sailboat. This has been a long project, but the light is at the end of the tunnel. Our goal is to start training our scouts on the Ranger this spring.

Our trawler, Pearls continues to have work parties where scouts are learning how to service and maintain her. We still must repair our generator and windlass. Scouts have taken her out for day trips to Capitola and Cowels Beach for swimming and fishing.

Our calendar is full of activities and work parties until this Summer Cruise.

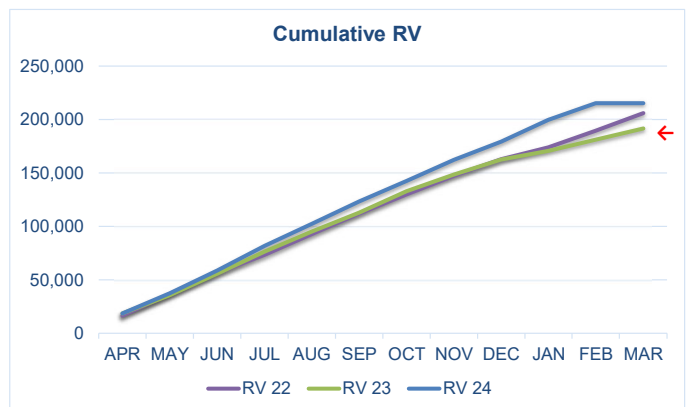
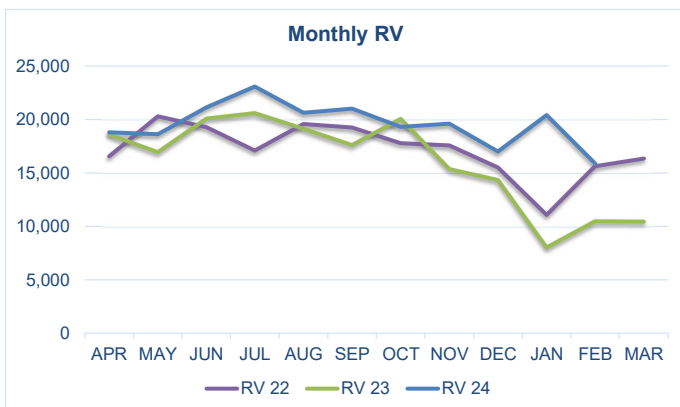
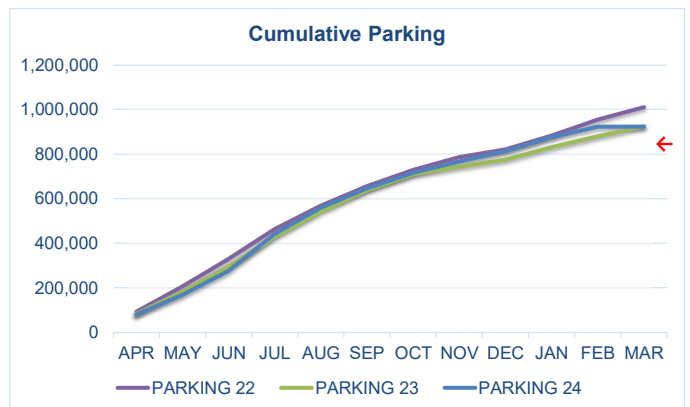
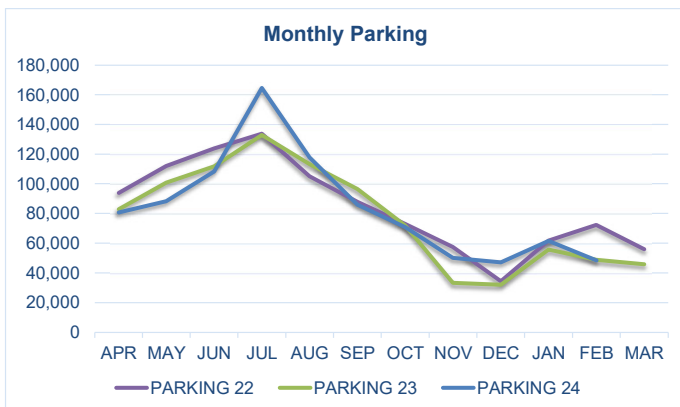
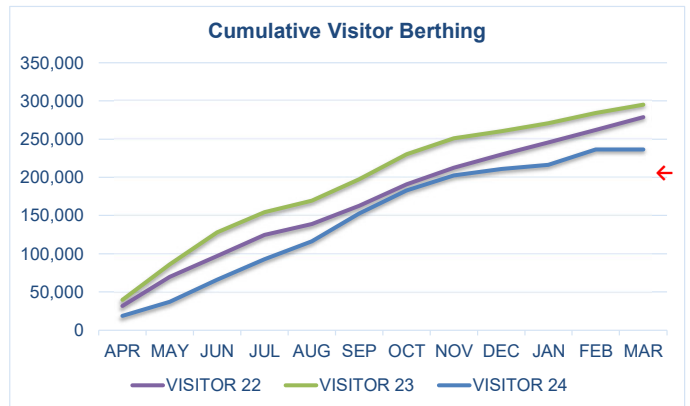
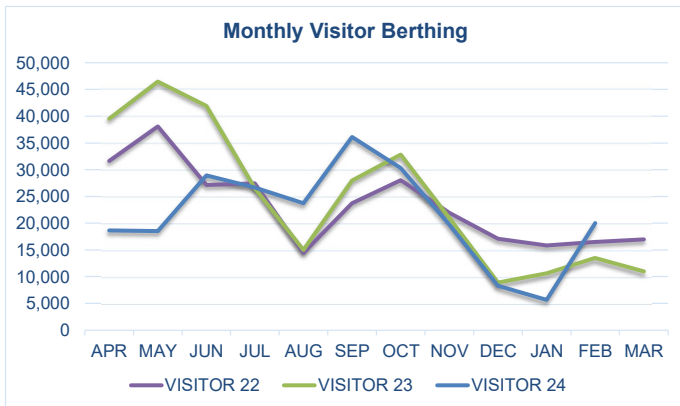
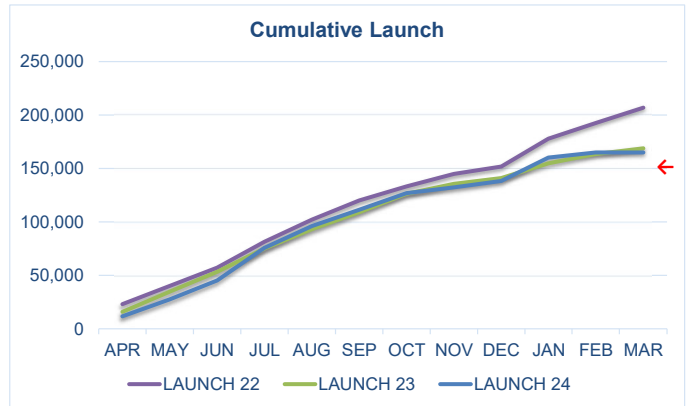
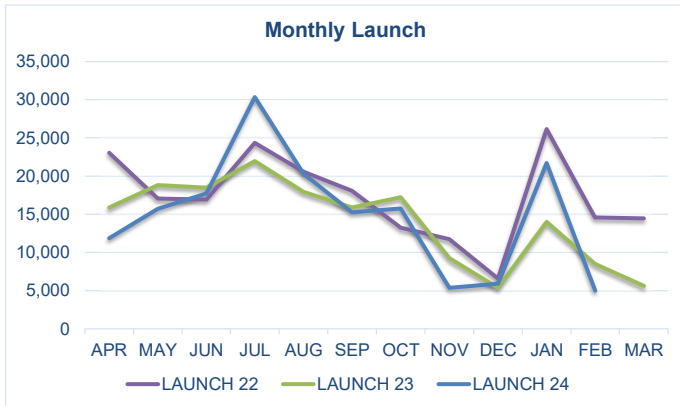
We continue to fundraise as our costs of maintenance, repairs and fuel have risen. We welcome donations from the public and any volunteer help.

Skipper Kevin Melrose has stepped down as Skipper and handed the helm to John Fisher. Kevin will continue to work with Sea Scouts on projects and as a committee member. Thank you, Kevin, for all your work on our behalf.

Again without your continued support of Santa Cruz Sea Scouts we would not be able to provide this program for our youth.

Santa Cruz Port District  
**SEASONAL INCOME**  
 For the Eleven Months Ending February 29, 2024

FY24 Budget ←



Santa Cruz Port District  
**Monthly Budget Report**  
For the Eleven Months Ending February 29, 2024

Account	Description	YTD	FY24 BUDGET	% BUDGET	FY23 YTD	Variance
<b>OPERATING INCOME</b>						
000-000-000-0000-4000	Slip Rent Permanent	\$4,604,889	\$5,030,700	92%	\$4,407,727	\$197,162
000-000-000-0000-4002	Slip Rent Visitors	\$236,517	\$210,000	113%	\$284,219	(\$47,702)
000-000-000-0000-4003	Annual Slip Rent Discount	(\$1,644)	(\$1,225)	134%	(\$2,030)	\$386
000-000-000-0000-4006	Tenant Concession Rent	\$1,955,245	\$2,054,400	95%	\$1,991,225	(\$35,980)
000-000-000-0000-4008	Misc. Tenant Rent (Sewer)	\$74,087	\$135,000	55%	\$124,205	(\$50,118)
000-000-000-0000-4010	Launch Fees	\$164,966	\$155,000	106%	\$163,279	\$1,688
000-000-000-0000-4012	Liveaboard	\$98,519	\$75,000	131%	\$70,416	\$28,103
000-000-000-0000-4014	Catamaran Storage	\$26,138	\$26,000	101%	\$25,648	\$490
000-000-000-0000-4016	North Harbor Dry Storage	\$189,062	\$195,000	97%	\$180,643	\$8,419
000-000-000-0000-4018	7th Ave Dry Storage	\$116,292	\$122,000	95%	\$111,363	\$4,929
000-000-000-0000-4020	Waiting List	\$178,777	\$120,000	149%	\$148,100	\$30,677
000-000-000-0000-4024	Slip Leave Option	\$5,400	\$3,000	180%	\$4,500	\$900
000-000-000-0000-4026	Partnership Fees	\$31,499	\$30,000	105%	\$29,353	\$2,147
000-000-000-0000-4028	Sublease Fees	\$35,916	\$35,000	103%	\$42,388	(\$6,472)
000-000-000-0000-4030	Variable/Utility Fees	\$225,818	\$207,250	109%	\$197,986	\$27,833
000-000-000-0000-4032	Late Fees	\$51,538	\$50,000	103%	\$49,796	\$1,742
000-000-000-0000-4036	Citations	\$135,092	\$98,000	138%	\$120,815	\$14,277
000-000-000-0000-4040	Credit Card Convenience Charges	\$29,080	\$22,000	132%	\$26,452	\$2,628
000-000-000-0000-4100	Parking - Concession Lot	\$533,599	\$880,000	100%	\$497,370	\$36,229
000-000-000-0000-4102	Parking - Launch Area	\$15,142			\$31,515	(\$16,373)
000-000-000-0000-4104	Parking - Southwest	\$173,519			\$148,877	\$24,642
000-000-000-0000-4106	Parking - North	\$31,811			\$30,776	\$1,034
000-000-000-0000-4108	Parking - Southeast	\$115,459			\$122,732	(\$7,274)
000-000-000-0000-4118	Meter Permits	\$11,609			\$11,536	\$72
000-000-000-0000-4120	Slip Renter Parking Permits	\$42,059	\$26,000	162%	\$36,594	\$5,465
000-000-000-0000-4122	RV Parking	\$215,417	\$195,000	110%	\$181,141	\$34,276
000-000-000-0000-4200	Fuel Sales Gasoline	\$272,391	\$345,000	79%	\$435,063	(\$162,671)
000-000-000-0000-4202	Fuel Sales Diesel	\$273,214	\$465,000	59%	\$577,583	(\$304,369)
000-000-000-0000-420	Fuel Service Call Back Charges				\$10	(\$10)
000-000-000-0000-4210	Wash Rack	\$7,814	\$6,500	120%	\$9,612	(\$1,798)
000-000-000-0000-4220	Boatyard Retail	\$16,509	\$16,500	100%	\$22,258	(\$5,748)
000-000-000-0000-4225	Boatyard Labor	\$1,902	\$750	254%	\$325	\$1,577
000-000-000-0000-4230	Boatyard Rental	\$2,060	\$3,000	69%	\$4,355	(\$2,295)
000-000-000-0000-4235	Boatyard Misc.	\$38,560	\$32,000	121%	\$38,664	(\$103)
000-000-000-0000-4240	Lay Days/Storage	\$93,127	\$140,000	67%	\$172,804	(\$79,677)
000-000-000-0000-4245	Vessel Haulout	\$132,198	\$132,000	100%	\$137,200	(\$5,003)
000-000-000-0000-4250	Vessel Berthing	\$41,351	\$32,000	129%	\$40,288	\$1,063
	<b>OPERATING INCOME</b>	<b>\$10,174,931</b>	<b>\$10,840,875</b>	<b>94%</b>	<b>\$10,474,786</b>	<b>(\$299,856)</b>

Santa Cruz Port District  
**Monthly Budget Report**  
For the Eleven Months Ending February 29, 2024

Account	Description	YTD	FY24 BUDGET	% BUDGET	FY23 YTD	Variance
<b>EXPENSE SUMMARY BY PROGRAM</b>						
	Administrative Services (110)	\$770,846	\$889,563	87%	\$697,307	\$73,540
	Finance & Purchasing (120)	\$186,787	\$239,618	78%	\$172,374	\$14,412
	Property Management (130)	\$884,402	\$842,315	105%	\$631,557	\$252,844
	Environmental & Permitting (140)	\$136,632	\$189,158	72%	\$137,180	(\$547)
	Port Commission Support (190)	\$76,508	\$78,653	97%	\$48,867	\$27,641
	Harbor Patrol (210)	\$752,416	\$863,451	87%	\$739,648	\$12,767
	Marina Management (220)	\$541,926	\$611,835	89%	\$496,735	\$45,191
	Rescue Services (230)	\$123,880	\$144,756	86%	\$99,245	\$24,635
	Parking Services (240)	\$343,999	\$384,271	90%	\$359,895	(\$15,895)
	Events (250)	\$18,695	\$33,179	56%	\$21,930	(\$3,235)
	Fuel Services (280)	\$443,817	\$516,338	86%	\$807,187	(\$363,369)
	Docks, Piers, Marine Structures (310)	\$686,026	\$679,068	101%	\$460,902	\$225,124
	Utilities (320)	\$85,608	\$109,072	78%	\$97,912	(\$12,304)
	Buildings (330)	\$415,822	\$465,185	89%	\$353,588	\$62,234
	Grounds (340)	\$810,945	\$865,519	94%	\$843,902	(\$32,958)
	Aeration (350)	\$50,601	\$59,229	85%	\$34,806	\$15,795
	Fishery Support (360)	\$7,331	\$17,024	43%	\$10,710	(\$3,380)
	Capital Projects (390)	\$352,776	\$363,503	97%	\$397,889	(\$45,113)
	Dredging Operations (400)	\$1,468,463	\$1,653,480	89%	\$1,333,483	\$134,980
	Boatyard Operations (500)	\$330,458	\$408,535	81%	\$330,387	\$71
	<b>OPERATING EXPENSES</b>	<b>\$8,487,940</b>	<b>\$9,413,753</b>	<b>90%</b>	<b>\$8,075,507</b>	<b>\$412,433</b>
	<b>OPERATING PROFIT</b>	<b>\$1,686,990</b>	<b>\$1,427,122</b>	<b>118%</b>	<b>\$2,399,279</b>	<b>(\$712,289)</b>
<b>NON OPERATING INCOME/(EXPENSE)</b>						
000-000-000-0000-4300	Harbor Services Charge	\$5,066	\$10,000	51%	\$500	\$4,566
000-000-000-0000-4308	Interest Income	\$713,214	\$125,000	571%	\$136,473	\$576,741
000-000-000-0000-4310	Other Income	\$415,272	\$85,000	489%	\$114,255	\$301,017
000-000-000-0000-4375	USACE Reimbursement	\$525,000	\$525,000	100%	\$525,000	\$0
000-000-000-0000-4405	Grants - DBAW	\$23,052	\$12,000	192%	\$21,544	\$1,509
000-000-000-0000-4406	County Rescue Contribution	\$50,000	\$50,000	100%	\$50,000	\$0
000-000-000-0000-4408	Waste Oil Grant	\$15,270	\$12,000	127%	\$10,849	\$4,421
000-000-000-0000-4412	Tsunami Insurance Reimbursement		\$0	0%	\$681,596	(\$681,596)
000-000-000-0000-4500	Gain/(Loss) on Asset Disposal	\$3,050		0%	\$3,940	(\$890)
000-000-000-0000-4600	Cash Over/Under	(\$761)		0%	(\$364)	(\$398)
	Principal Debt Payments	(\$1,364,326)	(\$1,365,818)	100%	(\$1,314,617)	(\$49,709)
	Capital Improvement Program	\$2,060,458	(\$500,000)	(412%)	(\$63,426)	\$2,123,885
	Capitalized Expenses	(\$146,622)	(\$212,500)	69%	(\$181,407)	\$34,785
	Depreciation	(\$1,540,017)	\$0	0%	(\$1,540,017)	\$0
	<b>NET INCOME/(LOSS)</b>	<b>\$2,445,647</b>	<b>\$167,804</b>	<b>1457%</b>	<b>\$843,606</b>	<b>\$1,602,041</b>

California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

March 04, 2024

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

SANTA CRUZ PORT DISTRICT

PORT DIRECTOR  
135 5TH AVENUE  
SANTA CRUZ, CA 95062

[Tran Type Definitions](#)

**Account Number:** 80-44-001

February 2024 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	291,980.84
Total Withdrawal:	0.00	Ending Balance:	291,980.84



Summary Statement

February 29, 2024

Page 1 of 3

Investor ID: CA-01-0076

0000072-0000288 PDF 623465

**Santa Cruz Port District**  
**135 5th Avenue**  
**Santa Cruz, CA 95062**

**California CLASS**

**California CLASS**

Average Monthly Yield: 5.4395%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0076-0001	Port District Main	17,488,162.70	525,000.00	0.00	75,997.37	158,135.18	17,653,714.33	18,089,160.07
<b>TOTAL</b>		<b>17,488,162.70</b>	<b>525,000.00</b>	<b>0.00</b>	<b>75,997.37</b>	<b>158,135.18</b>	<b>17,653,714.33</b>	<b>18,089,160.07</b>



Account Statement

February 29, 2024

Page 2 of 3

Account Number: CA-01-0076-0001

Port District Main

Account Summary

Average Monthly Yield: 5.4395%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	17,488,162.70	525,000.00	0.00	75,997.37	158,135.18	17,653,714.33	18,089,160.07

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
02/01/2024	Beginning Balance			17,488,162.70	
02/21/2024	Contribution	525,000.00			3430
02/29/2024	Income Dividend Reinvestment	75,997.37			
02/29/2024	Ending Balance			18,089,160.07	





California CLASS

California CLASS

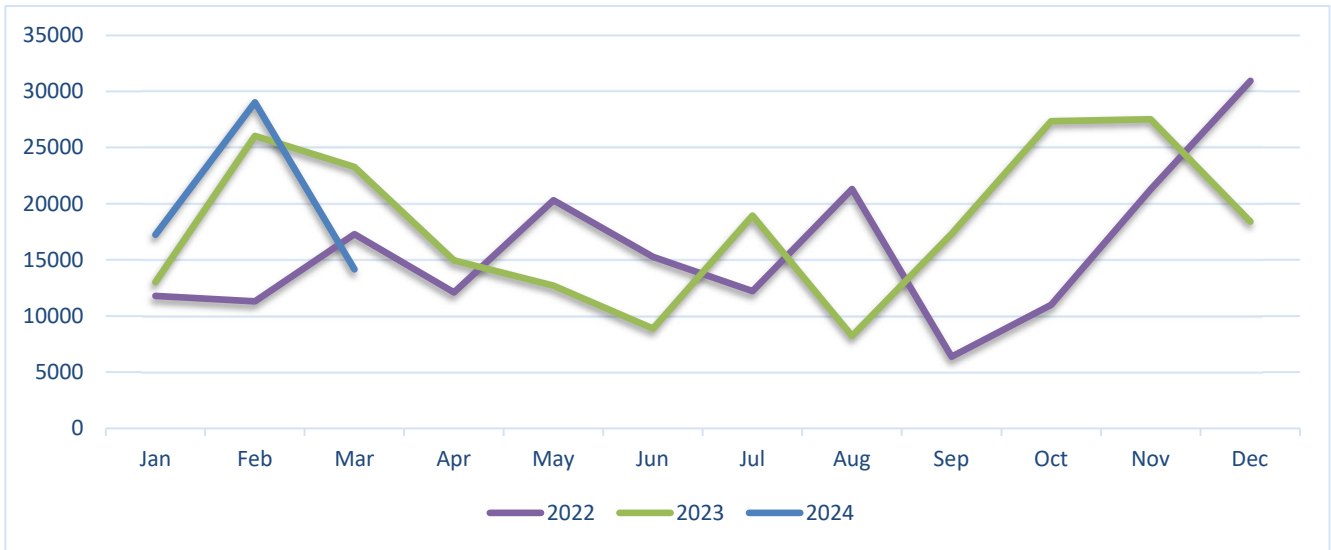
Date	Dividend Rate	Daily Yield
02/01/2024	0.000148976	5.4510%
02/02/2024	0.000446835	5.4514%
02/03/2024	0.000000000	5.4514%
02/04/2024	0.000000000	5.4514%
02/05/2024	0.000148944	5.4514%
02/06/2024	0.000148843	5.4476%
02/07/2024	0.000148742	5.4439%
02/08/2024	0.000148606	5.4390%
02/09/2024	0.000446043	5.4417%
02/10/2024	0.000000000	5.4417%
02/11/2024	0.000000000	5.4417%
02/12/2024	0.000148672	5.4414%
02/13/2024	0.000148685	5.4419%
02/14/2024	0.000148484	5.4345%
02/15/2024	0.000148334	5.4290%
02/16/2024	0.000594416	5.4389%
02/17/2024	0.000000000	5.4389%
02/18/2024	0.000000000	5.4389%
02/19/2024	0.000000000	5.4389%
02/20/2024	0.000148465	5.4338%
02/21/2024	0.000148439	5.4329%
02/22/2024	0.000148458	5.4336%
02/23/2024	0.000444978	5.4287%
02/24/2024	0.000000000	5.4287%
02/25/2024	0.000000000	5.4287%
02/26/2024	0.000148458	5.4336%
02/27/2024	0.000148489	5.4347%
02/28/2024	0.000148564	5.4374%
02/29/2024	0.000148566	5.4375%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Santa Cruz Port District  
**60 DAY DELINQUENT ACCOUNTS**

*The following accounts have balances 60 days delinquent as of March 14, 2024*

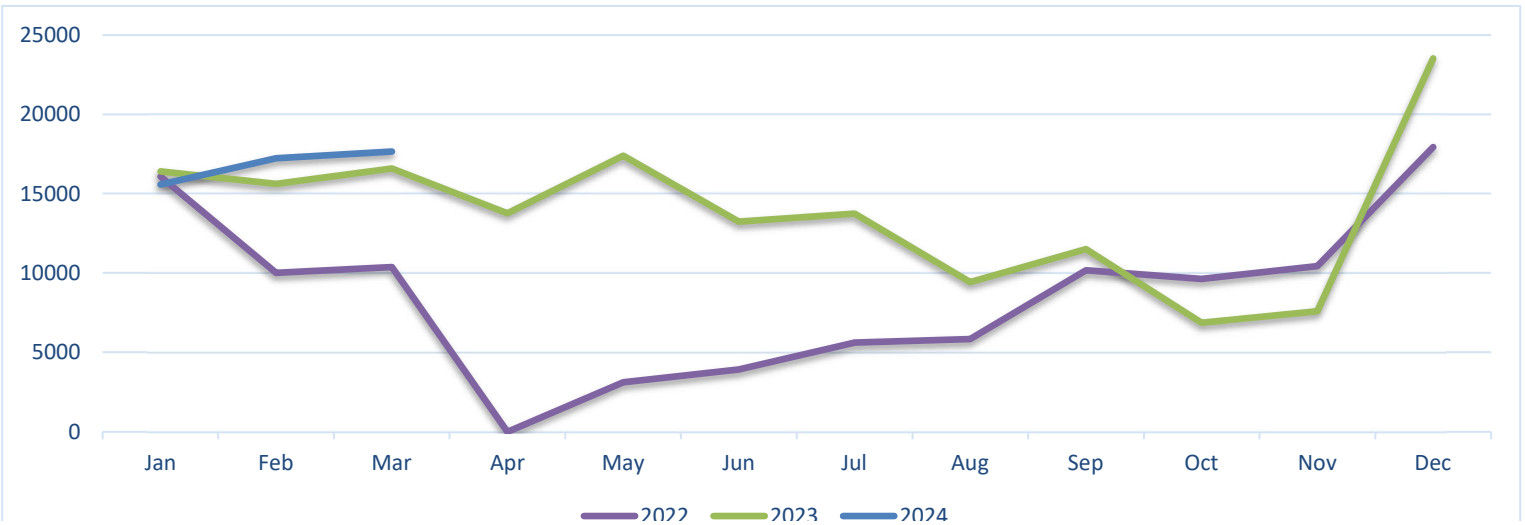
Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
4134	1,821.56	1,150.54	830.92	0.00	3,803.02
2321	644.47	415.20	739.17	0.00	1,798.84
56573	581.37	571.47	337.98	0.00	1,490.82
45891	570.03	565.54	218.35	0.00	1,353.92
59107	393.80	389.74	486.73	0.00	1,270.27
2093	509.52	505.53	203.79	0.00	1,218.84
57036	345.19	341.53	438.92	0.00	1,125.64
3642	290.96	288.78	261.60	0.00	841.34
59229	251.06	256.62	222.91	0.00	730.59
55462	134.33	134.33	249.62	0.00	518.28
<b>Total</b>	<b>\$ 5,542.29</b>	<b>\$ 4,619.28</b>	<b>\$ 3,989.99</b>	<b>\$ -</b>	<b>\$ 14,151.56</b>



Santa Cruz Port District  
**90+ DAY DELINQUENT ACCOUNTS**

The following accounts have balances 90 days delinquent or greater as of March 14, 2024

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
4076	1,969.90	1,973.05	2,002.91	675.23	6,621.09		Payment Plan
42228	928.33	882.93	950.97	68.14	2,830.37	X	Revoke
58489	581.52	577.51	769.52	497.13	2,425.68		Revoke
55885	566.80	520.87	1,015.22	271.24	2,374.13		Revoke
59489	305.30	301.97	349.68	62.76	1,019.71		Revoke
55382	-	410.86	499.44	101.88	1,012.18		Bad Debt
29726	-	-	-	420.21	420.21		Bad Debt
46644	89.72	89.19	88.14	64.19	331.24		Revoke
58302	-	94.23	92.15	109.39	295.77		Bad Debt
57560	-	90.36	88.14	80.94	259.44		Bad Debt
56589	-	-	25.00	44.00	69.00		Bad Debt
<b>Total</b>	<b>\$ 4,441.57</b>	<b>\$ 4,940.97</b>	<b>\$ 5,881.17</b>	<b>\$ 2,395.11</b>	<b>\$ 17,658.82</b>		





TO: Port Commission  
FROM: Sean Rothwell, Assistant Harbormaster  
DATE: March 1, 2024  
SUBJECT: Harbor Patrol Incident Response Report – February 2024

***Search and Rescue, Patrol Boat Response***

- 2/21/24 Harbor Patrol responded to a report of a kayaker in distress in the area of Harbor Beach. Upon arrival, Harbor Patrol assisted the victim and retrieved the kayak from the surf line. No injuries reported.
- 2/28/24 Harbor Patrol responded to a report of a disabled vessel in the area of the harbor entrance. Upon arrival, Harbor Patrol contacted the vessel operator and assisted with a tow back into the harbor. Harbor Patrol returned to the harbor without incident.

***Crime Reports, Assist Outside Department, and Incident Reports***

- 2/2/24 Harbor Patrol conducted a traffic stop in the area of Atlantic Avenue and East Cliff Drive after a driver was observed stopped in the roadway, obstructing traffic. The motorist was admonished and cited for Vehicle Code 12500(A) – *Driving a Vehicle without a Driver's License*.
- 2/5/24 Harbor Patrol cited a subject for an outstanding warrant in the area of T-Dock.
- 2/27/24 Harbor Patrol took an incident report after a bicyclist lost control and fell in the area of X-Dock. Harbor Patrol assisted the victim until paramedics arrived on the scene. Minor injuries were reported.

***Parking Citations:***

February 2024 Parking Citations: 214  
February 2023 Parking Citations: 280

Santa Cruz Port District  
135 5th Avenue  
Santa Cruz, CA 95062  
831.475.6161  
831.475.9558 Fax  
www.santacruzharbor.org



PORT COMMISSIONERS:  
Toby Goddard  
Dennis Smith  
Reed Geisreiter  
Stephen Reed  
Darren Gertler

March 12, 2024

President Samantha Murray  
California Fish and Game Commission  
P.O. Box 944209  
Sacramento, CA 94244-2090

**SUBJECT: Opposition to Marine Protected Area Regulation Change Petition 2023-33MPA**

Dear President Murray:

The Santa Cruz Port District recognizes that properly designed and managed Marine Protected Areas (MPAs) play a critical role in protecting the natural diversity and abundance of marine life along the California Coast. Significant resources are required to manage California's extensive network of MPAs, and we appreciate the opportunity to comment on the proposed regulation change petitions which are currently being considered by the Marine Resources Committee.

As you know, California's network of MPAs was developed by utilizing a science-based and highly collaborative stakeholder-driven planning process. This was done to ensure that California's MPAs had clearly defined objectives, were based on sound scientific guidelines, and accurately balanced both ecological and socioeconomic priorities by region.

Petition 2023-33MPA seeks, in part, to designate one new SMR off Pleasure Point and expand the boundary of one existing SMR off Natural Bridges for purposes of kelp forest preservation. The Santa Cruz Port District is writing to express its strong opposition to Petition 2023-33MPA and request that it be denied.

As proposed, Petition 2023-33MPA is extremely broad and would result in the wholesale elimination of commercial and recreational fishing opportunities in areas directly adjacent to Santa Cruz Harbor. The petition fails to provide regionally specific scientific substantiation to support its position, neglects to comprehensively evaluate the socioeconomic impacts associated with implementing and revising MPAs in locations directly adjacent to active fishing ports, and fails to work collaboratively with key regional stakeholders. If approved, Petition 2023-33MPA will significantly impact commercial and recreational fishing activities in the Monterey Bay, resulting in detrimental ramifications to the health and vitality of our coastal community.

The Santa Cruz Port District has been a longstanding collaborative partner with CDFW, performing extensive outreach and MPA education to the boating and fishing communities. We recognize that safeguarding the integrity of our region's ecosystem is critical, but oppose enacting regulation change petitions that seek wholesale elimination of fishing access, lack regionally specific scientific substantiation, and fail to garner input from key regional stakeholders. Accordingly, we request that action be taken to deny Petition 2023-33MPA.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Reed".

Stephen Reed  
Santa Cruz Port Commission Chair

# Santa Cruz Port District

## Port Commission Review Calendar / Follow-Up Items 2024-25

### 2024

#### January-March

- ✓ Committee Assignments for 2024
- ✓ FY 25 Budget
- ✓ Review 5-year CIP
- Sea Scouts' Biannual Report
- Form 700 Filing (due by 3/31 each year)

#### April-June

- Café El Palomar Lease Exp. 7/31/2024  
*2 (5) year option to extend / rent review at first or second option period*
- Biennial Update to Conflict-of-Interest Code

#### July-September

- Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Dredge Report 2023-24
- Sea Scouts' Biannual Report

#### October-December

- Mid Fiscal Year Review of CIP
- Review of CalPERS Actuarial Valuation Report
- Annual Vessel Use List Review
- H&H Fresh Fish Lease Exp. 1/31/2025
- Ethics Training Update (due by year-end)
- Port Commission Officers for 2024

### 2025

#### January-March

- Committee Assignments for 2025
- Annual Review of Business Use of Slips 2024
- Annual Review of Slip Vacancy / Waiting List Statistics 2024
- Sea Scouts' Biannual Report
- FY 26 Budget
- Review 5-year CIP
- Form 700 Filing (due by 3/31 each year)
- Biennial Anti-Harassment/Anti-Discrimination Training

#### April-June

- Crow's Nest / Java Junction Rent Review at Option Period Ending 4/30/2025  
*1 (5) year option to extend*
- Dredge Report 2024-25

#### July-September

- Annual O'Neill Sea Odyssey Report (annual review of slip rent reduction. PC action Jul-07)
- Sea Scouts' Biannual Report

#### October-December

- Mid Fiscal Year Review of CIP
- Beacon Pointe Advisors Lease Exp. 11/30/2025
- Review of CalPERS Actuarial Valuation Report
- Annual Vessel Use List Review
- Ethics Training Update (due by year-end)
- Port Commission Officers for 2025

### Committee Review Items

- ✓ Review of Proposal to Purchase a Floating Barge

### Future Calendar

- 7<sup>th</sup> and Brommer Property Assessment
- ABC End-Tie Review after Murray Street Bridge Retrofit
- Pedestrian Traffic Safety Improvements Review

### Key

- Pending
- In process
- ✓ Done

Updated 3/20/2024