

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

December 3, 2008
7:00 p.m.

Coastside County Water District Office
766 Main Street
Half Moon Bay, CA 94019

Roll Call

Commissioners

Ken Lundie, President
Leo Padreddii, Vice President
Sally Campbell, Treasurer
Pietro Parravano, Secretary
James Tucker, Commissioner

Staff

Peter Grenell, General Manager
Marcia Schnapp, Director of Finance
Marietta Harris, Human Resource Manager
Robert Johnson, Harbormaster
Dan Temko, Harbormaster
Theresa DellaSanta, Deputy Secretary
Marc Zafferano, District Counsel

Public Comments/Questions - None

Staff Recognition- Temko recognized Pillar Point staff, United States Coast Guard, Sheriffs Department and State Parks for assistance in recovering two bodies from a boat that capsized over the weekend.

Consent Calendar

All items on the consent calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent calendar.

- 1 TITLE: Minutes of Meeting November 19, 2008
REPORT: Draft minutes
PROPOSED ACTION: Approval

Action: Motion by Tucker, second by Parravano to approve Item 1. The motion passed.

Ayes: 5
Nays: 0

New Business

- 2 **TITLE:** **Proclamation Honoring Debbie Isely**
 REPORT: Proclamation
 PROPOSED ACTION: Approve Proclamation Honoring Debbie Isely

Campbell stated that Debbie Isely volunteered to help the District with its 75th Anniversary event and in particular the August 16th Anniversary celebration and F/V Irene fundraiser. Campbell said that Isely did this at no charge to the District and spent hours coordinating the events, collecting donations, and negotiating prices. Campbell concluded that Isely deserves a lot of recognition and that she did a fantastic job.

Isely said it was an honor to help out with the events for the District and she recognized the volunteers and staff who assisted her.

Action: Motion by Campbell, second by Parravano to approve Item 2. The motion passed.

Ayes: 5
Nays: 0

- 3 **TITLE:** **SKS Presentation**
 REPORT: SKS
 PROPOSED ACTION: To Be Determined

Grenell stated that the City of South San Francisco is currently in negotiations with Shorenstein Properties and SKS Investments for development opportunities at Oyster Point. Grenell recommended that the Committee for Oyster Point redevelopment be reactivated in order to continue working with the investment groups.

Paul Stein, SKS Investments, introduced the team of representatives for his firm and for Shorenstein to the Board. He added that SKS is a regional developer based in San Francisco.

Stein informed the Board that SKS has recently acquired Oyster Point Business Park including Oyster Cove Marina. He added that he was approached by representatives of John King to expand the development and potentially create a more rational outline for redevelopment.

Daniel Kingsley, SKS Investments, gave a PowerPoint presentation on the different land use possibilities at Oyster Point. Kingsley said the idea is to expand through the Marina and then return all of the property through the King leases to the City. He added that the Ferry Terminal service will be a very important element in what kind of development uses are created; Kingsley said he feels that restaurants, cafes, retail space and open space would feed off the Ferry Terminal service. He added that revenue has potential of over 4 million per year.

Life Science Office Space could create up to 3,500 employees in a 2 million square foot development. Kingsley said that they envision a better pedestrian and visual connection between Oyster Point and Oyster Cove.

Kingsley stated that they have negotiated exclusive rights for redevelopment with the City of South San Francisco and the City Council has approved a framework agreement which outlines all of the next steps for negotiations. He added that the next step would be to get the King Ventures Leases assigned to them. An MOU with the City is targeted for April of 2009.

Campbell asked how the District fits into the redevelopment.

Marty VanDuyn, Economic and Community Development Director for the City of South San Francisco, stated that the framework agreement points out the significant relationship with the District and that the various agreements are very preliminary.

Campbell wanted confirmation that decisions are not being made only between SKS and the City, and that the District will participate in the process. VanDuyn said the City's intent is to keep the District involved in the process.

Kingsley added that SKS is very aware that it is a joint effort between the City and the District and they are very sensitive to the fact that the District has ongoing operational requirements.

Stein said SKS' intention is to acquire the King Leases as soon as possible in order to negotiate long term dispositions and if that moves forward they will be extremely sensitive to the District's current operations. Stein concluded that they would like to push the assignment of the leases at John King's request, and is hopeful that the Board will approve this at their January Board meeting.

Tucker stated that the Board has looked at possibly putting two docks at the beach area and they also have a request to the City for a parcel map for four parcels as a means of developing cash flow. He asked what the timeline looked like since this would be approximately two to three more years with no cash flow on these two projects.

Kingsley said they plan to analyze the cost of redevelopment and all of that information will be available to the District.

Tucker asked if all of the studies SKS is doing would become District property as well. Kingsley said all of the studies will be public documents and shared with the District. Kingsley concluded that this is only possible if it is truly a collaborative effort between SKS and the District.

Padreddii stated that one of his goals has always been to get some restaurants into the Marina so people can take a ferry from across the bay to the restaurants. He added that he envisions the Marina will be a very busy place once this development is done.

Campbell added that she feels it will be a very dynamic opportunity.

Lundie said he is pleased with the conceptual ideas the architects have drawn up.

Grenell recommended that the Board proceed to work with SKS and reactivate the Oyster Point Redevelopment Committee to accelerate discussions and expedite reaching an agreement on the Lease assignment.

Action: Motion by Tucker, second by Parravano to proceed to work with SKS and to reactivate the Oyster Point Redevelopment Committee (Campbell, Tucker). The motion passed.

Ayes: 5
Nays: 0

Campbell stated that she is excited about the opportunities and potential venture with SKS and Shorenstein.

- 4 **TITLE:** **Authorization to Pay Bills and Claims Occurring Between November 26, 2008 and January 7, 2009 in an Amount Not to Exceed \$600,000.00**
 REPORT: Bills and Claims Detailed Summary
 PROPOSED ACTION: Approve Authorization to Pay Bills and Claims Occurring Between November 26, 2008 and January 7, 2009 in an Amount Not to Exceed \$600,000.00

Schnapp stated that due to the cancelled Board meetings in December and January these bills and claims will allow the District to pay bills until the next Board meeting scheduled on January 21, 2009.

Action: Motion by Tucker, second by Campbell to approve Bills and Claims in an amount not to exceed \$600,000.00 through January 7, 2009. The motion passed.

Ayes: 5
Nays: 0

- 5 **TITLE:** **Bills and Claims in the Amount of \$2,528,561.34**
 REPORT: Bills and Claims Detailed Summary
 PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$2,528,561.34 to cover payment of Bills and Claims

Padreddii informed the Board that he reviewed the Bills and Claims and found them in order. He added that a 2.4 million payment to DBW is being made. He recommended approval.

Action: Motion by Padreddii, second by Campbell to approve the Bills and Claims in the amount of \$2,528,561.34. The motion passed.

Ayes: 5
Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

6 General Manager - Grenell

Parravano asked what the status of a new Board meeting room is. Grenell said staff is looking into the Oceano Hotel and will get back to the Board.

7 Director of Finance - Schnapp

Schnapp said she highlighted some lines in the current loan contract with DBW to show what happens if the \$2.4 million was not paid. She thanked the Board for approving the payment.

8 Human Resources Manager - Harris

Nothing further to add to written report.

Operations

9 Oyster Point Marina/Park - Johnson

Johnson informed the Board that staff has completed installation of a float dock at the Launch Ramp which was estimated at approximately \$10,000 saving to the District. Johnson thanked Temko for his assistance.

10 Pillar Point Harbor – Temko

Temko invited the Board to the 21st annual Boat Decorating contest on Saturday, December 13th. He thanked Campbell for all of her assistance and involvement with the event. Temko thanked Johnson for providing his staff to help with the event.

Grenell said a reporter from the San Mateo Times called and requested information about the District's "party fund." Grenell replied that there is no "party fund." The reporter had the invitation for the judges to come to the Harbor bar for drinks before the event. Campbell said she sent the invitations for anyone to join her at the Harbor bar and she will personally buy them one drink for participating.

Lundie said he would like to donate four Crab from each of his boats for the contest.

Board of Harbor Commissioners

- 11 A. Committee Reports - None
 - B. Commission Statements and Requests
- The Board of Harbor Commissioners may make public statements and requests. Requests may be made to place items on future agendas.**

Parravano took the time to wish the Board and staff a Happy Holiday season.

- 12 TITLE: **Identify Real Property Negotiator Pursuant to Government Code §54956.8**
- REPORT: Zafferano
- PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Lundie identified Grenell as Real Property Negotiator.

- 13 TITLE: **Identify Labor Negotiator Pursuant to Government Code §54957.6**
- REPORT: Zafferano
- PROPOSED ACTION: Identify Labor Negotiator Peter Grenell

Lundie identified Grenell as Labor Negotiator.

Action: Motion by Tucker, second by Campbell to adjourn to Closed Session. The motion passed unanimously at 8:02 p.m.

Closed Session

- 14 TITLE: **Conference with Labor Negotiator pursuant to Government Code §54957.6: Operating Engineers Local Union No. 3**
- REPORT: Grenell
- PROPOSED ACTION: To Be Determined

- 15 TITLE: **Conference with Labor Negotiator pursuant to Government Code §54957.6: Teamsters Union Local 856**
- REPORT: Grenell
- PROPOSED ACTION: To Be Determined

- 16 TITLE: **Conference with Real Property Negotiator: Parcels APN 015-010-060, 015-010-260, 015-010-270, Oyster Point Marina/Park, City of South San Francisco, San Mateo County; San Mateo County Harbor District with San Francisco Bay Water Emergency Transportation Authority (WETA) Regarding Lease Price, Terms and Conditions, Pursuant to Government Code §54956.8**

REPORT: Grenell
PROPOSED ACTION: To Be Determined

17 TITLE: **Conference with Real Property Negotiator: Median Strip, APN 047-262-010, El Granada, San Mateo County: Regarding Sale or Lease Price and Terms and Conditions Pursuant to Government Code Section §54956.8**

REPORT: Grenell
PROPOSED ACTION: To Be Determined

Action: Motion by Parravano, second by Padreddii to adjourn to Open Session. The motion passed unanimously at 8:57 p.m.

Open Session, Continued

There was no reportable action from Closed Session.

18 TITLE: **Lease Agreement with San Francisco Bay Water Emergency Transit Authority (WETA) for Construction and Operation at Oyster Point Ferry Terminal**

REPORT: Grenell, Agreement, Resolution 22-08
PROPOSED ACTION: Adopt Resolution 22-08 to Approve Lease Agreement with San Francisco Bay Water Emergency Transit Authority (WETA) for Construction and Operation at Oyster Point Ferry Terminal

Action:

Motion by Tucker, second by Campbell to approve a lease with the WETA for a ferry terminal and service at Oyster Point Marina. District to receive a \$3.66 million payment as compensation for lost collateral. Said \$3.66 million is to be paid by WETA to DBW, which shall deduct the sum from District's principal indebtedness to DBW dollar for dollar. Further, no demolition, construction or other in-water work by WETA or its agents shall commence prior to receipt by DBW of the aforesaid \$3.66 million and credit of this sum by DBW to District's principal indebtedness.

Motion by Tucker, second by Campbell that DBW acknowledge in writing to the District that WETA's \$3.66 million payment to DBW shall be applied to District's principal indebtedness.

Motion by Tucker, second by Parravano to instruct the General Manager to finalize the lease with WETA consistent with the Board's prior instructions and bring lease back for final review.

TITLE: **Draft Updated Business Plan for Department of Boating**

19

and Waterways (DBW)

REPORT: Grenell, Memo, Draft Amended Business Plan
PROPOSED ACTION: To Be Determined

This item was postponed.

Adjournment

Action: Motion by Parravano, second by Padreddii to adjourn the meeting. The motion passed unanimously at 9:02 p.m.

APPROVED BY:

ATTESTED BY:

Ken Lundie
President

Theresa DellaSanta
Deputy Secretary