



Staff Report

TO: Board of Harbor Commissioners
FROM: James B. Pruett, General Manager
DATE: January 15, 2025
SUBJECT: January 8, 2025, LAFCo DRAFT MSR/LOI

Recommendation:

Receive Report and provide feedback to staff.

Policy Implications:

None

Background:

1. On November 13, 2024, the San Mateo County LAFCo published the draft Municipal Service Review Circulation Draft (MSR) concerning the San Mateo County Harbor District. LAFCo intended to consider the Circulation Draft on November 20th, 2024. On November 20, 2024, the consideration of the report was pushed to the January 15, 2025 meeting,
2. In anticipation of the November 20, 2024 LAFCo meeting, staff prepared the attached staff report with recommended changes to the draft report and presented said staff report to Harbor Board for consideration. The SMCHD November Staff Report is attached.
3. On December 4, 2024 the SMCHD forwarded the recommended changes to LAFCo. See attached letter dated December 4, 2024.
4. On January 8, 2025 San Mateo LAFCo posted their agenda for the January 15, 2025 Board Meeting. The updated draft of Municipal Service Review Circulation (MSR) concerning the San Mateo County Harbor District is Item 4 on the January 15, 2025 LAFCo Agenda.
5. The updated draft, dated January 8, 2025 did consider the SMCHD letter and accepted most of the suggested changes. The following are the suggested changes that were not adopted.

January 8, 2025 LAFCO Staff Report:

Page 4, Section VI, Second Paragraph:

SMCHD Recommended Change: “Changes can include included dissolution of SMCHD, or altering the boundaries of the District, or include all county owned ports (Coyote Point Marina, San Carlos Airport, and the Half Moon Bay Airport) to the District’s portfolio.”

LAFCo Response: Rejected.

Page 6 Sphere of Influence Determinations Section IV:

Recommended Changes: “The District’s boundaries are coterminous with San Mateo County, while operations are limited to two county-wide serving locations: Oyster Point in South San Francisco and Pillar Point in Half Moon Bay.”

LAFCo Response: Rejected.

Municipal Service Review and Sphere of Influence Review for the San Mateo County Harbor District (Circulation Draft) Released January 8, 2025:

Page 5, Second Paragraph: Sphere of Influence Determinations

SMCHD Recommended Change: Insert a new paragraph between the second and third paragraph to read: “In the alternative, the Harbor District can assume the responsibility to manage and operate all County owned Ports to include Coyote Point, San Carlos Airport, and the Half Moon Bay Airport. This would benefit the public through economies of scale and service efficiency. This would greatly reduce the workload at the County in managing these highly specialized activities. As discussed above, a detailed Plan for Service would need to accompany any proposal for a governance change. This Plan would need to evaluate how service responsibility would be transferred, the benefits of the governance change, how pension liability will be addressed, the implementation and financing strategies for capital improvement projects, legacy costs, and staff transition.”

LAFCo Response: Rejected.

Page 13/14 Pillar Point Harbor:

SMCHD Recommended Changes: “It is a 369-berth mixed-use harbor supporting commercial fishing fleet, recreational fishing and boating, water related sporting activities (swimming, kayaking, surfing, stand-up paddling boarding, etc) and other opportunities and public access.”

LAFCo Response: Rejected.

Page 18 First Paragraph:

SMCHD Recommended Changes: “The environments of oceanside Pillar Point Harbor and bayside Oyster Point Marina are drastically different, as are the available resources. [The Harbor Patrol at Oyster Point Marina is a critical part of the safety network on the Bay. They work closely with the U.S. Coast Guard and several other local agencies and marinas when responding the emergency calls. On the San Mateo Pacific Coast, the San Mateo County Harbor Patrol is the only public agency providing immediate on water rescue capabilities. The Pillar Point Harbor Patrol works closely with the Sheriff’s Office, Cal Fire, Coastside Fire, City of Half Moon Bay, State Lifeguards, and U.S Coast Guard in providing this capability, but as stated above, is the only agency that provides immediate waterside response.](#)”

LAFCo Response: Rejected.

Page 18 Pillar Point Harbor Search and Rescue Table:

SMCHD Recommended Changes:

- i. 2024 number of launches should read: “64”
- ii. 2024 number of vessel/agency assists should read: “1698”

LAFCo Response: Rejected.

Page 18 Oyster Point Marina Search and Rescue Table:

SMCHD Recommended Changes:

- i. 2024 number of launches should read: “4*”
“*Including a mass water rescue of 18 people from a capsized vessel.”
- ii. 2024 number of vessel/agency assists should read: “78”

LAFCo Response: Rejected.

Page 20 Oyster Point Marina, Section b Second Paragraph:

SMCHD Recommended Changes: “The District is in the process of updating its [20192022 Strategic Plan. Public workshop was held on November 21, 2024.](#)”

LAFCo Response: Rejected.

Page 21 Second Paragraph:

SMCHD Recommended Changes: “In 2023, the District was awarded a \$400,000 Boat launching Facilities grant from the California Division of Boating and Waterways State Parks for the design and engineering of the Pillar Point Harbor Launch Ramp.”

LAFCo Response: Rejected.

Page 23 Last Paragraph:

SMCHD Recommended Changes: “All San Mateo County property tax revenue is managed by the Administration Department department and is shown as revenue in the budget as Administration Department department funds.”

LAFCo Response: Rejected.

Page 23/24:

SMCHD Recommended Changes: “This revenue is also used by Pillar Point Harbor Department department and Oyster Point Marina Department department to cover both of their operating deficits.”

LAFCo Response: Rejected.

Page 24 Fourth Paragraph:

SMCHD Recommended Changes: ~~“The District states that it intends to enhance its commercial activity revenue stream.”~~

LAFCo Response: Rejected.

Page 24 Fourth Paragraph Last Paragraph:

SMCHD Recommended Changes: ~~“In 2022 the District sold surplus parcels.”~~

LAFCo Response: Rejected.

Page 25 Top of Page:

SMCHD Recommended Changes: ~~The land This purchase was funded by existing cash, decreasing the decreased the amount of working capital /fund balance. available for capital projects.~~

LAFCo Response: Sentence deleted.

Page 28 Section “d” Second Paragraph:

SMCHD Recommended Changes: Up to ~~\$25,000~~ **\$50,000** may be allocated by the General Manager to an individual project.

LAFCo Response: Sentence deleted.

Page 34:

SMCHD Recommended Changes: Add Section “II” under the heading “d-f) Changes in governance structure”: “II. In the alternative, the Harbor District can assume the responsibility to manage and operate all County owned ports to include Coyote Point, San Carlos Airport, and the Half Moon Bay Airport. This would benefit the public through economies of scale and service efficiency. This would greatly reduce the workload at the County in managing these highly specialized activities. As discussed above, a detailed Plan for Service would need to accompany any proposal for a governance change. This Plan would need to evaluate how service responsibility would be transferred, the benefits of the governance change, how pension liability will be addressed, the implementation and financing strategies for capital improvement projects, legacy costs, and staff transition.”

LAFCo Response: Rejected.

Page 35

SMCHD Recommended Changes: Add Sentence following the first paragraph: “However, it is important to note that the District not only serves San Mateo County at their two facilities, the serve the entire none county Bay Area and beyond.

LAFCo Response: Rejected.

Page 35 Accountability, Structure, and Efficiency MSR Determination First Paragraph First Sentence:

SMCHD Recommended Changes: SMCHD has taken a number of steps since the 2015 MSR to enhance ~~transparent~~ **transparency** and ~~address~~ **addressed** governance and operational efficiencies.”

LAFCo Response: Rejected.

Page 35 Accountability, Structure, and Efficiency MSR Determination Second Paragraph First Sentence:

SMCHD Recommended Changes: “There are potential governance **changes that** could produce greater efficiencies and cost ~~costs~~ savings. Changes included dissolution of SMCHD, ~~or~~ altering the boundaries of the District, **or include all County owned ports (Coyote Point Marina, San Carlos Airport, and Half Moon Bay Airport) to the District’s portfolio.**”

LAFCo Response: Rejected.

Page 40 Section 4:

i.

SMCHD Recommended Changes: “San Mateo County Harbor District's boundaries are coterminous with San Mateo County, operating out of ~~while operations are limited to~~ two **county-wide serving** locations: Oyster Point in South San Francisco and Pillar Point in Half Moon Bay.”

LAFCo Response: Rejected.

The rejected changes are highlighted in the attached January 8, 2025 Draft MSR.

Attachments:

- 1) [November 20, 2024 SMCHD Staff Report w/enclosures](#)
- 2) [December 4, 2024 \(Marked Up\) SMCHD Letter to LAFCo w/enclosures](#)
- 3) [January 8, 2025 LAFCo Draft MSR](#)