San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Agenda

August 19, 2015
6:30 p.m.

Municipal Services Building
33 Arroyo Drive
South San Francisco, CA 94080

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 hours of the meeting. Pacifica residents can tune into Comcast Chanel 26 and residents from Montara through Pescadero can tune into Comcast Chanel 27. Copies of the meetings can also be purchased from PCT and mailed for $18.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

A.) Roll Call

Commissioners
Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff
Glenn Lazof, Interim General Manager
Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

B.) Public Comments/Questions –

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, Board of Harbor Commissioners that is not on the regular Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018 or online at www.smharbor.com.

C.) Staff Recognition-

D.) 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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 June 8, 2015 – Special Meeting**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
2	TITLE:	**Minutes of Meeting June 11, 2015 – Special Meeting**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
3	TITLE:	**Minutes of Meeting June 17, 2015**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
4	TITLE:	**Minutes of Meeting June 23, 2015 – Special Meeting**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
5	TITLE:	**Minutes of Meeting July 1, 2015**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
6	TITLE:	**Minutes of Meeting July 15, 2015**
	REPORT:	Draft Minutes
	PROPOSED ACTION:	Approval
7	TITLE:	**Reaffirm Investment Policy for FY2015/16**
	REPORT:	Galarza, Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 36-15 to renew District Investment Policy
8	TITLE:	**Direct Staff to Apply for Grants for Acquisition of Search and Rescue Vessel**
	REPORT:	Grindy, Memo, Resolution
	PROPOSED ACTION:	Authorize staff to seek funding or donations for replacement vessel.

9	TITLE:	**Special Use Permit for Grays Harbor Historical Seaport Authority to Visit Pillar Point Harbor October 29-November 9, 2015**
	REPORT:	Memo, Grindy
	PROPOSED ACTION:	Approve Special Use Permit for Grays Harbor Historical Seaport Authority and waive all fees in exchange for inclusive marketing activities

E.) New Business

10	TITLE:	**Proclamation for Emily Cooper**
	REPORT:	Proclamation
	PROPOSED ACTION:	Following her faithful and dedicated service on behalf of the community and staff of the San Mateo County Harbor District
11	TITLE:	**Bills and Claims in the Amount of $294,847.46**
	REPORT:	Bills and Claims Detailed Summary
	PROPOSED ACTION:	Approval of Bills and Claims for payment and a transfer in the amount of $294,847.46 to cover payment of Bills and Claims
12	TITLE:	**Oyster Point Marina Joint Powers Authority with the City of South San Francisco (Commissioner Brennan)**
	REPORT:	Lazof , Memo,
	PROPOSED ACTION:	The district will receive information regarding the Joint Powers Agreement with the City of South San Francisco. The District may discuss and/or take action on the three point recommendation in the staff report: 1) Prior to the first meeting of the Liaison Committee General Manager will request Counsel should prepare a matrix based on the JPA agreements that clearly identifies the Responsibilities and Obligations of each party to the agreement. 2) That the Liaison committees continue to schedule a meeting with the City of South San Francisco to discuss the concerns of all parties. 3) That the District request a reasonable time to prepare a thorough response based on this letter and clarifications as understood by future Liaison committee discussions, either following the Liaison Committee meeting or if the City does not agree to meet, as described in the staff report.

13	TITLE:	**Letter to Monterey Bay National Marine Sanctuary Regarding Management Plan Update and Sand Placement (Commissioner David)**
	REPORT:	Lazof, Memo Materials Provided by Commissioner David, Resolution
	PROPOSED ACTION:	The Commission may consider approval of correspondence to the Monterey Bay National Marine Sanctuary, the Commission may also offer further direction to staff or the Beach Replenishment Committee
14	TITLE:	**Crab Festival-Harbor District Participation January 30-31, 2016**
	REPORT:	Memo, Grindy
	PROPOSED ACTION:	The Commission may consider sponsorship of this event at a cost of up to (Sponsorship cost + Marketing Materials)
15	TITLE:	**Adoption of Interim Harbor District Capital Improvement Plan**
	REPORT:	Memo, Lazof
	PROPOSED ACTION:	The Commission may establish a process to review and may also modify planned capital improvements including unfunded improvements and/or may modify planned Capital Improvements. An interim Capital Improvement Plan may also be adopted, so that funding proposals, including grants and debt financing, may be guided prior to the development of a final plan.

F.) Staff Reports: a) Administration and Finance

16 Interim General Manager – Lazof

17 Director of Finance – Galarza

18 Interim Administrative Services Manager – Schnapp

b) Operations

19 Oyster Point Marina/Park and Pillar Point Harbor – Grindy

G.) Board of Harbor Commissioners

20 A. Committee Reports

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

2. Any Commissioner wishing to place an item on a future agenda may do so. For additional items, any Commissioner may make a motion to place the item on the Agenda and must have a majority vote to pass.

H.) Closed Session

21

TITLE:	**Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
DISTRICT REPRESENTATIVES:	Scott Grindy, Deborah Glasser, Glenn Lazof
EMPLOYEE ORGANIZATIONS:	Operating Engineers Local Union No. 3 and Teamsters Local Union No. 856

I.) Adjournment

The next scheduled meeting will be held on September 2, 2015 at the Sea Crest School, Think Tank, Room #19, 901 Arnold Way., Half Moon Bay, CA 94019 at 6:30 PM.

Agenda Posted As Required:
August 14th at 12:00 p.m.

Debbie Nixon
Deputy Secretary

ITEM 1

(650) 583-4400
Fax (650) 583-4611
www.smharbor.com

San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Minutes

June 8, 2015
6:30 p.m.

Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, Ca. 94019

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A.) Roll Call

Commissioners	Staff
Tom Mattusch, President	Glenn Lazof, Interim General Manager
Nicole David, Vice President	Debbie Nixon, Deputy Secretary
Robert Bernardo, Secretary	Steven Miller, District Counsel
Pietro Parravano, Treasurer	
Sabrina Brennan, Commissioner	

There was no quorum.

B.) New Business

1 TITLE: **Consideration of Entering into Contract for Legal Services with Wittwer-Parkin LLC to Assist with Comment Letter Responding to Circulation Draft Municipal Service Review**

REPORT: Lazof, Memo

PROPOSED ACTION: Consider direction to staff to hire Wittwer-Parkin LLC to provide legal counsel on response to LAFCo Circulation Draft Municipal Service Review

Draft

2	TITLE:	**Consider Direction to Staff Regarding Providing Estimates for Space Planner Services at New Offices 504 Avenue Alhambra, El Granada**
	REPORT:	Lazof, Memo
	PROPOSED ACTION:	Allow Interim General Manager to obtain estimates in accordance or in excess of the procurement policy and report back to Commission

Adjournment

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

ITEM 2

(650) 583-4400
Fax (650) 583-4611
www.smharbor.com

San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Minutes

June 11, 2015
6:30 p.m.

Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, Ca. 94019

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A.) Roll Call

Commissioners	Staff
Tom Mattusch, President	Glenn Lazof, Interim General Manager
Nicole David, Vice President	Debbie Nixon, Deputy Secretary
Robert Bernardo, Secretary	Steven Miller, District Counsel
Pietro Parravano, Treasurer	
Sabrina Brennan, Commissioner	

Public Comment: John Dooley stated that the lawsuits need conclude in order for the District to have more money for Johnson Pier. **(0:01)**

Mary Larenas was concerned with the Pillar Point Harbor fuel dock and asked if the back-up plan could be discussed at a future meeting. **(0:35)**

Leonard Woren said it was disrespectful for the Commissioners to not show up at the last Special Meeting on June 8, 2015. **(1:46)**

B.) New Business

(2:05)

1 TITLE: **Stating District Opposition to Dissolution**
REPORT: Lazof, Memo
PROPOSED ACTION: Consider Commission Policy Opposing Recommendations for District Dissolution.

Draft

Action: Motion by Brennan, second by David to reaffirm the opposition to dissolution of the San Mateo County Harbor District. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(9:15)

2 TITLE: **Additional Legal Support**
REPORT: Lazof, Memo
PROPOSED ACTION: The Commission may make findings related to procurement and approve hiring of Wittwer-Parkin LLC to provide an opinion and review the draft responses of LAFCo Municipal Service Review.

(12:17)
Public Comment:

Oppose
John Dooley

Support
Leonard Woren
April Vargas

Action: Motion by Mattusch, second by David to approve the hiring of Wittwer- Parkin LLP to provide an opinion and review the draft response of the LAFCo Municipal Service Review, in an amount not to exceed $3,000. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Action: Motion by Bernardo, second by Mattusch to waive the usual procurement rules because of exigent circumstances the District is in, and to have the LAFCo report done as soon as possible. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Adjournment

The meeting adjourned at 7:25 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes

June 17, 2015
6:30 p.m.
Municipal Services Building
33 Arroyo Drive
South San Francisco, Ca. 94080

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A.) Roll Call

Commissioners		Staff
Tom Mattusch, President		Glenn Lazof, Interim General Manager
Nicole David, Vice President	x	Debra Galarza, Director of Finance
Robert Bernardo, Secretary		Marcia Schnapp, Interim Human Resource Manager
Pietro Parravano, Treasurer		Scott A. Grindy, Harbor Master
Sabrina Brennan, Commissioner		Debbie Nixon, Deputy Secretary
		Steven Miller, District Counsel

x-absent

B.) Public Comments/Questions –

John Ullom said he had spoken with Nancy Cave with California Coastal Commission and there were no permits applied for The Mavericks Contest in the last few years. **(0:47)**

Michael Stogner asked if Item 11 could be removed from the Agenda because it was placed by the Interim General Manager and the issue was complicated. He was also concerned about the police presence at the meeting on the April 25, 2015. **(2:58)**

Cynthia Knolls who is a Pollution Prevention Specialist discussed safe disposal of hazardous waste. She was working with Pillar Point Harbor regarding proper disposal among boaters, the program is called The Dockwalker program. **(6:17)**

Sabrina Brennan read a letter dated June 17, 2015. The letter was regarding the open meeting on May 26, 2015 and the police presence. **(7:54)**

Lamont Phemister commented on the May 26 meeting and stated that it is very important to not interfere with recording of public meetings. He added that this is a very serious issue and wanted to make sure it doesn't happen again. **(10:37)**

C.) Staff Recognition- None

D.) 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.

(12:59)

1 TITLE: **Minutes of Meeting April 15, 2015 – 6:30pm**
REPORT: Draft minutes
PROPOSED ACTION: Approval

2 TITLE: **Minutes of Meeting April 30, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

3 TITLE: **Minutes of Meeting May 4, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

4 TITLE: **Updated Signatory Card List for the San Mateo County Harbor District's Financial Institution Accounts**
REPORT: Memo, List of signatures, Resolution
PROPOSED ACTION: Adopt Resolution 19-15 to authorize execution of financial institution generated signature forms for the San Mateo County Treasurer's office and U.S. Bank

5 TITLE: **Authorizing the Renewal of the San Mateo County Harbor District's Liability, Property and Other Insurance Policies for Fiscal Year 2015-16**
REPORT: Memo, Policies Resolution
PROPOSED ACTION: Adopt Resolution 21-15 approving renewal of liability, property and other insurance policies for Fiscal Year 2015-16

6 TITLE: **Bad Debt Write-Offs**
REPORT: Memo, Resolution
PROPOSED ACTION: Adopt Resolution 17-15 to Approve Write-Offs of uncollectable berthing accounts for current and past years in the amount of $83,671.07

Draft

7 TITLE: **Turbo Data Contract for Parking Citation Processing**
REPORT: Memo, Resolution
PROPOSED ACTION: Adopt Resolution 08-15 to approve the contract with Turbo Data

8 TITLE: **Oyster Point Marina/Park Trash Compactor Purchase**
REPORT: Grindy, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 22-15 to approve purchase of Marathon compactor

Action: Motion by Mattusch, second by Parravano to approve the consent calendar. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

E.) New Business

(13:21)

9 TITLE: **Proclamation for Oyster Point Yacht Club in Recognition of the 50th Anniversary**
REPORT: Proclamation
PROPOSED ACTION: Approval

Action: Motion by Parravano, second by Bernardo to approve the Proclamation for Oyster Point Yacht Club in Recognition of the 50th Anniversary. The motion was passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

F.) Public Hearing

(14:16)

10 TITLE: **Final Operating and Capital Budget for Fiscal Year 2015/16 by Resolution 20-15 Pursuant to Harbors and Navigation Code §6093.1**

A. Declare Hearing Open: President Mattusch
B. Report of Notice Given: Debbie Nixon, Deputy Secretary
C. Staff Report and Recommendation: Budget FY 2015/16
D. Public Comment:
E. Commission Deliberation:
H. Recommended Commission Action: Adopt Resolution 20-15 to Adopt the Final FY2015/16

Draft

(15:35)
Public Comment:

Support
Budd Ratts

Action: Motion by David, second by Bernardo to adopt Resolution 20-15 to adopt the Final FY2015/16 Operating and Capital Budget. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Action: Motion by Brennan, second by David to make the following changes to the transmittal letter. 1) Mention move from accrual budget to reporting depreciation. 2) Change the mention of robust fishing season. 3) Desire for 5 year capital budget plan. 4) Budget change moving from an accrual budget to a cash budget. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

G.) New Business

(32:06)

11 TITLE: **Policy Regarding Elected Officials' Conduct and Communication with District Staff**

REPORT: Lazof, Memo
PROPOSED ACTION: Approve proposed policy

(36:45)
Public Comment:

Oppose
John Ullom

Action: Motion by Bernardo, second by Parravano to approve the policy regarding Elected Officials' Conduct and Communication with District Staff with the following changes: 1) Paragraph A. Remove Poor behavior from sentence Poor Behavior towards staff is not acceptable, 2) Paragraph 4. Remove often from sentence but may often be secondary to the District's operational needs, 3) Remove paragraph 7(a) Routine Requests for Information. 4) Remove paragraph 8. Non-Routine Requests Requiring Special Effort.

Ayes: Bernardo, David, Mattusch, Parravano
Nays: Brennan

(1:08:39)

12 TITLE: **Contract with Regional Government Services: Approval of Adding Additional Staffing: Public Information and Transparency Officer; Human Resources Support**

REPORT: Lazof, Memo
PROPOSED ACTION: Approve proposed policy

(1:13:36)

Public Comment:

Oppose
John Ullom

Action: Motion by Mattusch, second by David to approve the contract with Regional Government Services: Approval of Adding Additional Staffing: Public Information and Transparency Officer; Human Resources Support. The motion passed.

Ayes: Bernardo, David, Mattusch, Parravano
Nays: Brennan

(1:26:17)

13 TITLE: **New/Revised Job Descriptions:**
1) **Administrative Services Manager (New)**
2) **Harbor Master – Assistant General Manger Operations (Revised)**

REPORT: Lazof, Memo
PROPOSED ACTION: Approve job descriptions; Administrative Services Manager Salary set at Human Resources Director level, on interim basis. Assistant General Manager Salary to be unchanged from prior to description revision.

Action: Motion by Mattusch, second by David to approve #1 adding grant writing to the administrative service manager in addition and also deferring #2 until we look into a better job title and job specifications. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(1:38:44)

14 TITLE: **Process for Approval of District Response to LAFCo Municipal Service Review**

REPORT: Lazof, Memo
PROPOSED ACTION: The Commission may authorize the President to issue the final letter of response, or may call a Special Meeting to review this response, proposed for June 23, 2015.

(1:41:57)

Public Comments:

Support
John Ullom

Draft

Undeclared
Martha Poyatos provided information only.

Action: Motion by Brennan, second by David to call a Special meeting on June 23rd at 6:30 PM at Sea Crest School to approve final response letter regarding The Municipal Services Review. The motion passed.

Ayes: Brennan, David, Mattusch
Nays: Bernardo, Parravano

(1:50:55)

15 TITLE: **Budget Adjustment for FY2014/15**
REPORT: Galarza, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 18-15 to Approve Budget Adjustment for FY2014/15, Adjustment recognizes Revenues above projection and increases in Expenditures, resulting in no net impact.

Action: Motion by Bernardo, second by Brennan to adopt Resolution 18-15 to approve the budget adjustment for FY2014/15. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(1:53:24)

16 TITLE: **Rescind/Revise Motion Regarding General Manager Procurement Authority, Retroactive to May 28, 2015**
REPORT: Lazof, Memo
PROPOSED ACTION: Establish General Manager's procurement authority

Action: Motion by Brennan, second by Mattusch to set the General Manager's procurement authority at $12,000 and to move forward with updating the procurement policy's as soon as reasonable possible. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Item 18 action came before 17 action.

(2:07:07)

18 TITLE: **Half Moon Bay Fish and Fleet Festival Event at Pillar Point Harbor**
REPORT: Grindy, Memo
PROPOSED ACTION: Approve the event date of September 27, 2015 for the Half Moon Bay Fish and Fleet Festival and waive the application and permit fees for event

Draft

Action: Motion by Brennan, second by David to allow Half Moon Bay Fish and Fleet Festival Event at Pillar Point Harbor on Sunday, September 27, 2015 from 10:00 AM to 6:00 PM and waive the fee. Action passed unanimously.

Public Comment:

Support
Lisa Damrush

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(2:16:36)

17 TITLE: **Commercial Activity Permit For California Canoe & Kayak, Rate And Fee Structure**
REPORT: Grindy, Memo
PROPOSED ACTION: Approve the proposed rate structure as noted below for California Canoe & Kayak for the period starting April 15, 2015 and ending July 17, 2015 during the temporary permit period $2.25 per person per day or $25.00 per week

Action: Motion by Bernardo, second by David to approve the proposed rate structure as noted below for California Canoe & Kayak for the period starting April 15, 2015 and ending July 17, 2015 during the temporary permit period $2.25 per person per day or $25.00 per week. Action passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

19 TITLE: **Status Report: Bills and Claims Paid in the Amount of $386,564.09 from May 7, 2015 Through June 17, 2015 as Authorized on May 6, 2015 to Cover Payments Due to the Cancellation of the May 20, 201 and June 3, 2015 Meetings**
REPORT: Bills and Claims Summary
PROPOSED ACTION: Information only

No action taken. Information only.

Action: Motion to extend meeting until 11:00 PM. Motion was passed unanimously.

Ayes: Bernardo, Brennan, David Mattusch, Parravano

Action: Motion to extend meeting until 11:30 PM. Motion was passed unanimously.

Ayes: Bernardo, Brennan, David Mattusch, Parravano

Item 21 was taken up prior to item 20.

Draft

(2:20:22)

21 TITLE: **Consideration and Direction to Staff Regarding a Social Media Plan**

REPORT: Lazof, Memo; Additional Information: Brennan

PROPOSED ACTION: The Commission may provide direction to Staff regarding a Social Media Plan for the District

(2:21:54)

Public Comments:

Support

Joe Falcone

Undeclared

Martha Poyatos provided information only

Action: The Commission discussed creating a social media plan and directed the Interim General Manager to work with Phondini at an amount of $1,000 per month and to create a social media plan. The Interim General Manager will then bring a Request for Proposal back to the Board at a later meeting for direction and action. No formal action was taken.

(2:42:36)

20 TITLE: **Discussion of Role of the San Mateo County Harbor District through the Beach Replenishment Committee as Potential Lead Agency in a Sand Replenishment Effort at Surfer's Beach**

REPORT: David, Memo

PROPOSED ACTION: Approve San Mateo County Harbor District as local lead agency in this effort

Action: Motion by David, second by Brennan for District to become the lead agency in the sand replenishment effort at Surfers Beach. The motion passed unanimously.

Public Comment:

Supports

John Dooley

Action: Motion by Brennan, second by Bernardo to extend meeting to 11:00 PM.

Adjourn to closed session at 9:44 PM.

Action: Unanimous vote to extend meeting to 11:30 PM.

Draft

J.) Closed Session

27 TITLE: **Closed Session—Public Employment Pursuant to Government Code Section 54957(b). Title: Labor Negotiator**

Item 28 was not taken up.

28 TITLE: **Conference with Legal Counsel—Anticipated Litigation Pursuant to Government Code Section 54956.9(d)(2). One Case**

K.) New Business, Continued

(2:56:49)

29 TITLE: **Award Contract for Labor Negotiator Services**
REPORT: Lazof
PROPOSED ACTION: Authorize the General Manager to enter into an agreement for services in support of labor negotiations under terms deemed by the General Manager to be in the District's best interest and in a form approved by legal counsel.

Action: Move by David, second by Parravano to award contract to Deborah Glasser for labor negotiator services. The motion passed.

Ayes: Bernardo, David, Mattusch, Parravano
Nays: Brennan

These following items were not taken up at the meeting.

H.) Staff Reports: a) Administration and Finance

22 **Interim General Manager – Lazof**

23 **Director of Finance – Galarza**

24 **Interim Human Resources Manager – Schnapp**

b) Operations

25 **Oyster Point Marina/Park and Pillar Point Harbor – Grindy**

Draft

I.) Board of Harbor Commissioners

26 A. Committee Reports

1)Water Quality and Public Safety Committee (May 14, 2015)
2)Beach Replenishment Committee (May 19, 2015)

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

L.) Adjournment

Action: Motion by Mattusch, second by Parravano to adjourn the meeting. The motion passed at 11:28 PM.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Minutes

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6:30 p.m.

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Commissioners	Staff
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x Nicole David, Vice President	Debbie Nixon, Deputy Secretary
x Robert Bernardo, Secretary	Steven Miller, District Counsel
Pietro Parravano, Treasurer	
Sabrina Brennan, Commissioner	

x – absent

Public Comment: John Ullom commented on the IT/forensic audit and felt like it was a waste of money. **(0:46)**

(4:22)

B.) New Business

1 TITLE: **Letter in Response to the LAFCo Circulation Draft Municipal Service Review**
REPORT: Lazof, Draft Letter
PROPOSED ACTION: Approval of response letter to LAFCo Circulation Draft Municipal Service Review

Draft

Action: Motion by Parravano, second by Brennan to approve the response letter with the advice from both legal counsels on scripture changes and edits to make the document more articulate and to authorize them to make other changes they see fit. The motion passed.

Ayes: Brennan, Mattusch, Parravano

Absent: Bernardo, David

C.)Adjournment

The meeting adjourned at 6:58 PM.

_____
Debbie Nixon
Deputy Secretary

_____
Tom Mattusch
President

Draft

San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes

July 1, 2015
6:30 p.m.

Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, CA 94019

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x	Nicole David, Vice President	x	Debra Galarza, Director of Finance
	Robert Bernardo, Secretary		Marcia Schnapp, Interim Human Resource Manager
	Pietro Parravano, Treasurer		Scott A. Grindy, Harbor Master
	Sabrina Brennan, Commissioner		Debbie Nixon, Deputy Secretary
			Steven Miller, District Counsel

X – absent

B.) Public Comments/Questions –

William Smith from the F/V Riptide addressed the issue of raising berth rents. He said this year has been one of the worst seasons for fisherman, no salmon and very poor crab season. Also has been very bad for the commercial fishermen. Everyone is struggling. He also was speaking for HMB Sportfishing. **(0:30)**

John Ullom said he had been asking for a lot of invoices lately, some of them for the District's attorney, some of them for consultants. He wanted to remind our attorney that he works for the District. He stated he received the invoice for the audit. He said it looks like Hanson Bridgett received the invoice and that they are the ones who paid for the audit and then assumed Hanson Bridgett would be billing the district. He asked for a copy of the invoice and he is still waiting for it. The District told him that they need to ask our lawyer if he can have it. **(3:16)**

(6:51)

C.) Staff Recognition-

Grindy thanked the Oyster Point Marina staff for holding the Coastside Fishing Derby. He stated approximately 30 boats showed up and about 100 participants were present. He also thanked David for starting the cigarette butt collectors trial pilot project. Grindy stated there are two at each location. He stated that a one day sampling was performed at Oyster Point Marina and 121 cigarette butts had been collected.

Schnapp was asked by the Director of Finance to recognize the finance staff for their continued efforts and support providing services to the public. The finance staff includes Doyle, Cooper, Cruz and Chan. She especially thanked Emily Cooper. Mattusch suggested a proclamation for Cooper.

(9:24)

D.) 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 May 6, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

2 TITLE: **Minutes of Meeting May 20, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Item 3 was removed from the consent calendar.

4 TITLE: **Minutes of Meeting June 11, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Action: Motion by Parravano, second by Bernardo to approve items 1, 2 and 4. The motion passed. **(13:17)**

Ayes: Bernardo, Brennan, Mattusch, Parravano

Absent: David

(16:14)

3 TITLE: **Minutes of Meeting May 26, 2015**
REPORT: Draft minutes

Draft

PROPOSED ACTION: Approval

Public Comment: John Ullom said that what was in the May 26, 2015 Meeting Minutes was not what he said. He wanted it changed. **(10:39)**

Lazof stated the corrections to the May 26, 2015 minutes would be brought back to the next meeting.

(16:33)

5 TITLE: **Approval of Amount Not to Exceed $30,500 for General IT Services and Additional Equipment with Caspian IT**

REPORT: Lazof, Memo, Resolutions

PROPOSED ACTION:
1.) Adopt Resolution 27-15 to approve agreement with CASPIAN IT for IT services and equipment, until completion of RFP process to establish long term IT vendor, and
2.) Adopt Resolution 28-15 to augment the FY15/16 Budget for computer hardware

Public Comment:

Oppose:
John Ullom **(16:43)**
Brian Rogers **(19:01)**

Action: Motion by Mattusch, second by Bernardo to approve three months of support. The motion passed.

Ayes: Bernardo, Mattusch, Parravano
Nays: Brennan
Absent: David

(45:40)

6 TITLE: **Revision to Events Policy/ Single Applicant for Multiple Events In A Calendar Year**

REPORT: Lazof, Memo, Resolution

PROPOSED ACTION: Adopt Resolution 25-15 to accept staff recommendation to revise Events Policy to reflect long time practice of accepting one annual application fee for applicants applying for multiple events throughout the year

Action: Motion by Bernardo second by Parravano to accept staff recommendation to revise events policy to reflect long time practice of accepting one annual application for applicants applying for multiple events throughout the year. The motion passed.

Ayes: Bernardo, Brennan, Mattusch, Parravano

Draft

Absent: David

(1:06:13)

7	TITLE:	**Adopt Policy 6.5.10 California Paid Sick Leave Law to District Policies**
	REPORT:	Schnapp , Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 24-15 to adopt District Policy 6.5.10 California paid sick leave law

Action: Motion by Bernardo, second by Parravano to adopt Resolution 24-15 to adopt District Policy 6.5.10 California paid sick leave law with two corrections on page 4/6 changing 2.7.3.a to 2.5.3.a. and page 6/6 adding a period at the end of the paragraph after the word law.

Ayes: Bernardo, Brennan, Mattusch, Parravano

Absent: David

(1.10:19)

E.) New Business

(1:10:24)

8	TITLE:	**District Presentation at July 15 Local Agency Formation Commission Public Hearing regarding Municipal Service Review of San Mateo County Harbor District**
	REPORT:	Lazof, Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 26-15 to give direction to Staff and General Counsel regarding District oral presentation regarding District Municipal Service Review

Action: Motion by Brennan, second by Bernardo to approve Resolution 26-15 to approve District Legal Counsel, along with the General Manager and Board President as District representatives at the LAFCo public hearing regarding the Municipal Service Review. The motion passed.

Ayes: Bernardo, Brennan, Mattusch, Parravano

Absent: David

Draft

(1:29:42)

9	TITLE:	**California Special Districts Association 2015 Board Elections: Seat A**
	REPORT:	Lazof, Memo, Attachments
	PROPOSED ACTION:	Selection of candidate and authorize the General Manager to submit ballot by August 7, 2015 with Commission selection

Action: Motion by Parravano, second by Brennan to elect Elaine Magner to a seat on the California Special District Association.

Ayes: Bernardo, Brennan, Mattusch, Parravano

Absent: David

(1:31:08)

10	TITLE:	**Bills and Claims in the Amount of $287,386.32**
	REPORT:	Bills and Claims Detailed Summary
	PROPOSED ACTION:	Approval of Bills and Claims for payment and a transfer in the amount of $287,386.32 to cover payment of Bills and Claims

Public Comments: John Ullom is against the legal fees. **(1:31:42)**
Brian Rogers is against the legal fees. **(1:34:16)**

Action: Motion by Parravano, second by Bernardo to approve bills and claims in the amount of $287,386.32. The motion failed.

Ayes: Bernardo, Parravano
Nays: Brennan, Mattusch
Absent: David

Action: Motion by Mattusch, second by Brennan to approve bills and claims minus Lisa Wise Consulting in the amount of $42,206.35. The motion failed. **(1:47:03)**

Ayes: Brennan, Mattusch
Nays: Bernardo, Parravano
Absent: David

Action: Motion by Bernardo, second by Parravano to approve the bills and claims minus $42,206.35 for Lisa Wise Consulting. The motion passed.

Ayes: Ayes: Bernardo, Brennan, Mattusch, Parravano
Absent: David

Draft

F.) Staff Reports: a) Administration and Finance

11 Interim General Manager – Lazof **(1:47:16)**

Lazof presented the report.

12 Director of Finance – Galarza **(1:52:04)**

Schnapp and Lazof presented the report.

13 Interim Administrative Resources Manager - Schnapp **(2:03:03)**

Schnapp presented the report.

b) Operations

14 **Oyster Point Marina/Park and Pillar Point Harbor – Grindy (2:12:17)**

Grindy presented the report.

G.) Board of Harbor Commissioners

(2:14:56)

15 A. Committee Reports - None

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

1. Bernardo stated that the City of South San Francisco Planning Commission uses iPads in place of hard copy board packets. He wasn't sure it would be feasible for the District but wanted to bring the idea forward.
2. Parravano thanked the Pillar Point Harbor staff for the recommendation of the artist who painted the mural on the electrical box at the harbor.
3. Brennan wanted to clarify the process for requesting agenda items. She stated that the board received an email several weeks from the Board Secretary stating that they had a deadline of the Friday before the meeting

Draft

to submit agenda items. Brennan liked this idea and says it serves the board better if they have time to think about the meeting and reflect. Brennan also mentioned the forensic IT audit to put on an agenda. Brennan also wanted to address the month to month lease for Ketch Joanne's.

4. Mattusch encouraged everyone to increase their education level and transparencies. CASD Association has three levels of certification and one has to do with the educational level of the commissioners and they have started to track that.

The commission adjourned to closed session at 8:57 PM.

H.) Closed Session

16 TITLE: **Conference with Legal Counsel—Anticipated Litigation Pursuant to Government Code Section 54956.9(d)(2). One Case**

There was no reportable action from Closed Session.

I.) Adjournment

The meeting adjourned at 10:00 PM.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes

July 15, 2015
6:30 p.m.

Municipal Services Building
33 Arroyo Drive
South San Francisco, CA 94080

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 hours of the meeting. Pacifica residents can tune into Comcast Chanel 26 and residents from Montara through Pescadero can tune into Comcast Chanel 27. Copies of the meetings can also be purchased from PCT and mailed for $18.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

A.) Roll Call

Commissioners
Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff
Glenn Lazof, Interim General Manager
Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

B.) Public Comments/Questions – Larry Fortado representing

Three Captains wanted to discuss fish buyer fees. **(2:30)**

Gregory Sanchez is interested in renting Oyster Point Bait and Tackle. **(3:07)**

John Ullom wanted to acknowledge that President Mattusch and Miller did a great job representing District at the LAFCO meeting. **(5:29)**

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, Board of Harbor Commissioners that is not on the regular Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the

administration offices of the District, 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018 or online at www.smharbor.com.

C.) Staff Recognition – Scott Grindy wanted to commend Michelle Reloba who helped a suicidal man at Oyster Point. She remained calm and talked to the man and called and got help for him. An accommodation letter for her was requested by President Mattusch. **(8:46)**

(10:38)

D.) 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.

3	TITLE:	**Revise Committee By-Laws to Permit Day-time Meetings**
	REPORT:	Lazof, Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 31-15 revising Committee by-laws to permit day time meetings
4	TITLE:	**Amendment to Employment MOU, Scott Grindy, Harbor Master**
	REPORT:	Lazof, Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 30-15 to revise contract removing annual cost of living increase and add one time lump sum payment of $2,937.56
5	TITLE:	**Amendment to Employment Contract, Debra Galarza, Director of Finance**
	REPORT:	Lazof, Memo, Resolution
	PROPOSED ACTION:	Adopt Resolution 29-15 to revise contract removing annual cost of living increase and add one time lump sum payment of $2,525.41

Action: Motion by Parravano to approve items 3, 4 and 5. Second by Bernardo. Unanimously approved.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Draft

(11:09)

1 TITLE: **Minutes of Meeting May 26, 2015**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Action: Brennan said you would not approve the minutes of May 26, 2015 until the following corrections are made: Under support list April Vargas should be removed. It should actually read declined to declare position. Also not all letters of support were added.

2 TITLE: **Minutes of Meeting June 17, 2015 – Special Meeting**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Action: Motion by Brennan to approve with corrections. Second by Bernardo.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

E.) Old Business

(15:39)

6 TITLE: **Response to Grand Jury**
REPORT: Lazof, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 32-15 to revise and approve letter of response to the March 27, 2015 Letter from County Grand Jury

Action: Motion by Brennan to approve resolution as modified and adopt the letter with the changes as recommended by the commission. Second by David.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(32:58)

7 TITLE: **Policy Regarding Elected Officials' Conduct and Communication with District Staff**
REPORT: Lazof, Memo; Supporting Materials Brennan
PROPOSED ACTION: Discussion and possible action

Public Comment:

Support
Leonard Woren **(39:47)**

Draft

Action: Motion by Brennan to replace SMCHD policy on Elected Officials Conduct and Communication with District Staff with the San Mateo County Harbor District code of Ethics and Values with the date it was approved included. Second by Bernardo.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(49:30)

8	TITLE:	**Discussion of Lisa Wise Consulting Contract for Harbor District Strategic Plan and Approval of $42,206.35 Progress Payment.**
	REPORT:	Lazof, Memo
	PROPOSED ACTION:	Accept staff recommendation regarding payment of invoice. The commission may consider additional direction to staff regarding performance of the Contract.

Public Comments:

Oppose
Leonard Woren **(57:08)**
Kathryn Slater Carter **(1:08:02)**

Action: Motion by Mattusch to request an update on how long to complete tasks 7, 8, 9, 10, 11, 12, get the time line, offer payment of $42,206.35, present to Lisa Wise Consulting we need an in-depth plan, where we are are? Where were going? What we're doing? And what it will take to do that. We will not stop the stop work order until the General Manager is hired and on board. Motion by David for the approval of $42,206.35 progress payment to Lisa Wise Consulting. Second by Parravano (1:24:31)

Ayes: Bernardo, David, Mattusch, Parravano

Nays: Brennan

8.a	TITLE:	**Closed Session:** Conference with Legal Counsel—Anticipated Litigation. Significant exposure to litigation pursuant to Section 54956.9(d)(2) and (e)(2). The facts and circumstances that might result in ligation against the District include the disputed progress payment that is the subject of Item 8 on this Agenda.

Action: Brennan moves to go into closed session. Second by Bernardo. **(1:27:22)**

Ayes: Bernardo, Brennan, David, Mattusch

Nays: Parravano

Adjourn to closed session **(1:27:54)**

No reportable action from closed session.

Draft

F.) New Business

(1:28:05)

9 TITLE: **Update on Refinancing Department of Boating and Waterways Loan To District**

REPORT: Lazof, Memo

PROPOSED ACTION: No Commission Action is Proposed, unless the Commission is no longer interested in pursuing refinancing.

Public Comment:

Support

Leonard Woren **(1:40:21)**

(2:03:16)

10 TITLE: **Commissioner Discussion of Review of Treasurer's and Deputy Treasurer Procedures**

REPORT: Lazof, Memo

PROPOSED ACTION: Public discussion of review conducted by JJACPA

Public Comment:

Undeclared

Leonard Woren provided information. **(2:05:58)**

(2:15:36)

11 TITLE: **Bills and Claims in the Amount of $163,974.39**

REPORT: Bills and Claims Detailed Summary

PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of $163,974.39 to cover payment of Bills and Claims

Action: Motion by Mattusch to approve bills and claims in the amount of $163,974.39. Second by Bernardo.

Ayes: Bernardo, David, Mattusch, Parravano

Nays: Brennan

Draft

(2:17:06)

G.) Staff Reports: a) Administration and Finance

12 Interim General Manager – Lazof

Lazof presented the report.

13 Director of Finance – Galarza

Schnapp presented the report.

14 Interim Administrative Services Manager – Schnapp

Schnapp presented the report.

(2:29:55)

b) Operations

15 Oyster Point Marina/Park and Pillar Point Harbor – Grindy

H.) Board of Harbor Commissioners

(2:34:44)

16 A. Committee Reports

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

Motion by Brennan, second by David to extend meeting by one hour to 10:30 PM.

Draft

I.) Closed Session

9:28 PM Adjourn to closed session.

17	TITLE:	Conference with Labor Negotiator Pursuant to Government Code Section 54957.6
	DISTRICT REPRESENTATIVES:	Scott Grindy, Deborah Glasser, Glenn Lazof
	EMPLOYEE ORGANIZATIONS:	Operating Engineers Local Union 3 and Teamsters Local Union 856

J.) Adjournment

The Board adjourned the meeting.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

ITEM 7

STAFF REPORT

TO: San Mateo County Harbor District Commissioners

FROM: Debra Galarza, Director of Finance

DATE: August 19, 2015

SUBJECT: REAFFIRM INVESTMENT POLICY 4.4.1 FOR FY2015-16

Recommendation
Adopt Resolution 36-15 to Reaffirm San Mateo County Harbor District Investment Policy 4.4.1 for FY2015-16.

Background
The State of California requires that the District have an Investment Policy (Policy) that adheres to the State law provided in Government Code Sections 53600 et seq.. The District may review and update its Policy annually to ensure that it continues to adhere to State law and must be approved by the Board of Commissioners.

Analysis
The Director of Finance, in conjunction with District legal counsel, has reviewed the District's Investment Policy 4.4.1. Staff has completed the revisions recommended by legal counsel and is submitting those changes as the revised Investment Policy in the form of Exhibit A Investment Policy 4.4.1. The revised policy reflects updates necessary for the District to continue to comply with Government Code Sections 53600 et seq.

The Director of Finance is recommending that the Board adopt Resolution 36-15 to reaffirm the District's Investment Policy 4.4.1 for FY2015-16.

Fiscal Impact
There is no direct fiscal impact.

Conclusion
Approval as recommended.

Resolution 36-15

to

Reaffirm The San Mateo County Harbor District Investment Policy 4.4.1 for FY 2015-2016

Whereas, State law requires that the San Mateo County Harbor District adopt an investment policy under Sections 53600 et seq. of the Government Code; and

Whereas, the Director of Finance of the San Mateo County Harbor District may annually prepare a statement of investment policy and any changes to the policy, and submit to the Board of Commissioners for review and approval at a public meeting, in accordance with Section 53646 of the California Government Code; and

Whereas, the Director of Finance, with review by District legal counsel, has prepared a Statement of Investment Policy with incorporated changes (Investment Policy 4.4.1), attached hereto as Exhibit A, pursuant to which the San Mateo County Harbor District shall invest its funds consistent with the District's best practices;

Whereas, the Director of Finance recommends that the Board of Commissioners adopt the Investment Policy in the form shown in Exhibit A; now

Therefore, be it resolved, that the San Mateo County Harbor District Investment Policy 4.4.1, attached hereto as Exhibit A and incorporated by this reference, is hereby adopted as the Investment Policy of the San Mateo County Harbor District for Fiscal Year 2015-2016.

Approved this 19th day of August 2015, at the regular meeting of the Board of Harbor Commissioners by a vote as follows:

For:

Against:

Abstaining:

Attested

BOARD OF HARBOR COMMISSIONERS

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

San Mateo County Harbor District

Policies and Procedures	Number: 4.4.1	Original Date: 6/5/96	Revision: 6/5/02; 5/7/03; 9/15/04; 08/16/06; 09/02/09; 08/19/15
Title: Investment Policy	**Prepared By:** AMWL LAM LAM LAM MLS MLS DG	**Approved By:** Resolution 12-96 Resolution 17-02 Resolution 18-03 Resolution 19-04 Resolution 54-06 Resolution 18-09 Resolution 36-15	**Page:** Page 1 of 7
Purpose: To Establish an Investment Policy for the San Mateo County Harbor District.			

STATEMENT OF POLICY

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Cal. Gov. Code, §§ 53600.6, 53630.1); and

WHEREAS, the legislative body of a local agency may invest surplus moneys not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53600 et seq.; and

WHEREAS, the treasurer or fiscal officer of the San Mateo County Harbor District shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (Cal. Gov. Code, § 53646, subd. (a)). now

THEREFORE be it resolved, that it shall be the policy of the San Mateo County Harbor District to conduct its investments using the prudent investor standard, which provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (Cal. Gov. Code, §§ 53600 et seq.).

SCOPE

This investment policy applies to all financial assets of the San Mateo County Harbor District. These funds are accounted for in the Annual Financial Report and include: General Fund and Enterprise Funds.

PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent persons standard" (Cal. Gov. Code, § 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers shall act in accordance with written procedures and the investment policy and exercise due diligence.

OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

Safety

Safety of principal is the foremost objective of the investment program. The safety and risk associated with an investment refer to the potential loss of principal, interest, or a combination of these amounts. Investments of the San Mateo County Harbor District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity

An adequate percentage of the portfolio, in the approximate amount of annual operating expenses, should be maintained in liquid short-term investments which can be converted to cash if necessary to meet disbursement requirements. A short-term investment is defined as any investment which matures within a one year period. The investment portfolio will remain sufficiently liquid to enable the San Mateo County Harbor District to meet all operating requirements, which might be reasonably anticipated.

Return on Investments

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Return on investments becomes a consideration only after the basic requirements of safety and liquidity have been met.

(Cal. Gov. Code, § 53600.5.)

DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code ("CGC') Sections 5922 and 53600, et seq. Management responsibility for the investment program is hereby delegated to the Director of Finance , who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of

controls to regulate the activities of subordinate officials. The Director of Finance is a trustee and a fiduciary subject to the prudent investor standard. (Cal. Gov. Code, § 53600.3)

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment policy, or which could impair their ability to make impartial investment decisions.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Director of Finance will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization, that are authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment and financial advisory services in the State of California in accordance with GCG § 53601.5. No public deposit shall be made except in a qualified public depository as established by state laws

For brokers/dealers of government securities and other investments, the Director of Finance shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Director of Finance shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the San Mateo County Harbor District's account with that firm has reviewed the San Mateo County Harbor District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the San Mateo County Harbor District that are appropriate under the terms and conditions of the Investment Policy.

DEPOSIT OF FUNDS

As far as possible, all money belonging to or in the custody of the District including money paid to the District to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, state or federal credit unions or federally insured industrial loan companies in California (as defined by Cal. Gov. Code Section 53630). Under California Government Code Sections 53635, 53637 and 53638, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

AUTHORIZED AND SUITABLE INVESTMENTS:

The San Mateo County Harbor District is empowered by California Government Code 53601 to invest in the following:

(a) Bonds issued by the San Mateo County Harbor District.

(b) United States Treasury Bills, Notes & Bonds.

(c) Registered state warrants or treasury notes or bonds issued by the State of California, or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California.

(e) Bonds, notes, warrants or other evidence of debt issued by a local agency within the State California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

(f) Obligations issued by federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments.

(g) Bankers' acceptances with a term not to exceed 180 days' maturity or 40% of District's moneys that may be invested, however, no more than 30% of the District's moneys can be invested in the banker's acceptances of any single commercial bank.

(h) Prime Commercial Paper with a term not to exceed 270 days and the highest ranking issued by **a nationally recognized statistical-rating organization (NRSRO)**. Commercial paper cannot exceed 25% of total surplus funds and the District may purchase not more than 10 percent of the outstanding commercial paper of any single issuer.

(i) Negotiable Certificates of Deposit issued by federally or state chartered banks, savings or federal associations, state or federal credit union, or by a federally or state-licensed branch of a foreign bank. Not more than 30% of surplus funds can be invested in certificates of deposit.

(j) Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. Securities purchased under these agreements shall be no less than 102% of fund borrowed against those securities and the value shall be adjusted no less than quarterly, and will not exceed 20% of base value of portfolio. (See special limits in CGC § 53601(j).)

(k) Medium term notes (not to exceed 5 Years) of US corporations rated "A" or better by **an NRSRO**. Not more than 30% of surplus funds can be invested in medium term notes.

(l) Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds). Such funds must carry the highest rating of at least two national rating agencies. Not more than 20% of surplus funds can be invested in Money Market Mutual Funds.

(m) Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.

(n) Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations

(0) Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a national rating series. No more than 20% of surplus funds can be invested in this category of securities.

Any other investment security authorized under the provisions of CGC §§ 5922 and 53601.

Also, see CGC § 53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC § 53601 is attached as Attachment A and included by reference in this investment policy.

The Board of Commissioners also authorizes the District to invest in Local Agency Investment Fund (LAIF) under CGC § 16429.1 and the San Mateo County Investment Fund (SMCIF).

Prohibited Investments. Under the provisions of CGC §§ 53601.6 and 53631.5, the San Mateo County Harbor District shall not invest any funds in inverse floaters, range notes, interest only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity. This limitation does not apply to investments in shares of beneficial interest issued by diversified management companies.

COLLATERALIZATION

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party and valued on a monthly basis. The percentage of collateralization on Repurchase Agreements will adhere to the amount required under CGC § 53601(j).

SAFEKEEPING AND CUSTODY

All security transactions entered into by the San Mateo County Harbor District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the San Mateo County Harbor District by book entry, physical delivery or by third party custodial agreement (Cal. Gov. Code, § 53601)

Policies and Procedures	Number: 4.4.1	Original Date: 6/5/96	Revision: 6/5/02; 5/7/03; 9/15/04; 08/16/06; 09/02/09; 08/19/15
Title: Investment Policy	Prepared By: AMWL LAM LAM LAM MLS MLS DG	Approved By: Resolution 12-96 Resolution 17-02 Resolution 18-03 Resolution 19-04 Resolution 54-06 Resolution 18-09 Resolution 36-15	Page: Page 6 of 7
Purpose: To Establish an Investment Policy for the San Mateo County Harbor District.			

DIVERSIFICATION

It is the policy of the San Mateo County Harbor District to diversify its investment portfolio. The San Mateo County Harbor District will diversify its investments by security type and, within each type, by institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity a specific issuer or a specific date of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following guidelines shall apply:

Portfolio maturities shall be matched against projected liabilities to avoid an over concentration in a specific series of maturities.

Maturities selected shall provide for stability and liquidity.

REPORTING

The Director of Finance shall submit to each member of the governing body a quarterly investment report in accordance with GCG § 53646(b). The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds, investments, or programs managed by third party contractors. With respect to all securities held by the local agency, and under the management of outside party that is not also a local agency or the LAIF, the report must include a current market value as of the date of the report and the source of the valuation.

In the case of funds invested in the San Mateo County Investment Fund, the Local Agency Investment Fund (LAIF), Federal Deposit Insurance Corporation-Insured accounts or county investment pools, current statements from those institutions will satisfy the above reporting requirement. The report will also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the San Mateo County Harbor District will meet its expenditure obligations for the next six months. (Cal. Gov. Code § 53646(b)-(e)). The Director of Finance shall maintain a complete and timely record of all investment transactions.

INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the San Mateo County Harbor District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the San Mateo County Harbor District.

Policies and Procedures	Number: 4.4.1	Original Date: 6/5/96	Revision: 6/5/02; 5/7/03; 9/15/04; 08/16/06; 09/02/09; 08/19/15
Title: Investment Policy	Prepared By: AMWL LAM LAM LAM MLS MLS DG	Approved By: Resolution 12-96 Resolution 17-02 Resolution 18-03 Resolution 19-04 Resolution 54-06 Resolution 18-09 Resolution 36-15	Page: Page 7 of 7
Purpose: To Establish an Investment Policy for the San Mateo County Harbor District.			

INVESTMENTS AUTHORIZED

UNDER CALIFORNIA GOVERNMENT CODE 53601

CGC Section	Investment Type	Maximum Maturity	Authorized Limit (%)	Required Rating
53601 (a)	Local Agency Bonds	5 years	None	None
53601 (b)	U.S. Treasury Bills, Notes or Bonds	5 years	None	None
53601 (c)	State Warrants	5 years	None	None
53601 (d)	Notes & Bonds of other Local Agencies	5 years	None	None
53601 (e)	U.S. Agencies	5 years	None	None
53601 (f)	Bankers Acceptance	180 Days	40%	None
53601 (g)	Prime Commercial Paper	270 Days	25%	A1/P1
53601 (h)	Negotiable Certificates of Deposit	5 Years	30%	None
53601 (i)	Repurchase Agreement *	1 Year	20%	None
53601 (j)	Medium Term Corporate Notes	5 Years	30%	A
53601 (k)	Money Market Mutual Funds & Mutual Funds**	5 Years	20%	AAA (2)
53601 (m)	Collateralized Bank Deposits	5 Years	None	None
53601 (n)	Mortgage Pass-Through Securities	5 Years	20%	AA
53601 (d)	Local Agency Investment Fund (LAIF)	N/A	None	None
53601 (d)	County Pooled Investment Funds	N/A	None	None

* See CGC 53601(I) for limits on the use of Reverse Repurchase Agreements.

** Mutual Funds maturity may be defined as the weighted average maturity. Under SEC Regulations, Money Market Mutual Funds must have an average maturity of 90 days or less.

Staff Report

DIRECT STAFF TO APPLY FOR GRANTS FOR ACQUISTION AND OR REPAIR FO SEARCH AND RESCUE VESSEL

Recommendation
Authorize staff to apply for Grants or donations that would assist with acquisition of a new search and rescue vessel or to assist with the cost repairs. District cost may not exceed that approved in the budget for repair of replacement of the Radon type vessel at Pillar Point Harbor.

Background
The Radon Search and Rescue vessel at Pillar Point Harbor is presently funded in the 2015/16 budget for $120,000 for repair and or replacement.

At present the Radon vessel has been out of the water for just over two weeks for urgent engine and other minor repairs. The vessel is over 30 years old, with this present port engine repair of the valves, it should be noted both engines are tired and aging. Boat bottom painting also occurred while boat was out of the water. Items such as the transom is starting to rot out, the tow bit is getting spongy where it is tied to the hull, the electronics are around 15 years old and showing their age. The fiberglass fuel tanks will also soon need to be replaced on the vessel. This vessel due to its operation, durability and ability is more heavily used for search and rescue activities, and especially towing back vessels that are in need.

In meeting with the mechanic performing the recent repairs he noted for the District to expect the starboard engine to also encounter valve problems in the coming months, and noted a change in the exhaust manifolds should be performed soon to reduce back pressure on the engines.

The other rescue vessel is a very good vessel for emergency response; however it is a jet propulsion boat which is not as good for towing being it as a propellers drive.

Analysis
The cost to replace this vessel with an identical vessel will exceed $400,000. To refurbish the vessel will be at least $200,000.

Fiscal Impact
Staff would seek grant funding or a similar vessel replacement where the present appropriation for repairs could provide the matching dollars if required.

Conclusion
Using grant funds if found for a replacement or refurbishment would greatly improve the overall lifespan of the Pillar Point Harbor rescue vessel.

Alternatives

Move forward with a not to exceed amount of $120,000 to repair the vessel for the present time.

RBOR PATROL

	Status			
Grant Name	Applying	Applied	Will Apply	Rejected
American Wildlife Conservation Foundation				
Andrus Family Fund				
Archer Daniels Midland Company's Community Partnership Grant Program				
California Coastal Conservancy Nonprofit Assistance				
California Habitat Enhancement and Restoration Program				
Charles A. and Anne Morrow Lindberg Foundation				
ConocoPhillips Corporation				
Conservation Innovation Grants				
David and Lucile Packard Foundation				
Clarence E. Heller Charitable Foundation				
Bothin Foundation				
TIGER Grant				
Land and Water Conservation Funds				
FEMA Preparedness				
FEMA Hazard Mitigation				
FEMA Port Security				
FEMA Pre-Disaster Mitigation Grant				
Environmental Protection Agency Environmental Education Grants				
NOAA Bay Watershed Education and Training Program (B-WET)				
CDC(Center for Disease Control) Grants for Nutrition and Physical Activity				
Commercial Building Technology Demostration Grant				
Dept.of Boating and Waterways: Pump-Out Grant				
Dept.of Boating and Waterways: BIG Grant				
Whale Tail Grant				
The Environment Enhancement and Mitigation Program				
Wildlife Conservation Board Public Access Program				
Office of Spill Prevention and Response				
Water Trail				
Rubber Asphalt grant				
Quagga and Zebra Boater Education				
Regional Water Quality Control Board - Clean Beaches Initiative				
http://www.letsplay.com				
Burke Grant Resource Center				
Kaboom Grant				
Kresge Foundation Grant				
Youth Garden Grants				
Land and Water Conservation Fund				
NOAA (B-WET)				
L.L. Bean Conservation and Recreation Grants				
Environmental Protection Agency Environmental Education Grants				
American Honda Foundation				
Tony Hawk Foundation Skatepark Grants				
Wal-Mart Foundation Grants				
United States Soccer Foundation Program & Field Grants				
CDC Grants for Nutrition and Physical Activity				
Kinder Morgan Foundation Grant				
Dreyfus Foundation Educational Grants				
Maximus Charitable Foundation Grants				
Monell Foundation Grants				
Oceanographic Facilities and Equipment Support*				
Discovery Research K-12 Program*				
Ocean Sciences Research Initiation*				
Innovation Technology Experiences for Students and Teachers*				
Research Experiences for Undergraduates*				
Improving Undergraduate STEM Education*				

* Will apply upon finding a collaborator in the education/research field

Staff Report

SPECIAL USE PERMIT FOR GRAYS HARBOR HISTORICAL SEAPORT AUTHORITY TO VISIT PILLAR POINT HARBOR OCTOBER 29, 2015 – NOVEMBER 9, 2015

Recommendation

Approve the Special Use Permit for Grays Harbor Historical Seaport Authority for October 29 through November 9, 2015, with a fee waiver in exchange for inclusive marketing activities advertising San Mateo County Harbor District for its west coast ship visitations.

Analysis

Grays Harbor Historical Seaport Authority has requested a Special Use Permit for October 29 through November 9, 2015 to bring the Tall Ship *Lady Washington* to Pillar Point Harbor and its shipboard education programs to youth and the general public in our community.

The *Lady Washington* offers walk-on tours at no charge, and will offer three sailing tours during the weekend of their stay. There is a fee for these sailing tours.

Grays Harbor Historical Seaport Authority is a non-profit organization under IRS 501(c)(3). Staff recommends approving a Special Use Permit and fee waiver to obtain three plus weeks of advertising both in website applications and in print, as compensation for dockage and estimated passenger sail tour fees.

Fiscal Impact

Application and permit fee waiver in the amount of $370. Dockage fee waiver at $95.20 per day for a total of $1,618.40 for the duration of their stay. Passenger Service Fees are $2.25 per passenger; however there is no way to estimate that cost. This would be in exchange of revenue to District for marketing activities via the Grays Harbor Historical Seaport Authority.

Conclusion

Tall Ship *Lady Washington* has annually visited Pillar Point Harbor offering the local community the opportunity to visit and enjoy this historic vessel. Staff recommends approval of this Permit.

PROCLAMATION FROM THE
SAN MATEO COUNTY HARBOR DISTRICT COMMISSION
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * * * * * *

TO HONOR

EMILY COOPER

PROCLAIMED, *by the San Mateo County Harbor District Commission, County of San Mateo, State of California; that*

WHEREAS, *Emily Cooper served in the capacity of a temporary employee who readily took on tasks above and beyond her job duties and responsibilities; and*

WHEREAS, *Ms. Cooper served the District with a sense of dignity and good humor in a highly satisfactory manner as a Temporary Administrative Assistant; and*

WHEREAS, *Ms. Cooper has always demonstrated a high level professionalism and genuine concern for the Harbor District, its tenants, the community and her colleagues; and*

WHEREAS, *Ms. Cooper shared her knowledge, expertise, and compassion generously with all whose lives she touched; and*

WHEREAS, *Ms. Cooper discharged all duties and responsibilities of her employment in a highly efficient and exemplary manner during her tenure with the Harbor District;*

NOW, THEREFORE, BE IT KNOWN THAT THE SAN MATEO COUNTY HARBOR DISTRICT COMMISSION *hereby extends its best wishes to Emily Cooper upon the occasion of her resignation on July 9, 2015 following her faithful and dedicated service on behalf of the community and staff of the San Mateo County Harbor District and further extends its sincere best wishes for a rewarding and fulfilling future.*

WITNESS *my hand and the seal of the San Mateo County Harbor District this 19th day of August 2015.*

COMMISSIONERS: _____ ***President***

_____

_____

_____

_____

Draft

ITEM 11

Memorandum

TO: Harbor Commissioners

FROM: Debra Galarza

RE: Bills & Claims for Period Ending 8/19/15

Total Disbursements being submitted for your review:	$	294,847.46
These include:		
Handchecks in the amount of:	$	78,307.30
Payables in the amount of:	$	216,540.16

Dept. Code	Description			Page Reference
101	Harbor Commission	$	36,821.86	2
103	Administration	$	99,211.84	2
201	Pillar Point Harbor	$	97,340.36	2
301	Oyster Point Marina	$	39,674.08	2
	Payroll Related	$	21,799.32	2
	Total for Review	$	294,847.46	2

Notes:

Handchecks Written for:

Health Insurance Premiums	$	51,374.55
Invoices with Due Dates on or Before Board Meeting	$	26,932.75
Total Handchecks Written	$	78,307.30

BILLS CLAIMS FOR 8/19/15 BOARD MEETING

VENDOR	DESCRIPTION	AMOUNT	PAYROLL RELATED	HARBOR COM 101	ADMIN 103	PILLAR POINT 201	OYSTER POINT 301
ADP, LLC	PAYROLL PROCESSING	437.77			100.69	192.62	144.46
ADVANCED BUSINESS FORMS	OFFICE SUPPLIES	323.91				323.91	
AIRGAS, NCN	REPAIRS & MAINTENANCE	123.94				123.94	
ALX TECHNOLOGY	CONTRACTUAL SERVICES	500.00					500.00
ANN MARIE EMMONS	REFUND DEPOSIT	9.75					9.75
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	722.23					722.23
BAY AREA NEWS GROUP	ADVERTISING EXPENSE	87.20			87.20		
BAYGREEN MARINE SANITATION	CONTRACTUAL SERVICES	1,600.00				800.00	800.00
BLUE RIBBON SUPPLY	JANITORIAL SUPPLIES	1,413.05				923.65	489.40
BRENT H. IVES	GM SEARCH	7,054.10			7,054.10		
CALPERS	PAYROLL DEDUCTION PAYABLE	13,493.32	13,493.32				
CALPERS SUPPLEMENTAL INCOME	PAYROLL DEDUCTION PAYABLE	4,993.00	4,993.00				
CASPIAN IT	JULY IT SVCS = $3200, AUG IT SVCS = $3200	6,400.00		896.00	1,472.00	2,496.00	1,536.00
COASTSIDE NET INC.	COMMUNICATIONS	399.00				399.00	
COX, WOOTON, LERNER, GRIFFIN & HANSEN LLP	LEGAL SERVICES	4,972.53					4,972.53
DEBORAH GLASSER	LABOR NEGOTIATOR (JUNE/JULY)	7,025.00			7,025.00		
DOODYCALLS, LLC	OPERATING EXPENSE	499.65				499.65	
FEDEX	CONTRACTUAL SERVICES	138.73		80.08	58.65		
GLOBAL DIVING & SALVAGE, INC.	CONTRACTUAL SERVICES	8,655.00				8,655.00	
HANSON BRIDGETT LLP	LEGAL SERVICES	81,177.86		22,941.00	32,542.00	25,694.86	
IRVINE & JACHENS INC.	UNIFORM SERVICES	132.81					132.81
JAMES MABARY	REFUND DEPOSIT	268.97				268.97	
JEFFREY RICHARDS	REFUND DEPOSIT	672.55				672.55	
MARINE LIEN SALE SERVICE	COLLECTION EXPENSE	160.00					160.00
MIKE WEYNANDS	REFUND DEPOSIT	451.08				451.08	
MISSION UNIFORM	UNIFORM SERVICES	599.78				599.78	
NATIONAL CHEMICAL SERVICE	CONTRACTUAL SERVICES	148.00				148.00	
OFFICE TEAM	TEMPORARY CONTRACTUAL SVCS	372.50			372.50		
OPERATING ENGINEERS LOCAL NO.3	EE CONTRIBUTIONS-UNION DUES	1,080.00	1,080.00				
PACIFICA COMMUNITY TELEVISION	CONFERENCES & MEETINGS	750.00		750.00			
PENINSULA PUMP & EQUIPMENT INC	REPAIRS & MAINTENANCE	828.75				828.75	
PG&E	UTILITIES	590.68					590.68
PILLAR POINT SEAFOOD/MIKE MC HENRY	AUDIT REFUND	4,473.78				4,473.78	
RECOLOGY OF THE COAST	GARBAGE SERVICE	12,566.82				12,566.82	
REGIONAL GOVERNMENT SERVICES	CONTRACTUAL TEMPORARY-GM & HR	34,866.75			34,866.75		
SABRINA BRENNAN	REIMBURSE CONFERENCE EXPENSE	683.54		683.54			
SOUTH SAN FRANCISCO SCAVENGER	GARBAGE DISPOSAL	2,291.60					2,291.60
TEAMSTERS 856 H & W FUND	EE CONTRIBUTIONS-UNION DUES	433.00	433.00				
TURBO DATA SYSTEMS, INC	CITATION PROCESSING	144.52				142.12	2.40
TYLER TECHNOLOGIES, INC.	ANNUAL FIN SOFTWARE MAINTENANCE	2,786.11			2,786.11		
U.S. BANK -CAL CARD	OPERATING EXPENSE	8,126.77			3,070.50	2,974.52	2,081.75
VANTAGEPOINT TRANSFER AGENTS	EE CONTRIB-PAYDATE 8/19/15	1,800.00	1,800.00				
VINCENT CHANG	REFUND DEPOSIT	44.24				44.24	
WALTER DOLL	REFUND DEPOSIT	2,241.87				2,241.87	
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 8/19/15		216,540.16	21,799.32	25,350.62	89,435.50	65,521.11	14,433.61
COASTSIDE COUNTY WATER DISTRICT	UTILITIES	6,648.84				6,648.84	
CHARLES EDWARDS	REFUND DEPOSIT	18.93				18.93	
JEFFREY HEIN	REFUND DEPOSIT	566.96				566.96	
JJACPA, INC	FY YR 14/15 DISTRICT AUDIT PARTIAL PMT	9,397.00		9,397.00			
OPERATING ENGINEERS TRUST	AUG 2015- HEALTH PREMIUM	31,044.00				21,034.00	10,010.00
TEAMSTERS 856 H & W FUND	AUG 2015- HEALTH PREMIUM	20,330.55		2,074.24	9,635.83	3,273.12	5,347.36
VERIZON WIRELESS	COMMUNICATIONS	293.75			76.43	108.66	108.66
DARIN YATES	REFUND DEPOSIT	27.07				27.07	
CLARK PEST CONTROL	CONTRACTUAL SERVICES	75.00					75.00
COMCAST	TELEPHONE/COMMUNICATIONS	842.58					842.58
AT&T	COMMUNICATIONS	75.00					75.00
CINTAS CORPORATION	CONTRACTUAL SERVICES	141.67				141.67	
CLARK PEST CONTROL	CONTRACTUAL SERVICES	76.13					76.13
MC COY'S PATROL SERVICE	SECURITY SERVICES	7,352.04					7,352.04
AT&T	COMMUNICATIONS	30.18					30.18
COX, WOOTON, LERNER, GRIFFIN & HANSEN	LEGAL SERVICES	1,323.52					1,323.52
STAPLES ADVANTAGE	OFFICE SUPPLIES	64.08			64.08		
TOTAL HANDCHECKS		78,307.30	-	11,471.24	9,776.34	31,819.25	25,240.47
TOTAL BILLS & CLAIMS		294,847.46	21,799.32	36,821.86	99,211.84	97,340.36	39,674.08
			PAYROLL	COMM	ADMIN	PPH	OPM

Staff Report

Oyster Point Marina Joint Powers Authority (JPA) with the City of South San Francisco

Glenn Lazof: Interim General Manager (IGM)

Background: This item was placed on the Agenda by Commissioner Brennan. Per that request we have included the recent letters from SSF City Manager and the IGM response, as well as JPA agreement and all JPA amendments, MOU agreements, and relevant JPA documents, to the best of our ability. Relevance being a subjective judgement, we welcome direction from the commission to research in any particular documents that may be missing or which commissioners may feel are relevant.

Note that JPA Amendment #3 is included in the packet but is separate from the PDF of agreements and amendments. Staff has not yet found a fully executed copy, but we are working on obtaining the document.

The city letter is quite specific regarding their concerns and includes support documentation. The IGM's initial response was to request a meeting of the Liaison Committee to discuss these concerns. The Liaison committee is the Policy Board for the agreement as established in Amendment #2.

Staff inquired into whether there was an additional staff report at the Special Meeting of the SSF City Council where authorization of this letter was discussed, but apparently there was no other information.

Analysis: This discussion should be seen as the first of many in a complex discussion aimed at revitalizing the commitments made by the parties in the JPA agreement. Staff will continue to work to comply with our responsibilities and obligations, as we would with any agreement the District is a party to, except and until otherwise directed by the commission.

Good communication is the key to building a health relationship with our City Partners, therefore staff asked for meeting of Liaison Committee to address concerns, discuss what we have done, plan to do, and request assistance form the City if needed. District representatives on the Liaison committee are President Mattusch and Commissioner Brennan, although it is expected that staff and counsel would participate as appropriate. We believe that the City representatives are Vice Mayor Mark Addiego and Councilmember Liza Normandy, but we are awaiting confirmation from the City.

The IGM's initial summary of the Amendments follows:

> Amendment #1- Provides for repayment to the District of $700,000 in funds that were advanced to cover cost overruns for the project, ultimately to be repaid to the city from excess operating revenues.
>
> Amendment #2 - Establishing the Liaison Committee and providing for further development of the Marina, clarifying that because financial responsibility lies with the Harbor District, if there is disagreement regarding the project, the Harbor District

has the final decision, certain accounting records which are required to be kept by the District, and a semi-annual reporting requirement and disposition of any operating revenue in excess of loan payments and costs,

Amendment #3 – Provides that City Property is not encumbered in any way by Department of Boating and Waterway Loans.

The packet includes a spreadsheet entitled Schedule of Outstanding Loan Balances dated from 2009. On this sheet DBW has applied payments to the Oyster Point incremental loans first. However the following page indicates how payments have been applied on the consolidated loan. The Original DBW loan commitment column indicates that $13,647,000 was drawn down for OPM, $6,100,000 for Pillar Point. Therefore the fair allocation of payments to OPM is 70%. From the perspective of the $6,000,000 in payments remaining, approximately 4.2 million of remaining payments are for OPM, assuming a fair allocation of remaining payments.

The Liaison committee should continue to their attempts to schedule a meeting with the City of South San Francisco to discuss concerns of all parties. Following that meeting the District will request a reasonable time to prepare a thorough response based on this letter, which may include additional Liaison committee discussion. That response would provide information that corrects erroneous information that either party to the agreement may have, add additional information regarding developments and operations at OPM and of course identify areas where the district will commit to improvements in maintenance, operations, and reporting. The response letter will include a request for agreement on a timeline for implementation, with measurable milestones, to address outstanding concerns.

These recommendations that follow assume that the District wishes to continue as a member of this JPA. If the District wishes to do otherwise, staff would work with General Counsel to prepare for discussions leading to the orderly termination of the Joint Powers Agreement with the City.

Recommendation:

1) Prior to the first meeting of the Liaison Committee General Manager will request Counsel should prepare a matrix based on the JPA agreements that clearly identifies the Responsibilities and Obligations of each party to the agreement.

2) That the Liaison committees continue to schedule a meeting with the City of South San Francisco to discuss the concerns of all parties.

3) That the District request a reasonable time to prepare a thorough response based on this letter and clarifications as understood by future Liaison committee discussions, either following the Liaison Committee meeting or if the City does not agree to meet, as described in the staff report.

Fiscal Impact: To be determined.

San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

August 5, 2015

To: Mike Futrell
City Manager
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

Re: July 30, 2015 letter regarding concerns over management, maintenance, and operations

Dear Mr. Futrell,

The San Mateo County Harbor District is in receipt of your letter of July 30, 2015 expressing the City's "deep concerns" and request for affirmative and prompt actions. This letter has outlined several specific requests pertaining to Revenue Opportunities\Economic Development, Capital Improvements and Facilities, as well as Public Access and Recreation.

The District would like to again request the City's assistance in scheduling a meeting of the Joint Powers Authority Liaison Group as described in the second amendment to the JPA. This group, as you know, is established as the "means of communication, exchange of ideas, and reports of plans between the District and the City." Such a meeting is long overdue and we at the District accept our share of responsibility for the lapse between meetings. Originally a meeting was originally planned for July 21, but city staff requested a postponement to permit proper noticing under the Brown Act. The District will renew our staff's efforts and arrange a meeting as soon as possible.

The first order of the Liaison Committee business can be to discuss the concerns outlined in your letter, beginning with clear communications about what has been done and is being planned regarding management, maintenance, and operations of Oyster Point Marina/Park. We can also address the specific details in your letter and outline areas of common agreement. The District may also want to discuss how the city can participate and monitor progress as we address these issues.

Sincerely,

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
650-583-4400
glazof@smharbor.com

CITY COUNCIL 2015

RICHARD A. GARBARINO, MAYOR
MARK ADDIEGO, VICE MAYOR
PRADEEP GUPTA, PH.D., COUNCILMEMBER
KARYL MATSUMOTO, COUNCILMEMBER
LIZA NORMANDY, COUNCILMEMBER

MIKE FUTRELL, CITY MANAGER

OFFICE OF THE CITY COUNCIL

July 30, 2015

VIA EMAIL AND U.S. MAIL

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor,
P.O. Box 1449
El Granada, CA 94018

08-04-15P02:32 RCVD

Dear Mr. Lazof:

The Joint Powers Agreement (JPA) between the City of South San Francisco (City) and the San Mateo County Harbor District (District) sets forth that the District is "responsible for management, maintenance and operation of the existing and future Oyster Point Marina/Park." The District has had this responsibility since 1977 and per the JPA will continue in this role until expiration of the JPA on November 11, 2026.

The City of South San Francisco has deep concerns regarding the management, maintenance and operation of Oyster Point Marina and Park. I write to memorialize some of the most pressing concerns and ask that the Commission take affirmative and prompt action to address these concerns.

Priorities for the City can be separated into three categories: revenues/economic development, capital improvements/facilities, and public recreational access.

Revenue Opportunities/Economic Development:

The economic viability of the marina is of vital concern to the City, and we believe to the District. Steps which should be taken immediately to improve viability include:

1. Follow the guidelines of the "San Mateo County Harbor District Oyster Point Marina and Park Business and Management Plan" dated May 30, 2013, submitted to the State as a requirement to receive former City Redevelopment Agency funds. The Plan is attached to this letter for reference, and calls for, among other things:

    a. Improve marina facilities to increase boater capacity;

b. Accelerate efforts to remove vessels delinquent in rents, unseaworthy, or otherwise derelict;
c. Enhance docks for potential charter vessel use;
d. Vigorous Oyster Point promotional and marketing campaign;
e. Increase the use of the marina and park by cyclists, joggers, walkers, and families looking for recreational activities.

2. In order to test the economic viability of the marina operations and to further the goals stated above, the City believes a comprehensive marina market analysis should be undertaken by a consultant with experience in private and public/private marina operations. This analysis should be undertaken jointly by the District and the City, reporting to the Policy Board established in accordance with the JPA. Many marinas have undergone similar market studies by firms familiar with the marina development community. Such an analysis should identify, among other items:

   a. The Bay Area marina market opportunities;
   b. What is unique about Oyster Point;
   c. What can be done to capitalize on the market and Oyster Point's uniqueness in the near, medium and long term;
   d. What could be expected in response to request for quotations (RFQ) from private marina concessionaires, and
   e. Key terms for inclusion in a draft RFQ, if that appears feasible, based on the results of the economic and market analysis.

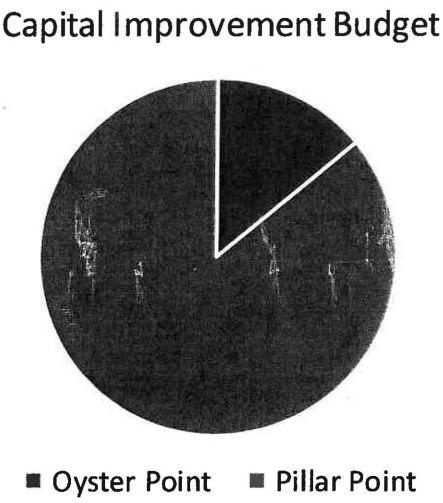
This analysis could also provide direction to address other areas of concern; namely vacant leaseholds (i.e. the bait and tackle shop) and high berth vacancies (35% - 40% vacancy according to the recent MSR).

Capital Improvements/Facilities:

The capital improvement and maintenance requirements at Oyster Point were documented by a District sponsored condition assessment performed by the engineering firm Moffatt and Nichols in November 2014, which showed five Priority One needs costing $87,705, and other priority needs costing $5,700,170. Despite these documented needs, however, the FY15-16 District budget does very little to address the needs identified. Indeed, the current year budget allocates only $115,000 to Oyster Point for:

- Garbage Compactor $40,000
- Study of flooding issues $25,000
- Design/Permit only Dock 12 $50,000

Conversely Pillar Point Harbor is allocated $710,000 for ten capital improvement projects – almost seven times more funding than allocated to Oyster Point, as shown below:



In addition to the priority needs identified in the District's 2014 condition assessment, high importance must be given to:

1. Replacing the wooden pier structures with concrete piers, which have lower maintenance requirements and will enhance the marketability of berths. Priority should be given to docks 12-14 which are beyond repair according to the condition assessment; and
2. Dredging the marina, particularly those areas nearest the Ferry Dock. The permitting process will take approximately 24 months and the District is urged to begin this process as soon as possible.

Maintenance of the existing marina is a core function required of the District under the JPA. The already identified priorities must be addressed more aggressively.

Public Access and Recreation:

The JPA requires not just maintenance and operation of the marina, but also of the adjacent park. The open spaces and beachfront on San Francisco Bay offer limitless opportunities for public enjoyment, enhancement of Oyster Point's reputation and generation of revenue. The recommended marketing analysis noted above must also consider opportunities presented by the ample waterfront park and beach space, and a plan developed in partnership with the City to enhance this aspect of Oyster Point Marina and Park.

The City of South San Francisco expects the San Mateo County Harbor District will devote serious, focused attention to the issues highlighted above, providing the leadership and management necessary to effectively operate Oyster Point Marina and Park. The City has additional concerns, including, for example, the long term governance structure for Oyster Point, best business practices, etc., but highlights the above concerns at this time to allow the District to take immediate action on these pressing issues.

Sincerely,

Mike Futrell

Attachments:

Summary of Maintenance and Capital Needs from District 2014 Condition Assessment
San Mateo County Harbor District Oyster Point Marina Business and Management Plan

cc: South San Francisco City Council
San Mateo County Harbor District Commissioners
San Mateo County Board of Supervisors
Martha Poyatos, Executive Director, San Mateo LAFCo

	Priority				
Repair Project type	**1**	**2**	**3**	**4**	**Grand Total**
Maintenance	**$ 57,705**	**$ 95,700**	**$ 95,460**		**$ 166,705**
Dock 1		$ 17,000			$ 17,000
Dock 2		$ 18,300			$ 18,300
Dock 3			$ 27,500		$ 27,500
Dock 4			$ 33,300		$ 33,300
Dock 5		$ 15,200			$ 15,200
Dock 6		$ 16,700			$ 16,700
Harbor Master	$ 22,705				$ 22,705
Maintenance		$ 16,000			$ 16,000
Dock 1	$ 12,000				$ 12,000
Dock 2		$ 3,000			$ 3,000
Dock 3		$ 3,000			$ 3,000
Gate			$ 27,000		$ 27,000
Harbor Master	$ 19,000	$ 2,500	$ 2,660		$ 24,160
Maintenance	$ 4,000		$ 5,000		$ 9,000
Restroom 4 & 5		$ 4,000			$ 4,000
Capital	**$ 30,000**	**$ 605,000**	**$ 654,000**	**$ 4,250,000**	**$ 5,539,000**
Dock 12				$ 1,230,000	$ 1,230,000
Dock 13				$ 1,560,000	$ 1,560,000
Dock 14			$ 35,000	$ 1,070,000	$ 1,105,000
East Lower			$ 70,000		$ 70,000
Harbor Master		$ 20,000			$ 20,000
Maintenance		$ 15,000		$ 390,000	$ 405,000
Marina Bl			$ 174,000		$ 174,000
Restroom 4		$ 240,000			$ 240,000
Restroom 4 & 5	$ 30,000	$ 50,000			$ 80,000
Restroom 5		$ 240,000			$ 240,000
West Breakwater		$ 40,000	$ 300,000		$ 340,000
East Breakwater			$ 75,000		$ 75,000
Grand Total	**$ 87,705**	**$ 700,700**	**$ 749,460**	**$ 4,250,000**	**$ 5,787,865**

Table 2: Repair Project Prioritized Costs

San Mateo County Harbor District
Oyster Point Marina
Business and Management Plan

May 30, 2013

San Mateo County Harbor District
1. Business Description

San Mateo County Harbor District

In 1933 by Resolution the Board of Supervisors of the County of San Mateo established the San Mateo County Harbor District. The County of San Mateo established the entire area of the County of San Mateo as the District's boundaries.

The Harbor District operates two facilities, Pillar Point Harbor at Half Moon Bay in Princeton, and Oyster Point Marina and Park in City of South San Francisco. The City of South San Francisco owns Oyster Point and the District operates it for the City under a Joint Powers Agreement. Oyster Point is a 455 berth recreational boating marina.

Oyster Point Marina and Park

Oyster Point Marina and Park is a 455 berth public marina and 33-acre (13.4 HA) county park in the City of South San Francisco on the western shoreline of San Francisco Bay.

The marina is located close to nearby job centers in various office high rise complexes and near the City's downtown. It includes a fuel dock, a boat launching ramp, and a fishing pier. In addition to boating and parkland, there are hiking and jogging trails, picnic areas, and 2.3 miles (3.7 km) of sandy beaches.

The increasing traffic on Highway 101 and growing job centers located adjacent to this marina have led to the San Francisco Bay Water Transit Authority to develop a ferry terminal in the Oyster Point Marina.

The San Francisco Bay Ferry began operating a commute hour ferry service between the South San Francisco Ferry Terminal at the Oyster Point Marina and the Oakland Ferry Terminal at Jack London Square in Oakland and the Main Street Ferry Terminal in Alameda in June 2012.

Harbor District Service Goals and Priorities

Provide Safe Ocean and Bay Use, Access and Environmental enhancement

- Provide marine rescue services to aid boaters who are in distress.
- Provide a certified Clean Marina program including a recycling program to reduce costs and comply with Federal and State Environmental Laws.

Provide Ocean and Bay Access

- Provide and increased public access for active and passive enjoyment.

Provide High Quality Commercial-Recreation and Marine-Related Services

- Seek quality private sector businesses to serve the boating public, general public and commercial fishing fleet.
- Actively promote tourism to generate business and revenue for the District.
- Provide a balanced level of services for all users of District facilities.

Maintain Positive Public Image

- Serve all District customers, clients, staff, lessees, and agencies in a friendly and courteous manner at all times.
- Communicate with the public, media, other agencies and employees on a regular basis through the use of all available media.
- Provide maximum responsiveness to District clients in meeting daily responsibilities.

Maintain Ability to Accommodate Growth

- Develop and maintain infrastructure. Insure that roads, parking, and other support services are ready to meet future public needs.
- Foster economic development and commercial and recreation oriented business by promoting marina and its potential for quality business development in an environmentally acceptable manner.

Market

Oyster Point Marina is one of 39 marinas in the San Francisco Bay region. Of these, 17 are public marinas. According to a 2009 Grand Marina occupancy survey, there were approximately 14,700 berths in San Francisco Bay. The number of vessels in the Bay peaked in 2002/2003 at approximately 13,600 resulting in a 7.5% vacancy rate. The 2009 Grand Marina study also reported finding a steady decline in the number of vessels in the Bay since the peak years of 2002/2003. The number of vessels in 2009 was 11,800, resulting in a vacancy rate of approximately 20%.

Oyster Point Marina has three immediate neighbors: Oyster Cove, a private marina; and two public marinas, Sierra Point in Brisbane and Coyote Point in San Mateo, operated by San Mateo County. At present, Oyster Cove is 17% vacant, Sierra Point 7% vacant, and Coyote point 30% vacant. Oyster Point Marina is currently 23% vacant. Sierra Point's lower vacancy is attributed to the fact that the City of Brisbane has subsidized rates there for years. Annual surveys show that Sierra Point has consistently been among the lowest berth rates of SF Bay marinas.

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point faces a challenge in its efforts to increase occupancy and grow revenue. The Oyster Point Marina is competing in a regional market with other marinas for a reduced number of boaters.

San Mateo County Harbor District
2. Financial Plan

The potential for attracting new boater occupancy at Oyster Point Marina and associated increased revenues is largely dependent upon:

a) The San Francisco Bay regional market demand for berthing facilities

b) The quality of marina facilities and tenancy

c) The level and quality of on-site amenities and/or convenient access to such amenities off-site

d) A vigorous marketing effort to raise boater, visitor, and general public awareness of Oyster Point's positive attributes.

The Oyster Point Marina's financial plan relies on taking actions to develop long term solvency and plans to maximize existing revenue. Special events and circumstances, such as the upcoming Americas Cup centered in San Francisco, may also create opportunities to increase occupancy and revenue.

Develop Long-Term Financial Solvency

- Reduce costs by finding different ways to provide current services for less cost by improving operations and automating wherever economically feasible.
- Aggressively pursue grants, private sector funding, and other financing sources to decrease dependence on taxpayer dollars.
- Expand use of user fees and charges to increase District's income.
- Develop and implement long-term fiscal plans to keep the District financially solvent.

Plan Ahead to Maximize Existing Resources

- Develop a long-term strategic plan to guide the direction of the Harbor District in a purposeful manner.
- Develop and implement an operations plan that will identify the specifics of our strategic plan.
- Insure public input and participation in decision-making for future facility and service needs.

The strategy to improve the Harbor District's finances relies on small incremental steps to build up capacity and revenues. This will result in moderate revenue increases the first few years and improved performance in later years as the economy improves and the District efforts take full effect.

Income Statement (Year 2012-01-2005)

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/7
Operating Revenue	$1,792,247	$1,828,092	$1,882,935	$1,977,081	$2,075,936
Non-Operating Revenue	0	0	0	0	0
Total Revenue	1,792,247	1,828,092	1,882,935	1,977,081	2.075,936
Operating Expenses	515,599	525,911	541,688	557,939	574,677
Non-Operating Expenses	952,300	971,346	1,000,486	1,030,501	1,061.416
Total Expenses	1,467,899	1,497,257	1,542,175	1,588,440	1,636,093
Net Income	324,348	330,835	340,760	388,642	439,842

San Mateo County Harbor District
3. Management Plan

Management Team
The management team includes Peter Grenell, the Harbor District's General Manager, Scott A. Grindy, Oyster Point Marina Harbormaster, and the Harbor District's Board of Commissioners.

Peter Grenell, General Manager
Peter Grenell has been General Manager of the Harbor District for fifteen years. He has overall administrative responsibilities for Pillar Point Harbor and Oyster Point Marina/Park and directs the Harbormaster and other District staff. Mr. Grenell oversees routine administrative matters and heads the District's management team of Harbormaster, Finance Director and Human Resources Manager. His responsibilities include overseeing preparation of materials for twice-monthly action by the Board of Harbor Commissioners, grant writing, representing the agency before various boards, councils and commissions, directing project development in concert with the Harbormaster and strategic planning.

Before his work with the Harbor District, his 35 years of professional experience included serving over eight years as Executive Officer of the California State Coastal Conservancy. He also has five years experience as program developer, director and project manager for numerous Conservancy waterfront and access and land conservation projects. He has worked in the public, nonprofit and private sectors both domestically and overseas in urban development and planning and harbor redevelopment.

Scott A. Grindy, Harbormaster
Harbor Master Scott A. Grindy oversees operations for the San Mateo County Harbor District at Pillar Point and Oyster Point Marina/Park. This charge includes day-to-day operations including facilities maintenance, occupancy and berthing management, ocean search and rescue operations, facilities improvement project development and constructions, supervising 19 harbor patrol staff and special events management.

Previously, Mr. Grindy served over 25 years in the management of capital projects, facility, building and engineering administration, buildings operations, emergency operations, road and highway construction/design and security operations. For seven years he managed the Port of Everett's 2,400-berth marina, overseeing slip rentals, budgeting, grants procurement, marketing, customer services and facilities maintenance and security. He was an executive member of the Department of Homeland Security's Area Maritime Committee. He has also managed a university campus including construction of its first two phases, as well as a technical college with offsite campus buildings.

Board of Commissioners
Five members sit on the Harbor District's Board of Commissioners. Commissioners are elected by the general public and serve staggered terms of four years. Their experience

includes managing ports, setting ocean and fisheries policies, practicing law and establishing public interest organizations. Their educational experience includes graduates from the University of California, Davis, Eastern Michigan University, San Francisco State University and UC Hasting College of Law.

Organizational Structure

The Harbor District is an independent special District whose jurisdiction is San Mateo County. It is governed by a board of commissioners with legal and ethical responsibilities. The board of commissioners is responsible for ensuring that the Harbor District meets its legal requirements and that it operates in accordance with its mission. Commissioners are also responsible for safeguarding the Harbor District's assets, ensuring the District has sufficient funds to operate, and hiring the General Manager.

The General Manager serves as the chief executive officer overseeing all day-to-day administration and work of the District. The General Manager reports to the board of commissioners and is responsible for developing and managing the District's $10,211,126 budget. Other responsibilities include ensuring that the District's program objectives are clearly stated, ensuring that program activities are focused on achieving stated goals, and providing strategic leadership for serving the boating and recreational needs of San Mateo County.

San Mateo County Harbor District
4. Operating Plan

As stated in the Financing Plan, attracting new boater occupancy at Oyster Point Marina and increasing revenue are dependent on facility improvements, taking advantage of operational opportunities and marketing efforts. This section describes the Harbor District's facility improvement plans and efforts to take advantage of operational opportunities.

Improving the Quality of Marina Facilities and Tenancy

Facilities: In recent years the Harbor District has completed several substantial facilities improvements and upgrades at Oyster Point. These include:

- Rebuilding the small craft launch ramp
- Repairing segments of the Bay Trail within Oyster Point
- Replacing dock gates and structural repairs to the gates' foundations and a new code access system
- Maintenance dredging of the east and west basins
- Reconfiguring the marina breakwater entrance to facilitate safe, quick, and convenient access by the new ferry
- Renovating a public restroom
- Rebuilding the guest dock and one permanent berthing dock

The Water Emergency Transportation Authority has also removed two old docks to make room for the newly constructed ferry terminal.

Facilities improvements will continue consistent with the draft Capital Improvements Program (CIP) prepared by the District pursuant to its Agreement with the City of South San Francisco. In accordance with the Agreement, and as set forth in the CIP, the District will henceforth focus its attention and resources on the water area of the marina proper. The CIP outlines a series of dock replacements and upgrades over a five-year period as requested by the City.

The dock replacement will enable the Oyster Point Marina to provide new, larger, high quality berths that will be able to cater to current market trends. The new docks will enable the Oyster Point Marina to increase occupancy and generate increased revenues. The District has completed rebuilding the first of the new docks, which replaces the dock adjacent to the ferry terminal. Improvements to the guest dock, also recently completed, are expected to result in augmented revenue from guests berthing and use by charter cruise vessels.

Tenancy: In a continuing effort to improve the ambiance and attractiveness of Oyster Point Marina, the Harbor District has been acting to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. Between 2004 and 2010, the District removed approximately 34 vessels from Oyster Point Marina (at least

29 with state grant funds). In some instances, this action may result in a temporary small decline in revenue and occupancy, but this is expected to reverse with the entry of new boater tenants who are able to pay their rents and maintain their vessel in satisfactory condition.

Lessee Concerns and Opportunity: The District may make minor modifications and repairs to the marine center sales dock which is included in the Marine Collections LLC lease. These minor modifications and repairs will make the facility suitable for use as a charter vessel boarding dock. The District is exploring with the lessee, Oyster Point MV LLC, the possibility of pursuing an opportunity for a joint revenue sharing venture to enhance the use of the marina. The District is now exploring the feasibility of a plan and proposal for this opportunity at the request of the lessee.

Level and Quality of On-Site Amenities and Off-Site Access: Links to City Redevelopment Plans

Increased boater occupancy – and revenue – depends to a great extent on the amenities available to boaters at the marina, or nearby access to these amenities. Required amenities range from clean and functioning restrooms and bathing facilities to laundry facilities, restaurant establishments, and easy and frequent public transit to downtown. Boat servicing and detailing, chandlery and other marine supply, secure storage, and decent vehicle parking are also important attractions.

A challenge to the City and the District in enhancing on-site amenities stems from the City's Oyster Point redevelopment planning process. Eventually, the City's efforts will transform Oyster Point into a thriving business, visitor and recreational destination. However, the City's recently released programmatic environmental impact report for Oyster Point and other City information indicate that major infrastructure improvements, including streets and utilities, that are projected for the marina area are several years off. Structure demolition and site preparation for planned commercial redevelopment likewise are not imminent.

The District's capital improvement program is targeted to the docks and water area of the marina proper, as per the Agreement with the City. While new dock facilities and an upgraded tenant mix are timed to anticipate the Americas Cup events and the arrival of new tenants, caution should be exercised in projecting greatly enhanced occupancy and revenue in the short term. In the absence of improvements and additions to on-site amenities, the continuation of the sluggish economy and high unemployment, as well as rising oil prices will continue to be a drag on improved occupancy and revenue growth.

Potential Impact of New Ferry Service on Marina Occupancy

The Water Emergency Transportation Authority (WETA) began Oyster Point ferry terminal service in June 2012. The actual impact of the ferry service on the marina, with its traffic of incoming and outgoing riders, is as yet unknown. While it is likely to attract many people who are curious about the new vessel and service in addition to the ridership of journey-to-work commuters, the affects of this activity on possible increase in berth occupancy and revenue remain to be seen.

Americas Cup-Simulated Opportunities

The forthcoming Americas Cup events on San Francisco Bay offer an exciting opportunity for the City and the District to augment revenues. Opportunities include the promotion of the Oyster Point Marina for docking to visiting boaters and to charter cruise vessels transporting Peninsula passengers to view the events. The Marina can also be promoted to new boaters created by the enthusiasm the America's Cup will generate.

Replacement of Dock 11 (refer to above) will enable the Marina to provide a number of new berths. Improvements to the marina's guest dock and/or modification of the sale dock will serve the charter cruise vessels as mentioned above.

Accelerated efforts to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict or abandoned will enhance the marina's attractiveness and increase desirability by new boaters. Making on-shore improvements to the City's streets and parking areas will also enhance the attractiveness of the Marina and reduce safety hazards.

San Mateo County Harbor District
5. Marketing Plan

The Marketing Plan for the Oyster Point Marina is made up of the following five sections:

A. Problem Statement – a clear declaration of the marketing challenge
B. Objectives – the Marina's marketing and financial goals
C. Current Market Situation – an analysis of the market, competition, and macroeconomic environment
D. Opportunity Analysis – a look at the Marina's market opportunities
E. Marketing Strategy – the positioning and marketing of the Marina

A. Challenge Statement

The Harbor District's challenge is to increase revenue by enticing more boaters to berth their vessels at Oyster Point Marina on a permanent or transient basis.

B. Objectives

Financial Objectives

Improve Oyster Point Marina finances by

- Increasing total revenue by 16% between FY 2013/14 and 2016/17
- Increasing net revenue by 36% FY 2013/14 and 2016/17
- Reducing operating costs

The Harbor District will achieve this in part by improving the process for collecting delinquent rents, increasing docking rates periodically and by rebuilding the docks removed from the marina. The new docks will accommodate larger boats that pay higher docking rates and reduce the cost of maintaining the docks. The Harbor District will also increase net revenue by reducing staff operating costs which will increase net revenue.

Marketing Objectives

- Increase berth occupancy by 3-5% each year until achieving 95% occupancy
- Increase launch ramp fees by 2% each year
- Increase rent and concessions by 2% each year

C. Current Market Situation

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point Marina faces competition not only from neighboring marinas but also from other non-aquatic leisure and entertainment activities. With a 20% berth vacancy in San Francisco Bay, Oyster Point Marina will have to improve its facilities and amenities to in order to compete for new boaters and those looking to relocate. To meet its goals, Oyster Point Marina will have to aggressively pursue boaters and other opportunities as described in Section D below.

D. Opportunity and Issue Analysis

Oyster Point Marina has identified and will pursue the following opportunities to meet its financial and operational goals:

- Improve Marina facilities as per CIP to increase boater capacity and improve the Marina's appeal to boaters. The quality of Marina facilities for tenants and the level and quality of on-site amenities and/or convenient access to such off0stie amenities are vital factors influencing the Marina's ability to attract new permanent and transient boaters.

- Accelerate effort to remove vessels delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. This action will increase capacity for boaters and improve the appeal of the Marina.

- Enhance docks for charter vessel use, which includes the Marine Collections LLC lease and a possible joint venture with Oyster Point MV.

- Vigorous Oyster Point promotional and marketing campaign

- Pursuing Americas Cup events opportunities.

- Increase the use of the Marina and park by cyclists, joggers, walkers and families looking for recreational activities.

E. Marketing Strategy

Initial promotional and marketing activities will focus on America's Cup events and related opportunities. Specific marketing efforts will need to identify the messages to convey, the audiences to be reached, interactions desired and communication channels. District staff has begun exploring these elements.

The District's primary objective with the America's Cup will be to attract more boaters to berth their vessels at Oyster Point, permanently or on a transient basis. A secondary objective will be to attract charter cruise operations to the marina and promote their activities in connection with Cup events where possible. The Harbor District will also

explore the potential to entice ferry riders to consider basing their boating activities at Oyster Point.

Beyond initial promotions around the America's Cup, marketing campaigns will focus on publicizing the Marina. Marketing effort might best be done through a cooperative effort by the Harbor District, the City, and the Chamber of Commerce. Such an effort might include more special events to attract potential boater tenants to Oyster Point and increase the use of the Marina facilities and trails by non-boaters.

Debbie Nixon

From: Debbie Nixon
Sent: Thursday, July 16, 2015 8:38 AM
To: Glenn Lazof; Tom Mattusch
Subject: RE: Liaison Committee - Tentative schedule of SSF meeting

Diana with the SSF City Manager's office and needs to reschedule the Committee meeting. She wasn't aware that this was an official meeting that needs to be Agendized. She will get back to me during the week of July 27th with a new proposed date and time for August.

Thank you,

-Debbie

From: Debbie Nixon
Sent: Wednesday, July 15, 2015 7:18 AM
To: Glenn Lazof; Tom Mattusch
Subject: Liaison Committee - Tentative schedule of SSF meeting

Glenn and Tom,

Dianna with the City manager's office has tentatively set up a meeting with Assistant Mayor Adiago and Councilmember Normandy, which make up the Cities Liaison committee, for July 21st at 4:00 pm. That is next Tuesday. Are you both available for that meeting? If not, please propose a date and time that works for you both and I will contact Dianna.

Thank you,

We've Moved!
Please note our new address below. Phone, fax and e-mail remain the same!

Debbie Nixon
Administrative Assistant/Deputy Secretary
San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor
PO Box 1449
El Granada, CA 94018
650/583-4400 phone
650/583-4611 fax
www.smharbor.com
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Save Paper. Think Before You Print.

From: Belen Cruz
Sent: Tuesday, July 14, 2015 4:32 PM
To: Debbie Nixon
Subject: Tentative schedule of SSF meeting

Diana from the City Manager's Office in SSF has tentatively scheduled the meeting you requested on July 21 at 4:00p.m. She will not be in the office tomorrow but will be back July 16th. Please call her to confirm At tel. no. 650-829-6666.

Belen

SAN MATEO COUNTY HARBOR DISTRICT
#1 JOHNSON PIER
HALF MOON BAY, CA 94019

RF
LN
MF

84111706
RECORDED AT REQUEST OF
San Mateo County Harbor District
OCT 15 3 34 PM 1984
MARVIN CONSTEIN, RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

JOINT POWERS AGREEMENT

SAN MATEO COUNTY HARBOR DISTRICT

AND

CITY OF SOUTH SAN FRANCISCO

****

The SAN MATEO COUNTY HARBOR DISTRICT, a political subdivision of the State of California, hereinafter usually called "DISTRICT", and the CITY OF SOUTH SAN FRANCISCO, a municipal corporation, hereinafter called "CITY", entered into a Joint Powers Agreement on July 6, 1977, which has been rescinded and the parties enter into this Joint Powers Agreement in lieu thereof.

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RECITALS

1. Each of the parties hereto is a public agency and authorized to enter into a Joint Powers Agreement pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California (Section 6500 et seq.).

2. DISTRICT is a political subdivision of the State of California formed and existing pursuant to Division 8, Part 3 of the State of California Harbors and Navigation Code, Section 6000 et seq. Said DISTRICT was created in 1933 pursuant to the Harbors and Navigation Code and has the powers and duties prescribed by statute, including the power to acquire, own, operate and develop harbor and related facilities within

its territorial boundaries.

3. The CITY OF SOUTH SAN FRANCISCO is a public corporation created for municipal purposes pursuant to the terms and provisions of the General Law of the State of California, and has the power to do any work or make any improvements within or without the territorial limits of the CITY which are determined to be of general public benefit including construction and maintenance of parks and recreational marinas. CITY presently owns and operates a small boat marina at OYSTER POINT within the said CITY.

4. The territory of the CITY is included within the territory of the DISTRICT.

5. Each of the parties hereto has determined that it is in the best interests of the people of said AGENCIES to repair and/or replace the existing marina facilities at OYSTER POINT and expand said facilities as described in the agreement between CITY and the State of California Department of Navigation and Ocean Development (referred to herein as "DNOD") dated September 8, 1975, the Proposed Master Plan and the Preliminary Engineer's estimate prepared by Daniel, Mann, Johnson & Mendenhall, a corporation, and including leachate control measures, preparation of the project site for the Marina-Park landscaping, and other auxiliary shoreside support facilities.

6. Each of the parties has determined further that it is in the best interests of the people of said AGENCIES to

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permit the DISTRICT to rehabilitate, manage, maintain and operate the existing marina at OYSTER POINT and construct, manage, maintain and operate the future marina to be developed at OYSTER POINT subject to the terms and provisions hereof.

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. This Joint Powers Agreement shall be effective as of 12:01 A. M., November 11, 1977.

2. PURPOSE OF AGREEMENT

The purpose of this Agreement is to authorize and empower the DISTRICT and CITY to jointly develop and construct facilities at OYSTER POINT MARINA/PARK as outlined and in accord with the Master Development Plan (Exhibit 1) which is made a part of this Agreement and to authorize and empower the DISTRICT to manage, operate and maintain the existing and future OYSTER POINT MARINA/PARK.

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3. PROJECT DESCRIPTION

Said project shall consist of the construction of the OYSTER POINT MARINA/PARK as outlined in Exhibit "2" of this Agreement and the operation, management and maintenance of the existing and future MARINA/PARK.

4. POLICY BOARD

To facilitate the accomplishment of the purposes of this Agreement, there shall be formed the OYSTER POINT MARINA/PARK POLICY BOARD, consisting of two (2) members who shall be Council Members from the City of South San Francisco, appointed by said Council and two (2) members who shall be HARBOR COMMISSIONERS,

appointed by the BOARD OF HARBOR COMMISSIONERS each to serve a term of four years or until a successor is appointed. Said four members shall select a fifth member who shall serve a term of four years or until a successor is appointed, who shall represent the public and who shall be a resident of San Mateo County but not an elected or appointed member of the governing board of any governmental agency or employee of any governmental agency. In selecting the public member, in addition to other matters deemed relevant, the said four members shall evaluate each applicant's business experience, interest in taxpayers' concern regarding management and use of public funds, interest in the Marina and other water-related development of the San Mateo County area, reputation in the community, and ability to represent the public. If an evaluation of an applicant, who is a resident of South San Francisco, equals or exceeds evaluation for applicants from other areas of San Mateo County, the applicant from South San Francisco shall have first priority for selection.

Members of the said POLICY BOARD shall serve without compensation, but shall be reimbursed actual and necessary expenses from the revenues from said MARINA/PARK project. Said BOARD shall have responsibility for making recommendations to the CITY COUNCIL and HARBOR COMMISSION on all matters of policy relating to the construction, operation, management and maintenance of the OYSTER POINT MARINA/PARK, and such other

powers as are specfically delegated to the Board. The chief administrative officer, the attorney and engineer of the DISTRICT shall serve as staff to the POLICY BOARD on all matters involving the DISTRICT'S responsibility and the chief administrative officer, the attorney and engineer of the CITY shall serve as staff to the BOARD on all matters involving the CITY'S responsibility. Compensation for each staff person shall be the responsibility of the primary employer of said person but such salary shall be considered as part of the expenses of the AGENCY incurred for maintenance and operation to be reimbursed from operating revenues pursuant to Paragraph 12 hereof.

84111706

5. RESPONSIBILITIES AND AUTHORITY OF DISTRICT

The DISTRICT and the CITY desire to cooperate in all matters involving the said project for the purpose of developing the most feasible project and providing the greatest possible benefit for the users thereof at reasonable charges. However, pursuant to this Agreement, ultimate financial responsibility rests with the HARBOR DISTRICT and for this reason, if there is disagreement between the CITY, the BOARD and the DISTRICT as to the manner in which the project will be constructed, managed, maintained or operated, the final decision as to said matters shall be made by the BOARD OF HARBOR COMMISSIONERS of the SAN MATEO COUNTY HARBOR DISTRICT.

6. METHOD BY WHICH CONSTRUCTION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) Plans and Specifications:

The project may be constructed in three initial phases as set forth in Exhibits 3, 4 and 5 attached hereto. The DISTRICT shall promptly contract with Daniel, Mann, Johnson & Mendenhall, a corporation, (referred to as "DMJM") for preparation of proposed project plans and specifications, said contract to be substantially similar to the Agreement dated June 15, 1977, between CITY and DMJM entitled "An Agreement With Daniel, Mann, Johnson & Mendenhall, a corporation, For Consulting Services Related to OYSTER POINT MARINA/PARK" and task Order Proposed Design - OPM Park Phases 1 and 2 DMJM B #6213-1-4. Plans and specifications for the proposed project shall be prepared under the supervision and direction of the DISTRICT and paid for by DISTRICT from DISTRICT funds or loan funds received from DNOD. Upon completion of said plans and specifications, the same shall be reviewed by the POLICY BOARD which shall make recommendations relating thereto and shall thereafter be reviewed and approved by the BOARD OF HARBOR COMMISSIONERS OF THE HARBOR DISTRICT and the CITY COUNCIL OF THE CITY OF SOUTH SAN FRANCISCO.

(b) Award of Contract:

Upon review and approval of said plans and specifications by the POLICY BOARD and the governing bodies of each of said agencies, subject to Paragraph 6(a) above, the DISTRICT shall call for competitive bids. Said bids shall be

reviewed by the POLICY BOARD which shall make recommendations concerning the bid award. The contract shall be awarded by the District to the lowest responsible bidder giving due consideration to the recommendations of the POLICY BOARD.

(c) Construction:

Construction of said work of improvement shall be under the supervision and direction of the District. The engineers of the DISTRICT shall consult with engineers for the CITY during the construction process. The engineers of the CITY shall have access to the construction site, the power to inspect the same during the course of construction, and upon request shall be furnished all plans and specifications prepared by the DISTRICT for their review and comment.

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(d) Project Site:

The said project shall be constructed partially on lands owned in fee by the CITY and partially on tidelands and submerged lands and nothing set forth herein shall be construed as vesting any ownership in any of said lands in the HARBOR DISTRICT.

7. METHOD BY WHICH MAINTENANCE AND OPERATION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) DISTRICT shall assume control over the existing operations at OYSTER POINT MARINA on the effective date of this Agreement and shall thereafter and during the term of this Agreement be responsible for management, maintenance and operation of the existing and future OYSTER POINT MARINA/PARK

subject to and in accord with the terms and provisions of this Agreement.

(b) City Employees:

All employees of the CITY presently employed in the maintenance and operation of existing facilities at OYSTER POINT shall retain their existing positions for a period of twelve (12) months at their present salary levels and with existing benefits as employees of the CITY and the DISTRICT agrees to reimburse the CITY for costs of salaries and fringe benefits for said employees. After said period the said employees may become employees of the DISTRICT upon mutual consent of the said employees and the DISTRICT. While said employees are working at said MARINA under the supervision and direction of the DISTRICT but as employees of the CITY, the DISTRICT shall have full control over their activities, including the assignment of functions and responsibilities. In the event that said employees fail to perform their services and duties adequately and in accord with personnel requirements of the CITY, said employees may be discharged in accordance with the personnel rules and procedures of the CITY at the request of the DISTRICT and upon approval of the POLICY BOARD.

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(c) Municipal Services:

CITY shall provide municipal services for the OYSTER POINT MARINA/PARK facility as hereinafter set forth. Unless payment for said services to the CITY are made by lessees or specified as being at CITY'S expense, the CITY shall

enter into a written agreement establishing the level of services to be provided by the CITY and the cost thereof so that proper budgetary provisions can be made. Services to be provided by the CITY shall be as follows:

(i) Sewer and water - all sewer and water services as defined in Exhibit 2, including sewer lines, interceptor lines, lift stations and water mains of a size sufficient to meet fire flow and service demands necessary to service the project shall be the responsibility of the DISTRICT as part of the construction cost. CITY shall rod out the main sewer lines as required, maintain the pump station and rod out the laterals from the main to the District's or lessee's cleanouts and be reimbursed by District for cost thereof, except that DISTRICT may elect to otherwise provide for said service without incurring costs to City. All lessees of facilities on the project site shall be required to pay the sewer and other public utility fees including connection charges as provided from time to time by City Ordinances for property owners within the CITY or by the Public Utilities Commission.

84111706

(ii) Police Patrol - CITY will provide police patrol, traffic, detective and specialized juvenile police services at the level of services rendered within the CITY at CITY'S expense and without reimbursement, and CITY and DISTRICT shall negotiate regarding the cost of any additional services which shall be reimbursed to the CITY.

(iii) Fire Protection - CITY shall at its sole cost and expense provide fire protection at the project site on the same basis as said protection is furnished to other property owners within the CITY at CITY'S expense and without reimbursement and CITY and DISTRICT shall negotiate regarding the cost for any additional services which shall be reimbursed to the CITY.

(iv) Street Sweeping - Street sweeping shall be provided on a regular basis for all streets and public parking areas within the project, excluding parking areas held by private leasehold interests.

(v) Refuse Containers - South San Francisco Scavenger Company refuse containers shall be located and serviced to control litter and public refuse needs at all improved public parking areas, parks, and other public owned use areas at DISTRICT'S cost and expense. Said refuse collection services will be provided to the lessees at the project site in accordance with CITY ordinances.

84111706

(d) Maintenance of Park, Pathways, and Appurtenant Improvements - DISTRICT shall maintain at its cost and expense the project's park, pathways and appurtenant improvements as shown on Exhibit 1 attached hereto and DISTRICT may contract with the CITY for said services reimbursing CITY therefor or otherwise provide for said maintenance service. The DISTRICT may and to the greatest extent possible shall require maintenance of parks,

pathways and appurtenant improvements by parcel lessees.

8. CITY'S ZONING AND PERMIT POWERS

Nothing herein shall be construed as affecting the CITY'S power to zone the area occupied by the project or as relieving any lessee of the obligation to obtain necessary building permits provided, however, the CITY agrees to adopt/or maintain zoning ordinances authorizing development in accordance with the plans for the proposed project.

9. LEASES

DISTRICT may lease all or any portion of the existing marina, the lands within the project site or the project as completed, to private developers subject to the approval by the POLICY BOARD and DNOD and may execute said leases on behalf of the parties hereto. The revenues from any such lease or leases shall be considered as operating revenues.

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10. ACCOUNTING RECORDS

(a) DISTRICT shall maintain account books and financial records to show the revenues and expenses of the MARINA/PARK. Said records shall prorate expenses of the DISTRICT where said expenses are attributable in part to other DISTRICT functions. Said prorations shall be subject to review by the POLICY BOARD.

(b) CITY shall maintain account books and records to show the expenses to the CITY for providing municipal services to said project. Said records shall prorate expenses where said expenses are attributable in part to other CITY

functions. Said prorations shall be subject to review by the POLICY BOARD.

(c) DISTRICT shall render a semi-annual report concerning financial affairs of the MARINA/PARK.

11. INSURANCE

DISTRICT shall maintain minimum insurance required by DNOD in accord with the agreement with said Agency and such other insurance as may be considered necessary in amounts determined after review by the POLICY BOARD. Said policies shall name the parties hereto as insured parties. Proceeds from any fire insurance policy shall be disbursed in accord with the agreement with DNOD or used for reconstruction of the destroyed facility.

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12. DIVISION OF REVENUE

(a) Operating revenues received from the OYSTER POINT MARINA/PARK shall be used to repay loans from DNOD including the existing loans to the CITY and the expenses and costs of management, operation and maintenance of the project.

(b) Operating revenues in excess of those required for debt service and operating costs and expenses as provided above shall be held in a reserve account subject to the terms and provisions of the loan agreement with DNOD. After satisfaction of the loan agreement with DNOD, and during the term of said agreement,with DNOD'S consent, said excess funds shall be held or disbursed as follows:

(1) The POLICY BOARD shall establish a reasonable depreciation schedule for the various elements of the project and a portion of such excess funds shall be deposited in an account with a financial institution or invested in approved and authorized investments to be used as needed to meet the cost of replacement in accordance with the said depreciation schedule. Any income or profits from said fund or investments shall be added thereto. The maximum reserve to be so maintained shall be determined by the parties hereto subject to the recommendations of the POLICY BOARD.

(2) The CITY shall be paid the sum of $215,000.00 (the amount of the CITY'S investment in the existing marina from the CITY'S general fund) less the amount to be paid CITY for personal property pursuant to paragraph 15. The DISTRICT shall be paid (a) the amount of the DISTRICT'S capital investment in the completed project, (b) $25,000.00 which was advanced to the CITY for planning purposes, (c) the amount paid to CITY for personal property pursuant to paragraph 15, and (d) sums advanced by the DISTRICT during the term of this Agreement from its general fund for loan service fees or maintenance and operation. A schedule for repayment of said items shall be developed by the POLICY BOARD subject to modification from time to time.

(3) Any excess funds remaining shall be divided equally between the parties hereto.

84111706

13. RESPONSIBILITY FOR LOAN REPAYMENT - HOLD HARMLESS CLAUSE

Except as expressly provided herein, the CITY shall not be responsible for any of the expenses relating to the OYSTER POINT MARINA/PARK and specifically CITY shall not be responsible for the following: (1) costs of construction, including plans,

specifications, engineering; (2) economic studies incurred hereafter; (3) repayment of the existing loans incurred by CITY for construction of the existing marina at OYSTER POINT; (4) any loans incurred for future developments at said site in accord with the Exhibits attached hereto, or (5) for any costs of operation and maintenance except as expressly provided herein. In the event operating revenues are not sufficient to service said loans or pay costs of operation and maintenance, the DISTRICT shall assume responsibility for and make all payments due thereon and shall hold CITY harmless from any liability for said loans or costs of maintenance and operation.

14. FINANCING

If CITY requests, and the Department of Navigation and Ocean Development so consents, the loan for construction of the existing marina and the loan granted by DNOD pursuant to the Agreement of September 8, 1975, shall be assumed by the DISTRICT and the CITY shall be released as obligor on said loan. The HARBOR DISTRICT shall assume responsibility for obtaining additional loans or grants for marina expansion and rehabilitation of the existing marina and CITY shall be responsible for obtaining additional loans and grants from Land and Water Conservation funds for park area development and the Department of Fish and Game for the fishing pier and appurtenant works, or assist DISTRICT in obtaining said loans or grants. Each of the parties hereto shall use diligent efforts to develop additional sources of loans or grants.

84111706

15. TRANSFER OF ASSETS

On the effective date of this Agreement, CITY shall provide

to the DISTRICT an inventory of personal property owned by the CITY and used in conjunction with the operation of the existing marina with the CITY'S estimate of the present value of said property. DISTRICT shall purchase said items of property from the CITY for said price and shall pay to the CITY said purchase price within thirty (30) days after the effective date of this Agreement.

16. FUTURE DEVELOPMENT - CONTINGENCIES

(a) Adequate Funds:

The parties hereto have determined that Phases I and II of the project (Exhibits 3 and 4 attached) will be financed by DNOD loans, grants from Land and Water Conservation funds for park area development and the Department of Fish and Game for the fishing pier and appurtenant works and the advance of sums up to $700,00.00 by the DISTRICT. If the cost of construction of Phases I and II as shown by construction bids exceeds said loans and grants and advance from the DISTRICT, the parties hereto shall pursue one or more of the following alternatives: (1) obtain additional funds from DNOD, private developers or sources other than the general fund of the CITY OF SOUTH SAN FRANCISCO; (2) additional contributions of HARBOR DISTRICT funds; or (3) modify the project, said modifications to be subject to agreement of the parties.

In addition, DISTRICT shall immediately proceed with Phase I plus the parking lot improvements and commence construction thereof on or before June 1, 1978; schedule the construction

84111706

of Phase II in a timely manner when the cost thereof is within the funds to be provided and assume responsibility for maintenance and operation of the existing marina and proceed with rehabilitation thereof in accordance with Phase III.

(b) Available Lands:

The parties contemplate that the project shall be constructed partially on tidelands and submerged lands granted to the City in trust by the State of California. If it should be determined for any reason that the project or any portion thereof cannot be constructed on said tidelands and submerged lands, DISTRICT shall have no responsibility for proceeding with said portions of the project. Each of the parties hereto will use diligent efforts to resolve any problem which might interfere with full use of the tidelands and submerged lands included within the project site.

84111706

(c) Leachate Problem:

CITY has been ordered by the Superior Court of the City and County of San Francisco (Action No. 633084) to comply with provisions for protection of water quality resulting from leachate discharge at the project site. The project includes improvements to resolve the said problem which shall be a project construction cost, and the repair and maintenance thereof shall be charged against project revenues. However, if the proposed leachate improvement work does not meet the standards imposed by appropriate governmental agencies, and said standards require improvement work beyond the scope of the proposed project leachate work, CITY shall undertake required

additional work at the earliest possible time. If any or all said additional required work by nature thereof qualifies for additional DNOD funds or grants from other agencies, DISTRICT and CITY shall use diligent efforts to obtain said funds.

17. LIABILITY

The HARBOR DISTRICT, its officers, agents and employees shall not be deemed to assume any liability for the negligence of the CITY or its agents, officers, or employees, and the CITY shall not be deemed to assume any responsibility for the negligence of the DISTRICT or its agents, officers and employees, and CITY shall hold the HARBOR DISTRICT, its officers, agents and employees harmless from any and all liability resulting from any of the actions of the CITY or its agents, officers and employees, and the DISTRICT shall hold the CITY, its officers, agents and employees harmless from any and all liability resulting from any of the actions of the DISTRICT, its agents, officers and employees. Each of the parties shall defend the other against any claim for damages resulting from its actions.

84111706

18. SEPARATE AGENCY

No separate agency is considered necessary or desirable to administer this Agreement except as herein provided.

19. TERM OF AGREEMENT

This Agreement shall remain in full force and effect for a period of forty-nine (49) years from the effective date as

specified above or until modified or terminated by an agreement in writing by the parties.

20. PROCEDURES UPON TERMINATION OF AGREEMENT

Upon termination of this Agreement,unless otherwise agreed by the parties, responsibilities for management, operation and maintenance of the project shall revert to said CITY and DISTRICT shall be relieved of any and all responsibilities relating thereto. All assets at the project site paid for from operating revenue shall become the property of the CITY. CITY shall succeed to the depreciation reserve fund which shall be held in trust and used only for capital replacements. Any excess funds shall be divided in accordance with the terms and provisions of Paragraph 12. Employees of the DISTRICT working at said project shall retain their positions as they exist at said time for a period of twelve (12) months at their then existing salary levels and with existing benefits as employees of the DISTRICT and the CITY will reimburse the DISTRICT for costs of salaries and fringe benefits for said employees. After said period the said employees may become employees of the CITY upon mutual consent of the said employees and the CITY. While said employees are working at said marina under the supervision and direction of the CITY but as employees of the DISTRICT, the CITY shall have full control over their activities including the assignment of functions and responsibilities. In the event that said employees fail to perform their services and duties adequately

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and in accord with personnel requirements of the DISTRICT, said employees may be discharged in accordance with personnel rules and procedures of the DISTRICT at the request of the CITY.

21. SUCCESSION IN INTEREST

In the event the HARBOR DISTRICT is dissolved or ceases to exist, the DISTRICT agrees to place in trust for the OYSTER POINT MARINA/PARK construction project, prior to dissolution, the amount of funds necessary to complete Phases I and II of the project above the available loans and grants not to exceed the sum of $700,000.00. CITY agrees that any such funds placed in trust shall be expended only for the development of the project as specified herein or portions thereof.

22. BINDING ON SUCCESSORS

The parties hereto intend that this Agreement shall be binding upon the successors in interest of either of the parties hereto.

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EXECUTED IN TRIPLICATE:

SIGNED: October 21st, 1977 CITY OF SOUTH SAN FRANCISCO

By: [signature]

ATTEST:

[signature]

SIGNED: October 21st, 1977 SAN MATEO COUNTY HARBOR DISTRICT

By: [signature]
Charles J. Boerio AKA C. Boerio

BSCRIBING-WITNESS ACKNOWLEDGMENT ("WITNESS JURAT")

State of California
County of San Mateo } SS.

On this the 15th day of October 19 84,
before me, the undersigned Notary Public, personally appeared
Ronald D. McClellan (name of witness),

☒ personally known to me
☐ proved to me on the oath/affirmation of a credible witness, whom I know personally,

to be the person whose name is subscribed to the within instrument as witness thereto, and who swore or affirmed before me that he (he/she) personally knows C. Walter Birkelo/C. Boerio (name of signer s not appearing before Notary) to be the individual whose name is subscribed to the within instrument as principal and witnessed that individual sign the same and acknowledge signing it freely for the purposes therein contained.

WITNESS my hand and official seal.

[signature]
Notary's Signature

OFFICIAL SEAL
CHRISTINE A. DALE
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My Comm. Expires March 15, 1988

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91364

EXHIBIT REFERENCE

EXHIBIT 1	Master Plan for Development of Oyster Point/Marina Park prepared by Daniel, Mann, Johnson & Mendenhall.
EXHIBIT 2	Construction details and estimated costs of construction.
EXHIBIT 3	Phase I of the Development Project.
EXHIBIT 4	Phase II of the Development Project.
EXHIBIT 5	Phase III of the Development Project

84111706

SUMMARY

Costs	1977/78 PHASE I New Basin	1978/79 PHASE II Upgrade Existing Shoreside	TOTAL Phase I and II	PHASE III Existing Basin
1. Demolition	$ -	$ 11	$ 11	$ 61
*Dredging	243	-	243	328
*Leachate	280	-	280	-
*Clay Cap Seal	739	-	739	-
*Earthwork	84	42	126	-
*Revetment	166	21	187	-
New Breakwater	992	-	992	-
Replace Existing Breakwater	402	-	402	-
Berthing	1,318	-	1,318	1,058
Piers and Gates	83	-	83	70
Paving	205	102	307	-
Utilities	386	211	597	9
Drainage	17	17	34	-
Promenade	37	37	74	-
Lighting	66	41	107	-
Landscaping	312	66	378	-
Restrooms	66	33	99	-
Harbormaster	66	-	66	-
Dry Storage	91	-	91	-
Sub total 1977 costs including contingencies	$5,553	$ 581	$6,134	$1,526
2. Incidental Expenses				
Escalation	459	101	560	
Engineering and Administration			500	
Sub total			$7,194	
3.**Launching Ramp			100	
4.**Fishing Pier			154	
			$7,448	

*Include portions of Leachate Control Measures)
*Parking, amenities, included in other line items)

gures in thousands

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EXHIBIT 2

6213-1-1
4/12/77

OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE I

1. Dredging				
1. New Basin	44,124 CY @	$ 5.00	=	$220,620
2. Existing Basin	-- CY± @	5.00	=	--
				$220,600
	10% Contingencies			22,000
	Total			$ 242,600
2. Leachate Control				
a. Mole Area				
1. Remove exist. riprap	2,100 CY @	$ 2.25	=	$ 4,725
2. Remove sand	500 CY @	2.25	=	1,125
3. Excavate slopes 3 ft., dispose off-site	9,800 CY @	3.75	=	36,750
4. Excavate top 1 ft.	2,400 CY @	2.00	=	4,800
5. Place '45 mil hypalon'	152,100 SF @	0.75	=	114,075
6. Backfill slopes with dredge spoil	9,800 CY @	1.25	=	12,250
7. Backfill top with clayey import (3')	7,200 CY @	4.00	=	28,800
	Sub-total			$202,525
b. South Shore				
1. Clear slope	0.9 Ac @	$2,500	=	$ 2,250
2. Remove, stockpile existing riprap	1,250 CY @	2.25	=	2,810
3. Excavate 4 ft. trench, dispose of off-site	440 CY @	3.75	=	1,650
4. Place '45 mil hypalon'	40,000 SF @	0.75	=	30,000
5. Cover with 2 ft. of dredge spoil	2,960 CY @	1.25	=	3,700
	Sub-total			$ 40,410
c. Pile Area				
1. Excavate 3 ft. trench and dispose off-site	60 CY @	$ 3.75	=	$ 225
2. Cut off wood piles	40 ea @	75.00	=	3,000
3. 6" bentonite slurry	14 CY @	40.00	=	560
4. Backfill = dredge spoil	60 CY @	1.25	=	75
	Sub-total			$ 3,860

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d. Channel Area			
1. Excavate 6 ft. trench, dispose off-site	670 CY @ $ 3.75	=	$ 2,513
2. Backfill with dredge spoil	670 CY @ 1.25	=	840
3. Channel (500 ft.) block off, exc. 4 ft. trench, dispose off-site	220 CY @ 7.75	=	1,700
4. Backfill with import clay fill	220 CY @ 4.00	=	880
5. 10 mil visqueen	7,000 SF @ 0.20	=	1,400
	Sub-total		$ 7,333
	Sub-total Leachate Control		$254,128
	10% Contingencies		25,413
	Total		$ 279,500

3. Clay Cap Seal

a. Site Seal			
1. Clearing	34 Ac @ $ 250	=	$ 8,500
2. Dredge spoil - spread, condition and compact	44,000 CY @ 2.50	=	110,000
3. Imported clayey fill cap (108,800 less dredge spoil)	78,000 CY @ 4.00	=	312,000
4. Filter cloth (streets, parking, storage)	743,700 SF @ 0.20	=	148,740
	Sub-total		$579,240
b. Slope Stabilization - South Shore			
1. Excavate exist. fill	12,400 CY @ $ 1.80	=	$ 22,320
2. Dispose 70% off-site	8,400 CY @ 1.50	=	12,600
3. Replace, compact 30%	4,000 CY @ 1.20	=	4,800
4. Place conditioned dredge spoil	9,300 CY @ 2.25	=	20,925
	Sub-total		$ 60,645
c. Methane Gas Control			
1. Flare pipes	60 ea @ $ 325	=	$ 19,500
	Sub-total Clay Cap Seal		$671,985
	10% Contingencies		67,199
	Total		$ 739,200

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4. Earthwork

a. Store Area

1. Excavate 1 ft., dispose off-site	2,180 CY @ $ 3.25	=	$ 7,085
2. Extra depth, 3 ft., clay cap over store area	6,500 CY @ 3.00	=	19,500
3. Surcharge store area with topsoil - 3 months - double handling cost only	21,200 CY @ 1.25	=	26,500
	Sub-total		$ 53,085

b. Parking Areas and Street Areas

1. Extra fill - streets	1,400 CY		
" " - parking	6,200		
	7,600 CY @ $ 3.00	=	$ 22,800
	Sub-total Earthwork		$ 75,885
	Contingencies		7,589
	Total		$ 83,500

5. Revetment

a. Mole Area

1. Filter cloth	55,000 SF @ $ 0.20	=	$ 11,000
2. 18" coarse gravel	3,100 CY @ 7.50	=	23,250
3. 25-300 lb. stone - from stockpile	2,000 CY @ 2.25	=	4,500
	Sub-total		$ 38,750

b. East End

1. Filter cloth	37,800 SF @ $ 0.20	=	$ 7,560
2. 12" coarse gravel	1,400 CY @ 7.50	=	10,500
3. Place heavy stockpiled riprap	2,800 CY @ 2.25	=	6,300
	Sub-total		$ 24,360

c. South Shore

1. Filter cloth	38,000 SF @ $ 0.20	=	$ 7,600
2. 12" coarse gravel	1,400 CY @ 7.50	=	10,500
3. Import 25-100 lb. riprap	2,100 CY @ 25.00	=	52,500
	Sub-total		$ 70,600

d. North Shore - New Basin

1. Remove and stockpile existing riprap	830 CY @ $ 2.25	=	$ 1,870
2. 8" coarse gravel	2,010 CY @ 7.50	=	15,075
	Sub-total		$ 16,945
	Sub-total Revetment		$150,655
	10% Contingencies		15,050
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6. Breakwater - Phase I New Basin

New

1. East end, 12" precast x 74' x 600 LF sheet piling and bond beam	44,400 SF @ $ 6.00	=	$266,400
2. 12" batter piles	1,900 LF @ 7.50	=	14,100
3. North line (12" x 74" x 1400 LF)	103,600 SF @ 6.00	=	621,600
	Sub-total		$902,100
	10% Contingencies		90,210
	Total		$ 992,300

7. Existing Breakwater — Contingency Item

8. Berthing - New Basin

1. Walkways	24,640 SF		
Slips	42,550		
Knee braces	6,048		
	73,238 SF @ $18.00	=	$1,318,284
	Total		$1,318,300

(Includes utilities, dock boxes, wood berths)

9. Piers and Gates

1. Piers	5 ea @ $12,000	=	$ 60,000
2. Gates	5 ea @ 3,000	=	15,000
	Sub-total		$ 75,000
	10% Contingencies		7,500
	Total		$ 82,500

10. Paving

a. Streets

1. 8" A.B.	4800 LF x 36' = 172,800 SF @ $ 0.30	=	$ 51,840
2. 4" A.B.	4800 LF x 24' = 115,200 SF @ 0.20	=	23,040
3. 2" A.C.	4800 LF x 24' = 115,200 SF @ 0.40	=	46,080
4. Harbormaster	9,200 SF @ 0.90	=	8,280
			$129,240

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10. Paving (continued)

b. Parking

1. 8" A.B. @ 0.30 SF
   Armor coat @ 0.20
   0.50

113,400 SF @ $ 0.50 =	$ 56,700
Sub-total Parking	$185,940
10% Contingencies	18,560
Total	$ 204,500

11. Utilities

a. Power and Telephone (underground)

1. PG&E primary	2,400 LF @ $14.00 =	$ 33,600
2. Secondary feeders with conductor	3,200 LF @ 9.50 =	30,400
3. Trenching and backfill	2,400 LF @ 3.00 =	7,200
4. Substation (service disconnect)	1 ea @ 60,000 =	60,000
5. Concrete pad	1 ea @ 1,000 =	1,000
6. Main and meter panel	1 ea @ 15,000 =	15,000
7. Distribution Panel 1	1 ea @ 8,000 =	8,000
8. Temporary Service PG&E	@ 2,000 =	2,000
9. PT&T cabling	2,400 LF @ 7.50 =	18,000
10. Substructures (boxes, etc)	20 ea @ 200 =	4,000
11. Miscellaneous	Lump Sum	18,000
12. 75 KVA transformers with pad	5 ea @ 2,500 =	12,500
13. 150 KVA transformer	1 ea @ 7,000 =	7,000
	Sub-total	$216,700
14 Less (1) (3) (4)		100,800
		$115,900

b. Sanitary Sewers

1. 4" Force Main (pe)	1,900 LF @ $12.00 =	$ 22,800
2. 6" Gravity Main (pe)	180 LF @ 15.00 =	2,700
3. Manhole	1 ea @ 700 =	700
4. 4" lateral	40 LF @ 12.00 =	480
5. Lift Station #3 (2 - 1/4hp)	1 ea @ 9,000 =	9,000
6. Lift Station #4 (2 - 1½hp)	1 ea @ 12,000 =	12,000
7. Lift Station #5 (2 - 1½hp)	1 ea @ 12,000 =	12,000
8. Boat pump out	1 ea @ 3,000 =	3,000
	Sub-total	$ 62,680

c. Gas / None

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d. Water System

I. Cal-Water (3,000 gpm)

1. 12" main (ACP pipe)	3,100 LF @	$26.00	=	$ 80,600
2. 8" main (" ")	2,430 LF @	16.00	=	38,880
3. 12" gate valves	4 ea @	1,500	=	6,000
4. Hydrants	9 ea @	1,200	=	10,800
5. 4" meter and assembly	1 ea @	2,000	=	2,000
6. 8" gate valve	4 ea @	400	=	1,600
7. Replace existing paving	720 SF @	2.00	=	1,440
8. 4" fire main to pier	60 LF @	9.00	=	540
9. 3" " " " "	310 LF @	8.00	=	2,480
10. 4" gate valve	1 ea @	200	=	200
11. 3" gate valve	4 ea @	150	=	600
12. Special cover over 12" and 8"	5,530 LF @	2.00	=	11,060
		Sub-total		$156,200

II. Marina System

13. 3" service	50 LF @	$ 8.00	=	$ 400
14. 2" service	510 LF @	6.00	=	3,060
15. 3" valves and box	1 ea @	150	=	150
16. 2" valves and box	5 ea @	100	=	500
17. 3/4" service	2 ea @	200	=	400
18. 4" main (ACP)	1,200 LF @	9.00	=	10,800
19. 4" gate valves	3 ea @	200	=	600
		Sub-total		$ 15,910
		Total Water		$172,100
		Utilities Sub-total		$350,700
		10% Contingencies		35,100
		Total		$ 385,800

12. Drainage

1. Paved swales (3" AC x 6' width)	2,000 LF @	$ 6.00	=	$ 12,000
2. Misc. structures	5 ea @	600	=	3,000
		Sub-total		$ 15,000
		10% Contingencies		1,500
		Total		$ 16,500

84111706

RECORDER'S MEMO:
POOR RECORD IS DUE TO
QUALITY OF ORIGINAL DOCUMENT

13. Promenade

1. Surfacing	26,900 SF @ $ 1.00 =	$ 26,900	
2. Redwood header	2,640 LF @ 2.50 =	6,600	
	Sub-total	$ 33,500	
	10% Contingencies	3,300	
	Total		$ 36,800

14. Lighting

a. Streets

1. Electroliers	19 ea @ $1,000 =	$ 19,000	
2. 2" conduit and conductor	2,090 LF @ 6.00 =	12,540	
		$ 31,540	

b. Parking

1. Electroliers	8 ea @ $1,000 =	$ 8,000	
2. 2" conduit	880 LF @ 6.00 =	5,280	
		$ 13,280	

c. Promenade - post-top electroliers at 100'

1. Electroliers	14 ea @ $ 500 =	$ 7,000	
2. 2" conduit and wire	1,340 LF @ 6.00 =	8,040	
		15,040	
	Sub-total Lighting	$ 59,860	
	10% Contingencies	5,940	
	Total		$ 65,800

15. Landscaping

1. Topsoil over dredge spoil area (9.5 ac x 1' x 1613)	15,300 CY @ $ 6.00 =	$ 91,800	
2. Hydromulch (clay cap area including top-soil area)	24 Ac @ 1,000 =	24,000	
3. Promenade area (full treatment)	1.5 Ac @ 30,000 =	45,000	
4. Restaurant/Shops area	4.1 Ac @ 30,000 =	123,000	
	Sub-total	$283,800	
	10% Contingencies	28,380	
	Total		$ 312,200

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RECORDER'S MEMO:
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16. Restrooms

1. Two required	2 ea @ $30,000 =	$ 60,000	
	10% Contingencies	6,000	
	Total		$ 66,000

(Note: One may be funded by fishing pier, or launch ramp grants, etc.)

17. Harbormaster

1. 2-story structure	Lump Sum @ $60K =	$ 60,000	
	10% Contingencies	6,000	
	Total		$ 66,000

18. Dry Storage

a. 1.18 Acres

1. 8" A.B. over clay cap 1.18 x 43,560 =	51,400 SF @ $ 0.50 =	$ 25,700	
2. Perimeter fence	2,600 LF @ 6.00 =	15,600	
		$ 41,300	

b. 1.82 Acres

1. 8" A.B.	79,280 SF @ $ 0.30 =	$ 23,800	
2. Perimeter fence	3,000 LF @ 6.00 =	18,000	
		$ 41,800	
	Subtotal	$ 83,100	
	10% Contingencies	8,310	
	Total		$ 91,400
	TOTAL PHASE I		$5,149,000

(1977 Prices)

84111706

RECORDER'S MEMO:
POOR RECORD IS DUE TO
QUALITY OF ORIGINAL DOCUMENT

OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE II

1.	Dredging / none			
2.	Leachate / none			
3.	Demolition and removals			
	1. Misc. structures and roadway	Lump Sum =	$ 10,000	
		10% Contingencies	1,000	
		Total		$ 11,000
4.	Earthwork			
	1. Import fill - parking area	9,600 CY @ $ 4.00 =	$ 38,400	
		10% Contingencies	3,840	
		Total		$ 42,250
5.	Revetment			
	1. North shore - exist. basin - 8" coarse gravel	2,600 CY @ $ 7.50 =	$ 19,500	
		10% Contingencies	1,900	
		Total		$ 21,400
6.	Breakwater			
	Remedial work as required contingency item		0	
7.	Berthing (Phase III)			
	Repairs a contingency item		0	
8.	Piers and gates (Phase III)		0	
9.	Paving			
	a. Streets			
	1. 8" A.B. 920 LF x 36 =	33,120 SF @ $ 0.30 =	$ 9,900	
	2. 4" A.B. 920 LF x 24 =	22,080 SF @ 0.20 =	4,400	
	3. 2" A.C. 920 LF x 24 =	22,080 SF @ 0.375 =	8,280	
	4. Demolish exist. road at beach 600 LF x 30 =	18,000 SF @ 0.50 =	9,000	
			$ 31,580	
	b. Parking	90,000 SF @ 0.675 =	60,750	
		Sub-total	$ 92,330	
		10% Contingencies	9,233	
		Total		$101,550

RECORDER'S MEMO:
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QUALITY OF ORIGINAL DOCUMENT

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10. Utilities

a. Power and Telephone (underground)				
1. PG&E secondary feeders	6,000 LF @	$ 9.50	=	$ 57,000
2. PT&T cabling	660 LF @	7.50	=	5,000
3. Trenching and backfill	2,400 LF @	3.00	=	7,200
4. Substructures	18 @	200	=	3,600
5. Miscellaneous				7,200
6. 75 KVA Transformers	6 ea @	2,500	=	15,000
7. 150 KVA Transformers	1 ea @	7,000	=	7,000
	Sub-total Power			$102,000
b. Sanitary Sewers				
1. 4" laterals	140 LF @	$12.00	=	$ 1,700
2. City pump station (add on concrete sump 8' dia. x 15' deep)	1 ea @	16,000	=	16,000
3. Lift Station #1 (reconstruct with pkg. wet well surface mounted pumps, new sump)	1 ea @	20,000	=	20,000
4. Lift Station #2 (reconstruct with pkg. surface mounted pumps)	1 ea @	10,000	=	10,000
	Sub-total Sewers			$ 48,000
c. Gas Main				
2" p.e. main	800 LF @	$10.00	=	$ 8,000
	Cost of Ownership x 1.3		=	10,400
	Meters, miscellaneous		=	2,600
	Sub-total Gas		=	$ 21,000

d. Water

Marina System				
1. Relocate 4" meter				$ 2,000
2. Pier services	4 ea @	$ 400	=	1,600
3. 2" service	2 ea @	400	=	800
4. 3/4" service	2 ea @	200	=	400
5. Raise valves to grade			=	600
				$ 5,400
Cal Water System				
6. 8" ACP	460 LF @	$ 16	=	$ 7,360
7. 8" G.V.	2 ea @	400	=	800
8. Hydrant	2 ea @	1,200	=	2,400
Misc. Adj.			=	5,000
				$15,560
	Sub-total Water		=	$ 21,000
	Sub-total Utilities		=	$192,000
	10% Contingencies			19,200

RECORDER'S MEMO:
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QUALITY OF ORIGINAL DOCUMENT

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211,200

11. Drainage				
1. Paved swale	2,000 LF @ $ 6.00	=	$ 12,000	
2. Misc. structures	6 ea @ 500	=	3,000	
	Sub-total		$ 15,000	
	10% Contingencies		1,500	
	Total			$ 16,500
12. Promenade				
1. Paving	28,400 SF @ $ 1.00	=	$ 28,400	
2. Redwood header	2,000 LF @ 2.50	=	5,000	
	Sub-total		$ 33,400	
	10% Contingencies		3,300	
	Total			$ 36,700
13. Lighting				
a. Streets				
1. Electroliers @ 110 ft.	6 ea @ $1,000	=	$ 6,000	
2. 2" conduit and conductor	660 LF @ 6.00	=	3,960	
			$ 9,960	
b. Parking				
1. Electroliers	5 ea @ $1,000	=	$ 5,000	
2. 2" conduit	550 LF @ 6.00	=	3,300	
			$ 8,300	
c. Promenade and Beach				
1. Electroliers 1500/80'	19 ea @ $ 500	=	$ 9,500	
2. Conduit	1,500 ea @ 6.00	=	9,000	
			$ 18,500	
	Sub-total Lighting		$ 36,800	
	10% Contingencies		3,700	
	Total			$ 40,500
14. Landscaping				
1. Promenade area	0.5 Ac @ $30,000	=	$ 15,000	
2. Beach sand	5,000 CY @ 9.00	=	45,000	
	Sub-total		$ 60,000	
	10% Contingencies		6,000	
	Total			$ 66,000
15. Restrooms				
Utilize existing				
Relocate one and refurbish	Lump Sum		$ 10,000	
	10% Contingencies		1,000	
	Total			$ 11,000
		TOTAL PHASE II		$555,100

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RECORDER'S MEMO:
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6213-1-1
4/12/77

OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE III (1981-1982)

(1977 Prices)

1. Demolition and Removals				
a. Berthing				
1. Remove exist. floats	87.0 BF @ $ 160	=	$ 13,920	
2. Pull 50' piles (250x50)	12,500 LF @ 2.25	=	28,125	
3. Cut off 50 piles	50 ea @ 75.00	=	3,750	
			$ 45,795	
b. Misc. structures (piers, etc.)			$ 10,000	
	Sub-total		$ 55,795	
	10% Contingencies		5,580	
				$ 61,400
2. Dredging	49,700 CY @ $ 6.00	=	$298,200	
	10% Contingencies		29,820	
				$ 328,000
3. Berthing (wood)				
1. Berthing	55,952 SF @ $18.00	=	1,007,100	
	5% Contingencies		50,400	
	Total			$1,057,500
4. Piers and Gates				
1. Piers	4 ea @ $12,500	=	$ 50,000	
2. Gates	4 ea @ 3,500	=	14,000	
	Sub-total		$ 64,000	
	10% Contingencies		6,400	
	Total			$ 70,400
5. Utility adjustments	4 ea @ $2,000	=	$ 8,000	
	10% Contingencies		800	
	Total			$ 8,800
6. Restrooms	2 ea @ $30,000	=	$ 60,000	
	10% Contingencies		6,000	
	Total			$ 66,000
7. Breakwater	60,900 SF @ $ 6.00	=	$365,400	
	10% Contingencies		36,600	
	Total			$ 402,000
			TOTAL	$1,994,100

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RECORDER'S MEMO:
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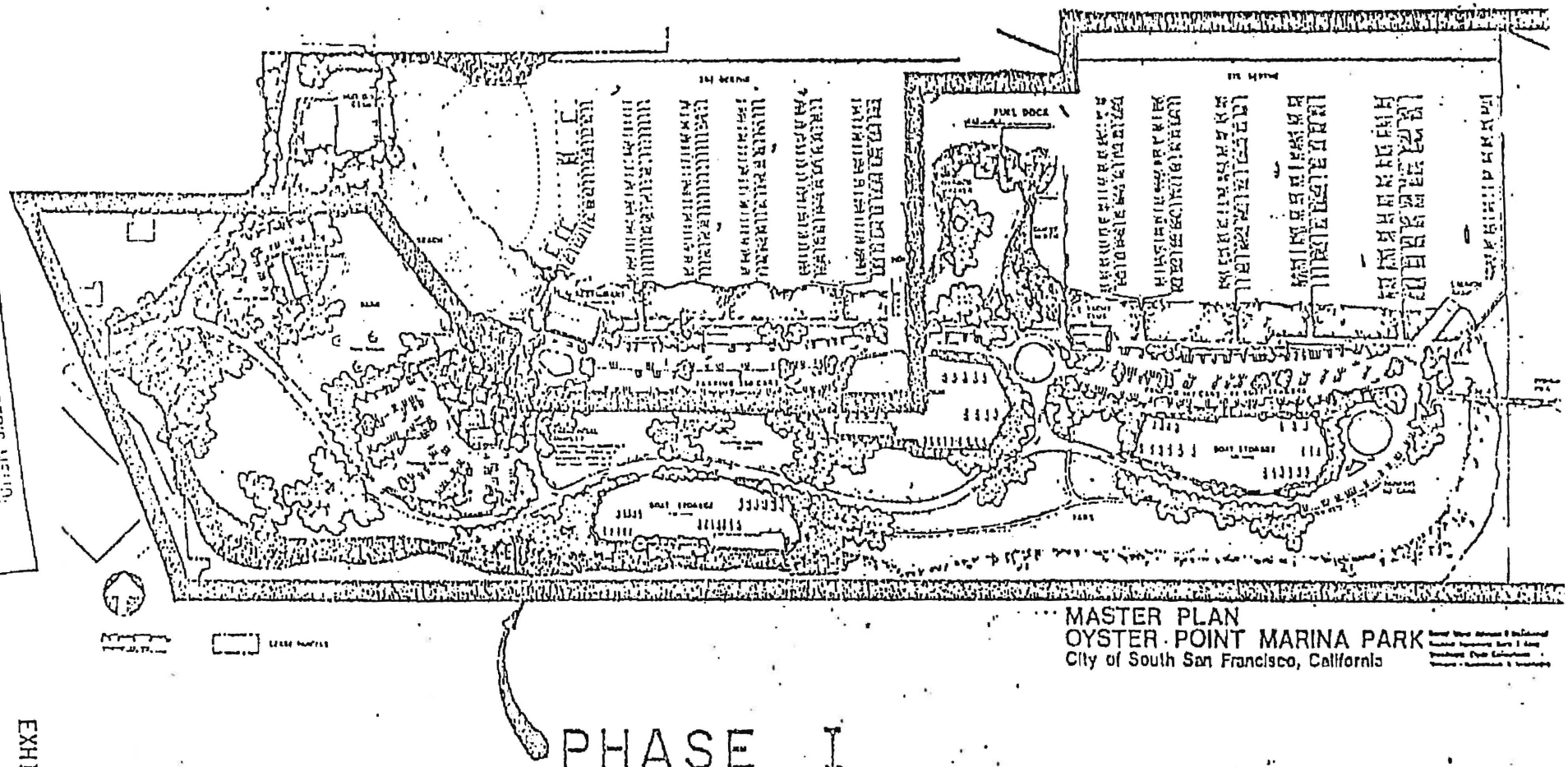

PHASE I

RECORDER'S MEMO
POOR RECORD IS DUE TO

EXHIBIT 3

Reference is hereby made to the agreement dated September 8, 1975, between DNOD and the City of South San Francisco and an agreement with Daniel, Mann, Johnson & Mendenhall, a corporation, for consulting services related to Oyster Point Marina and Task Order Proposal, Design Oyster Point Marina/Park, Phases I and II, DMJM #6213-2-1, for further definition of the proposed project.

RECORDER'S MEMO:
POOR RECORD IS DUE TO
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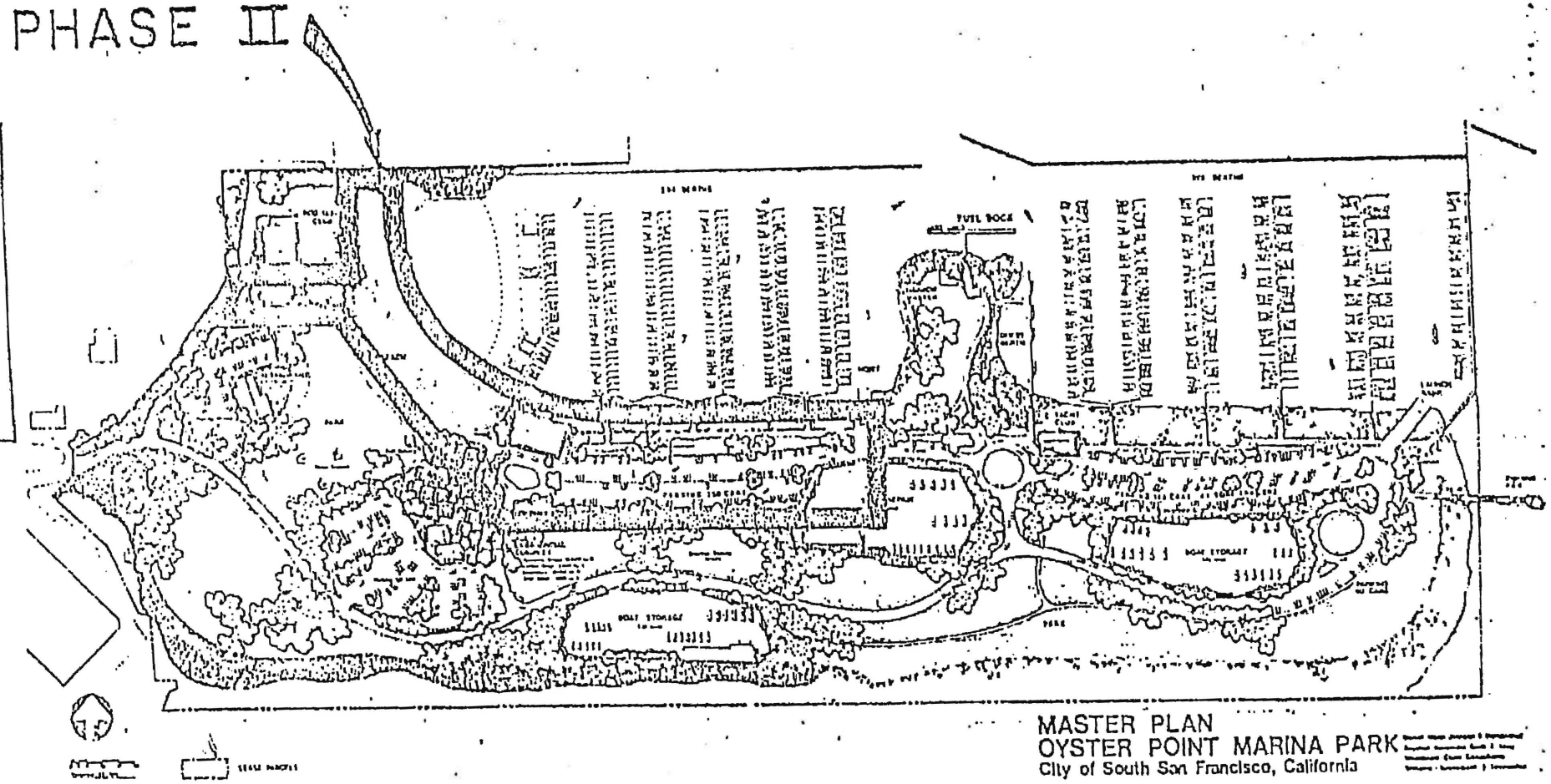
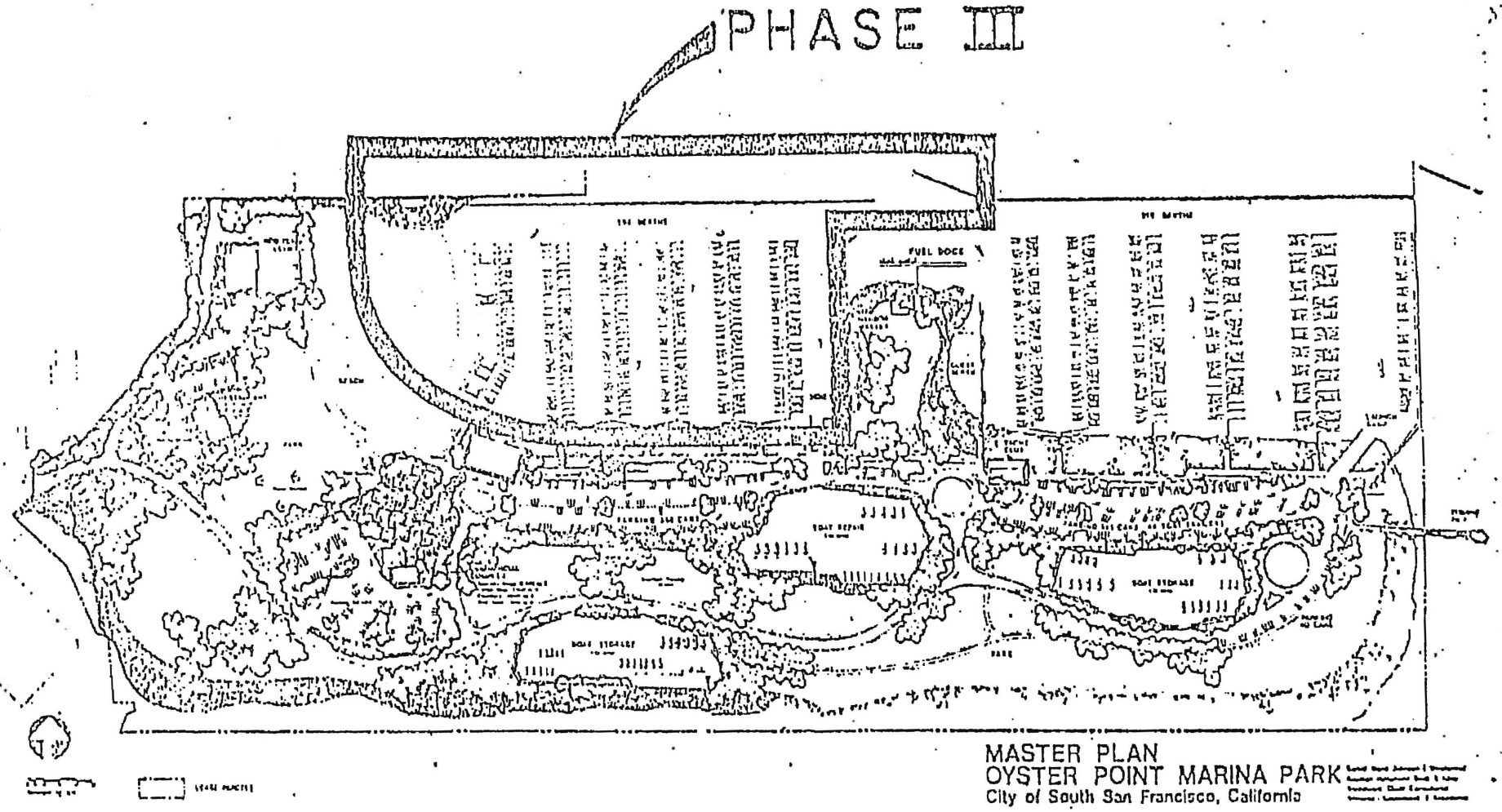


EXHIBIT 4

Reference is hereby made to the agreement dated September 8, 1975, between DNOD and the City of South San Francisco and an agreement with Daniel, Mann, Johnson & Mendenhall, a corporation, for consulting services related to Oyster Point Marina and Task Order Proposal, Design Oyster Point Marina/Park, Phases I and II, DMJM #6213-2-1, for further definition of the proposed project.



RECORDER'S MEMO:
PAGE QUALITY IN THIS DOCUMENT

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EXHIBIT 5

84111706

AGREEMENT AMENDING

JOINT POWERS AGREEMENT

THIS AGREEMENT by and between the SAN MATEO COUNTY HARBOR DISTRICT, a Political Subdivision of the State of California, hereinafter referred to herein as "District," and the CITY OF SOUTH SAN FRANCISCO, a Municipal Corporation, hereinafter called "City"

WITNESSETH:

RECITALS:

1. The parties hereto entered into a Joint Powers Agreement effective as of 12:01 a.m., November 11, 1977, and executed on October 21, 1977, by the City of South San Francisco and on October 24, 1977, by the San Mateo County Harbor District, wherein District was to maintain and operate the Oyster Point Marina Park and perform other acts as said Joint Powers Agreement provided.

2. Said Agreement required the District to advance sums in the amount of $700,000.00, to be repaid from revenues from the project, as described in said Agreement, and further required repayment to the City of $215,000.00 (with adjustments) which had been advanced by the City; said repayment to be pursuant to a schedule to be developed by the Policy Board.

3. The project cost far exceeded the estimates of engineers and the District has advanced sums in excess of $700,000.00, and may be required to advance additional sums in order to complete said project.

4. The parties hereto desire to amend said Agreement.

NOW, THEREFORE, said Joint Powers Agreement is hereby amended to provide as follows:

1. District shall be repaid all monies advanced by it including those sums in excess of $700,000.00 without interest. If revenues in any year hereafter exceed the amount for servicing loans from the State of California, Department of Boating and Waterways (formerly Department of Navigation and Ocean Development), the amounts necessary for reasonable depreciation, as determined in accordance with the terms and provisions of the Joint Powers Agreement, and operating expenses, said excess revenues shall be paid to the District for deposit in the Harbor District's Capital Outlay Fund until the amount advanced by the District has been paid, at which time any such excess funds remaining shall be divided equally among the parties hereto as provided in the Joint Powers Agreement.

2. Provisions for repayment of monies to the City of South San Francisco and the sum of $700,000.00 to the District as provided in the Joint Powers Agreement, are hereby reaffirmed.

3. Sums to be repaid to the City pursuant to the terms of said Joint Powers Agreement shall be paid from operating revenues from lands, improvements, leaseholds and other revenue generating sources for which the State Lands Commission of the State of California does not require or regulate apportionment or distribution thereof. If there are no such lands, improvements, leaseholds or other revenue generating sources, then said sum shall be repaid to the City pursuant to the Joint Powers Agreement in a manner determined by the Oyster Point Marina/Park Policy Board. It is the intent of the parties hereto that said funds shall be repaid to the General Fund of the City.

4. Paragraph 9 of the Joint Powers Agreement, authorizing the District to lease lands to private developers, is hereby amended to provide that the District may lease lands within the project site to private developers and/or public agencies.

5. Except as amended hereby, the terms and provisions of said Joint Powers Agreement is hereby reaffirmed.

6. This amendment to the said Joint Powers Agreement shall be retroactive and considered effective from the date said Joint Powers Agreement was executed, except as herein expressly provided.

SIGNED: October 11, 1979

CITY OF SOUTH SAN FRANCISCO

By: W. Walter Binkley
City Manager

ATTEST:

Barbara A. Battaya

SIGNED: October 11, 1979

SAN MATEO COUNTH HARBOR DISTRICT

By: _____
FRANK LEE, PRESIDENT

RESOLUTION NO. 119-79

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT AMENDING THE JOINT POWERS AGREEMENT BETWEEN THE SAN MATEO COUNTY HARBOR DISTRICT AND THE CITY OF SOUTH SAN FRANCISCO - OYSTER POINT MARINA

WHEREAS, the San Mateo County Harbor District, a political subdivision of the State of California, and the City of South San Francisco, a municipal corporation, entered into an agreement effective as of 12:01 a.m. on November 11, 1977, and executed on October 21, 1977 by the City of South San Francisco and on October 24, 1977 by the San Mateo County Harbor District, providing as therein set forth for the development, operation and maintenance of the Oyster Point Marina; and

WHEREAS, the parties desire to amend said Joint Powers Agreement as set forth in the document entitled "Agreement Amending Joint Powers Agreement", a copy of which is attached hereto as Exhibit "A".

NOW THEREFORE BE IT RESOLVED by the City Council of the City of South San Francisco that:

1. Execution.

The City Council authorizes execution of the agreement amending the Joint Powers Agreement, a copy of which attached hereto as Exhibit "A".

2. Signatures.

The City Manager of the City of South San Francisco is authorized to execute said agreement on behalf of the City, and the City Clerk attest his signature thereto.

* * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of South San Francisco at a regular meeting held on the 3rd day of October, 19 79, by the following vote:

AYES: Councilmembers Ronald G. Acosta, Emanuele N. Damonte, Terry J. Mirri, and Roberta Cerri Teglia

NOES: Councilman William A. Borba

ABSENT: None

ATTEST: /s/ Barbara A. Battaya
City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO)

I, Barbara A. Battaya, City Clerk of the City of South San Francisco, County of San Mateo, State of California, do hereby certify that the following is a full, true and correct copy of

Resolution No. 119-79

the original of which is on file in my office and that I have carefully compared the same with the copy hereof.

IN WITNESS WHEREOF I have hereunto set my hand and the seal of the City of South San Francisco this 11th day of Oct., 79

BARBARA A. BATTAYA

City Clerk and Ex-officio Clerk of the City Council of the City of South San Francisco

By Barbara A. Battaya
City Clerk

By _____
Deputy City Clerk

EXHIBIT "A" TO RESOLUTION NOS. 247-85 & RPD-7

ADOPTED November 27, 19 85.

SECOND AGREEMENT AMENDING JOINT POWERS AGREEMENT

THIS SECOND AGREEMENT amending the Joint Powers Agreement by and between the SAN MATEO COUNTY HARBOR DISTRICT (hereinafter referred to as "DISTRICT") and the CITY OF SOUTH SAN FRANCISCO, a municipal corporation (hereinafter referred to as "CITY") is made and entered into as of this 27th day of November, 19 85.

WITNESSETH:

WHEREAS, on October 24, 1977, the parties hereto entered into a Joint Powers Agreement (hereinafter "Agreement) for the purpose of repairing and/or replacing the existing Marina facilities at Oyster Point and expanding said facilities as described therein, and for the purpose of permitting the DISTRICT to rehabilitate, manage, maintain and operate said existing Marina and construct, manage, maintain and operate the future Marina Development at Oyster Point; and

WHEREAS, said Agreement was amended on October 11, 1979; and

WHEREAS, said Agreement and amendment thereto required the establishment of a POLICY BOARD consisting of five (5) members and charged said Board with the responsibility for making recommendations to the CITY and DISTRICT on all matters of policy relating to the construction, operation, management and maintenance of OYSTER POINT MARINA/PARK and required said Board to exercise certain other powers specifically delegated to it; and

WHEREAS, the parties hereto desire to again amend said Agreement to restructure the POLICY BOARD and exorcise its delegated powers;

NOW, THEREFORE, it is agreed:

1. Paragraph 4 amended.

Paragraph 4 of the Agreement is hereby amended to read as follows:

"4. LIAISON GROUP

To facilitate the accomplishment of the purposes of this Agreement, discussions shall be regularly held between the DISTRICT and the CITY by appointment by each body of representatives to a LIAISON GROUP, consisting of two (2) members who shall be Council Members from the City of South San Francisco, appointed by said Council and two (2) members who shall be HARBOR COMMISSIONERS, appointed by the BOARD OF HARBOR COMMISSIONERS, each to serve at the pleasure of his or her respective agency.

Each member of said LIAISON GROUP shall serve without compensation, but shall be reimbursed actual and necessary expenses from the revenues from said OYSTER POINT MARINA/PARK. Said GROUP shall have responsibility for reporting to the CITY COUNCIL and HARBOR COMMISSION on all matters of policy relating to the construction, operation, management, and maintenance of the OYSTER POINT MARINA/PARK, and such other powers, if any, as are specifically delegated to the GROUP by the DISTRICT and the CITY. The primary purpose of said GROUP is not to be an advisory body, nor is it to present recommendations to either party. It is constituted solely as a means for direct communications, exchange of ideas and reports of plans between the DISTRICT and the CITY. The chief administrative officer, the attorney and engineer of the DISTRICT shall serve as staff to the LIAISON GROUP on all matters involving the

DISTRICT'S responsibility and the chief administrative officer, the attorney and engineer of the CITY shall serve as staff to the GROUP on all matters involving the CITY'S responsibility. Compensation for each staff person shall be the responsibility of the primary employer of said person, but said salary shall be considered as part of the expenses of the OYSTER PARK MARINA/PARK incurred for the maintenance and operation to be reimbursed from operating revenues, pursuant to Paragraph 12 hereof."

2. Paragraph 5 amended.

The last sentence of Paragraph 5 of the Agreement is hereby amended to read as follows:

"However, pursuant to this Agreement, ultimate financial responsibility rests with the HARBOR DISTRICT and for this reason, if there is disagreement between the CITY and the DISTRICT as to the manner in which the project will be constructed, managed, maintained or operated, the final decision as to said matters shall be made by the BOARD OF HARBOR COMMISSIONERS of the SAN MATEO COUNTY HARBOR DISTRICT."

3. Paragraph 6 amended.

Paragraph 6 of the Agreement is hereby amended to read as follows:

"6. METHOD BY WHICH CONSTRUCTION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) Plans and Specifications: The project may be constructed in three initial phases as set forth in the Agreement between CITY and the former State of California Department of Navigation and Ocean Development ("DNOD") dated September 8, 1975, the proposed Master Plan (as amended), and the OYSTER POINT MARINA/PARK Specific Plan adopted by the CITY on September 21 , 1983, and as said Specific Plan may be amended from time to time. The DISTRICT has already contracted with engineers

for the preparation of proposed project plans and specifications. Plans and specifications for the proposed project have been prepared under the supervision and direction of the DISTRICT and paid for by the DISTRICT from DISTRICT funds or loan funds received from DNOD'S successor, the State of California Department of Boating and Waterways ("CAL-BOATING"). Upon completion of said plans and specifications, and for any future plans and specifications, the same shall be reviewed and approved by the BOARD OF HARBOR COMMISSIONERS of the HARBOR DISTRICT and the CITY COUNCIL of the City of South San Francisco.

(b) Award of Contract: Upon review and approval of said plans and specifications by the DISTRICT and CITY staffs and the governing bodies of each of said agencies, subject to Paragraph 6 (a) above, the DISTRICT shall call for competitive bids. The contract shall be awarded by the DISTRICT to the lowest responsive and responsible bidder.

(c) Construction. Construction of said work of improvement shall be under the supervision and direction of the DISTRICT. The engineers of the DISTRICT shall consult with engineers for the CITY during the construction process. The engineers of the CITY shall have access to the construction site, the power to inspect the same during the course of construction, and upon request shall be furnished all plans and specifications prepared by the DISTRICT for their review and comment.

(d) Project Site: The said project shall be constructed partially on lands owned in fee by the CITY and partially on tidelands and submerged lands and nothing set forth herein shall be construed as vesting any ownership in any of said lands in the HARBOR DISTRICT."

4. Paragraph 7 (b) amended.

The last sentence of Paragraph 7 (b) of the Agreement is hereby amended to read as follows:

"In the event that said employees fail to perform their services and duties adequately and in accord with personnel requirements of the CITY, said employees may be discharged in accordance with the personnel rules and procedures of the CITY at the request of the DISTRICT."

5. Paragraph 9 amended.

Paragraph 9 of the Agreement is hereby amended to read as follows:

"9. LEASES

DISTRICT may lease all or any portion of the existing marina, the lands within the project site or the project as completed, to private developers and/or public agencies subject to the approval of CAL-BOATING and the CITY. The revenues from any such lease or leases shall be considered as operating revenues."

6. Paragraph 10 amended.

Paragraph 10 of the Agreement is hereby amended to read as follows:

"10. ACCOUNTING RECORDS

(a) DISTRICT shall maintain account books and financial records to show the revenues and expenses of the OYSTER POINT MARINA/PARK. Said records shall prorate expenses of the DISTRICT where said expenses are attributable in part to other DISTRICT functions. Said prorations shall be subject to review by the CITY.

(b) CITY shall maintain account books and records to show the expenses to the CITY for providing municipal services to said project. Said records shall prorate expenses where said expenses are attributable in part to other CITY functions. Said prorations shall be subject to review by the DISTRICT.

(c) DISTRICT shall render a semi-annual report concerning the financial affairs of the OYSTER POINT MARINA/PARK."

7. Paragraph 11 amended.

The first sentence of Paragraph 11 of said Agreement is hereby amended to read as follows:

"DISTRICT shall maintain minimum insurance required by CAL-BOATING in accord with the Agreement with said Agency and such other insurance and in such amount as may be considered necessary by the DISTRICT and the CITY."

8. Paragraph 12 amended.

Paragraph 12 of said Agreement is hereby amended to read as follows:

"12. DIVISION OF REVENUE

(a) Operating revenues received from the OYSTER POINT MARINA/PARK shall be used to repay loans from CAL-BOATING (formerly DNOD) including the existing loans, if any, to the CITY and the expenses and costs of management, operation and maintenance of the project.

(b) Operating revenues in excess of those required for debt service and operating costs and expenses as provided above shall be held in a reserve account subject to the terms and provisions of the loan agreement with CAL-BOATING. After satisfaction of the yearly requirements under the loan agreement with CAL-BOATING, and during the term of said agreement, with CAL-BOATING'S consent, said excess funds shall be held or disbursed as follows:

(1) The CITY and the DISTRICT shall establish a reasonable depreciation schedule for the various elements of the project and a portion of such excess funds shall be deposited in an account with a financial institution or invested in approved and authorized investments to be used as needed to meet the cost and replacement in accordance with the said depreciation schedule. Any income or profits from said fund or investments shall be added thereto. The maximum reserve to be so maintained shall be determined by the parties hereto.

(2) The CITY shall be paid the sum of TWO HUNDRED FIFTEEN THOUSAND DOLLARS ($215,000.00) (the amount of the CITY'S investment in the existing MARINA from the CITY'S General Fund) less the amount to be paid CITY for personal property pursuant to to Paragraph 15. The DISTRICT shall be paid:

(i) The amount of the DISTRICT'S capital investment in the completed project,

(ii) TWENTY FIVE THOUSAND DOLLARS ($25,000.00) which was advanced to the CITY for planning purposes,

(iii) The amount paid to CITY for personal property pursuant to Paragraph 15, and

(iv) Sums advanced by the DISTRICT during the term of this agreement from its General Fund for loan service fees or maintenance and operation.

A schedule for repayment of said items shall be developed by the parties hereto subject to modification from time to time.

CIVIL STATE ACKNOWLEDGMENT

State of CALIFORNIA
County of SAN MATEO } SS.

On this the 4th day of DECEMBER 19 85 before me,
CHRISTINE A. DALE
the undersigned Notary Public, personally appeared
JEAN J. FLOCKS

X personally known to me
☐ proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Christine A Dale
Notary's Signature

OFFICIAL SEAL
CHRISTINE A. DALE
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My Comm. Expires March 15, 1988

3 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 91365-

State of CALIFORNIA
County of SAN MATEO } SS.

On this the 12th day of DECEMBER, 19 85, before me
JOSEPH N.FIGUEIREDO NOTARY PUBLIC
personally appeared ROBERTA CERRI TEGLIA
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as MAYOR
of THE CITY OF SOUTH SAN FRANCISCO
and acknowledged to me that
THE CITY OF SOUTH SAN FRANCISCO executed it.

WITNESS my hand and official seal

Joseph N. Figueiredo
Notary's Signature

OFFICIAL SEAL
JOSEPH N FIGUEIREDO
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My comm. expires OCT 25, 1986

CIVIL CODE SECTION 1191 - Public Corporation, Agency or Political Subdivision Acknowledgment

State of CALIFORNIA
County of SAN MATEO } SS.

On this the 12th day of DECEMBER, 1985, before me
JOSEPH N. FIGUEIREDO NOTARY PUBLIC
personally appeared ROBERTA CERRI TEGLIA
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as EX OFFICIO CHAIRMAN
OF SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRICT
and acknowledged to me that
THE CITY OF SOUTH SAN FRANCISCO executed it.

WITNESS my hand and official seal

Joseph N. Figueiredo
Notary's Signature

OFFICIAL SEAL
JOSEPH N FIGUEIREDO
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My comm. expires OCT 25, 1986

(Any excess funds remaining sh. l be divided equally between the parties hereto.

9. Except as specifically provided for above, any reference in said Agreement or said Agreement amending the Joint Powers Agreement to POLICY BOARD or BOARD is hereby amended to read as follows:

"LIAISON GROUP"

10. Except as specifically provided for above, any reference in said Agreement or said Agreement amending Joint Powers Agreement to ONOD is hereby amended to read as follows:

"CAL-BOATING"

This change reflects the fact that the State of California Department of Navigation and Ocean Development has been replaced by the State of California Department of Boating and Waterways.

11. Except as specifically amended herein, the terms and conditions of the Agreement and the Agreement amending Joint Powers Agreement shall remain unchanged and are hereby ratified and reaffirmed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto, first being duly authorized, have executed this Second Agreement amending Joint Powers Agreement as of the date and year first above written.

SAN MATEO COUNTY HARBOR DISTRICT

By: _____

CITY OF SOUTH SAN FRANCISCO

By: _____
Mayor

ATTEST:

_____
City Clerk

SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRICT

By: _____
Ex Officio Chairman

ATTEST:

_____
City Clerk

AGENDA

CITY COUNCIL
CITY OF SOUTH SAN FRANCISCO

REGULAR MEETING
MUNICIPAL SERVICE BUILDING
COMMUNITY ROOM

WEDNESDAY, FEBRUARY 23, 2005
7:30 P.M.

PEOPLE OF SOUTH SAN FRANCISCO

You are invited to offer your suggestions. In order that you may know our method of conducting Council business, we proceed as follows:

The regular meetings of the City Council are held on the second and fourth Wednesday of each month at 7:30 p.m. in the Municipal Services Building, Community Room, 33 Arroyo Drive, South San Francisco, California.

Public Comment: For those wishing to address the City Council on any Agenda or non-Agendized item, please complete a Speaker Card located at the entrance to the Council Chamber's and submit it to the City Clerk. Please be sure to indicate the Agenda Item # you wish to address or the topic of your public comment. California law prevents the City Council from taking action on any item not on the Agenda (except in emergency circumstances). Your question or problem may be referred to staff for investigation and/or action where appropriate or the matter may be placed on a future Agenda for more comprehensive action or a report. When your name is called, please come to the podium, state your name and address (optional) for the Minutes. COMMENTS ARE LIMITED TO THREE (3) MINUTES PER SPEAKER. Thank you for your cooperation.

The City Clerk will read successively the items of business appearing on the Agenda. As she completes reading an item, it will be ready for Council action.

RAYMOND L. GREEN
Mayor

JOSEPH A. FERNEKES
Mayor Pro Tem

RICHARD A. GARBARINO, SR.
Councilman

PEDRO GONZALEZ
Councilman

KARYL MATSUMOTO
Councilwoman

RICHARD BATTAGLIA
City Treasurer

SYLVIA M. PAYNE
City Clerk

BARRY M. NAGEL
City Manager

STEVEN T. MATTAS
City Attorney

PLEASE SILENCE CELL PHONES AND PAGERS
HEARING ASSISTANCE EQUIPMENT AVAILABLE FOR USE BY THE HEARING IMPAIRED AT CITY COUNCIL MEETINGS

Staff Report

DATE: February 23, 2005

TO: Honorable Mayor and City Council

FROM: Marty Van Duyn, Assistant City Manager

SUBJECT: ADOPTION OF RESOLUTION APPROVING A THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE SAN MATEO COUNTY HARBOR DISTRICT AND THE CITY OF SOUTH SAN FRANCISCO

RECOMMENDATION

Adopt a resolution approving a Third Amendment to the Joint Powers Agreement between the San Mateo County Harbor District and the City of South San Francisco.

BACKGROUND/DISCUSSION

Pursuant to the Joint Powers Agreement between the City and the San Mateo County Harbor District, the District is authorized to enter into agreements with the State to refinance existing loan obligations. The District recently submitted the refinancing loan documents to the City for review. As part of the review, staff reviewed the Joint Powers Agreement for consistency with the terms of the loan documents. In order to ensure the City is not required to permit the State to possess or control City property in the event of the District's default, staff recommended changes to the Joint Powers Agreement. The amendment to the Joint Powers Agreement adds subsection (b) to Section 13, RESPONSIBILITY FOR LOAN REPAYMENT, to provide that the District may not provide ownership, entry, possession, maintenance, or other control of OYSTER POINT MARINA PARK as security for any loan. The District approved those changes on February 2, 2005.

CONCLUSION

Staff recommends that the City Council approve the Third Amendment to the Joint Powers Agreement as attached.

By: _____
Marty Van Duyn
Assistant City Manager

_____
Barry M. Nagel
City Manager

Attachment: Resolution
Third Amendment to Joint Powers Agreement

RESOLUTION NO._____

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION APPROVING A THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE SAN MATEO COUNTY HARBOR DISTRICT AND THE CITY OF SOUTH SAN FRANCISCO

WHEREAS, staff recommends approval of a Third Amendment to the Joint Powers Agreement between the San Mateo County Harbor District and the City of South San Francisco.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South San Francisco that the City Council hereby approves a Third Amendment to the Joint Powers Agreement between the San Mateo County Harbor District and the City of South San Francisco.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the agreement on behalf of the City of South San Francisco.

* * * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of South San Francisco at a _____ meeting held on the ___ day of _____, 2005 by the following vote:

AYES: _____

_____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk

S:\Current Resn's\2-23-05habor.district.jpa.doc

THIRD AMENDMENT AMENDING JOINT POWERS AGREEMENT

THIS THIRD AGREEMENT amending the Joint Powers Agreement by and between the SAN MATEO COUNTY HARBOR DISTRICT (the "DISTRICT") AND THE CITY OF SOUTH SAN FRANCISCO (the "CITY") is made and entered into as of this _____ day of _____, 2005.

WITNESSETH:

WHEREAS, on October 24, 1977, the parties hereto entered into a Joint Powers Agreement (the "Agreement") for the purpose of repairing and/or replacing the existing Marina facilities at Oyster Point and expanding said facilities as described therein, and for the purposes of permitting the DISTRICT to rehabilitate, manage, maintain and operate said existing Marina and construct, manage, maintain and operate the future Marina Development at Oyster Point; and

WHEREAS, said Agreement was amended on October 11,1979 and November 27, 1985; and

WHEREAS, the Agreement clearly states that the CITY retains fee ownership of the Property, and that any loans undertaken by the DISTRICT are the sole responsibility of the DISTRICT and that the DISTRICT shall hold CITY harmless for any costs to the CITY resulting therefrom; and

WHEREAS, the DISTRICT seeks to consolidate its loans with the California Department of Boating and Waterways (the "DBW") and the CITY seeks to ensure that its fee ownership of the Property is not encumbered as security for such a loan;

NOW, THEREFORE, it is agreed:

I. Section 13 is amended.

13. RESPONSIBILITY FOR LOAN REPAYMENT ~~– HOLD HARMLESS CLAUSE~~

(a) Hold Harmless Clause.

Except as expressly provided herein, *except as may be separately agreed to in writing by the District and the City,* the CITY shall not be responsible for any of the expenses related to the OYSTER POINT MARINA/PARK and specifically CITY shall not be responsible for the following: (1) costs of construction, including plans, specifications, and engineering; (2) economic studies incurred hereafter; (3) repayment of the existing loans incurred by CITY for construction of the existing marina at OYSTER POINT; (4) any loans incurred for future developments at said site in accord with the Exhibits attached hereto; and (5) for any costs of operation and maintenance except as expressly provided herein. In the event operating revenues are not sufficient to service said loans or pay costs of operation and maintenance, the DISTRICT shall assume responsibility for and make all payments due thereon and shall hold CITY harmless from any liability for said loans or costs of maintenance and operation.

(b) Loan Security.

The DISTRICT shall not provide ownership, entry, possession, maintenance, or other control of OYSTER PARK as security for any loan.

II. In all other respects, the Joint Powers Agreement and the First and second Amendments thereto are hereby affirmed.

IN WITNESS WHEREOF, the parties hereto, first being duly authorized, have executed this Third Agreement amending Joint Powers Agreement as of the date and year first above written.

SAN MATEO COUNTY HARBOR DISTRICT

_____

CITY OF SOUTH SAN FRANCISCO

_____
Mayor

SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRICT

_____
Ex Officio Chairman

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

San Mateo County Harbor District

Memo

DATE: August 28, 2013

TO: Armando Sanchez
Community and Economic Development
City of South San Francisco

FROM: Peter Grenell
General Manager

RE: Responses to City Council questions regarding Harbor District's Capital Improvements Program for Oyster Point Marina/Park

CC: Marty Van Duyn
Assistant City Manager

Armando,

Following are responses to the several questions you passed on to us from the City Council regarding the District's CIP. Please use these as you see fit. Responses follow in order as noted:

P. 2, para. 2: Number of berths: The original 600 figure was reduced by the removal of Docks 9 and 10 to provide space for the WETA ferry terminal. The 455 figure is currently the figure to use.

P. 2, para. 9: The Harbor District has tried to build on Pillar Point Harbor's growing reputation on San Mateo County's Coastside as a visitor and tourist destination. This has met with modest success. Various special event promoters, the County's As Fresh As It Gets program, the local Chamber of Commerce's active ecotourism program, and a number of athletic event organizers have added to the traditional fishing-oriented activities of groups like the Coastside Fishing Club. For Oyster Point Marina the challenge is somewhat greater, given the lesser degree of "outside" organizational activity and the constraints that arose out of the elimination of RDAs. A joint effort of the City, the Chamber, and the District seems called for to address the marketing and promotion challenge with a range of resources.

P. 3, para. 4: Comparison of marina vacancies: Sierra Point's lower vacancy is attributed to the fact that the City of Brisbane has subsidized rates there for years. Annual surveys show that Sierra Point has consistently been among the lowest berth rates of SF Bay marinas. The fact that no live-aboards are allowed may also be a factor. District marinas have attracted former tenants of Pete's Harbor in Redwood City, who were evicted when the marina's owner decided to sell the property to a private developer. Oyster Point (OPM) could have received more of these Pete's Harbor tenants except that OPM has reached the BCDC-mandated limit of 10% of berths that can be filled by live-aboards.

P. 4, para. 3: How to reduce costs given vacancies: Several things are in progress now: (a) Improved collections and removal of delinquents. This lengthy but continuous process yields increased revenue while eliminating non-payers who are maintenance liabilities and call for more staff attention; it also leads to improved appearance and slip availability for new tenants. (b) Reduced dock maintenance cost via dock replacement/rebuilding. Example: Dock 8 (guest dock) and Dock 11 have recently been rebuilt and are reopened for berthing. (c) Reduced staff costs from (a) and (b), and staff reallocations. (d) A facilities condition survey will be done soon (RFP is being issued shortly). This will focus staff attention on the most cost effective maintenance tasks.

P. 4, para. 3 and P. 5: Long term fiscal planning and debt retirement: The District will be issuing an RFP within the next month or so to begin the process of preparing a long term Strategic Business Plan for the District, with distinct Oyster Point and Pillar Point components. The plan will identify revenue generating and cost reduction opportunities and strategies, plans for continued fiscal solvency, and more efficient operational approaches. For your information, the District's outstanding loan balance to the state Division of Boating and Waterways (formerly a Department, now operating with State Park and Recreation) is down to $8.1 million from $19.77 million in 1997. Oyster Point loans comprise approximately $4 million of this total. The District expects to retire its remaining debt one year earlier than its 2019 scheduled date.

P. 11, para. 3: Improving OPM finances, including total and net revenues: (a) Improved collections from delinquent tenants, already happening. (b) New occupancy on rebuilt docks which now provide for larger, better paying boats. (c) Reducing staff costs will yield improved net revenue.

P. 11, para. 4: The strategic business plan will include analysis of SF Bay Area boating, marina, and occupancy and trends. At this time the Bay Area overall has a sizable vacancy rate, to a large extent a result of the long running economic recession. OPM has consistently had berth rates roughly 55% above the average for both public and total Bay Are marinas. Rates were just increased by 5%. Rates remain somewhat higher than Sierra Point and Coyote Point (public). [see response to marketing questions below.]

P. 12, paras. 3 and 5: As events have transpired, the Americas Cup has resulted in significantly less interest and attraction in the Bay Area. One result has been little apparent interest among potential visiting boaters in transient berthing at Oyster Point during the race events. The District conferred with the County Convention and Visitors Bureau about promotional possibilities; and placed an ad in Marin Magazine's "Race For The Cup" 2013 Summer Event Guide, which was to have wide distribution at on-site race venues in San Francisco and elsewhere.

A powerful incentive for boaters to patronize a marina is the availability of amenities, including onshore amenities and services. Based on instruction from City staff, the District's CIP has focused on the "marina area", i. e., the water area and its docks and berths. The District was informed that the City, through its redevelopment and planning processes, would take the lead with on-shore improvements. In view of the subsequent demise of redevelopment agencies, the District has been constrained in its ability to plan for and develop directly marina-related amenities that could attract new boater tenants.

In these complex circumstances, a marina marketing effort might best be done through a cooperative effort by the District, the City, and the Chamber of Commerce. Early joint communications are indicated to craft a broad, longer term effort to attract new boater tenants to the marina.

P. 12, para. 4: See P. 12 item re: Americas Cup. Additionally, newly rebuilt Dock 11 is filling with tenants, and OPM has received new tenants from Pete's Harbor in Redwood City.

San Mateo County Harbor District

Memo

DATE: August 28, 2013

TO: Armando Sanchez
Community and Economic Development
City of South San Francisco

FROM: Peter Grenell
General Manager

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San Mateo County Harbor District
1. Business Description

San Mateo County Harbor District

In 1933 by Resolution the Board of Supervisors of the County of San Mateo established the San Mateo County Harbor District. The County of San Mateo established the entire area of the County of San Mateo as the District's boundaries.

The Harbor District operates two facilities, Pillar Point Harbor at Half Moon Bay in Princeton, and Oyster Point Marina and Park in City of South San Francisco. The City of South San Francisco owns Oyster Point and the District operates it for the City under a Joint Powers Agreement. Oyster Point is a 600 berth recreational boating marina.

Why the difference? 9 x 10 removed for Ferry

Oyster Point Marina and Park

Oyster Point Marina and Park is a 455 berth public marina and 33-acre (13.4 HA) county park in the City of South San Francisco on the western shoreline of San Francisco Bay.

The marina is located close to nearby job centers in various office high rise complexes and near the City's downtown. It includes a fuel dock, a boat launching ramp, and a fishing pier. In addition to boating and parkland, there are hiking and jogging trails, picnic areas, and 2.3 miles (3.7 km) of sandy beaches.

The increasing traffic on Highway 101 and growing job centers located adjacent to this marina have led to the San Francisco Bay Water Transit Authority to develop a ferry terminal in the Oyster Point Marina.

The San Francisco Bay Ferry began operating a commute hour ferry service between the South San Francisco Ferry Terminal at the Oyster Point Marina and the Oakland Ferry Terminal at Jack London Square in Oakland and the Main Street Ferry Terminal in Alameda in June 2012.

Harbor District Service Goals and Priorities

Provide Safe Ocean and Bay Use, Access and Environmental enhancement

- Provide marine rescue services to aid boaters who are in distress.
- Provide a certified Clean Marina program including a recycling program to reduce costs and comply with Federal and State Environmental Laws.

Provide Ocean and Bay Access

- Provide and increased public access for active and passive enjoyment.

Provide High Quality Commercial-Recreation and Marine-Related Services

- Seek quality private sector businesses to serve the boating public, general public and commercial fishing fleet.
- Actively promote tourism to generate business and revenue for the District.
- Provide a balanced level of services for all users of District facilities.

Maintain Positive Public Image

- Serve all District customers, clients, staff, lessees, and agencies in a friendly and courteous manner at all times.
- Communicate with the public, media, other agencies and employees on a regular basis through the use of all available media.
- Provide maximum responsiveness to District clients in meeting daily responsibilities.

Maintain Ability to Accommodate Growth

- Develop and maintain infrastructure. Insure that roads, parking, and other support services are ready to meet future public needs.
- Foster economic development and commercial and recreation oriented business by promoting marina and its potential for quality business development in an environmentally acceptable manner.

Market

Oyster Point Marina is one of 39 marinas in the San Francisco Bay region. Of these, 17 are public marinas. According to a 2009 Grand Marina occupancy survey, there were approximately 14,700 berths in San Francisco Bay. The number of vessels in the Bay peaked in 2002/2003 at approximately 13,600 resulting in a 7.5% vacancy rate. The 2009 Grand Marina study also reported finding a steady decline in the number of vessels in the Bay since the peak years of 2002/2003. The number of vessels in 2009 was 11,800, resulting in a vacancy rate of approximately 20%.

Oyster Point Marina has three immediate neighbors: Oyster Cove, a private marina; and two public marinas, Sierra Point in Brisbane and Coyote Point in San Mateo, operated by San Mateo County. At present, Oyster Cove is 17% vacant, Sierra Point 7% vacant, and Coyote point 30% vacant. Oyster Point Marina is currently 23% vacant.

Why is their less vacancy to our neighbors to the north? Slip fee is subsidized by city? [No live aboards.]

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point faces a challenge in its efforts to increase occupancy and grow revenue. The Oyster Point Marina is competing in a regional market with other marinas for a reduced number of boaters.

San Mateo County Harbor District
2. Financial Plan

The potential for attracting new boater occupancy at Oyster Point Marina and associated increased revenues is largely dependent upon:

a) The San Francisco Bay regional market demand for berthing facilities

b) The quality of marina facilities and tenancy

c) The level and quality of on-site amenities and/or convenient access to such amenities off-site

d) A vigorous marketing effort to raise boater, visitor, and general public awareness of Oyster Point's positive attributes.

The Oyster Point Marina's financial plan relies on taking actions to develop long term solvency and plans to maximize existing revenue. Special events and circumstances, such as the upcoming Americas Cup centered in San Francisco, may also create opportunities to increase occupancy and revenue.

Develop Long-Term Financial Solvency

How do you propose to this w/a 23% vacancy?

- Reduce costs by finding different ways to provide current services for less cost by improving operations and automating wherever economically feasible.
- Aggressively pursue grants, private sector funding, and other financing sources to decrease dependence on taxpayer dollars.
- Expand use of user fees and charges to increase District's income.
- Develop and implement long-term fiscal plans to keep the District financially solvent. When will this done?

- improved collections
- reduced dock maint. → rebuild, eg, B & 11)
- reduce staff cost
- reduce staff + rent
- replace D&M w/ HW
- prepare strategic plan RFP now

Plan Ahead to Maximize Existing Resources

- Develop a long-term strategic plan to guide the direction of the Harbor District in a purposeful manner.
- Develop and implement an operations plan that will identify the specifics of our strategic plan.
- Insure public input and participation in decision-making for future facility and service needs.

The strategy to improve the Harbor District's finances relies on small incremental steps to build up capacity and revenues. This will result in moderate revenue increases the first few years and improved performance in later years as the economy improves and the District efforts take full effect.

Income Statement (Year 2012-01-2005)

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/7
Operating Revenue	$1,792,247	$1,828,092	$1,882,935	$1,977,081	$2,075,936
Non-Operating Revenue	0	0	0	0	0
Total Revenue	1,792,247	1,828,092	1,882,935	1,977,081	2,075,936
Operating Expenses	515,599	525,911	541,688	557,939	574,677
Non-Operating Expenses	952,300	971,346	1,000,486	1,030,501	1,061,416
Total Expenses	1,467,899	1,497,257	1,542,175	1,588,440	1,636,093
Net Income	324,348	330,835	340,760	388,642	439,842

What is the status of the District's $30+ debt?
was 19.7M in 1997 - now 8.1M.
In Dec 2013 will < 6.7M

San Mateo County Harbor District
5. Marketing Plan

The Marketing Plan for the Oyster Point Marina is made up of the following seven section

A. Problem Statement – a clear declaration of the marketing challenge
B. Objectives – the Marina's marketing and financial goals
C. Current Market Situation – an analysis of the market, competition, and macroeconomic environment
D. Opportunity Analysis – a look at the Marina's market opportunities
E. Marketing Strategy – the positioning and marketing of the Marina

A. Challenge Statement

The Harbor District's challenge is to increase revenue by enticing more boaters to berth their vessels at Oyster Point Marina on a permanent or transient basis.

B. Objectives

Financial Objectives

Improve Oyster Point Marina finances by

- Increasing total revenue by 16% between FY 2013 14 and 2016 17
- Increasing net revenue by 36% FY 2013 14 and 2016 17

Marketing Objectives

- Increase berth occupancy by 3-5% each year until achieving 95% occupancy
- Increase launch ramp fees by 2% each year
- Increase rent and concessions by 2% each year

C. Current Market Situation

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point Marina faces competition not only from neighboring marinas but also from other non-aquatic leisure and entertainment activities. With a 20% berth vacancy in San Francisco Bay, Oyster Point Marina will have to improve its facilities and amenities to in order to compete for new boaters and those looking to relocate. To meet its goals, Oyster Point Marina will have to aggressively pursue boaters and other opportunities as described in Section D below.

D. Opportunity and Issue Analysis

Oyster Point Marina has identified and will pursue the following opportunities to meet its financial and operational goals:

- Improve Marina facilities as per CIP to increase boater capacity and improve the Marina's appeal to boaters. The quality of Marina facilities for tenants and the level and quality of on-site amenities and/or convenient access to such off0stie amenities are vital factors influencing the Marina's ability to attract new permanent and transient boaters.

- Accelerate effort to remove vessels delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. This action will increase capacity for boaters and improve the appeal of the Marina.

- Enhance lessee sales dock by agreement for charter vessel use, which includes the Marine Collections LLC lease and a possible joint venture with Oyster Point MV.

- Vigorous Oyster Point promotional and marketing campaign

- Pursuing Americas Cup events opportunities.

- Increase the use of the Marina and park by cyclists, joggers, walkers and families looking for recreational activities.

E. Marketing Strategy

America's has begun, what has the District done? Revenue impact? mtg/add.

Initial promotional and marketing activities will focus on America's Cup events and related opportunities. Specific marketing efforts will need to identify the messages to convey, the audiences to be reached, interactions desired and communication channels. District staff has begun exploring these elements.

The District's primary objective with the America's Cup will be to attract more boaters to berth their vessels at Oyster Point, permanently or on a transient basis. A secondary objective will be to attract charter cruise operations to the marina and promote their activities in connection with Cup events where possible. The Harbor District will also explore the potential to entice ferry riders to consider basing their boating activities at Oyster Point.

Beyond initial promotions around the America's Cup, marketing campaigns will focus on publicizing the Marina. Marketing effort might best be done through a cooperative effort by the Harbor District, the City, and the Chamber of Commerce. Such an effort might include more special events to attract potential boater tenants to Oyster Point and increase the use of the Marina facilities and trails by non-boaters.

Please be more specific don't know yet; need to confer

Peter Grenell

To:	Gerry.Beaudin@ssf.net
Cc:	Debbie Nixon
Subject:	FW: CIP Documents
Attachments:	OPM Capital Improvement Project 2010 2015.doc.docx; OPM Management Plan to Increase Berth Occupancy and Direct Revenue.docx

Gerry,

Attached as requested are Word docs of Oyster Point Marina/Park Capital Improvement Program: 2010-2015 and Management Plan to Increase Berth Occupancy and Direct Revenue. Following is a brief update on matters since this was sent to the City on or about July 21, 2011:

3. Dock 11 Replacement and 4. Guest Dock (Dock 8) Upgrade: These two projects are nearing completion, which is expected approximately by the end of June. Dock 11 is being rebuilt and reconfigured to provide more larger berths, consistent with SF Bay Area market trends. Dock 8 is being rebuilt including widening of deck and improved utilities. Both projects are integral parts of the attached management Plan to Increase Berth Occupancy and Direct Revenue, and linked to America's Cup opportunities. In parallel, the District is undertaking more America's Cup-related marketing through other channels to attract visiting or new permanent boating tenants.

Meanwhile, the District continues its efforts to encourage Oyster Point (and Pillar Point) boater tenants to improve the appearance and conditions of their vessels, and to remove vessels which are delinquent in rents, in violation of ordinance provisions re: operability, seaworthiness, and appearance – all in order to improve the attractiveness of the Marina to prospective new tenants.

Hope this helps expedite action.

Peter Grenell
General Manager

From: Debbie Nixon
Sent: Thursday, June 06, 2013 2:05 PM
To: Peter Grenell
Subject: CIP Documents

Thank you,

Debbie Nixon
Administrative Assistant/Deputy Secretary
San Mateo County Harbor District
400 Oyster Point Blvd., #300
South San Francisco, CA 94080
650/583-4400 phone
650/583-4611 fax
www.smharbor.com
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Save Paper. Think Before You Print.

Staff Report

DATE: August 14, 2013

TO: Honorable Mayor and City Council

FROM: Marty Van Duyn, Assistant City Manager

SUBJECT: ADOPT A RESOLUTION APPROVING SAN MATEO COUNTY HARBOR DISTRICT'S CAPITAL IMPROVEMENT PLAN AND MANAGEMENT PLAN PURSUANT TO THE AGREEMENT BETWEEN THE CITY OF SOUTH SAN FRANCISCO, THE SUCCESSOR AGENCY AND THE SAN MATEO COUNTY HARBOR DISTRICT

RECOMMENDATION

It is recommended that the City Council adopt a resolution approving San Mateo County Harbor District's Capital Improvement Plan and Management Plan pursuant to the agreement between the City of South San Francisco, the Successor Agency and the San Mateo County Harbor District.

BACKGROUND/DISCUSSION

On March 25, 2011 the City of South San Francisco, the Redevelopment Agency of the City of South San Francisco and the San Mateo County Harbor District (Harbor District) entered into an Agreement to make dock improvements to the Oyster Point Marina. The City, with funding from the Redevelopment Agency, committed $2,000,000 to pay for the design, engineering, permitting and construction of up to two new docks in the Marina. As a condition of making these funds available, the Harbor District was to prepare and provide for City approval a Capital Improvement Plan and a Management Plan for the operations of Oyster Point Harbor (Plans).

The Harbor District has submitted the required Plans to the City and staff has reviewed them and found them to adequately address the management and improvement needs of the harbor at the Oyster Point Marina. With City Council's approval of the Plans, the Successor Agency will be able to include the $2,000,000 payment to the Harbor District in the next Recognized Obligation Payment Schedule (ROPS) submitted to California Department of Finance (DOF).

FUNDING

The Successor Agency has listed the payment to the Harbor District as a pending obligation in all ROPS submitted to DOF. The Successor Agency requested the funds in the July – December 2013

ROPS but DOF rejected it because the City had not approved the Plans. With the City Council's approval of the Plans, staff will request the funds in the January – June 2014 ROPS and upon DOF approval of the ROPS make the $2,000,000 payment to the Harbor District.

CONCLUSION

It is recommended that the City Council adopt a resolution approving the San Mateo County Harbor District's Capital Improvement and Management Plans for the Oyster Point Marina.

By: _____ Approved: _____
Marty Van Duyn
Assistant City Manager

Barry M. Nagel
City Manager

Attachment: Resolution
Oyster Point Marina Capital Improvement Plan
Harbor District Business and Management Plan

RESOLUTION NO.____

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION APPROVING SAN MATEO COUNTY'S HARBOR DISTRICT CAPITAL IMPROVEMENT PLAN AND MANAGEMENT PLAN PURSUANT TO THE AGREEMENT BETWEEN THE CITY OF SOUTH SAN FRANCISCO, THE SUCCESSOR AGENCY AND THE SAN MATEO COUNTY HARBOR DISTRICT

WHEREAS, on March 25, 2011, the City of South San Francisco ("City"), the former Redevelopment Agency of the City of South San Francisco, and the San Mateo County Harbor District ("Harbor District") entered into an Agreement to make dock improvements to the Oyster Point Marina ("Agreement"); and

WHEREAS, pursuant to that Agreement, the City, with funding from the former Redevelopment Agency, committed $2,000,000 to pay for the design, engineering, permitting and construction of up to two new docks in the Marina, provided that the Harbor District presented a Capital Improvement Plan and a Management Plan for the operations of Oyster Point Harbor ("Plans") to the City for approval; and

WHEREAS, the Harbor District has submitted the Plans to the City and staff has reviewed them and found them to adequately address the management and improvements needs of the harbor at the Oyster Point Marina; and

WHEREAS, the City staff recommends that the City Council adopt a resolution approving the San Mateo County's Harbor District's Capital Improvement Plan and Management Plan pursuant to the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South San Francisco that the City Council hereby approves of the San Mateo County's Harbor District's Capital Improvement Plan and Management Plan for the Oyster Point Harbor.

BE IT FURTHER RESOLVED that the City Council of the City of South San Francisco hereby authorizes the City Manager to execute and submit any required documents consistent with the intent of this resolution, subject to approval by the City Attorney.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of South San Francisco at a _____ meeting held on the ___ day of _____, 2013 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk

2119683.1

Peter Grenell

From: Marc Zafferano [mlz@adcl.com]
Sent: Tuesday, May 19, 2009 9:23 AM
To: Gresham, Zane O.
Cc: Peter Grenell
Subject: RE: S/SKS-OPM-HD Resolution

Thanks for revising the reso per our conversation to include that it's conditioned on DBW approval and to fill in the blanks; we'll need to put this on our agenda as an urgency item, which we can do. If you don't mind, send the revised reso to both me and Peter Grenell at the above address as soon as possible. Thanks, Marc

---

From: Gresham, Zane O. [mailto:ZGresham@mofo.com]
Sent: Friday, May 15, 2009 2:51 PM
To: Marc Zafferano
Cc: Horsch, Rachel B.; Mattas, Steve; Fratini, Corinne
Subject: FW: S/SKS-OPM-HD Resolution

Marc-

As discussed, attached is a form of resolution for the Harbor District to wrap up the King assignments. We would ask this will be adopted by the Harbor District Board on Wednesday.

This was developed in consultation with Rachel Horsch (and we ran it by Steve Mattas, too).

Counsel collectively believe it satisfies both the land use/regulatory requirements and the real estate/contractual requirements for the overall transaction and project.

Please let me know if you have any questions or would like to discuss.

Many thanks!

-Zane

P.S. Penny Shulz called and left a message that she was going to finish her review of the documents you sent her for the DBW consent to the assignments by Thursday or Friday of next week. Let's keep checking in to be sure she is staying on that track!

<<SKS-OPM-Harbor District Resolution Approving MOU - 3.DOC>>

Zane O. Gresham
Morrison & Foerster LLP
425 Market Street
San Francisco CA 94105
U.S.A.

Tel +1.415.268.7145
FAX +1.415.268.7522

www.mofo.com

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Peter Grenell

From: Paul Stein [PStein@sksinvestments.com]
Sent: Friday, May 15, 2009 10:28 AM
To: Peter Grenell
Cc: JC Wallace
Subject: RE: Update re: DBW and MOU

Hi Peter,
I understand your request for additional funding. However, we are not prepared to provide any additional economic assistance.
Our offer was for a specific amount, which is to cover all expenses. That offer still stands.
I look forward to seeing you next Wednesday night at the Harbor Commission meeting and to closing the King transaction.
Best, Paul

Paul E. Stein | SKS Investments, LLC

Tel: 415.421.8200 | Fax: 415.421.8201 |
601 California St. Ste. 1310 | San Francisco, CA 94108

From: Peter Grenell [mailto:pgrenell@smharbor.com]
Sent: Thursday, May 14, 2009 12:03 PM
To: Paul Stein
Cc: Jim R. Karpiak
Subject: RE: Update re: DBW and MOU

Good morning, Paul.

Quick update re: DBW and assignments approval: Our counsel, Marc Zafferano, has already emailed DBW's counsel, Penny Schulz, updating her on last night's City Council and RDA actions and their significance for the District and DBW, including S/SKS's intention to spend significant money to address King's deferred maintenance needs; and also the importance of getting the lease assignments approval immediately for our Harbor Commission's May 20 meeting. Zafferano and Schulz will confer on Monday; we hope we can wrap it up then.

One question that the Harbor Commission will need to consider is raised by paragraph 3 in your email proposal of May 8: "OPV will not be expected or asked to pay to the Harbor District any other funds related to the actions listed above or associated with future planning or development."

It is uncertain at this time what possible future costs may be incurred to address the planning by District called for in the City/District MOU (Sec. 10), and additionally what potential impacts on the District re: planning needed for the infrastructure that will be done, e. g., in Area II-C, to which S/SKS will contribute according to your MOU with the City., and other public improvements referred to in our MOU (6.2).

Given the non-binding nature of the MOUs, and the mutual desire to proceed directly with the activities called for in both MOUs without delay, a modification to that paragraph 3 sentence to bring it more into accord with the MOU language would eliminate the concern. What's your thought?

Peter

SAN MATEO COUNTY HARBOR DISTRICT
OYSTER POINT MARINA
CAPITAL IMPROVEMENT PROGRAM: 2010-2015

May 2013

OYSTER POINT MARINA
CAPITAL IMPROVEMENT PROGRAM: 2010-2015

Prepared for the City of South San Francisco pursuant to the Memorandum of Understanding of May 27, 2009 between the City and the San Mateo County Harbor District and reaffirmed in Section 6.2 of the Agreement executed between the City and Harbor District on March 25, 2011

Introduction

The San Mateo County Harbor District has prepared this draft Oyster Point Marina/Park Capital Improvement Program (CIP) for the City of South San Francisco based upon Section 6.2 of the March 25, 2011 Agreement between the parties. It is intended as a companion document to the draft Management Plan to Increase Berth Occupancy and Direct Revenue also prepared pursuant to the Agreement's Section 6.2.

The CIP is based on two main points of guidance from the City:

1. A five-year time span; and
2. Focus on the water are of the Marina proper, including docks, berths, and dredging.

Projects identified include those begun following execution of the MOU and are limited to the water are of the Marina. No on-land projects are included, such as building, parking lot or trail improvements, except for project #5 (Harbormaster Office Relocation; see note below). Projects expected to begin in 2011 are aimed at responding to opportunities created by the Americas Cup events.

FY 2010-2011

1. **East Basin Maintenance Dredging:** **$630,000***
   (Site Preparation)
2. **Wave attenuators (docks 12, 13, and 14):** **$600,000****
   (Public Infrastructure)

   *This project was completed in 2010.
   **Estimate of the 20% local sponsor share of the total cost fir USACE's final step in OPM breakwater entrance reconfiguration project. Project was begun in 2010.

FY 2011-2012

3. **Dock 11 Replacement:** **$2,000,000 (per dock)***
   (Public Infrastructure)
   *Pre-construction tasks to begin in 2011. Estimated total cost includes these tasks. Dock design will provide for larger berths to respond to boating market trends, and are

planned to generate increased revenue per slip. Replacement is preferred to reconfiguration of existing facility as it will probably be quicker to implement and will have longer design life, being entirely new. Alternative materials, berth configurations, and costs will be reviewed as well as permit requirements before final procurement decisions are made.

4. **Guest Dock Upgrade or Sales Dock reconfiguration:** **$600,000****
(Public Infrastructure)

**Pre-construction tasks to begin in 2011. Cost estimate is for Guest Dock only, and includes provision of ADA-compliant access ramp. Sales Dock estimate is unknown at this time. District has contracted Marine Collections LLC lessee, which operates the Sales Dock under lease, regarding the potential for executing a management agreement, and will prepare a proposal for lessee consideration. If this option is chosen, the District would improve the Sales Dock to accommodate charter cruises and refrain from immediately upgrading the Guest Dock; the east-west orientation of the Sales Dock id preferable for vessel docking, according to charter operations.

FY 2012-2013

5. **Relocation of Oyster Point Harbormaster Office** **$N.A.***

District staff has discussed with the City's Oyster Point planning consultant the potential need to relocate the Harbormaster Office to a more secure long-term location off the mole; the latter is subsiding and subject to flooding. Further preliminary investigations will continue at this time. Follow-up action may be desirable or even needed following certification of the City's Oyster Point Environmental Impact Report and other City redevelopment planning actions with respect to Phase I of the Oyster Point Redevelopment Plan.

FY 2013-2014

6. **Dock Replacement:** **$2,000,000 (per dock)***
(Public Infrastructure)

*Pre-construction tasks may begin 2013, depending upon fund availability. Estimated total cost includes the pre-construction tasks. Dock design may provide for larger berths to respond to boating market trends. A phased program of sequential dock improvements is envisioned; choice of dock after Dock 11 (item #3 above) and timing will depend on individual condition and funding availability.

FY 2014-2015

7. **Dock Replacement:** **$2,000,000 (per dock)***
(Public Infrastructure)

*Pre-construction tasks may begin in 2015, depending upon fund availability. Estimated total cost includes the pre-construction tasks. Dock design may provide for larger berths to respond to boating market trends. A phased program of sequential dock improvement is envisioned; choice of dock after Dock 11 (item #3 above) and timing will depend on individual condition and funding availability.

San Mateo County Harbor District
Oyster Point Marina
Business and Management Plan

May 30, 2013

San Mateo County Harbor District
1. Business Description

San Mateo County Harbor District

In 1933 by Resolution the Board of Supervisors of the County of San Mateo established the San Mateo County Harbor District. The County of San Mateo established the entire area of the County of San Mateo as the District's boundaries.

The Harbor District operates two facilities, Pillar Point Harbor at Half Moon Bay in Princeton, and Oyster Point Marina and Park in City of South San Francisco. The City of South San Francisco owns Oyster Point and the District operates it for the City under a Joint Powers Agreement. Oyster Point is a 600 berth recreational boating marina.

Oyster Point Marina and Park

Oyster Point Marina and Park is a 455 berth public marina and 33-acre (13.4 HA) county park in the City of South San Francisco on the western shoreline of San Francisco Bay.

The marina is located close to nearby job centers in various office high rise complexes and near the City's downtown. It includes a fuel dock, a boat launching ramp, and a fishing pier. In addition to boating and parkland, there are hiking and jogging trails, picnic areas, and 2.3 miles (3.7 km) of sandy beaches.

The increasing traffic on Highway 101 and growing job centers located adjacent to this marina have led to the San Francisco Bay Water Transit Authority to develop a ferry terminal in the Oyster Point Marina.

The San Francisco Bay Ferry began operating a commute hour ferry service between the South San Francisco Ferry Terminal at the Oyster Point Marina and the Oakland Ferry Terminal at Jack London Square in Oakland and the Main Street Ferry Terminal in Alameda in June 2012.

Harbor District Service Goals and Priorities

Provide Safe Ocean and Bay Use, Access and Environmental enhancement

- Provide marine rescue services to aid boaters who are in distress.
- Provide a certified Clean Marina program including a recycling program to reduce costs and comply with Federal and State Environmental Laws.

Provide Ocean and Bay Access

- Provide and increased public access for active and passive enjoyment.

Provide High Quality Commercial-Recreation and Marine-Related Services

- Seek quality private sector businesses to serve the boating public, general public and commercial fishing fleet.
- Actively promote tourism to generate business and revenue for the District.
- Provide a balanced level of services for all users of District facilities.

Maintain Positive Public Image

- Serve all District customers, clients, staff, lessees, and agencies in a friendly and courteous manner at all times.
- Communicate with the public, media, other agencies and employees on a regular basis through the use of all available media.
- Provide maximum responsiveness to District clients in meeting daily responsibilities.

Maintain Ability to Accommodate Growth

- Develop and maintain infrastructure. Insure that roads, parking, and other support services are ready to meet future public needs.
- Foster economic development and commercial and recreation oriented business by promoting marina and its potential for quality business development in an environmentally acceptable manner.

Market

Oyster Point Marina is one of 39 marinas in the San Francisco Bay region. Of these, 17 are public marinas. According to a 2009 Grand Marina occupancy survey, there were approximately 14,700 berths in San Francisco Bay. The number of vessels in the Bay peaked in 2002/2003 at approximately 13,600 resulting in a 7.5% vacancy rate. The 2009 Grand Marina study also reported finding a steady decline in the number of vessels in the Bay since the peak years of 2002/2003. The number of vessels in 2009 was 11,800, resulting in a vacancy rate of approximately 20%.

Oyster Point Marina has three immediate neighbors: Oyster Cove, a private marina; and two public marinas, Sierra Point in Brisbane and Coyote Point in San Mateo, operated by San Mateo County. At present, Oyster Cove is 17% vacant, Sierra Point 7% vacant, and Coyote point 30% vacant. Oyster Point Marina is currently 23% vacant.

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point faces a challenge in its efforts to increase occupancy and grow revenue. The Oyster Point Marina is competing in a regional market with other marinas for a reduced number of boaters.

San Mateo County Harbor District
2. Financial Plan

The potential for attracting new boater occupancy at Oyster Point Marina and associated increased revenues is largely dependent upon:

a) The San Francisco Bay regional market demand for berthing facilities

b) The quality of marina facilities and tenancy

c) The level and quality of on-site amenities and/or convenient access to such amenities off-site

d) A vigorous marketing effort to raise boater, visitor, and general public awareness of Oyster Point's positive attributes.

The Oyster Point Marina's financial plan relies on taking actions to develop long term solvency and plans to maximize existing revenue. Special events and circumstances, such as the upcoming Americas Cup centered in San Francisco, may also create opportunities to increase occupancy and revenue.

Develop Long-Term Financial Solvency

- Reduce costs by finding different ways to provide current services for less cost by improving operations and automating wherever economically feasible.
- Aggressively pursue grants, private sector funding, and other financing sources to decrease dependence on taxpayer dollars.
- Expand use of user fees and charges to increase District's income.
- Develop and implement long-term fiscal plans to keep the District financially solvent.

Plan Ahead to Maximize Existing Resources

- Develop a long-term strategic plan to guide the direction of the Harbor District in a purposeful manner.
- Develop and implement an operations plan that will identify the specifics of our strategic plan.
- Insure public input and participation in decision-making for future facility and service needs.

The strategy to improve the Harbor District's finances relies on small incremental steps to build up capacity and revenues. This will result in moderate revenue increases the first few years and improved performance in later years as the economy improves and the District efforts take full effect.

Income Statement (Year 2012-01-2005)

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/7
Operating Revenue	$1,792,247	$1,828,092	$1,882,935	$1,977,081	$2,075,936
Non-Operating Revenue	0	0	0	0	0
Total Revenue	1,792,247	1,828,092	1,882,935	1,977,081	2.075,936
Operating Expenses	515,599	525,911	541,688	557,939	574,677
Non-Operating Expenses	952,300	971,346	1,000,486	1,030,501	1,061.416
Total Expenses	1,467,899	1,497,257	1,542,175	1,588,440	1,636,093
Net Income	324,348	330,835	340,760	388,642	439,842

San Mateo County Harbor District
3. Management Plan

Management Team
The management team includes Peter Grenell, the Harbor District's General Manager, Scott A. Grindy, Oyster Point Marina Harbormaster, and the Harbor District's Board of Commissioners.

Peter Grenell, General Manager
Peter Grenell has been General Manager of the Harbor District for fifteen years. He has overall administrative responsibilities for Pillar Point Harbor and Oyster Point Marina/Park and directs the Harbormaster and other District staff. Mr. Grenell oversees routine administrative matters and heads the District's management team of Harbormaster, Finance Director and Human Resources Manager. His responsibilities include overseeing preparation of materials for twice-monthly action by the Board of Harbor Commissioners, grant writing, representing the agency before various boards, councils and commissions, directing project development in concert with the Harbormaster and strategic planning.

Before his work with the Harbor District, his 35 years of professional experience included serving over eight years as Executive Officer of the California State Coastal Conservancy. He also has five years experience as program developer, director and project manager for numerous Conservancy waterfront and access and land conservation projects. He has worked in the public, nonprofit and private sectors both domestically and overseas in urban development and planning and harbor redevelopment.

Scott A. Grindy, Harbormaster
Harbor Master Scott A. Grindy oversees operations for the San Mateo County Harbor District at Pillar Point and Oyster Point Marina/Park. This charge includes day-to-day operations including facilities maintenance, occupancy and berthing management, ocean search and rescue operations, facilities improvement project development and constructions, supervising 19 harbor patrol staff and special events management.

Previously, Mr. Grindy served over 25 years in the management of capital projects, facility, building and engineering administration, buildings operations, emergency operations, road and highway construction/design and security operations. For seven years he managed the Port of Everett's 2,400-berth marina, overseeing slip rentals, budgeting, grants procurement, marketing, customer services and facilities maintenance and security. He was an executive member of the Department of Homeland Security's Area Maritime Committee. He has also managed a university campus including construction of its first two phases, as well as a technical college with offstie campus buildings.

Board of Commissioners
Five members sit on the Harbor District's Board of Commissioners. Commissioners are elected by the general public and serve staggered terms of four years. Their experience

includes managing ports, setting ocean and fisheries policies, practicing law and establishing public interest organizations. Their educational experience includes graduates from the University of California, Davis, Eastern Michigan University, San Francisco State University and UC Hasting College of Law.

Organizational Structure

The Harbor District is an independent special District whose jurisdiction is San Mateo County. It is governed by a board of commissioners with legal and ethical responsibilities. The board of commissioners is responsible for ensuring that the Harbor District meets its legal requirements and that it operates in accordance with its mission. Commissioners are also responsible for safeguarding the Harbor District's assets, ensuring the District has sufficient funds to operate, and hiring the General Manager.

The General Manager serves as the chief executive officer overseeing all day-to-day administration and work of the District. The General Manager reports to the board of commissioners and is responsible for developing and managing the District's $10,211,126 budget. Other responsibilities include ensuring that the District's program objectives are clearly stated, ensuring that program activities are focused on achieving stated goals, and providing strategic leadership for serving the boating and recreational needs of San Mateo County.

San Mateo County Harbor District
4. Operating Plan

As stated in the Financing Plan, attracting new boater occupancy at Oyster Point Marina and increasing revenue are dependent on facility improvements, taking advantage of operational opportunities and marketing efforts. This section describes the Harbor District's facility improvement plans and efforts to take advantage of operational opportunities.

Improving the Quality of Marina Facilities and Tenancy

Facilities: In recent years the Harbor District has completed several substantial facilities improvements and upgrades at Oyster Point. These include:

- Rebuilding the small craft launch ramp
- Repairing segments of the Bay Trail within Oyster Point
- Replacing dock gates and structural repairs to the gates' foundations and a new code access system
- Maintenance dredging of the east and west basins
- Reconfiguring the marina breakwater entrance to facilitate safe, quick, and convenient access by the new ferry
- Renovating a public restroom
- Rebuilding the guest dock and one permanent berthing dock

The Water Emergency Transportation Authority has also removed two old docks to make room for the newly constructed ferry terminal.

Facilities improvements will continue consistent with the draft Capital Improvements Program (CIP) prepared by the District pursuant to its Agreement with the City of South San Francisco. In accordance with the Agreement, and as set forth in the CIP, the District will henceforth focus its attention and resources on the water area of the marina proper. The CIP outlines a series of dock replacements and upgrades over a five-year period as requested by the City.

The dock replacement will enable the Oyster Point Marina to provide new, larger, high quality berths that will be able to cater to current market trends. The new docks will enable the Oyster Point Marina to increase occupancy and generate increased revenues. The District has completed rebuilding the first of the new docks, which replaces the dock adjacent to the ferry terminal. Improvements to the guest dock, also recently completed, are expected to result in augmented revenue from guests berthing and use by charter cruise vessels.

Tenancy: In a continuing effort to improve the ambiance and attractiveness of Oyster Point Marina, the Harbor District has been acting to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. Between 2004 and 2010, the District removed approximately 34 vessels from Oyster Point Marina (at least

29 with state grant funds). In some instances, this action may result in a temporary small decline in revenue and occupancy, but this is expected to reverse with the entry of new boater tenants who are able to pay their rents and maintain their vessel in satisfactory condition.

Lessee Concerns and Opportunity: The District may make minor modifications and repairs to the marine center sales dock which is included in the Marine Collections LLC lease. These minor modifications and repairs will make the facility suitable for use as a charter vessel boarding dock. The District is exploring with the lessee, Oyster Point MV LLC, the possibility of pursuing an opportunity for a joint revenue sharing venture to enhance the use of the marina. The District is now exploring the feasibility of a plan and proposal for this opportunity at the request of the lessee.

Level and Quality of On-Site Amenities and Off-Site Access: Links to City Redevelopment Plans

Increased boater occupancy – and revenue – depends to a great extent on the amenities available to boaters at the marina, or nearby access to these amenities. Required amenities range from clean and functioning restrooms and bathing facilities to laundry facilities, restaurant establishments, and easy and frequent public transit to downtown. Boat servicing and detailing, chandlery and other marine supply, secure storage, and decent vehicle parking are also important attractions.

A challenge to the City and the District in enhancing on-site amenities stems from the City's Oyster Point redevelopment planning process. Eventually, the City's efforts will transform Oyster Point into a thriving business, visitor and recreational destination. However, the City's recently released programmatic environmental impact report for Oyster Point and other City information indicate that major infrastructure improvements, including streets and utilities, that are projected for the marina area are several years off. Structure demolition and site preparation for planned commercial redevelopment likewise are not imminent.

The District's capital improvement program is targeted to the docks and water area of the marina proper, as per the Agreement with the City. While new dock facilities and an upgraded tenant mix are timed to anticipate the Americas Cup events and the arrival of new tenants, caution should be exercised in projecting greatly enhanced occupancy and revenue in the short term. In the absence of improvements and additions to on-site amenities, the continuation of the sluggish economy and high unemployment, as well as rising oil prices will continue to be a drag on improved occupancy and revenue growth.

Potential Impact of New Ferry Service on Marina Occupancy

The Water Emergency Transportation Authority (WETA) began Oyster Point ferry terminal service in June 2012. The actual impact of the ferry service on the marina, with its traffic of incoming and outgoing riders, is as yet unknown. While it is likely to attract many people who are curious about the new vessel and service in addition to the ridership of journey-to-work commuters, the affects of this activity on possible increase in berth occupancy and revenue remain to be seen.

Americas Cup-Simulated Opportunities

The forthcoming Americas Cup events on San Francisco Bay offer an exciting opportunity for the City and the District to augment revenues. Opportunities include the promotion of the Oyster Point Marina for docking to visiting boaters and to charter cruise vessels transporting Peninsula passengers to view the events. The Marina can also be promoted to new boaters created by the enthusiasm the America's Cup will generate.

Replacement of Dock 11 (refer to above) will enable the Marina to provide a number of new berths. Improvements to the marina's guest dock and/or modification of the sale dock will serve the charter cruise vessels as mentioned above.

Accelerated efforts to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict or abandoned will enhance the marina's attractiveness and increase desirability by new boaters. Making on-shore improvements to the City's streets and parking areas will also enhance the attractiveness of the Marina and reduce safety hazards.

San Mateo County Harbor District
5. Marketing Plan

The Marketing Plan for the Oyster Point Marina is made up of the following seven section

A. Problem Statement – a clear declaration of the marketing challenge
B. Objectives – the Marina's marketing and financial goals
C. Current Market Situation – an analysis of the market, competition, and macroeconomic environment
D. Opportunity Analysis – a look at the Marina's market opportunities
E. Marketing Strategy – the positioning and marketing of the Marina

A. Challenge Statement

The Harbor District's challenge is to increase revenue by enticing more boaters to berth their vessels at Oyster Point Marina on a permanent or transient basis.

B. Objectives

Financial Objectives

Improve Oyster Point Marina finances by

- Increasing total revenue by 16% between FY 2013/14 and 2016/17
- Increasing net revenue by 36% FY 2013/14 and 2016/17

Marketing Objectives

- Increase berth occupancy by 3-5% each year until achieving 95% occupancy
- Increase launch ramp fees by 2% each year
- Increase rent and concessions by 2% each year

C. Current Market Situation

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point Marina faces competition not only from neighboring marinas but also from other non-aquatic leisure and entertainment activities. With a 20% berth vacancy in San Francisco Bay, Oyster Point Marina will have to improve its facilities and amenities to in order to compete for new boaters and those looking to relocate. To meet its goals, Oyster Point Marina will have to aggressively pursue boaters and other opportunities as described in Section D below.

SAN MATEO COUNTY HARBOR DISTRICT
DEPARTMENT OF BOATING AND WATERWAYS ("DBW")
SCHEDULE OF OUTSTANDING LOAN BALANCES AND INTEREST PAYABLE

Project/Loan	DBW Ln #	Start Date	End Date	Orig DBW Loan Commitment	Orig Loan Draw Down	Loan Balance as of 12/31/08	Int Payable as of 09/10/09	Prin Payable as of 09/10/09
Oyster Point Marina Projects:								
OPM - Construction-1st Incremental Loan (Revised)	75-5-130	03/30/76	12/31/06	1,200,000.00	1,200,000.00	-	-	
OPM - 2nd Incremental Loan	76-4-145	10/20/78	12/31/07	2,000,000.00	2,000,000.00		-	
OPM - 3rd Incremental Loan	77-6-157	12/22/78	12/31/08	150,000.00	150,000.00	-	-	
OPM - 4th Incremental Loan	78-7-170	03/28/79	12/31/09	850,000.00	850,000.00	62,956.66	1,993.65	62,956.66
OPM - 5th Incremental Loan	79-3-177	10/25/79	12/31/09	1,800,000.00	1,800,000.00	1,256,245.34	39,781.61	1,256,245.34
OPM - 6th Incremental Loan	79-6-180	12/24/81	12/31/11	1,000,000.00	1,000,000.00	1,128,528.45	35,737.19	1,128,528.45
OPM - Construction-Maintenance Bldg	83-1-212	08/09/84	12/31/14	497,000.00	497,000.00	493,113.66	15,615.46	493,113.66
OPM - West Basin Landslide & Water Improvements							-	
-Phase 1	84-5-225	06/07/85	12/31/15	1,000,000.00	1,000,000.00	1,005,193.97	31,831.55	719,155.89
-Phase 2	85-6-237	10/19/87	12/31/17	3,000,000.00	3,000,000.00	3,153,730.85	99,869.41	
-Phase 3	87-3-257	05/09/88	12/31/18	1,300,000.00	1,300,000.00	1,509,946.91	47,815.59	
-Phase 4	88-5-271	10/24/88	12/31/18	300,000.00	300,000.00	371,914.49	11,777.44	
-Phase 5	89-6-281	10/25/89	12/31/19	550,000.00	550,000.00	395,197.03	12,514.73	
Sub-Total Oyster Point Marina	48.7607%			13,647,000.00	13,647,000.00	9,376,827.36	296,936.64	3,660,000.00
Pillar Point Harbor Projects								
PPH - Expansion Improvements	71-10-98	05/12/82	12/31/12	3,100,000.00	3,100,000.00	3,060,727.67	96,924.27	(0.00)
PPH - 2nd Incremental Loan	72-5-103	08/07/84	12/31/14	500,000.00	500,000.00	469,587.33	14,870.45	
PPH - 3rd Incremental Loan	81-21-101	01/14/85	12/31/14	500,000.00	500,000.00	473,153.13	14,983.37	
PPH - East Basin Development	84-6-226	09/06/85	12/31/15	2,000,000.00	2,000,000.00	2,003,957.19	63,459.45	
PPH - Johnson Pier Bulkhead Repair				30,000.00				
PPH - 71 Berth Project				1,500,000.00		-	-	
Sub Total Pillar Point Harbor	51.2393%			7,630,000.00	6,100,000.00	6,007,425.32	190,237.55	(0.00)
Total - All Loans				21,277,000.00	19,747,000.00	15,384,252.68	487,174.19	3,660,000.00

Jan-Jun interest OPM	dr 301.790.000	cr 000.210.021
Jan-Jun interest PPH	dr 201.790.000	cr 000.210.021
Total Interest to accrue @6/30		
Rvs Jan-Jun interest OPM	dr 000.210.021	cr 301.790.000
Rvs Jan-Jun interest PPH	dr 000.210.021	cr 201.790.000
Total Interest accrual to reverse @7/01		
Jan-Dec interest to pay OPM	dr 301.790.000	cr 000.210.020
Jan-Dec interest to pay PPH	dr 201.790.000	cr 000.210.020
Total interest to pay 12/31		
Total payment - principal & interest		
Recls Long term note to Current note payable	dr 000.220.031	cr 000.210.022
	dr 000.220.032	cr 000.210.022

San Mateo County Harbor District Settlement Agreement Amendment#1, Amortization Schedule

Compound period	Monthly
Nominal Annual Rate	4.500%
Effective Annual Rate	4.594%
Periodic Rate	0.375%
Daily Rate	0.01233%

	Event	Start Date	Amount	Number	End Date
1	Loan	12/31/2008	17,784,252.68	1	
2	Payment	12/31/2008	2,400,000.00	1	
3	Payment	9/10/2009	3,660,000.00	1	
4	Payment	12/31/2009	1,407,373.85	1	
5	Payment	12/31/2009	1,393,093.77	10 Annual	12/31/2019

AMORTIZATION SCHEDULE - Normal Amortization

		date	payment	Interest	Principal	Principal Bal
loan		12/31/08				17,784,252.68
	1	12/31/08	2,400,000.00		2,400,000.00	15,384,252.68
2008 Totals			2,400,000.00	-	2,400,000.00	15,384,252.68
						15,384,252.68
	2	09/10/09	3,660,000.00		3,660,000.00	11,724,252.68
2009 Interest,		12/31/08 - 9/10/09		487,174.19		11,724,252.68
2009 Interest,		9/11/2009-12/31/09		168,344.75		11,724,252.68
	3	12/31/09	1,407,373.85	655,518.94	751,854.91	10,972,397.77
2009 Totals			5,067,373.85	-	4,411,854.91	10,972,397.77
						10,972,397.77
	4	12/31/10	1,393,093.77	504,070.03	889,023.74	10,083,374.03
2010 Totals			1,393,093.77	504,070.03	889,023.74	**10,083,374.03**
						10,083,374.03
		12/31/11	1,393,093.77	463,228.44	929,865.33	9,153,508.70
2011 Totals	5		1,393,093.77	463,228.44	929,865.33	9,153,508.70
						9,153,508.70
		12/31/12	1,393,093.77	420,510.59	972,583.18	8,180,925.52
2012 Totals	6		1,393,093.77	420,510.59	972,583.18	8,180,925.52
						8,180,925.52
		12/31/13	1,393,093.77	375,830.29	1,017,263.48	7,163,662.04
2013 Totals	7		1,393,093.77	375,830.29	1,017,263.48	7,163,662.04
						7,163,662.04
		12/31/14	1,393,093.77	329,097.38	1,063,996.39	6,099,665.65
2014 Totals	8		1,393,093.77	329,097.38	1,063,996.39	6,099,665.65
						6,099,665.65
		12/31/15	1,393,093.77	280,217.57	1,112,876.20	4,986,789.45
2015 Totals	9		1,393,093.77	280,217.57	1,112,876.20	4,986,789.45
						4,986,789.45
		12/31/16	1,393,093.77	229,092.23	1,164,001.54	3,822,787.91
2016 Totals	10		1,393,093.77	229,092.23	1,164,001.54	3,822,787.91
						3,822,787.91
		12/31/17	1,393,093.77	175,618.21	1,217,475.56	2,605,312.35
2017 Totals	11		1,393,093.77	175,618.21	1,217,475.56	2,605,312.35
						2,605,312.35
		12/31/18	1,393,093.77	119,687.59	1,273,406.18	1,331,906.17
2018 Totals	12		1,393,093.77	119,687.59	1,273,406.18	1,331,906.17
						1,331,906.17
		12/31/19	1,393,093.77	61,187.60	1,331,906.17	-
2019 Totals	13		1,393,093.77	61,187.60	1,331,906.17	-
Grand Totals			21,398,311.55	3,614,058.87	17,784,252.68	

Month	No of Days	Interest	Principal
		4.500%	10,972,397.77
Jan-10	31	41,935.60	11,014,333.37
Feb-10	28	38,022.08	11,052,355.45
Mar-10	31	42,241.19	11,094,596.65
Apr-10	30	41,034.81	11,135,631.46
May-10	31	42,559.47	11,178,190.93
Jun-10	30	41,343.99	11,219,534.92
		247,137.15	
Interest Exp		**247,137.15**	
Jul-10	31	42,880.14	11,262,415.06
Aug-10	31	43,044.02	11,305,459.09
Sep-10	30	41,814.71	11,347,273.80
Oct-10	31	43,368.35	11,390,642.14
Nov-10	30	42,129.77	11,432,771.92
Dec-10	31	43,695.11	11,476,467.03
		256,932.11	
Accr Int Exp		**256,932.88**	
		504,069.26	
Tot Int Exp '10		**504,070.03**	
12/31/10 principal payment			(889,023.74)
12/31/10 principal balance			**10,083,374.03**

Last interest amount increased by 0.06 due to rounding

COPY

AGREEMENT BETWEEN AND AMONG THE CITY OF SOUTH SAN FRANCISCO, THE REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO, AND THE SAN MATEO COUNTY HARBOR DISTRICT

This Agreement Between and Among the City of South San Francisco, The Redevelopment Agency of South San Francisco, and the San Mateo County Harbor District (this "**AGREEMENT**"), dated and made effective as of March 25, 2011 (the "**Effective Date**"), is entered into by and among the City of South San Francisco, a municipal corporation ("**City**"), the Redevelopment Agency of the City of South San Francisco, a public body, corporate and politic ("**Agency**"), and the San Mateo County Harbor District, a political subdivision of the State of California ("**District**"). City, Agency and District are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. City is the owner of certain real property located in the City and commonly known as the Oyster Point Marina ("**Marina Property**"), as shown on the parcel map attached hereto as **Exhibit A**. City and District have entered into a joint powers agreement related to the development, operations, and maintenance of the Marina Property pursuant to Government Code section 6500 *et seq.* ("**JPA**"). City desires redevelopment of the Marina Property including potential commercial and office/research and development uses and public amenities.

B. District entered into certain long-term leases with King Ventures for certain portions of the Marina Property ("**King Leases**"), as shown generally on **Exhibit A**. District uses rent revenue from the King Leases to pay debt service on loans from the California Department of Boating and Waterways ("**DBW**"), which has a security interest in the King Leases.

C. Oyster Point Ventures, LLC ("**Developer**") is the owner of certain property located in the City, commonly known as the Oyster Point Business Park ("**Business Park**"), and adjacent to the Marina Property as shown on **Exhibit A**. Developer acquired the Business Park for the specific purpose of redeveloping the Business Park as a modern research and development life sciences campus with substantial public amenities.

D. Developer has proposed the development of an office/research and development life sciences campus, commercial development (including retail, restaurants, and hotel uses), and substantial public amenities located on the Business Park and a portion of the Marina Property as shown on **Exhibit B** ("**Project**"). In furtherance of Project, Developer also acquired King Ventures' interests in the King Leases. In addition, the City and Agency have proposed additional public and private improvements on a separate portion of the **Marina Property** as shown on **Exhibit B.**

E. The Parties anticipate that in addition to the Developer's acquisition of the King Leases, the Project will require one or more agreements with Developer to exchange interests in portions of the Marina Property ("**Conveyance Agreement**"), a Disposition and Development Agreement or similar agreement ("**DDA**") to establish conveyance and financing terms for development of portions of the Marina Property, and a development agreements and various land use entitlements to govern development of Project components at the Business Park and portions of the Marina Property ("**City Approvals**") (collectively, the "**Developer Binding Agreements**"). The Parties have agreed that the City and the Agency shall be the entities that negotiate and contract directly with Developer.

F. On May 27, 2009, the Parties entered into a Memorandum of Understanding ("**MOU**") as an expression of preliminary points of agreement among the Parties concerning development of the Project. This Agreement will supersede any points of agreement contained within the MOU.

G. City, in conjunction with Agency, pursuant to the California Environmental Quality Act (Section 21000 *et seq.* of the Public Resources Code, and the Guidelines set forth at 14 California Code of Regulations section 15000 *et seq.*, "**CEQA**"), has prepared and circulated for public comment a Draft EIR to evaluate the potential environmental impacts of the proposed Project. No construction will be authorized until (i) City, in conjunction with Agency, has certified as adequate and approved a Final EIR; (ii) City has approved the land use entitlements required for the Project; and (iii) any agreements or regulatory permits required by any other applicable regulatory agencies have been obtained. The City, by Resolution No. 46-2011 certified the Oyster Point Specific Plan Environmental Impact Report (**"EIR"**) for the Project and all related improvements.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1 **Purpose and Effectiveness of this Agreement.** This Agreement supersedes all of those preliminary points of agreement contained within the MOU. The Parties expressly acknowledge and agree that: (i) the terms and conditions set forth in this Agreement are subject to the approval of, or modification by, the governing bodies of City, Agency and District; and (ii) following approval of this Agreement by City, Agency and District, the Parties intend for the provisions contained within this Agreement to be self-executing upon occurrence of the required conditions precedent and will not require any further approval by the governing bodies of the City, Agency and District.

Section 2 **Agency Rights and Obligations.** Any Agency rights and obligations under this Agreement will automatically be assigned to City in the event that Agency is terminated, or no longer has the ability to fulfill its obligations as set forth herein. Any assignment of rights and obligations pursuant to this Section does not require any further approval by the governing bodies of the City, Agency and District.

Section 3 **Term.** The term of this Agreement (the **"Term"**) shall commence on the Effective Date, and shall terminate on November 11, 2026 , unless extended or earlier terminated as provided herein.

Section 4 **JPA Amendment.** Upon point of conveyance of any portion of the Marina Property to Developer, Section 2 and Section 3 of the JPA, and those incorporated exhibits (Exhibit 1 and Exhibit 2), are hereby amended to remove from the terms of the JPA those conveyed portions of the Marina Property, as more particularly described in **Exhibit C**, attached hereto and incorporated by reference. Agency and District hereby consent to this amendment of the JPA, and no further approval by the governing bodies of the City, Agency and District is required. The timing of the property conveyance and JPA amendment shall occur pursuant to the provisions of the Disposition and Development Agreement between the Agency, City and the Developer. The remaining terms of the JPA will remain in full force and effect, unless otherwise amended pursuant to the terms of the JPA.

Section 5 **Lease Revenue.** In the event the King Leases are conveyed to the City or Agency and thereafter terminated prior to District's payment of its existing debt obligations to DBW which as of the

Effective Date total $10,083,374.03, Agency will provide the District an annual amount not to exceed the amount of minimum rent (as defined in the King Leases), including inflation adjustments set forth in the King Leases, that District is already entitled to under the King Leases ("**King Lease Rent**") commencing after termination of the King Leases and continuing until the DBW debt service is retired which the parties agree is not later than December 31, 2019. Agency will prorate any funds provided to DBW if the King Leases are terminated during a portion of a year. For purposes of example only if the King Leases were terminated on February 28, 2011, the annual payment due to the District for minimum rent would equal $211.656, which is the same amount Developer presently pays for lease payments.

Section 6 Marina Operations.

6.1 Dock Improvements. City (with funding provided by the Agency) or Agency will commit and pay funds for design, engineering, permitting and construction of: (1) up to two new docks at the Harbor District operated harbor adjacent to the Marina Property in an amount not to exceed Two Million Dollars ($2,000,000.00) with payment to be made within three years of the Effective Date, provided that District (i) satisfies the District's obligation in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the new dock or docks have been obtained, and (iii) District provides evidence of and commits to commence and complete construction of the dock or docks within 18 months of the time the City/Agency provides the funds ; and (2) wave attenuaters as required pursuant to the agreement between the Army Corps of Engineers and the District in an amount not to exceed six hundred thousand dollars ($600,000) within one year of the Effective Date, provided that District (i) satisfies the District's obligations in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the attenuaters have been obtained, and (iii) District provides evidence of and commits to have the contractor commence and complete construction of the attenuaters within 24 months of the time the City/Agency provides the funds.

6.2 District Capital Improvement and Management Plans for Harbor Operations. Prior to the Agency's obligation to pay funds for dock improvements as set forth in Section 6.1, District will provide the Agency and City with a draft capital improvement plan showing the new dock or docks and a management plan to increase berth occupancy and direct revenue, both of which documents shall be subject to review and approval by the City, which such approval shall not be unreasonably withheld.

6.3 Government Approvals. District is solely responsible for any permits, approvals and government entitlements required for dock improvements. Upon written request from the District, the City will waive fees for permits, approvals, and other entitlements required for dock improvements.

Section 7 District Office Space.

7.1 Temporary Office Space. Upon City's receipt of Developer's request for conveyance of the property, the City and District will meet to discuss the District's temporary office space needs The City will endeavor to provide six (6) months notice to the District of actual conveyance. Upon actual conveyance of property and receipt of a written request from the District and assuming the Redevelopment Agency retains it current land holdings,, City/Agency will lease to District up to approximately 3,600 square feet of temporary office space in a property owned by the City/Agency until the earlier of termination of the JPA or at such time as the Permanent Office Space is available for occupancy. The rental rate for the temporary office lease space shall be one dollar per year. District shall take the leased space in its "as-is" condition and shall be responsible for all costs associated with obtaining permits for and constructing tenant

improvements within the space. District shall also pay all utility costs, maintenance costs, custodial services and applicable taxes for the temporary office lease space during the term of the lease.

7.2 Office/Commercial Space. Provided that the Phase IC Improvements have been completed, the City will lease to the District for one dollar per year an adequate amount of space in the area designated in Exhibit D to allow the District to sublease the property and construct up to 40,000 square feet of commercial harbor related uses as specified in the Oyster Point Specific Plan with an FAR based on a two story structure platform. The lease term shall terminate November 11, 2026, provided that the parties agree that the lease term may be extended by mutual consent if the District proposes a use that is consistent with the Oyster Point Specific Plan including the design guidelines therein and provided that the City and District agree on the revenue sharing for the lease revenues received after November 11, 2026. District or its sublessees shall be responsible for all costs associated with obtaining permits for and constructing the buildings and tenant improvements within the leased area. Any proposed use shall obtain any necessary land use entitlements from the City and any other regulatory agency with jurisdiction over the area. City agrees that if the Bay Conservation and Development Condition imposes a requirement for for replacement recreational/open space, City will agree that the new recreation/open space constructed as part of the Oyster Point Specific plan may be identified and used as replacement recreational/open space. District shall also pay all utility costs, maintenance costs, custodial services and applicable taxes for the permanent office lease space during the term of the lease.

Section 8 **City Consultation.** For twenty-four (24) months following the Effective Date of this Agreement, City and Agency will consult with District regarding potentially extending the term of the JPA, and potentially amending the JPA to address the respective roles of the City and the District in operating the Marina Property; addition to or replacement of existing infrastructure; removal of outdated JPA provisions; the City's and District's respective obligations regarding providing services to the Marina Property, including police, fire, and landscaping; potential alternative energy projects at the Oyster Point Marina and/or potential revenue sharing from commercial properties to fund additional capital improvements. This provision does not obligate any Party to agree to any terms that may be discussed.

Section 9 **District Costs.** Upons submission of an invoice with reasonable supporting information the Agency will reimburse the District for its actual and reasonable costs of negotiating this Agreement in an amount not to exceed $35,000.00.

Section 10 **Additional Debt by District.** District will not incur any additional debt secured by any revenue generated by the Marina Property or the property itself without first obtaining express written consent from the City.

Section 11 **Marina Property Access.** During the Term, District shall provide City, Agency and/or Developer access to the Marina Property and will cooperate with City, Agency and/or Developer to enable such parties or their representatives to obtain access to the Marina Property for the purpose of obtaining data and making tests necessary to investigate the condition of the Marina Property, provided that City, Agency and/or Developer comply with all safety rules and does not unreasonably interfere with the operations of any current tenants. City, Agency and/or Developer shall at all times keep the Marina Property free and clear of all liens and encumbrances affecting title to the Marina Property.

Section 12 **Notices.** Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified

below or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by:

(i) personal delivery, in which case notice is effective upon delivery; or

(ii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

City: City of South San Francisco
400 Grand Ave.
South San Francisco, CA 94080
Attn: City Manager
Phone: (650) 829-6620
Facsimile: (650) 829-6623

Agency: Redevelopment Agency of the City of South San Francisco
400 Grand Ave.
South San Francisco, CA 94080
Attn: Executive Director
Phone: (650) 829-6620
Facsimile: (650) 829-6623

with a copy to: Meyers Nave
575 Market Street, Suite 2600
San Francisco, CA 94105
Attn: Steven T. Mattas
Phone: (415) 421-3711
Facsimile: (415) 421-3767

District: San Mateo County Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, CA 94080
Attn: General Manager
Phone: (650) 583-4400
Facsimile: (650) 583-4611

Section 13 **Severability.** If any term or provision of this Agreement or the application thereof shall, to any extent, be held to be invalid or unenforceable, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or unenforceable unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provision.

Section 14 **Entire Agreement; Amendments in Writing; Counterparts.** This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral and written, between the Parties with respect to such subject matter. This Agreement may be amended only by a written instrument executed by the

Parties or their successors in interest. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

Section 15 **Successors and Assigns; No Third-Party Beneficiaries.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided however, that neither Party shall transfer or assign any of such Party's rights hereunder by operation of law or otherwise without the prior written consent of the other Party, and any such transfer or assignment without such consent shall be void. Subject to the immediately preceding sentence, this Agreement is not intended to benefit, and shall not run to the benefit of or be enforceable by, any other person or entity other than the Parties and their permitted successors and assigns.

Section 16 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 17 **Relationship of Parties.** The Parties agree that nothing in this Agreement is intended to or shall be deemed or interpreted to create among them the relationship of buyer and seller, or of partners or joint venturers.

Section 18 **Captions.** The captions used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions hereof.

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding effective as of the date first written above.

CITY

CITY OF SOUTH SAN FRANCISCO,
a municipal corporation

By: _____

Name: BARRY M. NAGEL
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

AGENCY

REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO,
a public body, corporate and politic

By: _____

Name: BARRY M. NAGEL
Executive Director

ATTEST:

By: _____
Agency Secretary

APPROVED AS TO FORM:

By: _____
Agency General Counsel

DISTRICT

SAN MATEO COUNTY HARBOR DISTRICT,
a political subdivision of the State of California

By: _____

Name: PETER GRENELL
General Manager

ATTEST:

By: _____
District Secretary

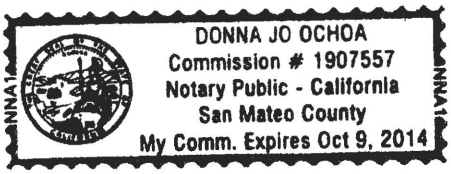
APPROVED AS TO FORM:

By: _____
District Counsel

State of California)
)
County of San Mateo)

On March 25, 2011, before me, *Donna Jo Ochoa , Notary Public* , personally appeared *Barry M. Nagel* ,who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature _____ (Seal)

Re:

RE: _____
_____
_____

Property Address or Name: _____

State of California)
)
County of San Mateo)

On March 25, 2011, before me, *Donna Jo Ochoa, Notary Public*, personally appeared *Barry M. Nagel*, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

DONNA JO OCHOA
Commission # 1907557
Notary Public - California
San Mateo County
My Comm. Expires Oct 9, 2014

WITNESS my hand and official seal.

Signature _____ (Seal)

Re:

RE: _____
_____
_____

Property Address or Name: _____

ACKNOWLEDGMENT

State of California
County of San Mateo)

On March 25, 2011 before me, Deborah Nixon, Notary Public
(insert name and title of the officer)

personally appeared Peter Grenell, Robert Bernardo and Jean B. Savaree,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

DEBORAH NIXON
Commission # 1902122
Notary Public - California
San Mateo County
My Comm. Expires Sep 26, 2014

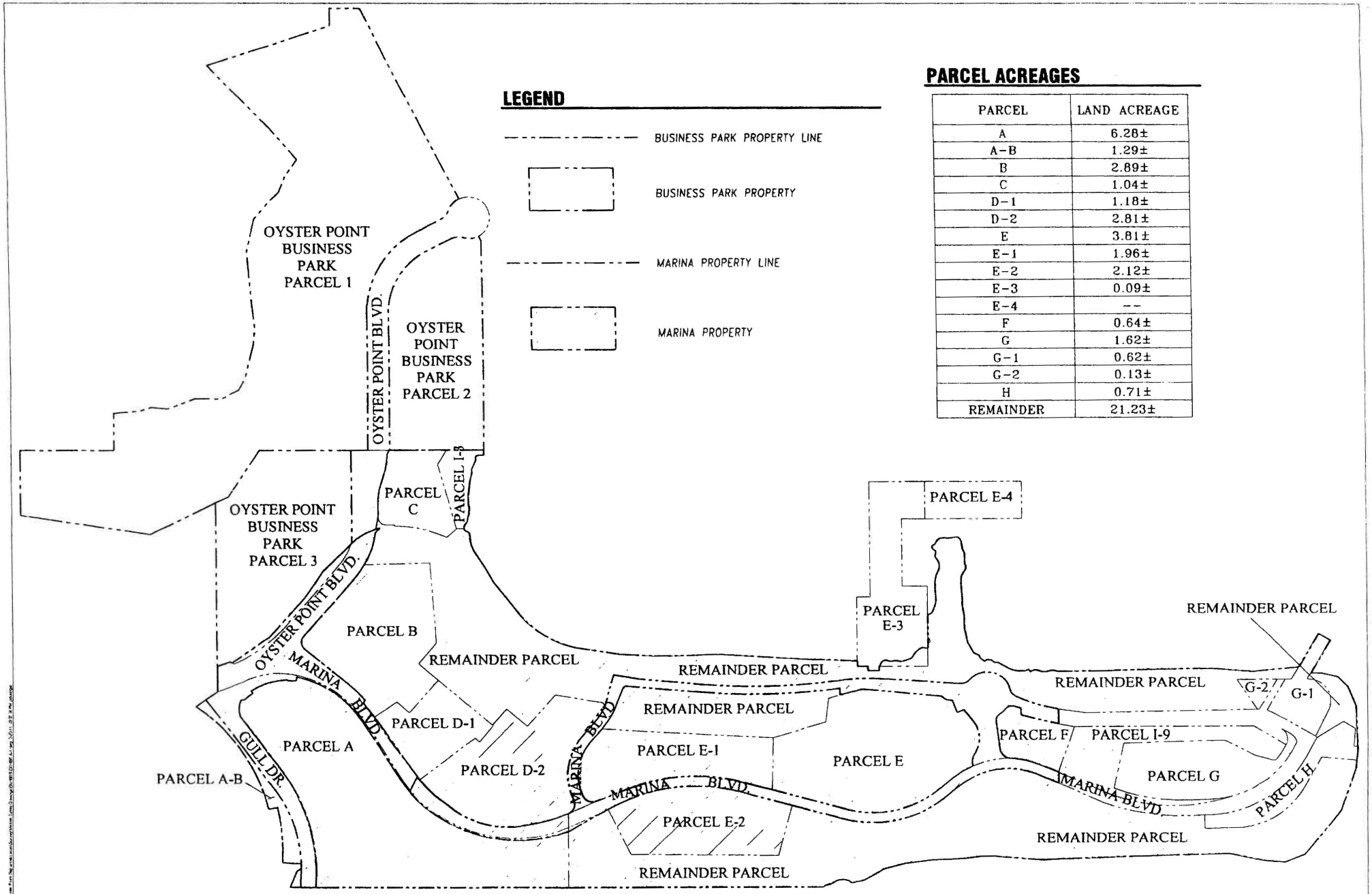
Signature Deborah Nixon (Seal)

Exhibit List

EXHIBIT A

MAP OF THE PROPERTY

1613418.3



PARCEL ACREAGES

PARCEL	LAND ACREAGE
A	6.28±
A-B	1.29±
B	2.89±
C	1.04±
D-1	1.18±
D-2	2.81±
E	3.81±
E-1	1.96±
E-2	2.12±
E-3	0.09±
E-4	--
F	0.64±
G	1.62±
G-1	0.62±
G-2	0.13±
H	0.71±
REMAINDER	21.23±

EXHIBIT A-1

EXHIBIT B

CONCEPTUAL SITE PLAN FOR THE PUBLIC REALM WITH PHASE ONE SSKS DEVELOPMENT

Prepared for the City of South San Francisco by ROMA Design Group

FEBRUARY 22, 2011

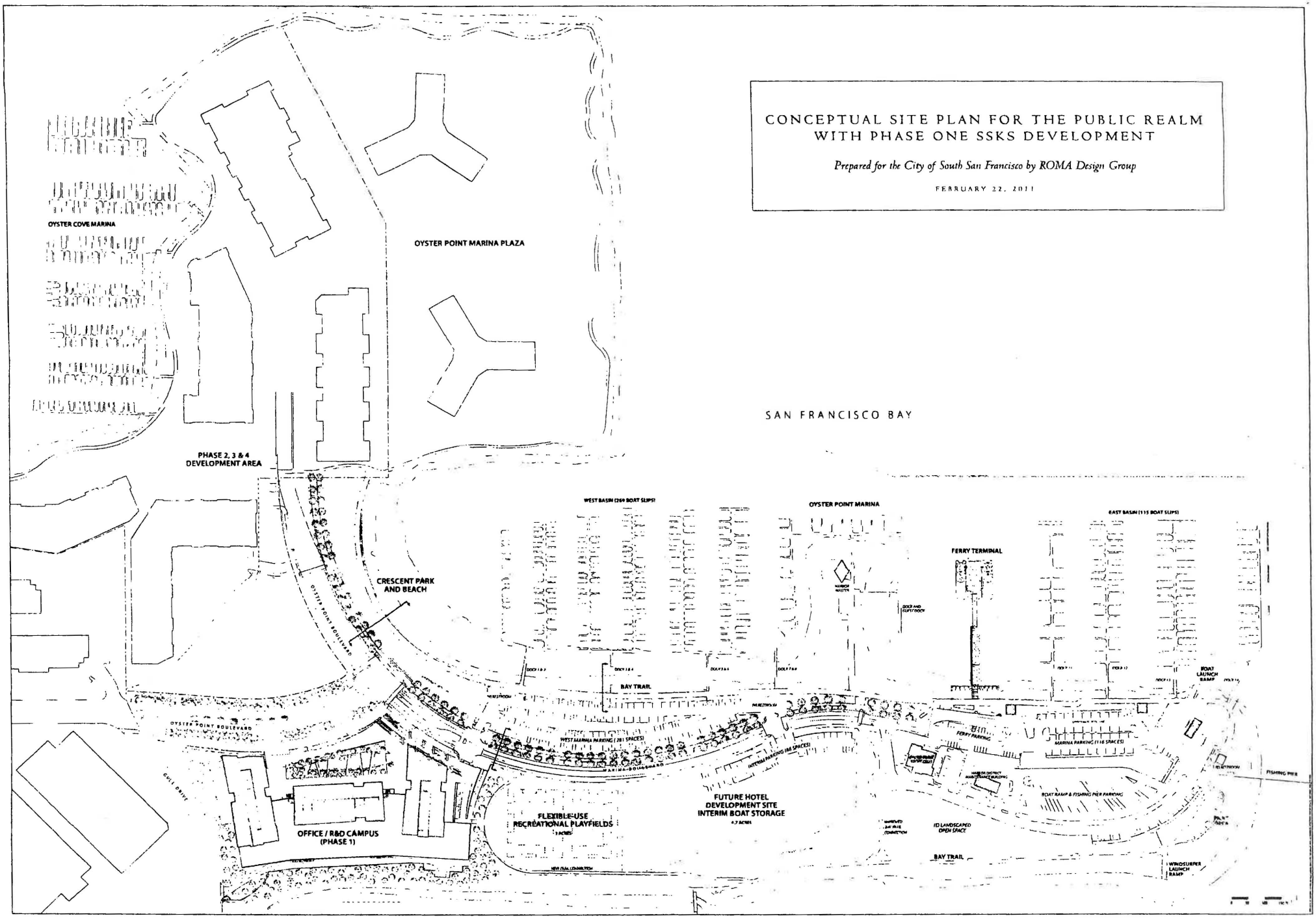


EXHIBIT C

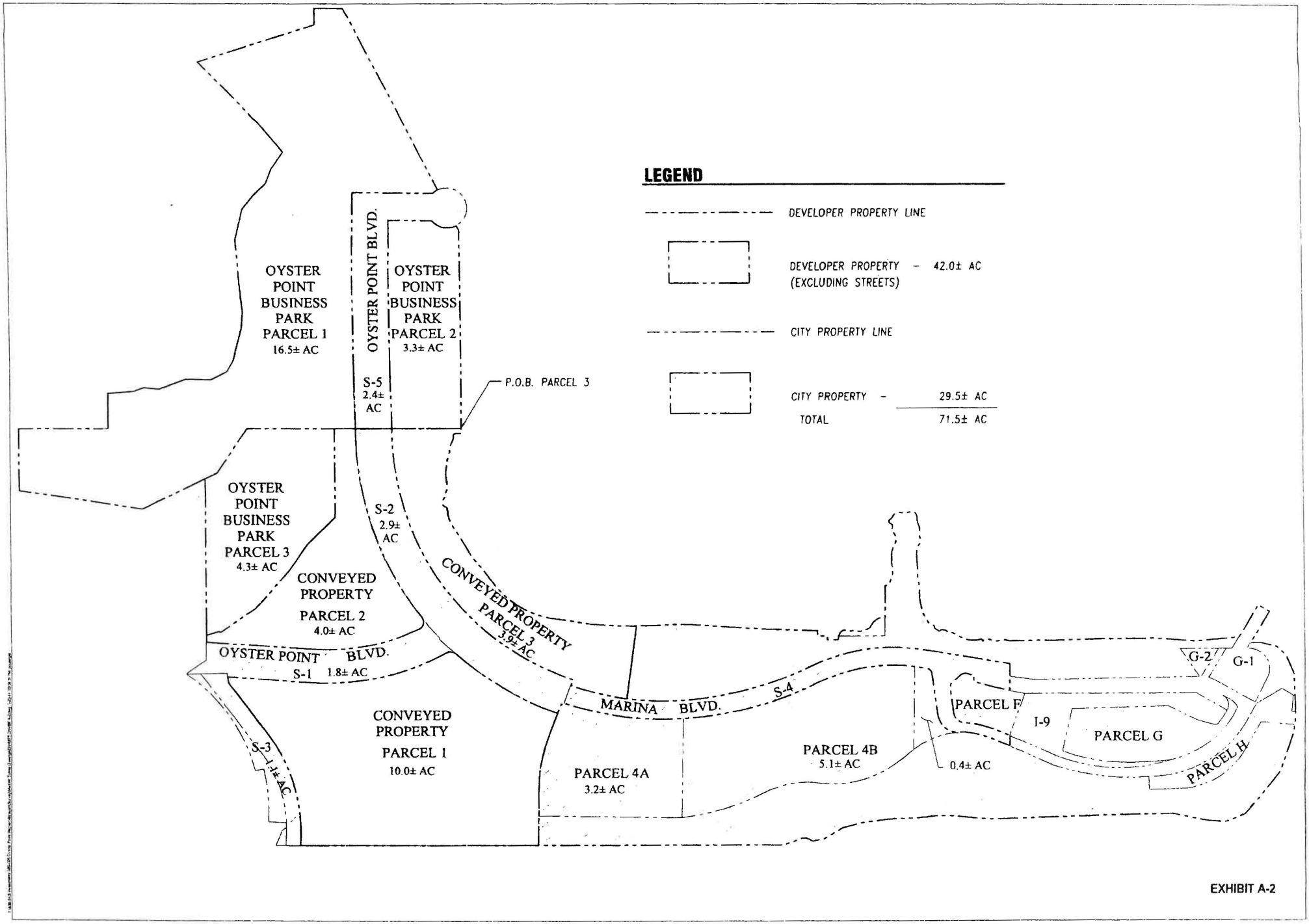

LEGEND
DEVELOPER PROPERTY LINE
DEVELOPER PROPERTY - 42.0± AC
(EXCLUDING STREETS)
CITY PROPERTY LINE
CITY PROPERTY - 29.5± AC
TOTAL 71.5± AC
OYSTER POINT BUSINESS PARK PARCEL 1 16.5± AC
OYSTER POINT BLVD.
OYSTER POINT BUSINESS PARK PARCEL 2 3.3± AC
S-5 2.4± AC
P.O.B. PARCEL 3
OYSTER POINT BUSINESS PARK PARCEL 3 4.3± AC
S-2 2.9± AC
CONVEYED PROPERTY PARCEL 2 4.0± AC
CONVEYED PROPERTY PARCEL 3 3.9± AC
OYSTER POINT BLVD.
S-1 1.8± AC
S-3 1.1± AC
CONVEYED PROPERTY PARCEL 1 10.0± AC
MARINA BLVD.
S-4
PARCEL 4A 3.2± AC
PARCEL 4B 5.1± AC
0.4± AC
PARCEL F
I-9
PARCEL G
PARCEL H
G-2
G-1

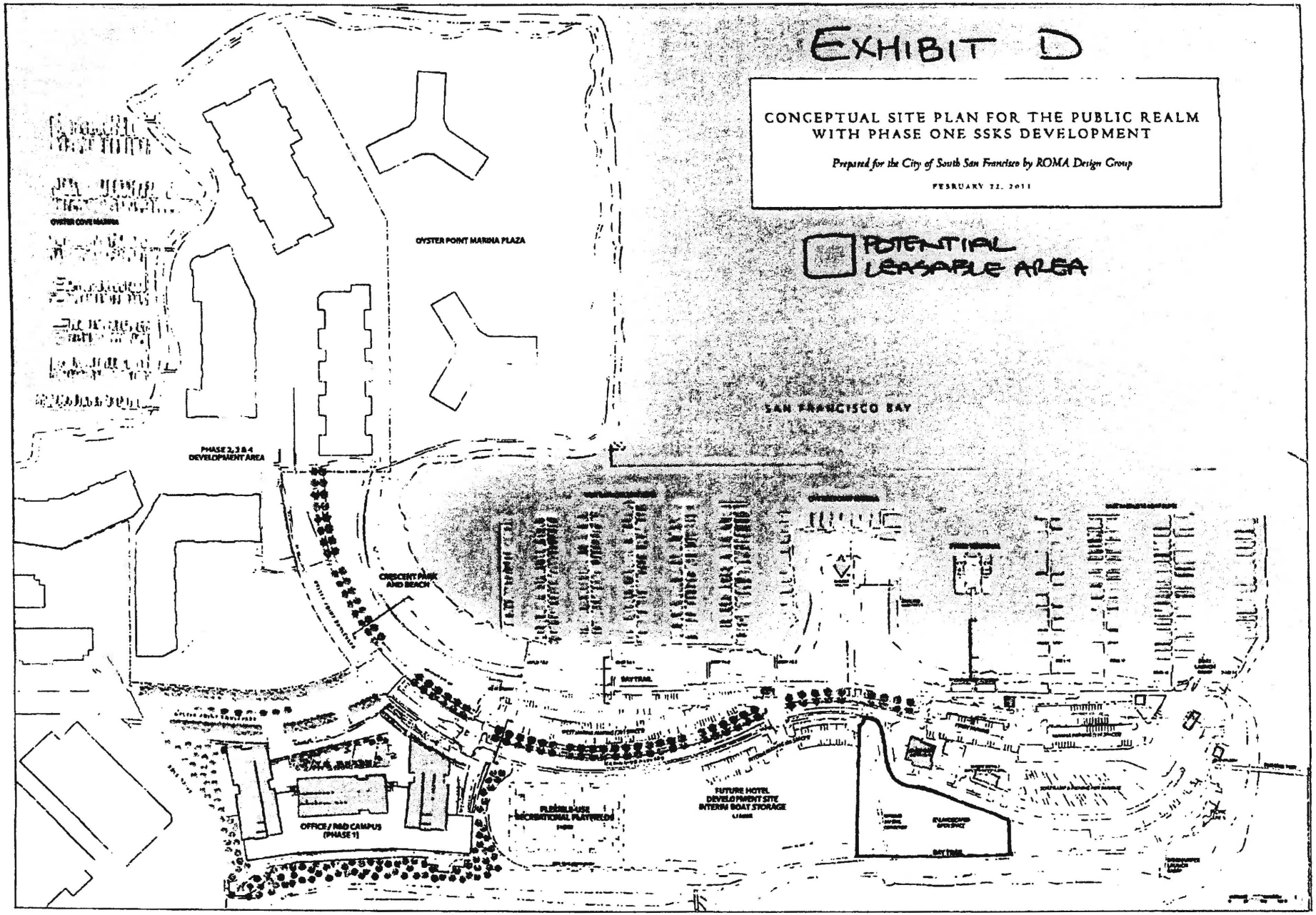
EXHIBIT A-2

EXHIBIT D

CONCEPTUAL SITE PLAN FOR THE PUBLIC REALM WITH PHASE ONE SSKS DEVELOPMENT

Prepared for the City of South San Francisco by ROMA Design Group

FEBRUARY 22, 2011



San Mateo County Harbor District

Memo

Date: 5/6/2009

To: Board of Harbor Commissioners

From: Peter Grenell
General Manager

Re: Amendments to and Assignment of King Ventures Leases at Oyster Point Marina/Park: Department of Boating and Waterways Approval

---

RECOMMENDATION

Adopt Resolution 07-09 to approve Amendments to and Assignment of King Ventures Leases at Oyster Point Marina/Park to Oyster Point MV, LLC, an entity fully owned and controlled by Shorenstein Properties and SKS Investments, pending approval by the City of South San Francisco, the Redevelopment Agency of South San Francisco, and the San Mateo County Harbor District of a Memorandum of Understanding (MOU) that expresses the preliminary points of agreement among the Parties regarding redevelopment and improvement of Oyster Point Marina/Park and the continued role, authority, and responsibilities of the District in Oyster Point redevelopment and marina operations.

BACKGROUND

On February 5, 2008, the Board of Harbor Commissioners approved amendments to and assignment of four leases held by King Ventures of San Luis Obispo and its subsidiary, Marine Collections LLC, to Oyster Point MV LLC, which is wholly owned by Shorenstein Properties and SKS Investments, both of San Francisco, conditioned upon approval of the amendments and assignments by the Department of Boating and Waterways (DBW).

DBW has now approved the lease amendments and assignments.

Meanwhile, the Harbor District and the City have engaged in discussions regarding the District's present and future role, authority, and responsibilities with respect to the King Ventures leases, the Joint Powers Agreement, pursuant to which the District operates Oyster Point Marina/Park for the City, and the potential redevelopment of Oyster Point. The District and City have agreed that it would be desirable to execute a separate MOU to articulate preliminary points of agreement regarding these matters, and establish a process for negotiating and executing binding agreements (see separate Agenda item). Staff now recommends adopting Resolution 07-09 to recognize DBW's approval of the lease amendments and assignments

Resolution 07-09

of the

San Mateo County Harbor District

Consenting to the Assignment and Amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4

Whereas, the San Mateo County Harbor District (District) operates Oyster Point Marina in the City of South San Francisco (City), San Mateo County for the City; and

Whereas, the District has leased certain lands at Oyster Point Marina to King Ventures of San Luis Obispo, California and its subsidiary Marine Collections LLC identified as Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4 as shown in the Parcel Map attached hereto and incorporated by reference herein; and

Whereas, King Ventures has desired to amend its leases and assign them to Oyster Point MV LLC; and

Whereas, the District approved the requested amendments and assignments attached hereto and incorporated by reference herein on February 5, 2009 conditioned upon approval of the California Department of Boating and Waterways (DBW); and

Whereas, DBW ~~approved~~ is required to said amendments and assignments ~~on _____, 2009.~~ and said approval has not yet been received.

Therefore, be it resolved that the Board of Harbor Commissioners hereby consents to assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, and D-1 by King Ventures to the Assignee, Oyster Point MV LLC, and assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels E, E-1, E-2, E-3, and E-4 by Marine Collections LLC to the Assignee, Oyster Point MV LLC, attached hereto and incorporated by reference herein, and does hereby adopt this Resolution 07-09, ~~conditioned~~ subject to receipt of written approval of said amendments by DBW.

Approved this 20th Day of May, 2009 at the regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:

Against:

Abstaining:

Absent:

Attested

Peter Grenell
Acting Deputy Secretary

DISTRICT

Leo Padreddii
President

ATTACHMENT "A"

Re: Resolution No. 5-92
Oyster Point Marina/Park

PARCEL MAP

BEING A RESUBDIVISION OF LANDS SHOWN ON THAT RECORD OF SURVEY FILED IN BOOK B AT PAGE 22 AND ALSO IN THE DEED DESCRIBED IN BOOK 1462 OR. 2 AS FILED IN THE RECORDER'S OFFICE AT SAN MATEO COUNTY.

SOUTH SAN FRANCISCO, SAN MATEO COUNTY, CALIFORNIA

SCALE: 1" = 200' DECEMBER 1984

JAMES F. CARROLL and ASSOCIATES
CONSULTING CIVIL ENGINEERS and SURVEYORS
SAN MATEO, CALIFORNIA

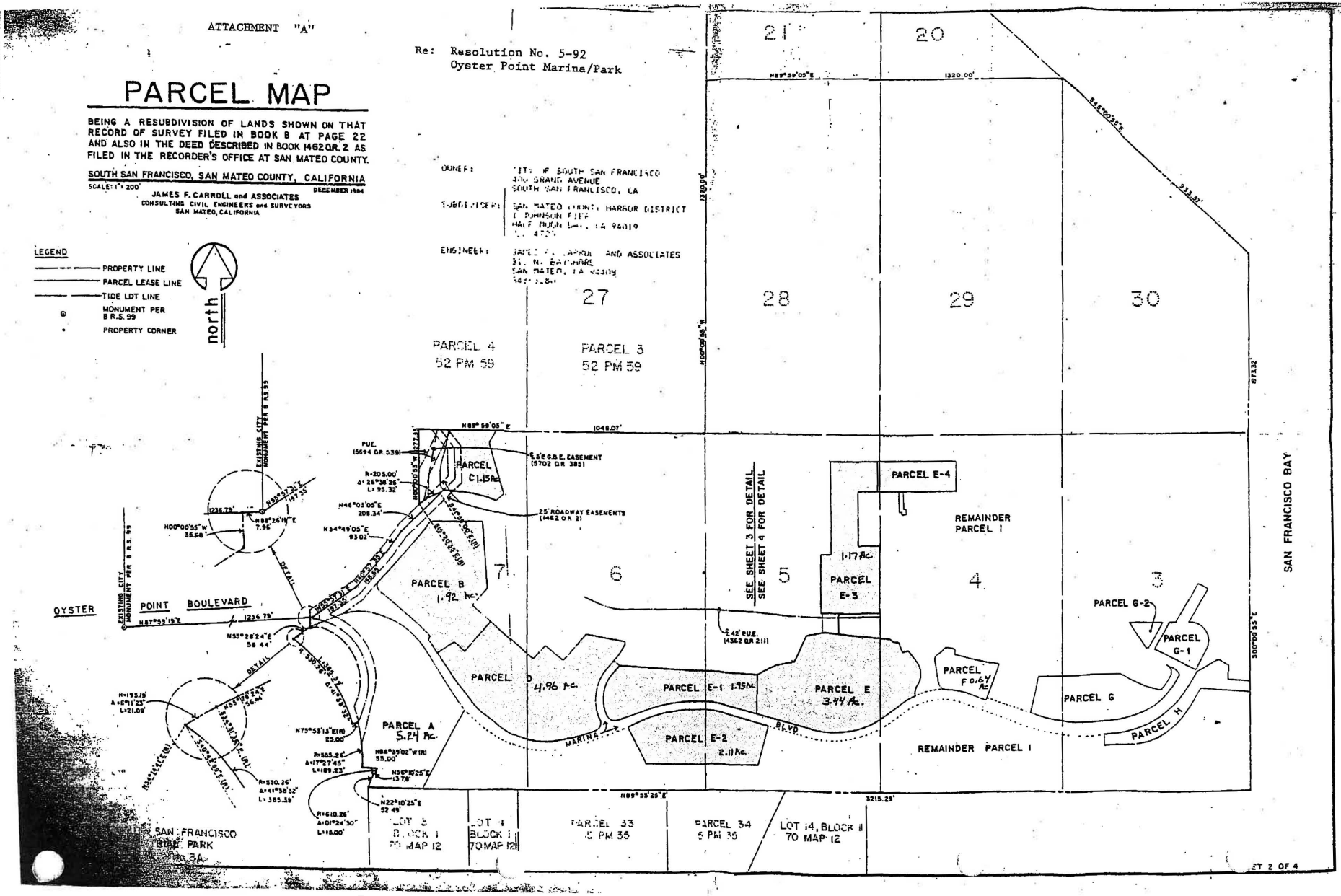
OWNER: CITY OF SOUTH SAN FRANCISCO
400 GRAND AVENUE
SOUTH SAN FRANCISCO, CA

SUBDIVIDER: SAN MATEO COUNTY HARBOR DISTRICT
P. O. BOX 1449
HALF MOON BAY, CA 94019

ENGINEER: JAMES F. CARROLL AND ASSOCIATES
311 N. BAYSHORE
SAN MATEO, CA 94401

LEGEND
- PROPERTY LINE
- PARCEL LEASE LINE
- TIDE LOT LINE
- ⊙ MONUMENT PER B R.S. 99
- • PROPERTY CORNER

north



Resolution 07-09

of the

San Mateo County Harbor District

Consenting to the Assignment and Amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4

Whereas, the San Mateo County Harbor District (District) operates Oyster Point Marina in the City of South San Francisco (City), San Mateo County for the City; and

Whereas, the District has leased certain lands at Oyster Point Marina to King Ventures of San Luis Obispo, California and its subsidiary Marine Collections LLC identified as Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4 as shown in the Parcel Map attached hereto and incorporated by reference herein; and

Whereas, King Ventures has desired to amend its leases and assign them to Oyster Point MV LLC; and

Whereas, the District approved the requested amendments and assignments attached hereto and incorporated by reference herein on February 5, 2009 conditioned upon approval of the California Department of Boating and Waterways (DBW); and

Whereas, DBW is required to approve said amendments and assignments and said approval has not yet been received.

Therefore, be it resolved that the Board of Harbor Commissioners hereby consents to assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, and D-1 by King Ventures to the Assignee, Oyster Point MV LLC, and assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels E, E-1, E-2, E-3, and E-4 by Marine Collections LLC to the Assignee, Oyster Point MV LLC, attached hereto and incorporated by reference herein, and does hereby adopt this Resolution 07-09 subject to receipt of written approval of said amendments and assignments by DBW.

Approved this 20th Day of May, 2009 at the regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:

Against:

Abstaining:

Absent:

Attested

Peter Grenell
Acting Deputy Secretary

DISTRICT

Leo Padreddii
President

COPY

CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL B GROUND LEASE

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL B GROUND LEASE (this "Agreement") is made as of February 5, 2009, by and between San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

RECITALS:

A. Lessor and Oyster Point Village, a California corporation ("Lessee"), are parties to that certain ground lease dated January 3, 1985 and as more particularly described on Exhibit A, attached hereto (the "Parcel B Lease"), with respect to the portion of the property located at 360 Oyster Point Boulevard/401 Marina Boulevard in the City of South San Francisco, California, more particularly described in and defined in the Parcel B Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended, the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel B Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel B Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel B Lease as set forth herein.

AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel B Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joiner, by which the City and the South San Francisco Recreation and Park District join in the Parcel B Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for $500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment effective as of the Assignment Date and Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel B Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into this Agreement, Lessor hereby certifies the following information with respect to the Parcel B Lease:

(a) The Parcel B Lease, as described in Exhibit A, attached hereto, and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel B Lease, or to Lessor's knowledge of the Lessee thereunder.

(c) Under the terms of the Parcel B Lease, the Parcel B Lease commenced on January 1, 1985, is for a term of 25-years and expires on December 31, 2009; provided, however, Lessee of the Parcel B Lease has one option to extend the Parcel B Lease for an additional 25-years in accordance with Article IX of the Parcel B Lease.

(d) The security deposit required for the Parcel B Lease is $20,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel B Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid $1,863.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The Association of Lessees as referenced to in Article X of the General Conditions does not exist and the Lessee of the Parcel B Lease is not required to financially participate in such Association of Lessees.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date the Parcel B Lease shall be automatically amended as follows:

(a) Article VII(A) of the Parcel B Lease, setting forth the minimum annual rent, is hereby amended and replaced in its entirety with the following:

"The minimum annual rent shall be in accordance with the following schedule:

Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel B Ground Lease, dated [2/5/9], the Minimum Rent shall be $1,863.00 per month. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease, including any extensions.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100 published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is 250/225=1.11 = 111% percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) The General Conditions applicable to the San Mateo County Harbor District ground leases prior to 1992 and provided by Lessor (the "General Conditions") shall apply to the Parcel B Lease to the extent not inconsistent with the provisions of the Parcel B Lease provided the following modifications:

(i) Article VIII of the General Conditions, setting forth the insurance requirements, is hereby amended as follows:

Article VIII (D) is hereby amended such that the term "licensed to do business" in the first sentence shall be replaced with the term "authorized to do business".

Article VIII (E) is hereby amended such that the term "copies" in the first sentenced is replaced with the term "certificates and/or evidence of".

(ii) Article XV of the General Conditions, setting forth the financial reporting and record keeping requirements, is hereby amended as follows:

The first sentence of Article XV is hereby amended and replaced in its entirety with the following:

"To insure complete and timely receipts of rents (minimum and percentage, unadjusted and adjusted) by District from Lessee, Lessee shall maintain a system of accounting and record keeping from the leased premises and shall keep true, accurate and complete accounts and records."

Article XV (A) is hereby amended and replaced in its entirety with the following:

"A. Business Records. Lessee shall install and maintain a system of accounts and records, which in the opinion of District,

conforms to good accounting practice. They system of accounts and records shall be submitted to District for review and approval within ninety (90) days after the commencement of the term of the Lease or after any assignment of the Lease to a new Lessee. Any changes to such approved accounting system shall be approved by the District. Such approvals by District shall not be unreasonably withheld and any disputes shall be processed in accordance with the procedures set forth in Article XIX – Claims and Disputes."

Article XV (B) is hereby amended and replaced in its entirety with the following:

"B. Statements. Within 90 days after the close of the fiscal year, Lessee shall furnish District its annual unaudited balance sheet, its statement of operations, its statement of members' capital and its statement of cash flows prepared on a historical costs basis."

(iii) Article XVI of the General Conditions is hereby amended by adding the following to the end of Section A of Article XVI:

"; provided, however, all prior assignments of this Lease are hereby approved in their entirety and the written consent for such assignments is not required."

5. Except as set forth herein, all the terms and provisions of the Parcel B Lease remain in full force and effect.

6. This Agreement shall be governed and construed in accordance with the laws of the State of California.

7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel B Lease as such may be appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

By: _____

Name: PETER GLENELL

Title: GENERAL MANAGER

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: _____

Name: _____

Title: Vice President

APPROVED AS TO FORM

By: _____

District Legal Counsel

EXHIBIT A

PARCEL B LEASE

Ground Lease between the San Mateo County Harbor District and Oyster Point Village, Ltd., dated January 3, 1985 and recorded April 9, 1987 in the official records of San Mateo County as Doc. #87052593, including the following Exhibits attached thereto:

- Exhibit A: Legal description and drawing of Parcel B;
- Exhibit B: The Design Criteria for Construction by Lessees of the San Mateo County Harbor District – 1980; and
- Exhibit C: Oyster Point Marine Specific Plan, dated September 1983, as approved by the City of South San Francisco on September 7, 1983, Resolution 124-8.

Abstract of the Lease dated January 3, 1985 between San Mateo County Harbor District.

South San Francisco Park Recreation and Parkway District County of City of South San Francisco, State of California, Resolution No. RPD-5 Approving Amendment to Oyster Point Marina Leases, dated October 23, 1985 and Amendment to Leasehold Agreement for Parcels B and D at Oyster Point Marina/Park, recorded October 27, 1985 in the official records of San Mateo County as Doc. #85138852.

Assignment of Lessee's Interest between Oyster Point Village, Ltd., and Chin Investment Company of San Francisco, dated August 2, 1989 and recorded August 25, 1989 in the official records of San Mateo County as Doc. #89113866.

Assignment and Assumption of Lease between Chin Investment Company of San Francisco and John E. King, dated October 17, 1996 and recorded October 31, 1996 in the official records of San Mateo County as Doc. #96-134637.

Assignment and Assumption of Lease between John E. King, d/b/a Oyster Point Village Limited and Oyster Point Village, dated April 15, 1997 and recorded April 25, 1997 in the official records of San Mateo County as Doc. #97-048936.

General Conditions used by the Harbor District as of the date of the Parcel B Lease.

COPY

CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL C GROUND LEASE

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL C GROUND LEASE (this "Agreement") is made as of FEBRUARY 5, 2009, by San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

RECITALS:

A. Lessor and Oyster Point Inn II, LLC, a California limited liability company, a California corporation ("Lessee"), are parties to that certain ground lease dated December 31, 1998 and more particularly described in Exhibit A, attached hereto, (the "Parcel C Lease"), with respect to the real property located in the City of South San Francisco, California, and more particularly described and defined in the Parcel C Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel C Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel C Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel C Lease as set forth herein.

AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel C Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joiner, by which the City and the South San Francisco Recreation and Park District join in the Parcel C Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for $500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment effective as of the Assignment Date and Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel C Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into the Assignment, Lessor hereby certifies the following information with respect to the Parcel C Lease:

(a) The Parcel C Lease, as described in Exhibit A hereto and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel C Lease, or to Lessor's knowledge of Lessee thereunder, except for the fact that a hotel has not been constructed on the Premises are required by the terms of the Parcel C Lease.

(c) Under the terms of the Parcel C Lease, the Parcel C Lease commenced on May 1, 2000, is for a term of 55-years and expires on April 30, 2055.

(d) The security deposit required for the Parcel C Lease is $6,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel C Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid $5,000.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The General Conditions, dated as of 1992 and provided by the Lessor do not apply to the Parcel C Lease and all applicable terms thereof are incorporated into the Parcel C Lease.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date the Parcel C Lease shall be automatically amended as follows:

(a) Sections 3.1 and 3.1.1 of the Parcel C Lease, setting forth the minimum annual rent, are hereby amended and replaced in their entirety with the following:

"3.1. Minimum Rent. Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel C Ground Lease, dated [2/5/19], the Minimum Rent shall be $5,000.00 per month.

3.1.1. Adjustment to Minimum Rent. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100 published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is 250/225=1.11 = 111% percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) Sections 6.1, 6.2.6 and 9 of the Parcel C Ground Lease, which require the construction and operation of a hotel on the Premises, are hereby deleted in their entirety.

(c) Section 13.7 of the Parcel C Lease, setting forth other insurance matters, is hereby amended such that the term "at least an A+ Class XV" in Section 13.7 is hereby replaced with the term "at least an A Class X".

5. Except as set forth herein, all the terms and provisions of the Parcel C Lease remain in full force and effect.

6. This Agreement shall be governed and construed in accordance with the laws of the State of California.

7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel C Lease as such may be appropriate.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

By: _____

Name: PETER GRENELL

Title: GENERAL MANAGER

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: _____

Name: _____

Title: Vice President

APPROVED AS TO FORM

By: _____

District Legal Counsel

EXHIBIT A

PARCEL C LEASE

Ground Lease between the San Mateo County Harbor District and Oyster Point Inn II, LLC, dated December 31, 1998.

- Exhibit A: Leasehold Description of Parcel C

Joinder by The City of South San Francisco and the South San Francisco Recreation and Park District, dated April 5, 1999.

Memorandum of Ground Lease Agreement and Amendment thereto dated as of April 11, 2006 and recorded April 12, 2006 in the official records of San Mateo County as Doc. #2006-054049.

Amendment to Ground Lease dated as of March 15, 2000

Oyster Point Concept Plan

City of South San Francisco

Prepared for the City of South San Francisco by ROMA Design Group
AUGUST 2006

CONTENTS

INTRODUCTION	2
SITE HISTORY	2
PROPOSALS	7
Framework Plan	8
Land Use Options	10
Option 1: Recreational Emphasis	12
Option 2: Low Intensity Development	14
Option 3: High Intensity Development	16
CONCLUSION	17

By 2020, 54,000 employees are projected to work in the area east of Highway 101.

INTRODUCTION

The Oyster Point Concept Plan explores opportunities for enhancing South San Francisco's last remaining shoreline property. In the past decade, the area east of Highway 101 has evolved from a light industrial and service commercial district to a thriving center of biotechnical research and development, placing new pressure on Oyster Point. In addition, the Water Transit Authority's recent decision to locate South San Francisco's ferry terminal at Oyster Point will bring new users to the area and improve its visibility. These changing conditions create an the opportunity to rethink the role of this important community resource.

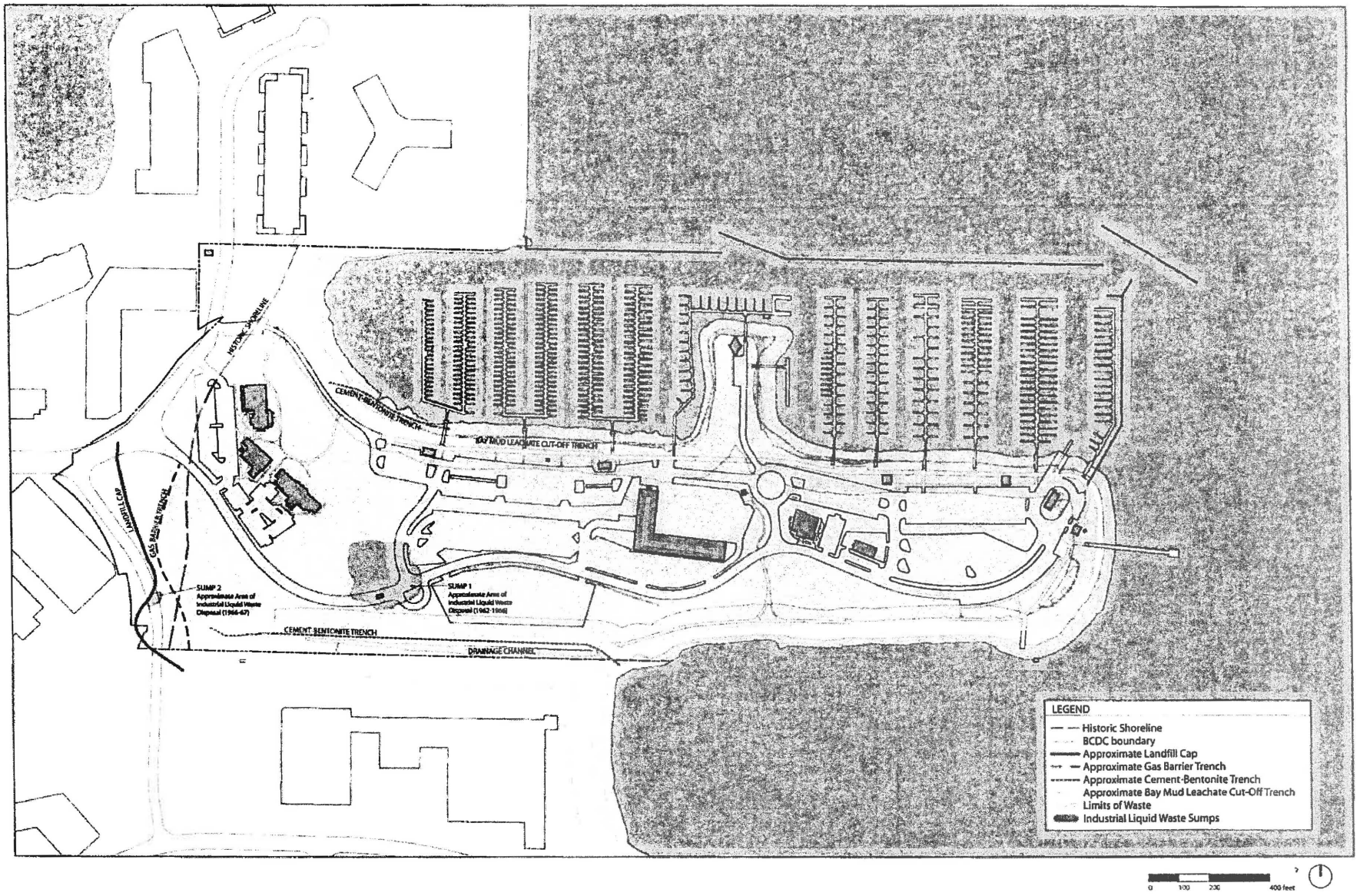
The goal of the Oyster Point Concept Plan is to initiate a dialogue with policymakers and community members on the future of Oyster Point. The Concept Plan presents a range of options for consideration. Following this effort, more comprehensive site testing and analysis will be required in consideration of the site's significant environmental and geotechnical constraints. It is the intention of this study to envision ways to improve Oyster Point so that it better serves South San Francisco's immediate and long-range needs.

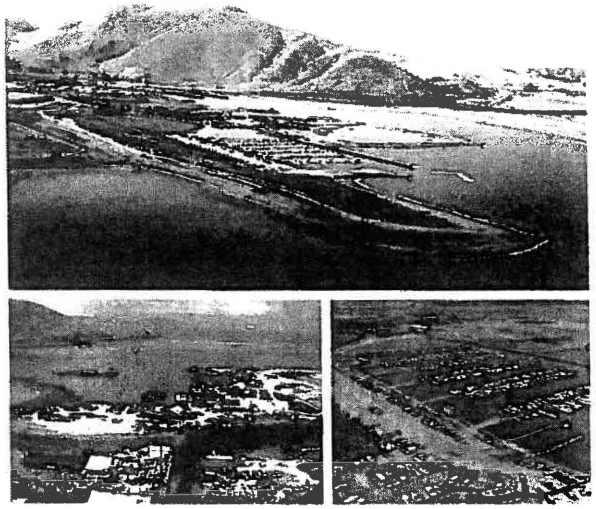
SITE HISTORY

Since the City of South San Francisco's inception, the area around Oyster Point has been its economic engine. From the meat packing plants that located here in the 1890s to take advantage of prevailing winds, to the steel mills that benefited from the construction of the Southern Pacific Railroad in 1907 and the Bayshore Highway in the 1920s, the area was dominated by industry. World War II fueled industrial expansion in shipping, distribution and manufacturing. By the 1960s, the entire area east of Highway 101 was developed and marshlands began to be filled.

In the fervor of expansion, the city signed a contract allowing the South San Francisco Scavenger Company to operate a tidelands municipal waste disposal site. From 1956 to 1970, the company deposited 45 feet of municipal waste in an unlined landfill. Initially, waste was burned on site, but in 1957, Scavenger was forced to comply with a Bay Area Air Quality Management District regulation prohibiting open air burning of waste. As a result, the company began depositing waste directly into the bay, using a wire fence to stabilize the fill. The San Mateo County Department of Public Health and Welfare cited this behavior and the Regional Water Quality Control Board began oversight. By 1970, when the landfill operations ceased, 1.4 million tons of waste had been placed at Oyster Point, named for the oyster beds that once dominated the shoreline.

In the two decades after the landfill closed, the Regional Water Quality Control Board ensured that the site was engineered to stabilize fill and prevent leachate migration. Site closure activities included compacting fill,


HISTORIC SHORELINE
CEMENT-BENTONITE TRENCH
BAY MUD LEACHATE CUT-OFF TRENCH
LANDFILL CAP
GAS BARRIER TRENCH
SUMP 2
Approximate Area of Industrial Liquid Waste Disposal (1966-67)
SUMP 1
Approximate Area of Industrial Liquid Waste Disposal (1962-1966)
CEMENT BENTONITE TRENCH
DRAINAGE CHANNEL
LEGEND
Historic Shoreline
BCDC boundary
Approximate Landfill Cap
Approximate Gas Barrier Trench
Approximate Cement-Bentonite Trench
Approximate Bay Mud Leachate Cut-Off Trench
Limits of Waste
Industrial Liquid Waste Sumps
0
100
200
400 feet



Above: *Oyster Point Marina in the early 1970s.*

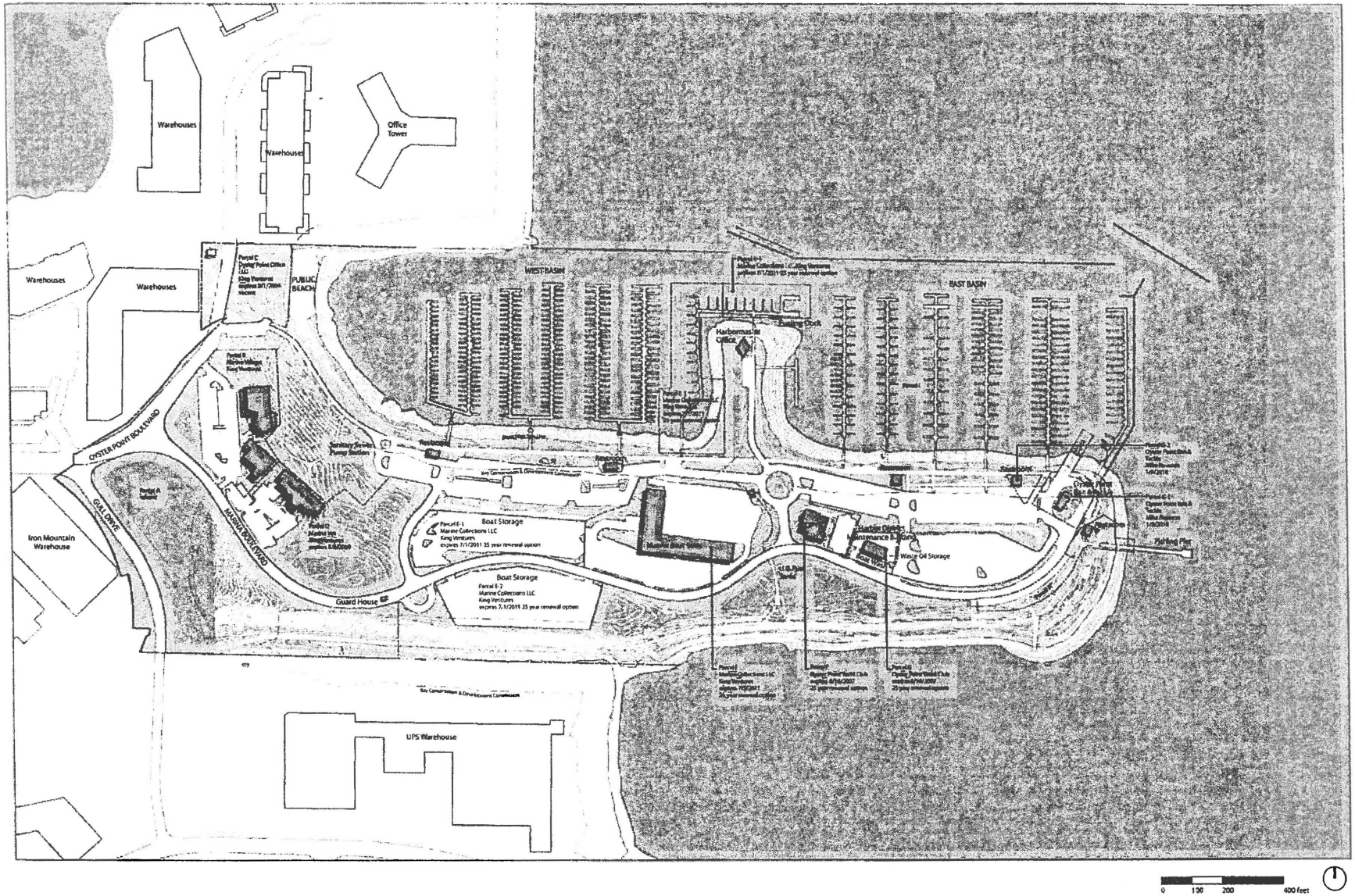
covering the site with 2 feet of low-permeability soil, and later adding 2 feet of reconditioned Bay Mud. Bentonite-cement trenches were erected in leachate seep areas by the drainage channel and by the beach. A gas barrier trench, compacted soil and a PVC liner, was installed on the western edge of the landfill to control methane gas migration. When industrial liquid waste was found in drums during the construction of Gull Drive in 1995, landfill material was removed and the cap was extended. In 1986, the Department of Health Services listed the site as potentially hazardous and additional regulatory bodies, including the US Environmental Protection Agency, investigated the site. These agencies found that the site posed little risk and returned oversight to the Regional Water Quality Control Board.

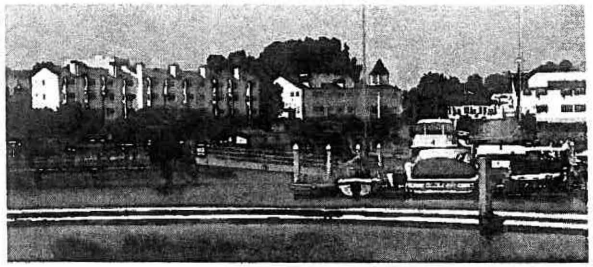
From 1970 to 1977, the city managed maintenance activities, but in 1977, the San Mateo Harbor District took over the site under a joint powers agreement with the city. In 1962, the city built a marina with a small harbor and boat ramp on the site, and added a breakwater the following year. In the 1980s, the Harbor District oversaw the expansion of the marina, the addition of a park, and the management of several leaseholds, including offices, the Oyster Point Marina Inn, a marine boat sales company, and the Oyster Point Yacht Club. Oyster Point includes 8 acres of original shore and 49 acres of fill that extend the shoreline 3,000 feet into the San Francisco Bay.

Oyster Point Marina emerged while the surrounding area underwent another economic shift. In 1963, the 600-acres adjacent to the Oyster Point Marina became the city's first industrial park. Research and development, warehousing and biotechnology replaced heavy industry. Biotech giant Genentech occupies 72 acres and employs 3,200 employees in close proximity to Oyster Point. By 2020, 54,000 employees are projected to work in the area east of Highway 101. Meanwhile, Oyster Point itself has remained largely unchanged.

In the South San Francisco General Plan, Oyster Point is designated for open space along the waterfront and coastal commercial in the interior, however; the Oyster Point Marina Specific Plan details uses for each of the parcels with retail, restaurants, hotels and amusement arcades in the western parcels, parkland around the edge of the site, boat storage and public uses in the middle, and public uses and clubs in the eastern parcels.

Currently, the shoreline offers several recreational facilities. A 2.5-acre beach and 33 acres of parklands with trails, benches and public restrooms surround the site. The Bay Trail offers a place for pedestrians and bikers to enjoy the waterfront and connects Oyster Point into a 240-mile regional recreational network encircling the bay. In addition, at its eastern tip, Oyster Point has a 170-foot fishing pier and one of the bay's few boat launch ramps.


Warehouses
Warehouses
Office Tower
Warehouses
Warehouses
Parcel C
PUBLIC BEACH
WEST BASIN
EAST BASIN
Harbormaster Office
Parcel B
OYSTER POINT BOULEVARD
Parcel A
GULL DRIVE
MARINA BOULEVARD
Iron Mountain Warehouse
Boat Storage
Parcel E-1
Marine Collections LLC
Kang Ventures
expires 7/1/2011 25 year renewal option
Boat Storage
Parcel E-2
Marine Collections LLC
Kang Ventures
expires 7/1/2011 25 year renewal option
Guard House
Waste Oil Storage
UPS Warehouse
0
100
200
400 feet



While Oyster Point largely consists of open space, it also includes a cluster of marine-related businesses.

While Oyster Point largely consists of open space, it also includes a cluster of marine-related businesses. On the western end of the site, Marina Village includes two office buildings, and the 30-room Oyster Point Marina Inn and Dominic's restaurant. While Marina Village is developed with two to three story buildings built on piles, the rest of the structures on Oyster Point are limited to a single story built on mat foundations. In the middle of the site, there is a large, L-shaped boat sales and maintenance facility with an associated dock. This Boat and Motor Mart is surrounded by a large parking lot and two boat storage lots. Beyond this, the Oyster Point Yacht Club overlooks the marina. Further to the east, there is a maintenance shed with a boat washing station. At the far eastern end of the site, the Oyster Point Bait and Tackle shop draws fishermen and lunch patrons. The harbormaster has an office on a small mole that extends north from the site and separates the West and East Basins of the marina.

Parcels A and C along Oyster Point Boulevard are the only portions of the site within the original shoreline. In 2000, Corporex Corporation proposed a 10-story Hilton Hotel and 3-story parking garage built on piles on Parcel A; however, the proposal did not go forward. Sandwiched between Oyster Point Boulevard and the public beach, Parcel C, the old gun club site remains vacant. There has been no new construction in over 20 years.

The 600-berth marina is operating at half capacity. Due to its location at the southern end of the bay, removed from the premier sailing areas, strong prevailing westerly winds, limited slip sizes, and poor storage facilities, Oyster Point Marina's slips are some of the last on the bay to fill. Burdened with a $12 million debt for breakwater construction and basin reconfiguration, the Harbor District is eager to generate additional revenue from the property.

King Ventures, a real estate developer specializing in hospitality, holds the majority of the leaseholds on the western two thirds of the site, and the earliest expire in 2011 with a 25 year renewal option. The Oyster Point Yacht Club holds two leases that expire next June. Lastly, The owner of the Oyster Point Bait and Tackle shop holds a lease for the shop and a restroom, both of which expire in 2018. To facilitate development, purchase of several of these leases would be required.

Current leaseholds fail to generate enough revenue to cover the debt service associated with the marina. Parcels A and C remain vacant and many of the other sites could be utilized more intensively. Empty parking lots, vacant parcels and underutilized buildings give the area an image of deterioration and neglect. The existing buildings are of poor quality. Settlement has buckled the roadways which weave in and out of parking lots, complicating circulation. Unsightly storage areas are not screened from view. Although the site is publicly held, it does not have the character and quality of a public amenity.

Oyster Point faces significant challenges because of the environmental concerns associated with building on an unlined and largely undocumented landfill. Pile construction could cause leachate migration. Any development will have to address ventilation of methane. In addition, the landfill is not stable. New construction will cause subsidence, which may occur at different rates across a single building. One to two story structures can be built on mat foundations but require jacks that can be adjusted to compensate for the differential settlement. Taller buildings will require pile construction, engineered to prevent leachate migration.

Any new construction requires permits and approvals from the City of South San Francisco, the Regional Water Quality Board and the Bay Conservation and Development Commission (BCDC). As BCDC controls the first 100 feet landward of the San Francisco Bay shoreline, public improvements in this band must support BCDC's mission "dedicated to the protection and enhancement of San Francisco Bay and to the encouragement of the Bay's responsible use".

Despite its history as a waste disposal site Oyster Point offers a tremendous opportunity for South San Francisco. It is strategically located on the waterfront and has some of the last remaining undeveloped parcels of land east of 101. Its park, beach, fishing pier and boat launch offer the residents of South San Francisco and nearby employees a unique recreational and open space resource.

PROPOSALS

In consideration of the significant opportunities and constraints facing the city in redeveloping and enhancing Oyster Point, the Concept Plan outlines two levels of improvement:

1. A framework of public improvements that restructure the site to take advantage of its unique waterfront location, and to provide more efficient utilization of the land for a wide range of activities, and

2. Land use options including three scenarios for the future use of the site, each of which could occur within the framework of public improvements. These options are presented to initiate a community-wide dialogue on the future of Oyster Point, and based upon the response, will be evaluated more comprehensively in subsequent stages of work.

Due to its location at the southern end of the bay and strong prevailing westerly winds, Oyster Point Marina's slips are some of the last on the bay to fill.

The Bay Trail offers a place for pedestrians and bikers to enjoy the waterfront and connects Oyster Point into a 240-mile regional recreational network encircling the bay.

FRAMEWORK PLAN

While the framework plan could be implemented over time, there are three improvements which could occur immediately to increase the site's revenue generating potential, and at the same time, improve its image and its public role in the community. These changes could be accomplished with the existing roads and infrastructure and without precluding future opportunities for more significant redevelopment and investment.

- **Ferry Terminal:** The Water Transit Authority's new ferry terminal will be one of the first investments in the area in over twenty years. The site will be altered and upgraded to provide space for 120-foot long, 149-passenger vessels and a drop-off area with space for 4 shuttle buses and 2 paratransit vehicles. Improvements around this facility and the new activities that it will bring to the area will begin to change the identity of the site.

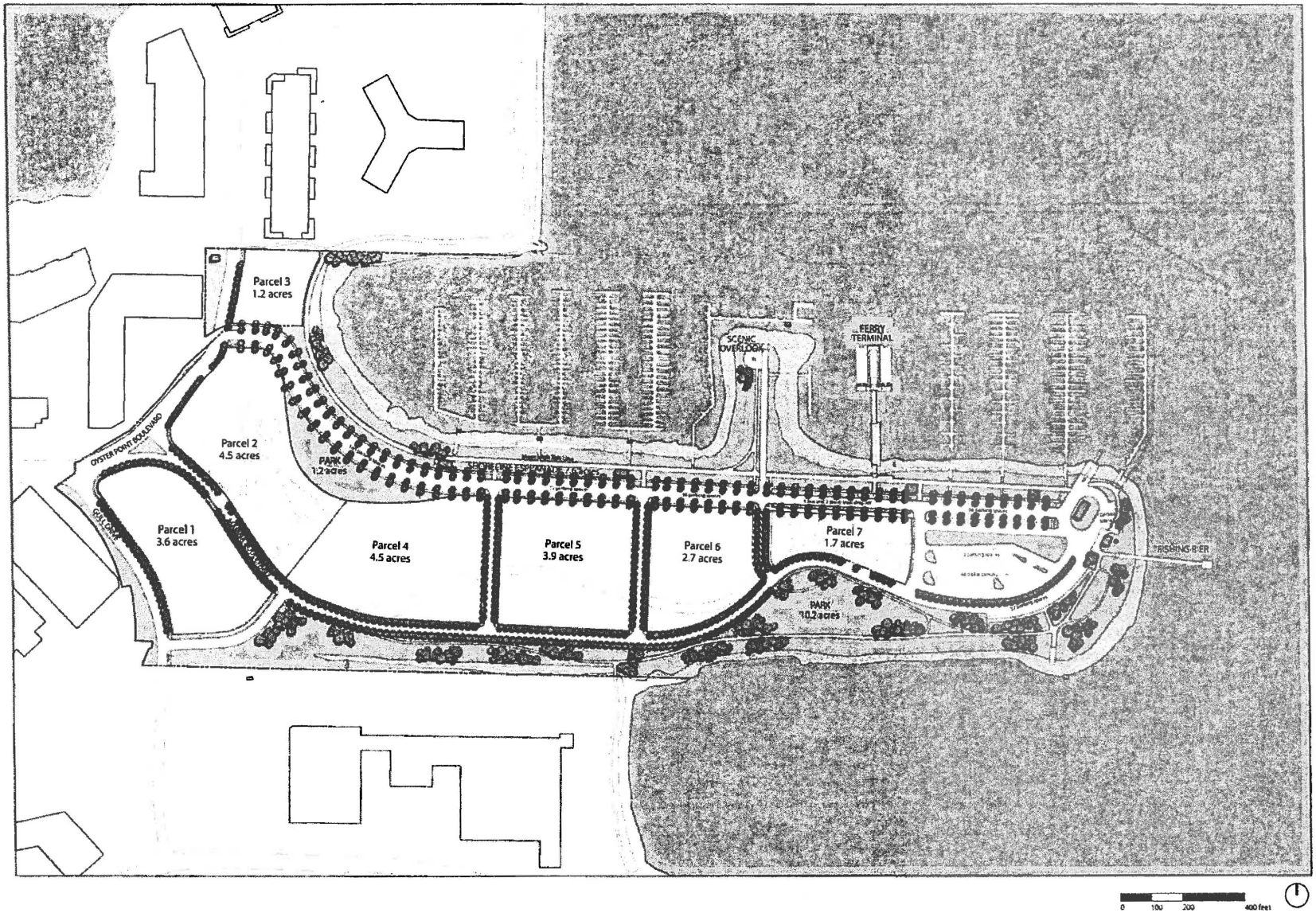
- **New Development:** Two parcels adjacent to Oyster Point Boulevard offer immediate opportunities for development that would not preclude the realization of any of the longer term land use scenarios. Parcel 1 and Parcel 3 include natural land, making them the most economical places to build.

  - **Parcel 1:** The site where the Hilton Hotel was proposed is a 3.6-acre site with excellent road access that could be developed into a range of uses, such as office or hotel. With a FAR of 1.0, the site could support over 150,000 square feet of development.

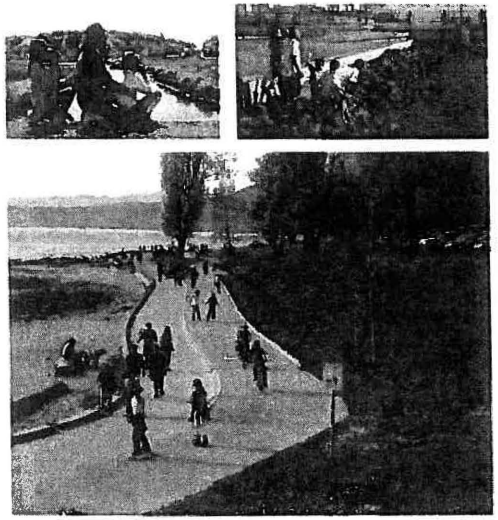
  - **Parcel 3:** The old gun club site is a relatively small site of 1.2 acres, all of which is on natural land. Adjacency to the public beach, great road access and proximity to offices and the Bay Trail recommend this site for a public-oriented use, such as a restaurant or commercial-recreational facility of approximately 10,000 square feet.

- **Enhance Existing Uses:** Many of the current leaseholders are not using their entire parcels as evidenced by vacant land, empty parking lots and rundown buildings. Uses could be consolidated to free up land. Boat and trailer storage could be screened to make the site more attractive.

By introducing a new use, upgrading existing uses and promoting development where feasible, the city could improve revenue generation and address some of the site's issues. Offices and a restaurant would bring people to the site and take advantage of Oyster Point's natural beauty. These active uses would begin to transform Oyster Point into a more viable recreational destination.



FRAMEWORK PLAN



Introducing a linear park and promenade along the north side of the peninsula would orient the site to the waterfront and provide a new amenity that would greatly improve the site's identity.

To address Oyster Point's most intractable challenges, consideration should be given to reconfiguring the site's streets, parking and open spaces. Currently, wayfinding is confusing, the site has no sense of arrival, existing or future tenants have no clear address and the waterfront is largely obstructed by storage yards and parking lots. The site would benefit from a new framework of streets and open spaces to improve its public and waterfront orientation and to provide the setting for a range of new activities. The Framework Plan proposes a series of improvements aimed at taking full advantage of the site's potential.

- **Shoreline Esplanade:** Introducing a linear park and promenade along the north side of the peninsula would orient the site to the waterfront and provide a new amenity that would greatly improve the site's identity.

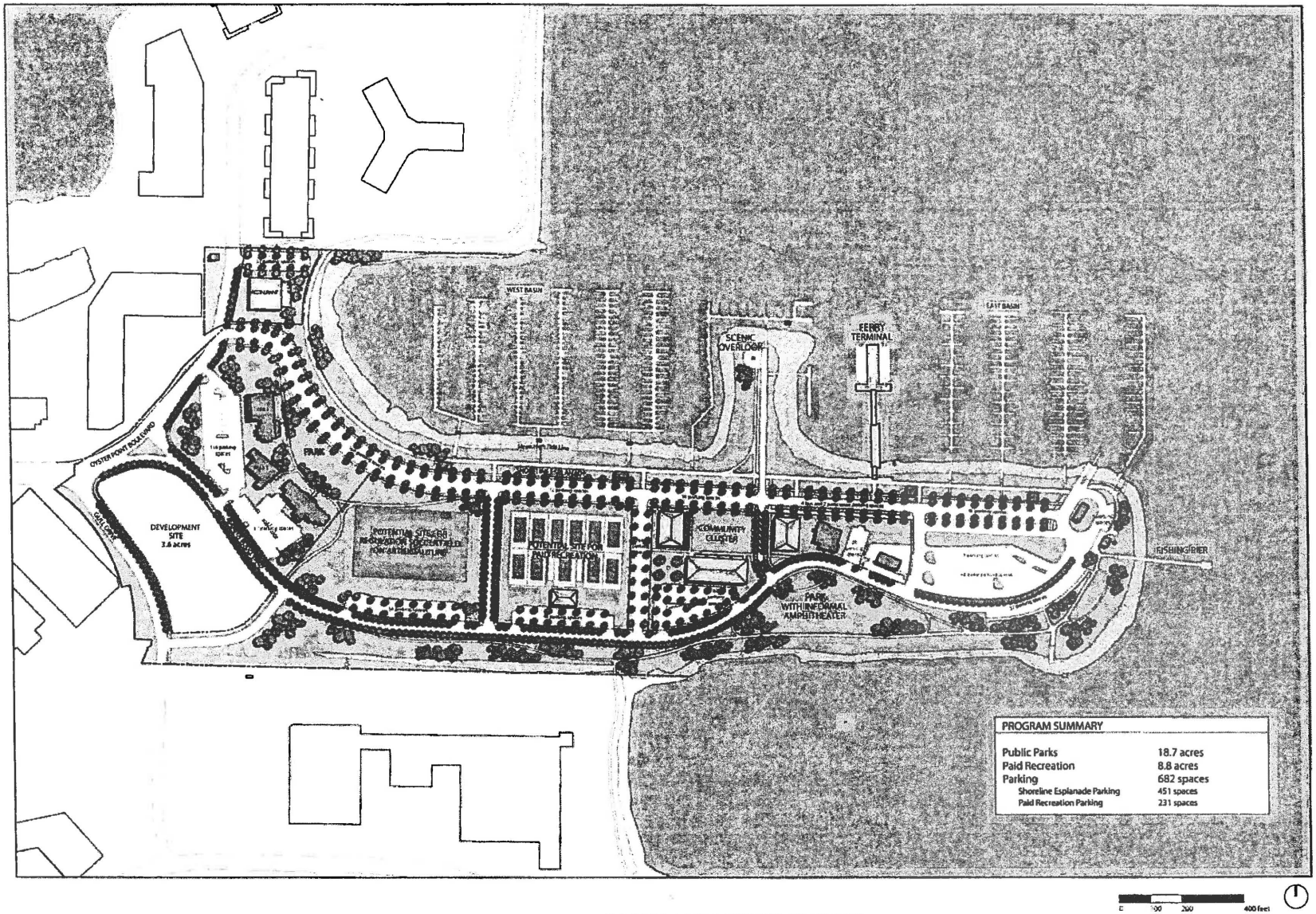
- **Road Realignment:** Straightening Marina Boulevard along the southern edge of the peninsula would create more usable and accessible parcels for a wide range of uses.

- **Parking Organization:** By organizing parking in a linear fashion along the shoreline esplanade, its visual impact would be minimized. This layout would also provide convenient access to the boat slips as well as the shoreline esplanade, and could be designed as an integral part of the open space and pedestrian environment.

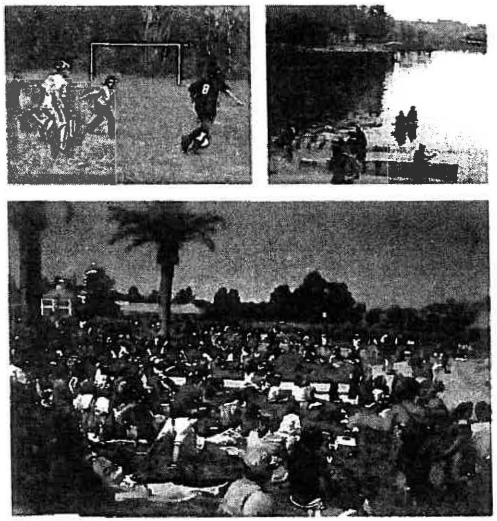
- **Creation of Parcels:** By purchasing the leases, land could be reassembled and subdivided into more accessible, visible and efficient parcels. The addition of north-south roads between Marina Boulevard and the Shoreline Esplanade would define 5 clear parcels in addition to parcels 1 and 3 along Oyster Point Boulevard. Parcel 1 could be configured to allow for a connection to Gull Road.

LAND USE OPTIONS

Within this framework of public improvements, a range of land use options could be considered. The following three general strategies are presented to stimulate community discussion. Each of the options raise issues and questions that will require further evaluation and study, depending on the direction that the community elects to pursue.



OPTION 1: RECREATIONAL EMPHASIS



A combination of programmed and passive recreation would give Oyster Point flexibility to host a variety of community activities.

OPTION 1: RECREATIONAL EMPHASIS

In this option, Oyster Point is envisioned as a regional recreational amenity with a mixture of public parks and paid recreational facilities. Paid recreation on portions of the site could enable the Harbor District to improve its revenue stream while still offering community residents recreational use of the site. Activities such as soccer, tennis and baseball could be offered for fees in conjunction with public open space. The recreational option would draw visitors to the site while minimizing any environmental concerns associated with development. As shown on the concept drawing, the uses could include:

- **Regulation Soccer Field:** Many communities have found it advantageous to lease soccer fields. These locations become a regional draw, in addition to being available for use by the immediate community. The fields have lights and artificial turf in order to operate 12 hours a day. Revenues could potentially cover capital and maintenance costs. Although the field would not generate substantial revenue, it would reinforce Oyster Point as a recreational destination, and improve the visual identity of the area.

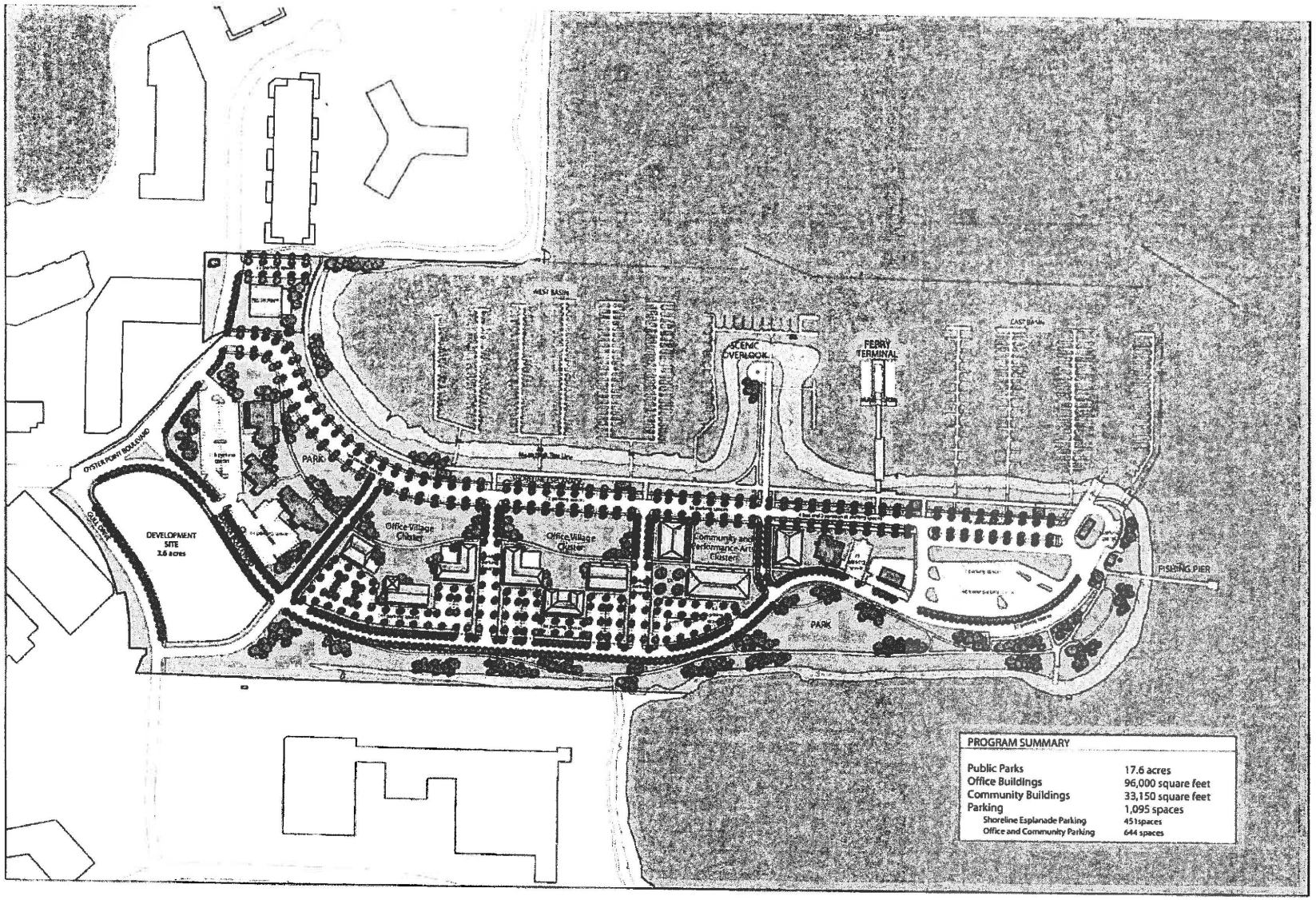
- **Tennis and Health Club:** Like the soccer option, the site could house a series of tennis courts and a health club. These uses could benefit from the public recreational activities and bring revenue and vitality to the site.

- **Boating Center:** An enhanced community boating center with windsurfing rentals, marina facilities and an educational focus could take full advantage of its location and bring community activity to Oyster Point.

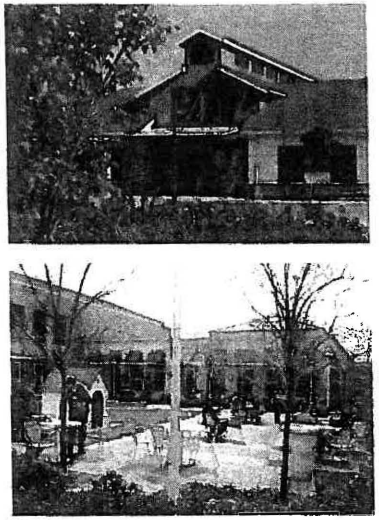
- **Parks and Amphitheater:** Improving the park by Marina Village and on the south side of the peninsula, and creating an informal amphitheater would strengthen the area's visibility in the community and provide gathering spaces for special events.

Outstanding Issues

- Is there significant recreational demand in the community and/or the region?
- Do the wind and other environmental factors affect the site's potential for recreational use?
- What is an appropriate mix of public versus paid recreation on this waterfront site?
- What revenues could be generated by paid recreation, and to what extent could these offset the cost of improvements and ongoing maintenance?



OPTION 2: LOW INTENSITY DEVELOPMENT



Clustering of one and two story office and community buildings would create a village character for Oyster Point.

OPTION 2: LOW INTENSITY DEVELOPMENT

This concept proposes a clustering of low-intensity office and community buildings on the three central parcels created by the Framework Plan. An intimate pattern of buildings oriented to the water, gives this option the feeling of a village. The small, multi-tenant buildings would be arrayed in clusters, oriented to small courtyards and paseos. Small parking lots would provide direct access to the office uses and avoid large expanses of asphalt. It is estimated that approximately 75,000 square feet of space could be created in this fashion. Considering the surrounding office park, it is possible to imagine the village becoming an incubator for small biotech start-up companies.

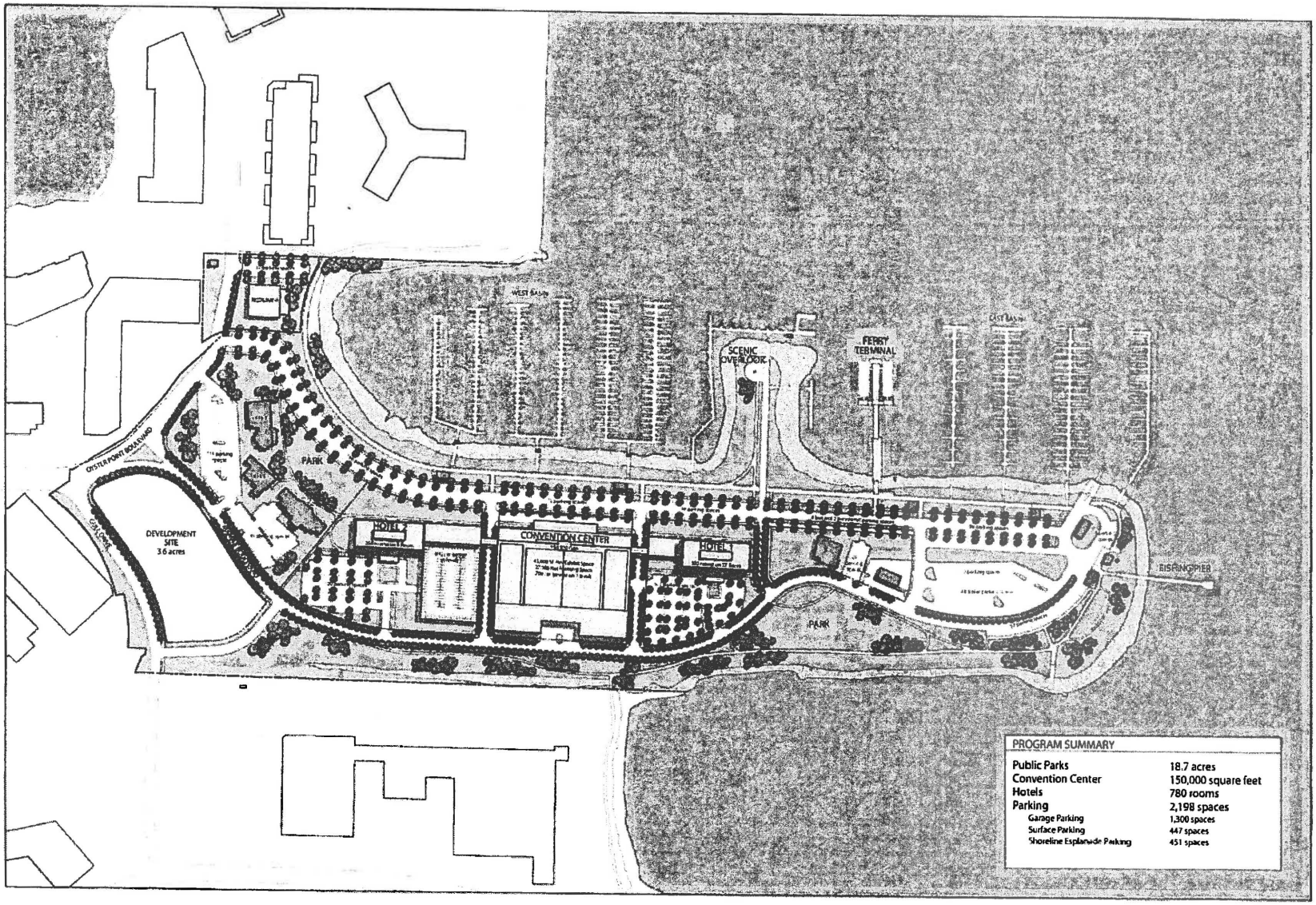
These one and two story buildings would not require expensive pile construction, and could instead be built on two-foot mat slabs with leveling jacks to counteract the settlement of the site. Site grading would need to be carefully designed to avoid or limit disturbance of the existing landfill cap.

In addition to office uses, a cluster of community and performance arts buildings could be constructed within the village in proximity to the ferry terminal. Oriented around a public plaza, these buildings could present a welcoming arrival point as well as a natural social gathering place and venue for public events.

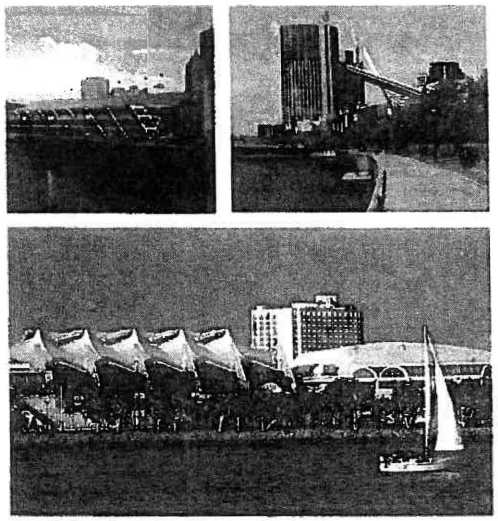
This option has the potential to introduce activity to the site with a new population of users as well as generate revenue that could be used to offset the costs of public infrastructure and ongoing marina operations.

Outstanding Issues

- What level of demand is there for low intensity office use at Oyster Point?
- What is the feasibility of finding a master developer to initiate improvements and market the sites to prospective users?
- Would the revenues generated by such development adequately offset the cost of public infrastructure and the Harbor District's ongoing maintenance and operations costs?
- What environmental and regulatory issues would result from site grading and construction on mat foundation?



OPTION 3: HIGH INTENSITY DEVELOPMENT



Convention centers in Pittsburgh, Melbourne and San Diego take advantage of their waterfront locations.

OPTION 3: HIGH INTENSITY DEVELOPMENT

A 2002 study proposed building a new convention center to expand or replace the existing South San Francisco Conference Center on South Airport Boulevard. The existing center has 16,500 square feet of sellable space (prime exhibit, meeting and ballroom space) and a footprint of about 41,000 square feet. The report's most aggressive scenario recommended an expanded or new facility with 75,000 to 85,000 square feet of sellable space (including 40,000 to 50,000 square feet of exhibit space) and a minimum 500-room convention headquarters hotel.

In recent conversations, the authors of the 2002 report indicate that the gross building area should be roughly double the total sellable space (i.e., 150,000 to 170,000 square feet) and that plans should include approximately 850 parking spaces for the exclusive use of the convention center. The convention center hotel would have its own parking at one space per room, which would also serve the hotel's own meeting space, restaurant, etc.

As shown on the concept drawing, the Oyster Point property could support a major convention center facility of 135,000 SF and 750 hotel rooms within the framework of proposed public improvements. The convention center is located with its drop-off, lobby and primary pre-function areas facing the shoreline esplanade and marina with its attractive bay views. Siting the convention center on top of a three-level garage of 850 spaces would enhance the vistas and reduce the building footprint and its impact on the underlying landfill. With 65,000 square feet of sellable space (including 40,000 square feet of exhibit space), the convention center could host regional events. In addition to surface parking, a garage would be required to provide a total of 760 spaces for the two hotels connected to the convention center, one on the west with 500 rooms and another on the east with 250 rooms. Together, the hotels and convention center could create a strong edge along the shoreline esplanade.

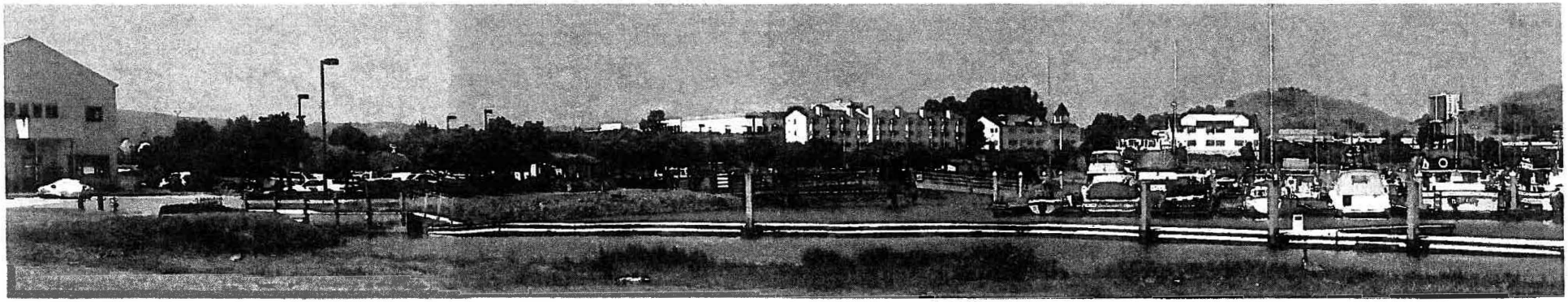
A development of this intensity would require pile construction which could extend 125 feet or more into bay mud before reaching bedrock. Considerations such as preserving the integrity of the landfill cap and ventilating methane will result in a substantial cost premium for building on this landfill site.

Outstanding Issues

- Is there sufficient demand for a major convention center facility at this location?
- Is the significant cost for pile construction and required mitigation of potential environmental impacts justified, given the economics of convention centers?
- Would regulatory agencies permit pile construction through the landfill?

CONCLUSION

The Oyster Point Concept Plan envisions a range of options for the community's consideration. Introducing new uses to improve revenue generation is a principal priority. As funds become available, implementing the Framework Plan would dramatically improve Oyster Point's image. A shoreline esplanade would create a unique recreational space that re-orients the site to the waterfront. A more thoughtful road layout would create more sellable and accessible parcels. With these changes, the site could be better positioned to respond to market forces and as a result could develop in several directions depending upon the goals of the community. Reconfiguring the site would allow the city to reinvent the peninsula and its role in the community. The Concept Plan is intended as a first step in that direction.



Staff Report

Letter to Monterey Bay National Marine Sanctuary Regarding Management Plan Update and Sand Placement (Commissioner David)
Glenn Lazof: Interim General Manager (IGM)

Background: This item was placed on the Agenda by Commissioner David. She has submitted a memo, correspondence from National Oceanic and Atmospheric Association (NOAA) and Greater Farralones National Marine Sanctuary, and proposed correspondence from the Board of Commissioners to the Monterey Bay National Marine Sanctuary (MBNMS).

Analysis: The Commission is being asked to consider a letter to MBNMS that encourages the change of the management plan language during the plan update so that more long-term alternatives for beach replenishment at Surfer's Beach can become available. The full update which may allow the use of dredged material for beach replenishment will take 2-3 years.

The Pilot project underway involves a smaller amount of material which can only be used on areas above mean high tide (of which there is very little area available at Surfers Beach).

Recommendation: A resolution is included should the Commission wish to approve the proposed correspondence.

Fiscal Impact: None.

Resolution 37-15

of the
San Mateo County Harbor District
to
Approve Sending a Letter to the Monterey Bay National Marine Sanctuary Regarding Erosion at Surfers Beach

Whereas, on June 17, 2015 the Board of Harbor Commissioners took action to become the lead agency in the beach replenishment effort at Surfers Beach; and

Whereas, the San Mateo County Harbor District (District) has received a letter from the Greater Farallones National Marine Sanctuary thanking the District for its recent decision to serve as lead entity to address erosion at Surfer's Beach; and

Whereas, the Board of Harbor Commissioners wishes to send a follow-up letter to the Monterey Bay National Marine Sanctuary, attached to this Resolution, encouraging it to change its management plan language so more long-term alternatives for beach replenishment at Surfer's Beach can become available.

Now, Therefore, Be It Resolved that the Board of Harbor Commissioners of the San Mateo County Harbor District authorize President Tom Mattusch to execute and send the attached letter to the Greater Farallones National Marine Sanctuary.

Approved this 19th day of August 2015 at the regular meeting of the Board of Commissioners by a recorded vote as follows:

For:

Against:

Absent:

Abstention:

Attested **BOARD OF HARBOR COMMISSIONERS**

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

Memo

Date: August 19, 2015

To: Board of Harbor Commissioners

From: Nicole David
Harbor Commissioner

Re: Letter to Monterey Bay National Marine Sanctuary regarding management plan update and sand placement

Recommendation
Approve letter

Background
The Board has received an encouraging letter from the Greater Farallones National Marine Sanctuary (attached) thanking the Harbor District for its recent decision to serve as the lead entity to address erosion at Surfer's Beach.

It is stated in this letter that the Monterey Bay National Marine Sanctuary (MBNMS) is initiating a process this summer to update its management plan under which it is currently prohibited to issue a permit for any project that involves dredged material being disposed of or placed within the Sanctuary.

The Commission can discuss and consider a letter to MBNMS that encourages the change of the management plan language during the plan update so that more long-term alternatives for beach replenishment at Surfer's Beach can become available.

Fiscal Impact
None

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL OCEAN SERVICE

Greater Farallones National Marine Sanctuary
991 Marine Drive
San Francisco, CA 94129

July 28, 2015

Tom Mattusch, President
San Mateo County Harbor District, Board of Commissioners
PO Box 1449
El Granada, CA 94018

Dear Mr. Mattusch:

The National Oceanic and Atmospheric Administration, Office of National Marine Sanctuaries would like to express our appreciation to the San Mateo County Harbor District, Board of Commissioners (Harbor Commission) for its recent decision to serve as the lead entity to address erosion at Surfer's Beach adjacent to Pillar Point Harbor. We would also like to thank you and Commissioner Nicole David for inviting us to participate in the first meeting of the Harbor Commission's Beach Replenishment Committee on May 19, 2015 at the Half Moon Bay Yacht Club. We recognize the ongoing challenge of addressing erosion at Surfer's Beach and would like to continue to be engaged in this planning process by working collaboratively with the committee and the various participating regulatory agencies, stakeholders, and community members, to develop both short-term and long-term options for addressing erosion along this stretch of coast that would serve as sustainable and effective alternatives to coastal armoring. The primary mandate of national marine sanctuaries is resource protection and, while the impacts of coastal armoring vary based on the specifics of each site, we are concerned that armoring typically leads to damage or alteration to local coastal habitats, deprives beaches of sand, and accelerates erosion of adjacent beaches.

Monterey Bay National Marine Sanctuary (MBNMS) and Greater Farallones National Marine Sanctuary (GFNMS) (formerly known as Gulf of the Farallones National Marine Sanctuary) are Federally-protected marine areas on California's north and central coast. Pillar Point Harbor lies adjacent to MBNMS. GFNMS is responsible for managing and permitting activities within the northern portion of the MBNMS, north of Point Año Nuevo. GFNMS coordinates closely with MBNMS staff on all emerging issues and broader management decisions for this area.

MBNMS regulations prohibit, among other things, the alteration of the seabed, the discharging or depositing any material into the sanctuary, or constructing or placing any material or other matter on the submerged lands (CFR 922.132(a)(2) and (4)). Activities that would otherwise violate these regulations may in some cases be allowed by a permit under CFR sections 922.49, 922.132(e), and 922.133 if they meet the specified permit criteria. MBNMS can consider permitting certain activities to address shoreline erosion. However, both the regulations and the terms of designation for MBNMS contain specific language that precludes issuing a permit for any project that involves dredged material being disposed of or placed within the sanctuary (i.e.

below mean high water) other than at designated disposal sites authorized by the U.S. Environmental Protection Agency prior to the effective date of designation, in 1992.

Nonetheless, we believe there are some feasible options, both short-term and long-term to address the myriad issues at Surfer's Beach and in the harbor. The first, and our preferred, short-term option involves sourcing sand from the shoal that has formed nearby, inside the outer breakwater of Pillar Point Harbor and placing it above mean high water along the most heavily eroding areas of Surfer's Beach so that sand can naturally work into the littoral system and help attenuate erosion; we believe there is an available deposition zone between 80 – 140 feet wide in that area between the bluff and the mean high water line. This alternative would not require a sanctuary permit since sand would be placed outside the boundaries of the sanctuary. If the Harbor Commission were to pursue this option, GFNMS/MBNMS would work with the commission and other agencies to provide historic shoreline data for the Surfer's Beach area to determine a baseline for the sanctuary's boundary. A second short-term option that also could be considered would be to source sand other than from harbor dredge sources, perhaps from upland areas beyond MBNMS, and truck it to and place it below mean high water along Surfer's Beach. This option could possibly be permitted within MBNMS regulations provided that the pilot project design meets strict resource protection standards and MBNMS permit issuance criteria.

Given the significant rates of erosion at Surfer's Beach, GFNMS/MBNMS also recognize that a long-term solution may be needed. Long-term options that might be considered include additional beach nourishment above mean high water including source sand from within the harbor, provided that pilot studies and placement episodes prove effective and protective of sanctuary resources; evaluating the feasibility of a planned managed retreat of Highway 1 to eliminate the need for further coastal armoring (like rock slope protection) and to allow for the beach to be restored; and/or modifying the outer breakwater, which has contributed significantly to the erosion occurring in this area by interfering with the natural sediment transport along this stretch of coast.

It is also our understanding that the California Department of Transportation (Caltrans) is currently in the processing of implementing a shoreline protection project to protect Highway 1 that will involve short-term emergency armoring along the most severely eroded portion of the bluff at Surfer's Beach, while a long-term plan can be developed that achieves shoreline protection without continued and increased coastal armoring. We believe that the first short term alternative discussed above can be carried out promptly to reduce and perhaps eliminate the need for armoring at Surfer's Beach while also providing new sand to nourish the beach, thereby allowing improvement of the area for various coastal recreation activities.

I want to also be sure you are advised that MBNMS is initiating a process this summer to update its Management Plan. This update process will include a scoping period and a public comment period where the community, stakeholders, and other agencies, can provide recommendations and suggestions as to how MBNMS may consider revising its Management Plan.

We are prepared to work with the Harbor Commission, the Beach Replenishment Committee, Caltrans and the other agencies during the development of any potential alternatives to ensure that a comprehensive and coordinated approach is taken to addressing erosion at Surfer's Beach. If you have any questions, please contact me or Max Delaney at GFNMS at (415) 970-5255.

Sincerely,

Maria Brown

Maria Brown, Superintendent
Greater Farallones National Marine Sanctuary

cc:
Nicole David, Vice President, San Mateo County Harbor Commission
Charles Lester, California Coastal Commission
Renee Ananda, California Coastal Commission
Clif Davenport, California Sediment Management Workgroup
Chris Potter, California Sediment Management Workgroup
Ron Moriguchi, California Department of Transportation
Bob Solatar, California Department of Transportation
Tom Kendall, U.S. Army Corps of Engineers
Tara Beach, U.S. Army Corps of Engineers
James Zoulas, U.S. Army Corps of Engineers
Brian Ross, U.S. Environmental Protection Agency
William Douros, ONMS West Coast Regional Director
Paul Michel, MBNMS Superintendent

San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

August 12, 2015

Monterey Bay National Marine Sanctuary
99 Pacific Street, Bldg. 455A
Monterey, CA 93940

Dear Mr. Michel,

While two harbors in the Santa Cruz Littoral Cell have optimized dredging operations with beneficial use of sand on adjacent beaches, the third one, Pillar Point Harbor, remains one of the few Harbors on the coast of California without a designated sand disposal site. Because of this, much needed sand gets stuck behind the harbor breakwater, and is not allowed to continue on its natural north to south path, resulting in sand-starved beaches down the coast.

Over the past 50 years, an estimated 250,000 cubic yards of sand has been deposited in the Harbor, the same sand that should have continued to replenish our coast to the south. At the same time beach erosion accelerated from inches to several feet per year to the south of the Harbor. This significant and ongoing erosion and beach loss have greatly diminished opportunities for public recreation and continues to put beaches, roadways, bike paths and structures at risk.

We strongly urge you to include an exception in your management plan update (CFR 922.132(a)(2) and (4)) that will allow for placement of dredged material at designated sites within the Sanctuaries if the effort mitigates shoreline erosion. This important exception will allow Surfer's Beach to become a designated disposal site for sand from Pillar Point Harbor and will make it easier to provide the much needed beach replenishment and reduce erosion further down the coast.

Not only is this a cost-effective and practical solution to sustain the economic viability of Pillar Point Harbor, but it fulfills the need for a more durable solution to erosion control at Highway One. After the emergency revetment is installed by Caltrans this fall, this will also provide local agencies the ability to manage their own finite and eroding recreational resources at a time of increased public usage.

Sincerely,

Tom Mattusch (San Mateo County Harbor District, Board President)

504 Avenue Alhambra, 2nd Floor, PO Box 1449, El Granada, CA 94018
(650) 583-4400 T
(650) 583-4611 F

Staff Report

CRAB FESTIVAL-HARBOR DISTRICT PARTICIPATION JANUARY 30-31

Scott Grindy Harbor Master

Background:
This is a new event that is presently centered at the Half Moon Bay Brewing Company as well as the vacant lot across the street at Prospect/Capistrano road. Promoters long term vision is that the event will grow in future years to come, to encompass a larger area that would include events and activities at the center of the Pillar Point Harbor area.

The Harbor District has been asked to participate in the event for this year in two ways:

1.) Sponsorship of the event via a minimum fee of $2,500. This would provide the district space for a 10 x 10 booth, Linked Logo, and Recognition by the stage master of ceremonies, and 2 VIP crab fest tickets. This booth would be staffed by district staff and commissioners to assist with our county wide effort to market the district facilities. The higher sponsorship fees provide additional event support and connectivity for marking the district (see attachments).

2.) Provide overflow parking in our Pillar Point Harbor parking lots, historically for use on this weekend about 60 parking spaces could be set aside for the event.

Parking management could be by district staff or a volunteer team who would charge for parking as a fund raising event. The other option is to allow overflow parking where possible in the harbor with no specific oversight to amount of impact and with no parking fee.

The Special Use Permit request has also asked that the costs of the available parking be waived for the event.

Q & A

From the Organizer Tim Beeman:

Which harbor tenants (Ketch, Princeton Seafood, Mavericks, HMB Bait Shop, California Kayak, HMB Kayak and others) have agreed to participate?

We have just started our outreach to the local restaurants (including those at the harbor) about participation in Crab Fest. We have also reached out California Kayak about possibly doing a Crab Fest kayak race and Mavericks about doing a Crab Fest paddleboard race and are open to other add-on events. Crab Week will be a full weeklong extravaganza and marketing

platform for businesses and organizations to create, host and merchandise Crab Week-themed promotions, special offers and add-on events all of which will be promoted heavily through the event website and marketing campaigns. We'll be reaching out to encourage corporate sponsors, restaurants, hotels, retailers, merchants and community organizations from the Coastside and beyond to partner with Crab Week and Crab Fest to help build the buzz and tap into the excitement both locally and throughout the Bay Area. Organizers would love to see add-on events – like a paddleboard race, kayak race, chowder cook-off, artist open studios, and fun run – attached to Crab Week and are wide-open to community groups interested in organizing them for their own fund-raising.

THIS YEAR, our planning has been based on holding Crab Fest (Jan. 30-31) in the lots surrounding Half Moon Bay Brewing Company as well as the vacant lot across the street at Prospect/Capistrano Rd – *with the longer term vision of being open to moving it to Pillar Point Harbor in year 2 or 3 if the event has full Harbor support and all the pieces are in place to do so.*

What is the next level of Sponsorship?

A higher level of sponsorship has also been offered at $5,000 of which provides:

- One (1) 10' x 10' space to conduct outreach, marketing and promotional activities.

PLUS

- Co-Sponsorship of the Made on the Coast Music stage featuring all day music on the Sunday Locals Block in the Cunha's store lot with one banner (you provide) displayed on the stage.

Analysis:
This new marketing opportunity will increase the visibility of the Harbor District. Including Harbor Commissioners to staff the booth will allow cost savings on staff time, while providing an outreach opportunity for Commissioners. If marketing supplies are desired at the event, an additional $2,500 should be made available to purchase items.

We could also use this event to promote 2016 district events, and consider linking fishing sales off the boats as an additional benefit to the Harbor Commercial Fisherman.

Recommendation: Policy

If participation is desired indicate the level of sponsorship.

Fiscal Impact:

$2,500 for the booth and sponsorship (minimum sponsorship to include booth) or

$5,000 sponsorship. Request staff to purchase of $2,500 worth of marketing supplies, if desired.

A total of $5,000-$7,000.

San Mateo County Harbor District

400 Oyster Point Blvd., Suite 300,
South San Francisco, CA 94080
(650) 583-4400 T
(650) 583-4611 F
www.smharbor.com

Please supply the information requested below. Please remit this application at least 21 days prior to your event. Attach additional sheets if necessary, to provide required information. A non-refundable application fee of should accompany this application. You will be notified of the disposition of the application and the necessary steps to secure your final permit. A permit fee, signed permit agreeing to reimburse District for any costs incurred by damages and proof of liability insurance named the San Mateo County Harbor District as also insured will be required. See Event Policy, Permit Fee Schedule and Category Definitions.

APPLICATION FORM – Special Use Permit		
Applicant Name:	Tim Beeman	
Organization Name:	Miramar Events and Mavericks Coastside Foundation	
Address:	390 Capistrano Rd.	
City, State, Zip Code	Half Moon Bay CA 94019	
Telephone	Day 650-726-3491 Cell 415-999-2428 Fax 650-726-5181	
Alternate Contact Person (s) and Phone Number	Nate Rey 650-728-2739	
San Mateo County Resident:	Yes x	No
Non- Profit:	Yes x	No
Commercial:	Yes	No
Type of Event:	food festival	
Description of Proposed Activity:	Half Moon Bay Crab Fest, a two-day festival to be held in the parking lots surrounding Half Moon Bay Brewing Company on January 30-31, 2016, showcasing the best restaurants, wineries, breweries, and distilleries from the Coastside and beyond entertaining chefs' demonstrations, sensational live music, educational marine, fisheries and sustainability related exhibits, a free Crazy Crab Kidz Fest, plans also include a bustling fishermen's market with fresh, just-caught whole Dungeness Crab and more to buy and take home.	
Event Date (s)	Jan. 30-31, 2016	
Number of Events per year:	one	
Event Hour:	Start 10 am	End 5 pm
Set up Time:	6 am	
Exit Time:	7 pm	
Number of Participants/Guests:	2500 per day at the Crab Fest at HMB Brewing Company	
Maximum number of vehicles/parking requirements for the event: (provide parking plan)	We've requested the max # of parking spaces the Harbor will make available. We will work within that framework.	

San Mateo County Harbor District

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Equipment to be used: (Chairs, tables, tents, microphones, speakers)	none at the harbor
Individual in charge on event day (include name, address and contact number on the day of the event)	Tim Beeman – mobile 415-999-2428

Information will be used to determine whether a permit will be issued. Completed application must be accompanied by an application fee based on the Permit Fee Schedule. The District may require additional information.

Request for fee waiver:	Yes x	No

Reason for request of fee waiver:	We're requesting use of parking lots to be run by and benefit a local non-profit

Are you familiar with/have you visited the requested area?	Yes x	No
Do you plan to advertise or issue a press release before the event?	Yes x	No
Is there any reason to believe there will be attempts to disrupt, protect or prevent your event? (If yes, please explain on a separate page.)	Yes	No x
Do you intent to solicit donations or offer items for sale?	Yes	No x – not at the harbor

Applicant is required to comply with all Federal, State, Local and District laws and ordinances, and represents as part of this permit application that he/she reviewed the Ordinance Code of

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the San Mateo County Harbor District and is fully familiar with the restrictions and laws stated therein.

Applicant is required to submit with this application any permit or license if required by the governing local jurisdiction (e.g. San Mateo County, City of South San Francisco, or City of Half Moon Bay wherein the event or activity will take place.) The Event Permit issued by the San Mateo County Harbor District will be null and void if applicant is required to have San Mateo County, City of South San Francisco, or City of Half Moon Bay permit or license and does not obtain said permits or license.

Prior to commencing any activities hereunder, applicant shall furnish to District satisfactory evidence of insurance written upon a form and by a company acceptable to the District, insuring District, its directors, officers, agents and employees against any losses or liabilities which may arise out of applicant's use of the facilities, including all costs of defending any action. Said insurance shall consist of a Comprehensive General Liability policy with a Broad Form Endorsement that provides coverage for bodily injury and property damage in the amount of $1,000,000 per occurrence and $2,000,000 in aggregate. Said policy shall be in favor of, and name applicant and District, its directors, officers, agents and employees as additionally insured and shall be maintained in full force and effect during the term of the permit.

Absence of insurance makes the Event Permit null and void.

In signing this application, and accepting the permit issued thereby, the undersigned certifies under penalty of perjury that any and all events or activities will be attended by the applicant personally or by individuals known to the applicant, the names of whom must be provided in advance to the District on this application, or on any future amendment to this application, to enable the District to monitor the use of their facilities.

The applicant by his or her signature certifies that all the information given is complete and correct, and that no false or misleading information or false statements have been given.

Signature Timothy Beeman Date 8/7/15

Note: This is an application only, and does not serve as permit to conduct any use of the Harbor or Marina. If your request is approved, a permit containing applicable terms and conditions will be sent to the person designated on the application. The permit must be signed by the responsible person and return to the San Mateo County Harbor District prior to the event for final approval by the General Manager or his/her designee.

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Hop Aboard Mate'y

Please fill out the form below and we'll connect with you decisively! Thank you for your interest in partnering with our event!

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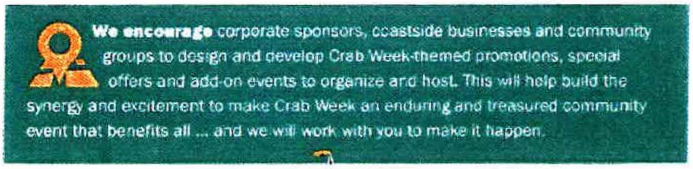
CREATE YOUR OWN PROMOTION, OFFER, OR EVENT
UP AND DOWN THE COAST, WITHIN CRAB WEEK!



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Ticket Packages

King Crab Passport

VIP ADMISSION

King Crab Passport, VIP Admission ($100 for one day, $175 for two days) includes one commemorative tasting glass and unlimited 4 oz pours of beer and 2 oz tastings of wine and cocktails. Plus a full day of entertaining chefs demonstrations, live headliner music on the concert stage, an arts and crafts marketplace, and assorted fisheries, marine, sustainability and educational exhibits. The VIP package also includes one hour early event admission, access to a private VIP Lounge in Half Moon Bay Brewing Company's Mavericks Beer Garden with special VIP-only food, beer, wine and cocktail tastings (including a tasting of Half Moon Bay Brewing Company barrel aged Ocho Rami beer aged over 6 months in wine barrels). Meet The Brewmasters and Winemakers talks and tastings, tasty made-to-order specialty Dungeness Crab and other gourmet appetizers and bites by Half Moon Bay Brewing Company's Executive Chef Federico Godinez, and scheduled behind-the-scenes Brewery tours throughout the day. *(Food, other than sponsor samples, is not included in the ticket price - except for in the VIP Lounge).*

Crab Passport

GENERAL ADMISSION

($75 good for one day, $125 for two days) Includes one commemorative tasting glass and unlimited 4 oz pours of beer and 2 oz tastings of wine and cocktails. Plus a full day of entertaining chefs demonstrations, live headliner music on the concert stage, an arts and crafts marketplace, and assorted fisheries, marine, sustainability and educational exhibits. *(Food, other than sponsor samples, is not included in the ticket price)*

Youth Passport

GENERAL ADMISSION

Ages 11-17 ($50 good for one day, $75 for two days) Includes a full day of entertaining chefs demonstrations, live headliner music on the concert stage, an arts and crafts marketplace, and assorted fisheries, marine, sustainability and educational exhibits. Must be accompanied by adult ticket holder. *(Food, other than sponsor samples, is not included in the ticket price).*

• Kids age 10 and under receive free admission must be accompanied by adult ticket holder.

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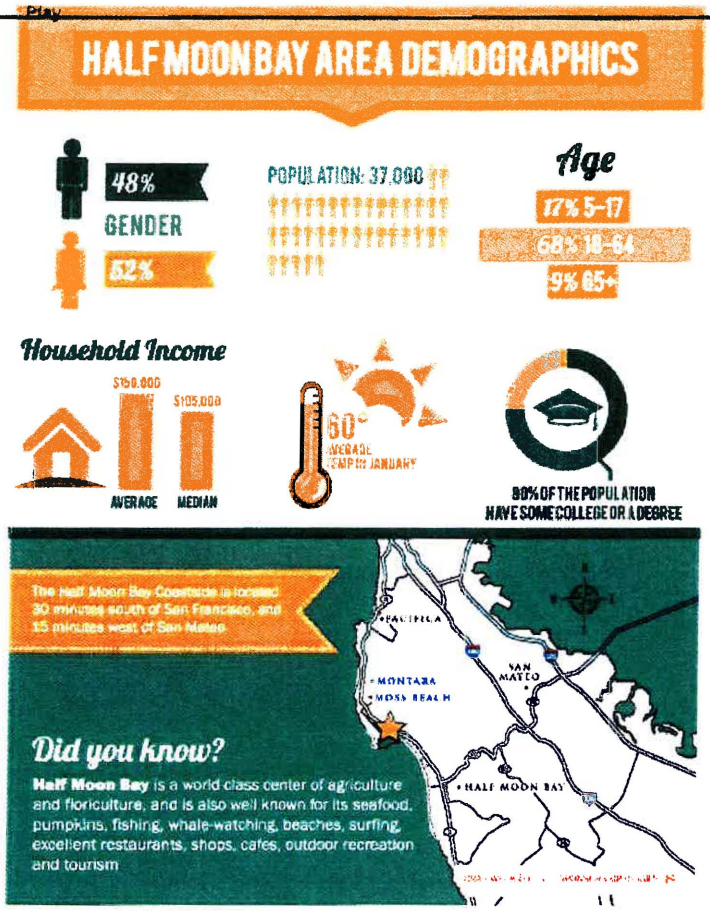

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Hop Aboard Mate'y

Please fill out the form below and we'll connect with you decisively! Thank you for your interest in partnering with our event!

DUNGENESS CRAB IS *King* IN HALF MOON BAY

Dungeness crab is the apple of the local fisherman's eye. This delectably delicious crustacean has been commercially harvested for over a century!

Half Moon Bay has one of the largest concentrations of this succulent seafood delicacy. Everyday during crab season boats haul in their catch and visitors can purchase the very finest fresh, just caught crab directly from the local fisherman.

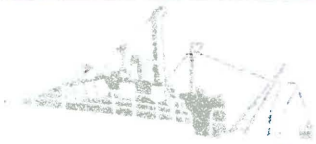
The total value of crab brought in on each landing (or ship that carries the crab to shore) has the second highest value of all commercial fisheries, even above lobster!

DUNGENESS CRAB SEASON IS OPEN
NOVEMBER *Thru* JUNE

DUNGENESS CRAB IS ONE OF THE MOST *valuable* COMMERCIAL FISHERIES NATIONWIDE

THERE ARE MORE THAN 50 COMMERCIAL BOATS FISHING OFF PILLAR POINT HARBOR

It is also the last working fishing harbor between San Francisco and Monterey.



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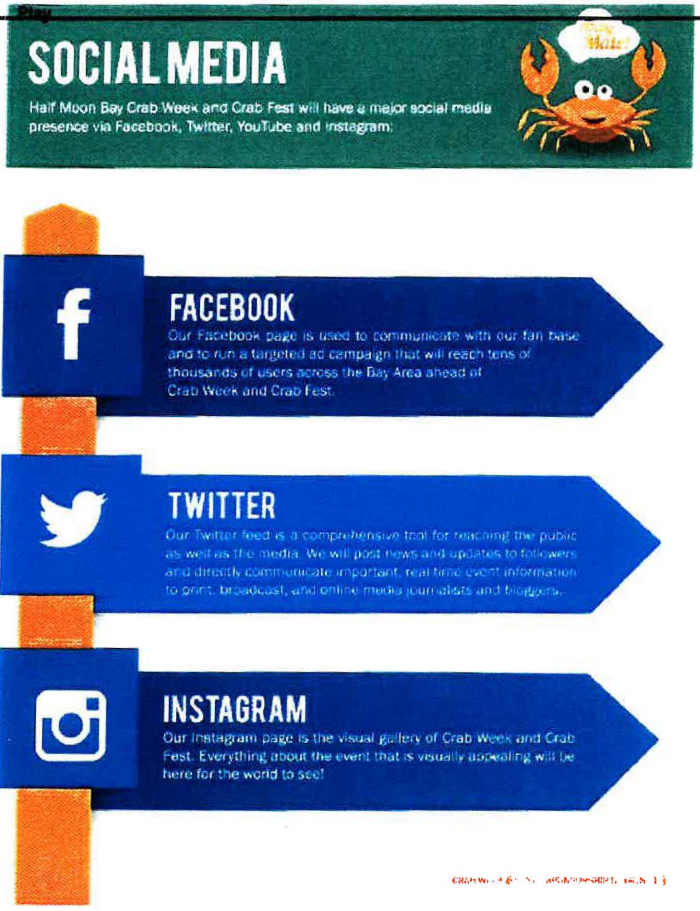
Please fill out the form below and we'll connect with you decisively! Thank you for your interest in partnering with our event!



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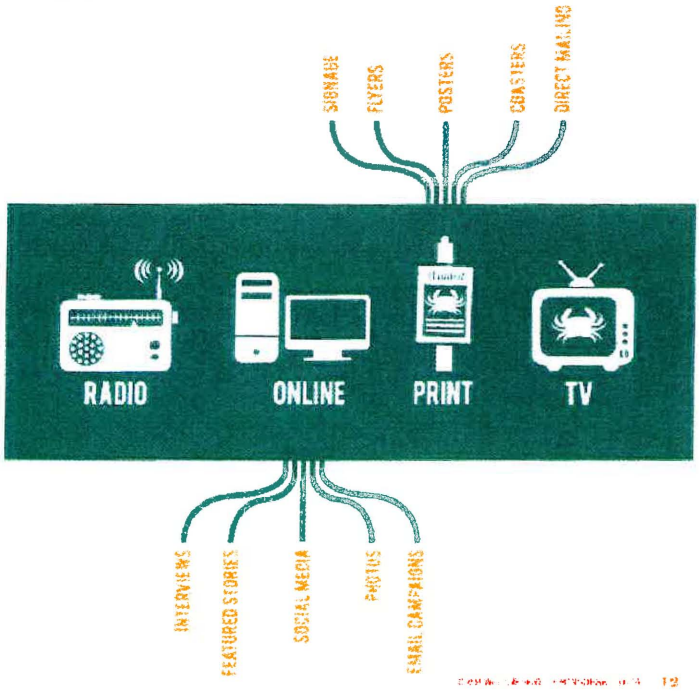
Hop Aboard Mate'y

Please fill out the form below and we'll connect with you decisively! Thank you for your interest in partnering with our event!

Play

Media & Event Promotion

Half Moon Bay Crab Week and Crab Fest will be promoted heavily in the San Francisco Bay Area through paid, earned and sponsored campaigns across all media platforms:



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Hop Aboard Mate'y

Please fill out the form below and we'll connect with you decisively! Thank you for your interest in partnering with our event!

HALF MOON BAY COASTSIDE
CHAMBER OF COMMERCE & VISITORS' BUREAU

It's your connection

Tourism Statistics

Lodging:
Half Moon Bay – 579 rooms
Coastside – 168 rooms
Total – 747 rooms

2014 Visitors:
Overall annual Coastside Visitors – 3,822,350 estimate
Half Moon Bay Overnight Visitors – 216,372
$80,897,062 in overnight visitor spending (*based on average room rate of $225*)

Overall Average Room Occupancy:
2006 – 65%
2007 – 58%
2008 – 47%
2009 - 53%
2010 – 58%
2011 – 60%
2012 – 63%
2013 – 66%
2014– 75% HMB

County (Coastside) Average Room Occupancy: 2014 – 73%
TOT in City of HMB changed to 12% in 2008

Visitor Profile:
15% foreign visitors
22% domestic visitors
63% Northern California
Mostly couples, some families
Bussiest time of year is from April – Nov.

Visit California 2011:
Return on Investment $231 for every $1 spent
Tax Revenue - $15 to $1

Maverick's Invitational:
About $2.1m in revenue to the Coastside

Pillar Point Harbor
Based on the model of $2.50 for the hotel (or this case RV space) price, which is figured at $45 x 2.5 = $112.50 per day

Highway 1 Traffic at Miramar

a.m. peak traffic hour volume 1,650 vehicles/hour
p.m. peak traffic hour = 1,932 vehicles/hour

HALF MOON BAY COASTSIDE
CHAMBER OF COMMERCE & VISITORS' BUREAU

It's your connection

Sat. Midday = 2,205 vehicles/hour

Event Name	# of Attendees
Pumpkin Festival	300,000
Night of Lights	4,000
Passseggiata (5 months)	5,000
Tour des Fleurs	360
Farm Day	325
Dream Machines	25,000
HMB int'l Marathon	8,000
Maverick's Invitational Surf Competition	45,000

San Mateo County Convention & Visitors' Bureau Survey results of San Mateo County
October 2009

	Overall	Half Moon Bay
Average Itemized Expenditure		
AverageExpenditure		
Air Transportation	$494	$303
Accommodation	$378	$420
Car Rental	$184	$177
Food and Beverages (dining outside of the hotel)	$165	$173
Shopping	$161	$113
Food and Beverages (dining within the hotel)	$69	$58
Recreation (e.g., Golf, sports, sightseeing, wine tasting)	$67	$29
Gas	$46	$49
Food Retail Stores	$43	$59
Spectator sporting events (e.g., football or baseball, etc.)	$36	$14
Other	$24	$8
Entertainment (e.g., Movies, Nightlife, Theme Parks)	$22	$18
Parking Expenditures/Bridge Tolls	$20	$8
Mass transit or taxis	$20	$28
Arts (e.g., Theater, Ballet, Opera, Exhibits)	$9	$21
Travel Arrangements (Fees to travel agents/tour operators)	$3	$0

Retail Purchases : 40% LOCALS, 40% Bay Area, 20% 50 miles and beyond

Charise Half McHugh, ACE
President/CEO
charise@hmbchamber.com

Staff Report

Harbor District Capital Improvement Plan

Glenn Lazof: Interim General Manager (IGM)

Background:

Lisa Wise Consulting's contract with the District for Strategic Planning includes a Capital Facilities Plan under Task 8. Commissioners are expected to review the progress of that plan in Mid - September and may lift the stop work order at that time. It makes sense to continue to compile potential capital projects and discuss the process for reviewing Capital needs. Expedient progress in capital planning can also tie in with upcoming decisions regarding debt financing, i.e. to what extent to rely on reserves, seek grants, or engage additional debt financing beyond refinancing the existing DBW debt.

The approach planned by Lisa Wise Consulting would be for the team led by Moffatt & Nichol (M&N), to prepare the Capital Facilities Plan (CFP) to act as a companion document to the Strategic Business Plan. Nelson/Nygaard was to play an important role on the CFP and work closely with M&N in their assessment and recommendations on physical traffic and parking-related facilities.

Analysis:

There is no reason why the Commission and Staff cannot begin to list potential Capital needs at this time, even if the desire is to put of any final decision until the new GM is on board. Such preparation will be useful whether Capital Planning is completed as part of the Lisa Wise contract or if the commissioners choose to go another route. If adopted as an interim plan that could in turn guide decisions pertaining to public financing and grant applications. The recommendation is that the Commission's action is clear that other than encouraging grant applications for these projects there is no authorization for any improvement not currently funded.

The Capital Projects from the 2015 2016 Preliminary Budget are included in the packet as a starting point. The Harbormaster is also in the beginning stages of discussing capital needs with our Harbor crews and staff will provide an update at the meeting. (Note that the demolition of Romeo Pier was funded at the last meeting).

The City of South San Francisco is also interested in capital improvement plans for the Oyster Point Facility including the priority one items in the table and items 1 & 2 below:

	Priority				
Repair Project type	**1**	**2**	**3**	**4**	**Grand Total**
Maintenance	**$ 57,705**	**$ 95,700**	**$ 95,460**		**$ 166,705**
Dock 1		$ 17,000			$ 17,000
Dock 2		$ 18,300			$ 18,300
Dock 3			$ 27,500		$ 27,500
Dock 4			$ 33,300		$ 33,300
Dock 5		$ 15,200			$ 15,200
Dock 6		$ 16,700			$ 16,700
Harbor Master	$ 22,705				$ 22,705
Maintenance		$ 16,000			$ 16,000
Dock 1	$ 12,000				$ 12,000
Dock 2		$ 3,000			$ 3,000
Dock 3		$ 3,000			$ 3,000
Gate			$ 27,000		$ 27,000
Harbor Master	$ 19,000	$ 2,500	$ 2,660		$ 24,160
Maintenance	$ 4,000		$ 5,000		$ 9,000
Restroom 4 & 5		$ 4,000			$ 4,000
Capital	**$ 30,000**	**$ 605,000**	**$ 654,000**	**$ 4,250,000**	**$ 5,539,000**
Dock 12				$ 1,230,000	$ 1,230,000
Dock 13				$ 1,560,000	$ 1,560,000
Dock 14			$ 35,000	$ 1,070,000	$ 1,105,000
East Lower			$ 70,000		$ 70,000
Harbor Master		$ 20,000			$ 20,000
Maintenance		$ 15,000		$ 390,000	$ 405,000
Marina Bl			$ 174,000		$ 174,000
Restroom 4		$ 240,000			$ 240,000
Restroom 4 & 5	$ 30,000	$ 50,000			$ 80,000
Restroom 5		$ 240,000			$ 240,000
West Breakwater		$ 40,000	$ 300,000		$ 340,000
East Breakwater			$ 75,000		$ 75,000
Grand Total	**$ 87,705**	**$ 700,700**	**$ 749,460**	**$ 4,250,000**	**$ 5,787,865**

Table 2: Repair Project Prioritized Costs

1. Replacing the wooden pier structures with concrete piers, which have lower maintenance requirements and will enhance the marketability of berths. Priority should be given to docks 12-14 which are beyond repair according to the condition assessment; and
2. Dredging the marina, particularly those areas nearest the Ferry Dock. The permitting process will take approximately 24 months and the District is urged to begin this process as soon as possible.

Recommendation:

1) Adopt the following improvements as an interim Capital Improvement Plan:

   a) All Improvement listed in the preliminary budget.

b) Items requested by the City of South San Francisco for Oyster Point in the July 30 correspondence, unless already underway: Priority 1 items from Facility Conditions Assessment, replacement of the wooden piers at Docks 12-14,

c) Additions and deletions as approved by majority vote of the commissioners at this meeting conditions assessment,

2) The purpose of the interim plan is to inform Commission decisions and planning in the matter of debt financing, but does not constitute a financial commitment unless there is further action (or if funding is previously approved).

3) Staff is also authorized to apply for grant funding for improvements in the interim plan, provided that any required match funding for these projects has been approved by the Commission in the budget or otherwise.

4) Other than successful grant funded improvements as in item 3, the interim plan does not authorize any project unless separately approved by the Commission or is reflected in the Capital Improvement Plan after amendments including funding are adopted.

Fiscal Impact: No additional cost at this time. That will be determined when the plan, or interim plan, is adopted, which will include cost estimates and funding proposals.

OYSTER POINT MARINA PARK EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
West Restroom Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	3,507	0	0	0	0
Refurbishment Dock 12					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	500,000
Replacement of Guest Dock					
Carry Over Money	48,424	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
East Basin Restroom Renovation					
Carry Over Money	251,123	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Trash Compactor					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	0	0	40,000
Correct Flooding Issues					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	25,000
Dock 11					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	170,966	0	0	0	0
Electrical Pad for Kayak					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	11,875	625	207	0	0
Total Capital Projects	**485,894**	**25,625**	**207**	**0**	**565,000**
TOTAL EXPENSES	**3,920,922**	**3,523,466**	**1,155,017**	**3,318,791**	**4,025,465**

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Harbor Office Remodel					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	9,279	8,299	0	200,000
Restroom-West Basin					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	116,240	0	0	0	0
Tenant Sewer Project					
Carry Over Money	241,968	12,441	193	0	0
2015-16 Budget Appropriation	0	0	0	0	0
Mooring Replacements					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	9,950	0	0	0	25,000
Restrooms - Launch Ramp Pre Cast					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	25,000	0	0	250,000
Post Office Lot					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	0	6,660	0	0

PILLAR POINT HARBOR EXPENSES

DESCRIPTION	PRIOR YEAR ACTUAL	FY 14-15 AMENDED BUDGET	FY 14-15 YEAR TO DATE THRU 12/31/2014	FY 14-15 PROJECTED ANNUAL	FY 15-16 PRELIMINARY BUDGET
CAPITAL PROJECTS:					
Removal of Romeo Pier					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	61,200	5,404	0	650,000
Inner Harbor Dredging					
Carry Over Money	0	0	0	0	0
2015-16 Budget Appropriation	0	70,000	0	0	70,000
Total Capital Projects	**950,521**	**752,061**	**156,541**	**0**	**3,064,190**
TOTAL EXPENSES	**4,971,338**	**5,085,884**	**1,944,534**	**3,856,131**	**7,198,974**

ITEM 16

Administration/Operations

Memo

To:	Board of Harbor Commissioners
From:	Glenn Lazof, Interim General Manager
Date:	August 13, 2015; covering the period July 30- August 13, 2015
Re:	August 19, 2015 Activity Report

Administration

- The list of administrative tasks and demands remains greater than our resources to complete these tasks, so prioritization continues. General Counsel was also on vacation during a portion of this period, although he was available, the IGM attempted to lighten the load as much as possible.
- Two thirds of Finance Staff on leave for much of this report period.
- An RGS Finance Projects Manager began work 8/13/2013. Jim O'Leary was the Finance Director/ Administrative Services with the City of San Bruno for 12 years as well as a more recent stint as Interim Finance Director. His recent RGS assignments include serving as Interim Finance Director with the City of San Leandro.

Meetings: Doing our best to be prepared for meetings of Commissioners and assist with meeting legal requirements has to take precedence over much of our work. Below is a list of planned public meetings where preparation, support, and/or attendance occurred during this period:

Board of Harbor Commissioners:

- Regular Meeting August 5, 2015
- Special Meeting August 13, 2015
- Special Meeting August 17, 2015
- Regular Meeting August 19, 2015
- Special Meeting August 24, 2015

Oyster Point Marina Liaison Committee:

- Receipt and review of letter sent by City of South San Francisco regarding Joint Powers Agreement and concerns over management, maintenance, and operations. (letter included in packet)
- Contact with City of South San Francisco requesting dates Committee may meet to discuss these concerns. (included in packet)

Legal Mandates/Issues:

Public Records Act – One request for all reproducible communications between Mr. Miller and any representative of Cartel Management or Mavericks Inc., all reproducible communications between Nicole David and anybody else regarding the permit to Cartel Management, all reproducible documentation of any non- public meeting Nicole David has participated in while representing the SMCHD, all reproducible communications between Pietro Parravano and anybody else regarding the permit to Cartel Management, all reproducible documentation of any non-public meeting Pietro Parravano has participated in while representing the SMCHD, all reproducible communications between Robert Bernardo and anybody else regarding the permit to Cartel Management, all reproducible documentation of any non-public meeting Robert Bernardo has participated in while representing the SMCHD, a copy of the five year permit granted to Cartel Management.

- Health Insurance 1– The previous report indicated that we received two weeks' notice from the Teamster Health and Welfare Trust that 7 individuals insured by the District would be dropped from the plan. Some are current employees or Commissioners, and some receive termination benefits. The Trust offered to maintain these employees as if they were on COBRA continuation health coverage for 18 months, or until the Teamsters elect to rescind the coverage. The District has issued its first payments under this plan for the month of August.
- Health Insurance 2 – This is the issue where the Teamsters Health Welfare Trust billed us for "retroactive Health Insurance Payments" going back as far as 2012. We recently received a letter indicating that we need to appeal those retroactive charges to the Trusts Board of Trustees. The District is acquiring the formal agreement with the Health Plan as a preliminary step in developing our response. The Teamsters are required to send the agreement to us in 30 days.

Working environment, long term health of District: As an Interim General Manager one of my most important goals is to make as much progress as possible towards creating a work environment that will support the recruitment and retention of a successor of the highest quality and professionalism.

- Preparing for a smooth transition for the new GM including handoff of projects, Commission directives, and personnel matters.

These are tasks that can be described as completed:

- Press release issued 8/13 updating status of General Manager Recruitment.
- Communication with Pillar Point Seafood resolving underpayment for electrical and overpayments for Fish Fees, net balance $4,474 owed to lessee. Letter and check will be processed after approval of bills and claims at this meeting. Pillar Point Seafood still has the opportunity to provide data indicating that electrical use was calculated too high due to reportedly poor squid catches during the period in question. If so, an adjustment will be made and additional check issued.

These are tasks where adequate progress was made during this period.

- Five year Mavericks Surf Contest Permit is being prepared for execution. Per the motion, a permit will be authorized that is similar to that of the current year, except for changes needed to clarify issues relevant to the five year vs. one year term. We will post the permit to the District web site when it is executed.
- Reviews of routine financial and personnel documentation, prior to authorization.
- Briefings on Labor Negotiations.

These are items in which some progress was made, but not as much as we would like.

- Cost Accounting Enterprise and Public Purpose Activities:
    - Employee time sheet entry which will provide the basis for labor cost should begin the pay period August 23rd.
    - Internal set up to separate Public and Enterprise Revenue is complete. Expenditures are the next step.
    - Allocations to Public and Enterprise will be made at least quarterly, meaning first one should be available by first meeting in October. The cost accounting should be reflected in Open Gov. and reports to the Commission.
- Revising fees for Fiscal Year 2015/2016 – off-loading, fees for wholesale purchase and fees for retail sales – see Harbor Masters operation report.
- Developing public financing RFP's for Financial Advisor, Bond Counsel, and Underwriter/Placement Agent.
- Follow-up regarding documents Commissioner Brennan had requested regarding Air Force agreements relevant to west trail, including review of an e-mail from Lisa Ketcham:
    - County Parks planning staff is of the opinion that the Air Force doesn't own any part of the trail, just land nearby. They believe the owner is the State Lands Commission. The source of the information may have been from Peter Grenell.

- IGM has been following up with the State Lands Commission (SLC). SLC staff initially also thought it was Air Force land, but we will continue to follow up.

- Preliminary review of K-N properties RV Park Lease.
- Phondini Proposal:
    - The District has a draft agreement we can send to Phondini once we have their revised proposal to match the action taken by the Commission.
- Developing long term RFP for IT Services.
- Summary of all leases - developing informational tool, we are still adding to the information that will be contained and updated so that it will be current to June 2015.

These are items in which some progress was made, but far less than is required to limit exposures and forestall future issues:

- Completing Agreement with CASPIAN IT for stop gap services - Unable to find a proponent for short time frame, extension of Stop Gap IT services will need to be requested at an upcoming meeting.

These are tasks in which no progress was made (there are probably others where no progress has been made perhaps because the IGM has not had time to discover they need to be done):

- Mavericks Store Lease- end date is June 30.
- Open Gov. SMCHD first task is to update chart of accounts and GL accounts. Staff needs to update to reflect new funds that will track enterprise and public fund accounting (rather than all in general fund as current). We are all very anxious to get this up and running.
- Reviewing potential Oyster Point Bait Shop lease terms.
- Review of Pillar Point restaurant lease regarding any requirement to conduct business in leased area.
- Updating District's Reserve Policies.
- Review of fees and charges for increased revenue coverage of District costs including consideration of proposing:
    - Greater clarity between market rate fees and those limited by law to cost of service.
    - Consistency between fees for similar services.
    - Environmental Fee.
- 2015 Mavericks Surf Contest conditions and permits:
    - Coastal Commission staff is researching answers to our preliminary inquiries regarding the trail closure. No new information since 8/3/15:
        - They are still researching who has jurisdiction over the trail. IGM understanding it could be County, Air Force, or this District and not sure how many others.
        - They then will research whether a temporary trail closure lasting less than a full day, occurring for public safety reasons, requires a permit.
- Moving to a "Paperless" environment:
    - Investigating issuance of iPad's for Board Meeting Use.
- Reviews and updates of all Policies and Procedures:
    - Including new Policies and Procedures for District Treasurer.

These are tasks which have been paused, either due to other priorities, and other reasons as described herein:

- Previously Reported:
    - Four responses received to the RFP for legal services, prior to my appointment. Additional reasons for pause: complex pending and potential legal matters; need to proceed with labor negotiations. Also it seems appropriate to wait to take this up after the successful recruitment of a new GM, permitting his or her participation in these important selections.

- Completion of office move - looking for a third party opinion to resolve the disagreement between staff and committee recommendation regarding the placement of the wall to maximize meeting space and protect confidential documents is at impasse as we have been unable to find a reasonably priced space planner willing to work us. This decision will be left for the new General Manager, who is likely as good as an unbiased third party as anyone.

Personnel

- Ongoing matters requiring confidentiality pertaining to individual positions (3 significant, 2 routine). The IGM will be out of the office all day August 20 on district business for a related appointment.
- Planning for continuity of administrative staff in response to anticipated turnover.

Transparencies

- Videos of Commission meetings – We are establishing a direct link on the web site that will provide access to the last six months of meeting videos and will look into the feasibility of making these available over a longer period.

San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

August 20, 2015

Mike McHenry
Pillar Point Seafood
PO Box 193
Maxwell, CA 95955

RE: Follow up to our Discussion July 15, 2015

Mike,

Payment for Use of District Electric Service
The attached letter dated June 16, 2015 requested payment from you of $2,558 for electricity. When we met last month you reported that our Electrical usage calculations for the three years covered by that calculation did not take into account that these years were not good years for squid, and therefore our estimates were too high.

The bottom line on adjusting our calculation for poor squid years is that we still lack the data to determine that. We have reviewed the wet fish fee data we have available for years 2013 and 2014. (The leases were not signed until 2013 so there was no fish fee payment prior to that). This still is not enough data for us determine whether summer of 2013 was a bad year and 2014 was average or 2013 was average and 2014 was an outstanding year. We would certainly look at any reliable information you have that would indicate the poor years for wet fish, if you are able to provide such. Below is the information we had available:

Pillar Point Fisheries (2013)

Jul-13	$6,797.67 Per Fees Paid
Aug-13	$5,151.81 Per Audit
Sep-13	$4,506.70 Per Audit

Pillar Point Fisheries (2014)

	Wet fish
Jul-14	$26,230.00 Per Fees Paid
Aug-14	$8,890.78 Per Fees Paid
Sep-14	$786.91 Per Fees Paid

504 Avenue Alhambra, 2nd Floor, PO Box 1449, El Granada, CA 94018
(650) 583-4400 T
(650) 583-4611 F

San Mateo County Harbor District

Audit Adjustments: Our Finance Director analyzed the JJACPA Fish Buyer Report and identified errors resulting in overpayments by you totaling $7,031.78.

These adjustments were:

August 2013 - An overpayment of $3,360.48. Pillar Point Fisheries paid $8,512.29 based on 851,229 lbs. of wet fish at 1 cent a pound, should have paid $10 a ton on 515.18 tons, per the Audit.

September 2013 - An overpayment of $3,744.53. Pillar Point Fisheries paid $8,251.53 based on 825,123 lbs. of wet fish at 1 cent a pound, should have paid $10 a ton on 450.67 tons, per the Audit.

November 2013 – An overpayment of $3.08 due to Pillar Point reporting an additional 308 lbs. of fin fish and shell fish being reported than was determined in the audit.

December 2013 – An overpayment of 5 cents was determined in the audit.

February 2014 – There was underpayment of $70.20 owing to 779 lbs. of finfish being reported when offload was actually $7,799

Bottom Line:

Pending Electrical Payment Due	$ (2,558.00)
Overpayment of fish fees	$ 7,031.78
Amount of Enclosed Check	$ 4,473.78

Final Note: I appreciated the time and consideration you offered the District when meeting with myself, Scott Grindy, and Debra Galarza on July 15, 2015. While the purpose of this letter is to give a status report on the Pillar Point Seafood Lease account, I do not want to ignore what I consider to be the more important underlying issues you raised. I heard loud and clear that you're reluctance to pay the back electrical debt was less about the $2,558 and more about the manner in which you feel that the Harbor District has conducted its business in the period since the tenure of the last permanent General Manager. I want to reiterate that I sincerely want to lay the groundwork for an improved relationship, based on open honest communications. I remain confident that the District will hire a permanent General Manager who will agree with that determination.

Sincerely,

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
Cc August 19 Agenda

San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

TO: Pillar Point Seafood
P.O. BOX 193
MAXWELL, CA 95955

Attn: Mike McHenry

FROM: Scott Grindy, Harbor Master

DATE: June 16, 2015

SUBJECT: Bill for Utility Charges Squid Pump Power Connection Meter #4

On October 10, 2014 it was discovered your business was connected to the SMCHD electric meter #4. Meter #4 is exclusively for district electrical use, and the cost of electricity has been paid by the district. At that time you were notified to disconnect from the district's metered power immediately. You were again contacted on October 29, 2014 as the power still had not been disconnected. Our electrical contractor ended up permanently disconnecting your connection to our district electrical meter #4, the week of November 10, 2015.

In late November 2014, we spoke and you were made aware that the charges to you would be for 3 years of use, and that the cost estimated from the loads of the equipment on the meter #4, totaled to an amount of $2,558. You initially noted you anticipated paying the bill with no problems, but later in the same week you informed me that there was a handshake deal with a past Harbor Master over 15 years ago, where you were allowed to connect to the district's power.

Staff has searched the lease files and has also checked the most recent lease documents and is not able to locate any documentation that this electrical connection was allowed. District staff cannot waive this back payment, unless you can provide the district some

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

documentation of this agreement. Therefore we are requiring that you pay the amount of $2,558.by July 17, 2015. We look forward to your immediate steps to remedy this situation either by providing documentation of the approval of the electrical connection, and or full payment for the electrical charges noted.

Please find attached various letters, including energy estimates and photographs of the inappropriate electrical connection for your reference on this matter.

Sincerely,

Scott Grindy
Harbor Master
San Mateo County Harbor District

CC: Interim General Manager-Glenn Lazof
Steven Miller-District General Counsel
President Tom Mattusch
Vice President Nicole David
Lease File
Anthony L. Lombardo
Anthony Lombardo &Associates
450 Lincoln Avenue, Suite 101
Salinas, CA 93901

STAFF REPORT

FROM: Debra Galarza, Director of Finance

DATE: August 19, 2015

SUBJECT: Finance Department Report to the Commission

Accounting and Operations:

- Vacation August 3rd-7th.
- Ongoing expense management through detailed review of invoices and review of bills and claims. Preparation of Bills & Claims.
- Cal Card Administration.
- Accounts Payable desk coverage due to staff time-off. Training in-house staff for coverage and support.
- Accountant desk coverage due to staff time off. Processed Payroll.
- Discussed payment plans with tenants.
- Continued planning and preparation for year-end close including auditor item requests.
- Meeting with GM and Finance Project Manager.
- Reviewed and updated water and electricity charges.
- Continued implementation of public vs. enterprise accounting segregation.

STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Interim Administrative Resources Manager

DATE: August 19, 2015

SUBJECT: General Report to Board

RFPs

Given the volume of RFPs needed, Staff now is working with legal counsel to develop an RFP template for professional services the District can use going forward.

PPH Public Hoist
The Request for Bids has been publicly noticed and posted. The District is awaiting the closure of the Bid process to bring the results of the bid process to award a contract.

IT Services
Staff has a final draft of the RFP for IT Services that it is now working with legal counsel on. Once that process is complete, Staff expects that RFP will be publicly noticed and posted shortly thereafter.

Private Placement Underwriting Firm RFP
Private Placement Underwriting Firm RFP is scheduled to be released in August/September 2015

Financial Advisory Firm RFP
Financial Advisory Firm RFP is scheduled to be released in August/September 2015

Bond/Tax Counsel Firm RFP
Bond/Tax Counsel Firm RFP is scheduled to be released in August/September 2015

OPM Security Services (new)
Staff will be developing an RFP for OPM Security Services once the PPH Public Hoist and IT Services RFPs have been completed, but in time to meet the November deadline for renewal.

OPM Bait Shop Lease – no additional progress to report

Web Services
Staff would like to have this RFP split between website design and ongoing maintenance. Staff feels the District may get better pricing using this model as those who are good at website design may give the District a fresh updated and more efficient website but may charge more for ongoing maintenance; whereas those vendors who are good at website maintenance may not be great website designers.

External Auditors for District Financial Statements
External Auditors RFP is scheduled to be released in November 2015

Insurance
Insurance RFP is scheduled to be released in January 2016.

District Policies
Staff is working closely with consultants to update District policies, including developing policies regarding communication and social media.

HR/Staffing

Deputy Secretary Certified List
District has advertised for applications in order to create a certified list for the Deputy Secretary position. The District already has applications for Accounting Technician and Accounting Specialist. This will ensure the District experiences minimal administrative disruption in the event of a staff departure in any one of these positions.

Deputy Harbormaster/Harbor Worker Certified Lists
Staff has publicly posted and advertised for applications to refresh its Deputy Harbormaster and Harbor Worker to create certified lists.

Current Staffing Issues

OPM – OPM Harbor is short one harbor worker. Advertisement for Harbor Worker will resolve this staff shortage.

OPM/PPH – There may be upcoming retirements from among the harbor staff in the next year. Creation of a certified list will mitigate staff resource shortage should any retirements occur, and allow the District to fill any vacancies more quickly.

OPM – Accounting Technician will be on vacation week of Aug 14-18. The part-time temporary accounting technician hired by the District in May of this year will be filling in for part of this week.

Administration – Finance has two staff absent on leave: Accounts Payable (AP) Clerk and the Accountant. Finance has brought over the PPH accounting technician to temporarily fill the accounts payable clerk position. The District's part-time temporary accounting technician, in addition to covering for the OPM accounting technician, will also be working to cover for the PPH accounting technician while she is covering for the AP clerk in Finance.

Administration – Finance department may have a retirement occurring in the next 12 months. Applications were solicited and received late last year. Further action was postponed due to staff turnover in HR, the District's office move and more pressing District needs. Staff will be moving forward to organize an interview panel to create a certified list for the positions in question.

OPERATIONS

ITEM 19

Memo

To: Board of Harbor Commissioners

From: Scott Grindy, Harbor Master

CC: Glenn Lazof, Interim General Manager

Date: August 12, 2015

Oyster Point Marina/Park

Construction Update & General Status Updates

- In conversation with Moffat & Nichol for OPM correctional design for high water issue at Harbor office area.
- Lining up for RFP for consultant for design of dock #12 replacement.
- New trash compactor should be arriving late August 2015.

OPM Miscellaneous

- Bait Shop Lease in draft review by district staff.
- Staff working on vessel inspections to meet tenant requirements of which include updated insurance information.
- Working with staff & tenants on vessels that are pending lien actions.
- New DHM Tyler Finch is working with the SSF School District Board President for developing a senior project opportunity at OPM. The focus is recycling gray water for plant habitat.
- HM met with a developer for developing various business lines at OPM, including dry stacks, Porsche Touring Car rentals and float plane dockage and storage. Anticipating a proposal to bring forward in the near future.
- HM and Michelle Reloba had a booth for marketing activities on August 6th, for the South San Francisco Chamber of Commerce event, a Multi Chamber event including Half Moon Bay, San Bruno, Foster City, Millbrae, San Mateo, Brisbane and Pacifica. It was a great and well attended event.
- SF Marriott hotel has begun looking into using OPM for dinner cruises from the guest dock at OPM. (more to follow)

Pillar Point Harbor

Construction Update & General Status Updates

- Staff performing dock pedestal electrical services.
- Awaiting Coastal Commission written response and permit to West Trail repairs.
- HM preparing RFP for Fish Buyers building roof which is now in need of repairs.
- (***Admin. Office***), have met with 3 security alarm providers and reviewing proposals with anticipation of completion by the end of August.

PPH Miscellaneous

- HM and staff prepared bid for Public Hoist repairs and recertification, item out for bid with goal of work completion Oct 1. Two qualified contractors attended the mandatory pre bid meeting on August 11.
- PPH District Hoist (near Harbor Office) is off line, and has lost its certification due to inspection findings. Due to quotes for the repairs exceeding the $5,000 limit for a public project staff is preparing the item to go to bid for the repairs with an estimated cost of about $25,000. It is anticipated the hoist would be returned to service at approximately the end of August upon award of bid. Unit is over 40 yrs. old.
- Rescue vessel at PPH should be back in the water by August 13th. The vessel is over 30 years old, with this present port engine repair of the valves, it should be noted both engines are tired and aging. Boat bottom painting also occurred while boat was out of the water. Items such as the transom is starting to rot out, the tow bit is getting spongy where it is tied to the hull, the electronics are around 15 years old and showing their age. Fuel tanks will also soon need to be inspected on the vessel. The other rescue vessel is a good vessel for response; however it is not good for towing being it has jets versus props.
- Vandalism and wear and tear to pier restroom shower doors, replacement in process. (Requisition and estimated completion by the end of August due to parts required, early August upon arrival of parts). Staff working on inside to spruce space up while waiting for the contractor installation work.
- Farm Tours at PPH, Commissioner Parravano, Jim Anderson, and Dave Mallory joined me in providing information to a tour of about 30 visitors on August 10th about PPH and what is available to the public.
- Sunday August 9th a single two tenant electrical boat pedestals failed, a small smoldering fire from the (main) circuit breaker not tripping due to age of the electrical equipment. Staff resolved small pedestal meltdown, and replaced main breaker and installed new pedestals on Monday upon obtaining the replacement circuit breaker.
- Counterfeit bills were distributed in Santa Cruz by a Commercial Fishing vessel from PPH. Sheriff, police and Treasury Department handling.
- In discussions with organizers of Fish and Fleet event.
- Preparing board item for Crab Festival in January 2016.
- Public Meeting on Fish Fee's and Commercial Fisherman working to set dates and schedule.

Occupancy Overview (July)

PPH

- Total occupancy (inner harbor) –94% (this includes slips, end ties and walk way)
- Berth occupancy (inner Harbor)- 94% (347 slips out of 369 are occupied)
- Moorings (Outer Harbor) – 21% (8 out of 38 moorings occupied)

OPM

- Total Berth Occupancy 66% (284 out of 428 are occupied)
- LAB count 42 LTT count 10

Search and Rescue Activity Highlights & Urgent Need Activities:

PPH 4 Search and Rescue activities 0 medical

OPM 3 Search and Rescue Activities 8 fire-medical/police interactions

Calendar Reminder Items of District Events and Activities

- Meeting at Sea Crest School, Think Tank on September 15, 6:00pm for round table meeting for discussion on the off load wet fish fees and with Commercial Fisherman on off the boat fish sales permit fees and commercial fishing vessel slip discount of 15%
- Lady Washington Returns to PPH October 29-November 9
- September 27 @ PPH "Fish & Fleet" Event
- December 5th for OPM Decorated Boat & Holiday Tree Lighting.
- PPH "Holiday Boat Lighting" Event December 12th
- January 30-February 6 "Crab Week" at PPH Areas
- Blessing of the Fishing Fleet 2016 (Date TBD)

EMS-Clean Marina Activities-District Wide

- PPH/OPM-Vessel Annual Inspections and new vessel inspections on going
- PPH Staff have contacted the 4 mooring ball tenants in the harbor for interest in a monthly pump out service being they are liveaboards in the outer harbor and awaiting responses.
- BayGreen Pump out Service PPH 19
- BayGreen Pump out Service OPM 12

District staff is reviewing for implementation, and permitting processes for boat service provider vendors.

Other Misc. Items:

- Harbor Master on PTO from August 20 returning August 31.
- Grant preliminary discussions for future board meeting discussions.

View of Power Pedestal at H Dock Pillar Point Harbor After Fire in the Pedestal

Questions & Answers

Q. What causes this to occur?

A. Typically the plug/cord from the boat is not installed tight, or connections are corroded from salt water exposure. Remember the plugs used by boats are what is called a twist lock, and run at higher amperages than a typical household outlet.

Q. How do you prevent this from occurring?

A. Boaters should check their plugs regularly for connection, corrosion and if the plug is running warm to touch.

Q. Why did the main circuit breaker not trip when the fire occurred?

A. In this case the main breaker internally failed and did not trip, most likely due to age. Also the electrical grid system was installed prior the newer systems with a GFI Shunt Trip System, similar to a home bathroom GFI-C outlet that trips.

Annual electrical inspections of the districts systems typically would not find internal circuit breaker failures. Exercising the circuit breakers also helps. Testing is done during the winter when electrical loads are the heaviest which allows the thermal scanning of the wiring to demonstrate any potential hazards as well.

Q. How much is the cost of a typical power pedestal like this one?

A. Depending on how it is equipped the range is from $750 to $1,500. and the Main Breaker for this dock to replace was approximately $900.

South San Francisco Chamber of Commerce
Event "2015 Multi-Chambers Business Expo"

Thursday, August 6, 2015

Many thanks to Michelle Reloba from Oyster Point Marina/Park for the great set up at the event and greeting the many people who attended this Multi-Chamber event.

The event provides our two locations with great business exposure to 8 county cities.

South San Francisco, San Bruno, Brisbane, Pacifica, Millbrae, San Mateo, Half Moon Bay, and Foster City Chambers of Commerce

2015 SEMI-ANNUAL REPORT

FORMER OYSTER POINT LANDFILL
CITY OF SOUTH SAN FRANCISCO
SOUTH SAN FRANCISCO, CALIFORNIA

Prepared For:

City of South San Francisco
Department of Public Works
400 Grand Avenue
South San Francisco, CA 94083

Prepared By:

CSS ENVIRONMENTAL SERVICES, INC.

100 Galli Drive, Suite 1
Novato, California 94949
(415) 883-6203
CSS Project No. 6486

July 31, 2015

TO VIEW THE COMPLETE REPORT GO TO WWW.SMHARBOR.COM/OYSTERPOINT, ENVIRONMENTAL UPDATE

CSS ENVIRONMENTAL SERVICES, INC.
Managing Cost, Scope and Schedule
100 Galli Drive, Suite 1
Novato, CA 94949
Telephone: (415) 883-6203
Fax: (415) 883-6204

July 31, 2015

Mr. Vic Pal
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, CA 94612

Subject: **2015 Semi-Annual Report – RWQCB Order No. 00-046**
Former Oyster Point Landfill/Current Oyster Point Marina and Park
South San Francisco, CA

Dear Mr. Pal:

On behalf of the City of South San Francisco, CSS Environmental Services, Inc. (CSS) is pleased to submit this 2015 Semi-Annual Report for the former Oyster Point Landfill and current Oyster Point Marina and Park. Please call me if you have any questions at (415) 883-6203.

Sincerely,
CSS Environmental Services, Inc.

Aaron N. Stessman, PE C054644
Principal Engineer

cc: Mr. Robert T. Hahn, City of South San Francisco
Mr. Frank Davies, Jr, California Integrated Waste Management Board
Mr. Greg Schirle, San Mateo County Health Services Agency
Mr. Scott Grindy, San Mateo County Harbor District

TABLE OF CONTENTS

1.0 INTRODUCTION ..... - 1 -

2.0 LANDFILL ACTIVITIES SINCE LAST REPORTING PERIOD ..... - 2 -

2.1 LEACHATE AND GROUNDWATER QUALITY MONITORING ..... - 2 -
2.2 LANDFILL GAS PERIMETER MONITORING ..... - 2 -
2.3 SITE INSPECTIONS AND STORM WATER SAMPLING COMPLETED ..... - 3 -
2.4 LANDFILL MAINTENANCE ..... - 3 -
2.5 REPORTS/DOCUMENTS SUBMITTED ..... - 4 -
2.6 LANDFILL DEVELOPMENT ..... - 4 -
2.7 ACTIVITIES PLANNED DURING NEXT REPORTING PERIOD ..... - 5 -

3.0 OVERVIEW OF WATER QUALITY MONITORING PROGRAMS ..... - 6 -

3.1 DETECTION MONITORING PROGRAM ..... - 6 -
3.2 STORM WATER MONITORING PROGRAM ..... - 6 -
3.3 POST-CLOSURE MAINTENANCE AND EMERGENCY RESPONSE MONITORING PROGRAM ..... - 7 -

4.0 WATER QUALITY AND LANDFILL GAS PERIMETER MONITORING RESULTS ..... - 8 -

4.1 DETECTION MONITORING PROGRAM ..... - 8 -
4.2 STORM WATER MONITORING PROGRAM ..... - 9 -
4.3 LANDFILL GAS PERIMETER MONITORING PROGRAM ..... - 9 -
4.4 PROPOSED MODIFICATIONS TO THE MONITORING PROGRAMS ..... - 10 -

5.0 LANDFILL MAINTENANCE ..... - 11 -

5.1 STORM WATER POLLUTION PREVENTION INSPECTIONS ..... - 11 -
5.2 POST-CLOSURE MAINTENANCE PLAN AND EMERGENCY RESPONSE MONITORING PROGRAM ..... - 11 -

6.0 REFERENCES ..... - 12 -

LIST OF TABLES

Table 1 – Monitoring Well Construction Summary
Table 2 – Summary of Detection Monitoring Program
Table 3 – Groundwater and Leachate Elevations
Table 4 – Water Quality Sample Analytical Results
Table 5 – Landfill Gas Perimeter Monitoring Results
Table 6 – Results of Detailed Monitoring of Remediation at LFG-3

LIST OF FIGURES

Figure 1 – Site Location Map
Figure 2 – Site Plan
Figure 3 – Landfill Gas Monitoring Point Locations
Figure 4 – Monitoring Well and Point of Compliance Sampling Locations
Figure 5 – Potentiometric Surface Map
Figures 6a-6r – Hydrographs for Monitoring Wells

LIST OF APPENDICES

Appendix A –Laboratory Analytical Data Sheets
Appendix B – Historical Water Quality Analytical Data
Appendix C – 2014-2015 Annual Report for Storm Water Discharges

San Mateo County Harbor District

Vessel Turn-In Program

Is Your Boat An Anchor?

Turn IT In Through The VTIP!

The Vessel Turn-In Program (VTIP) is a program created to help boat owners surrender their unwanted recreational boats to a local participating VTIP agency, free of charge. This helpful and proactive program is administered by California State Parks Division of Boating & Waterways. Commercial vessels are not covered under this program.

What will it cost?

- If your application is accepted, disposal is free.
- You must be the registered owner, and title must be free and clear of any loan balances, liens, and/or taxes.
- SMCHD requires that all hazardous material be removed before they will accept the vessel. Since it is illegal to throw hazardous waste in the trash, some helpful resources for proper disposal of these wastes can be found at:
- www.earth911.org
- Call (800) CLEANUP (800-253-2687)
- www.BoatingCleanAndGreen.com

Note: There is no reimbursement to the boat owner for costs incurred in removing hazardous materials.

How does the VTIP work?

Step One: *The boat owner contacts San Mateo County Harbor District (SMCHD) and applies for the VTIP.*

Step Two: *If the request is accepted by SMCHD, further information and instructions will be provided regarding ownership verification and boat surrender. If the owner is unable to deliver the boat, SMCHD may make arrangements for pick-up- even from the water*

Step Three: *Surrender the boat and walk away. It's that easy!*

San Mateo County Harbor District

Oyster Point Marina, South San Francisco

(650)952-0808

Pillar Point Harbor, Half Moon Bay

(650)726-4382

Help keep at-risk, aging vessels from continuing to be a problem and burden on the people and environment of California. Surrender your unwanted vessel through the VTI

Debbie Nixon

From: no-reply@baygreen.net
Sent: Monday, August 10, 2015 6:00 AM
To: accounting@baygreen.com; Scott Grindy; Michelle Reloba; Katherine Fogarty
Subject: BayGreen Registered Liveaboards: SMCHD Oyster Point Marina (Weekly Check)

BayGreen Registered Liveaboards: SMCHD Oyster Point Marina (Weekly Check)

	Customer name	Vessel Names	Dock And Slips	Customer type name
1	BONGIORNO Gian	VIDA MIA	14#033	Bi-Weekly
2	BYNUM Alan	OAXACA | MISS TIFFANY	13#024 | 13#022	Bi-Weekly
3	FINTA Donel	SUZANNE	5#032	Monthly
4	FREZZA Joe	SEASCAPE	14#037	Bi-Weekly
5	GRINDY Scott	HMS BEAGLE 2	11#end	Bi-Weekly
6	LACHENMYER Mike (PREPAY)	SEA CLOUD	12#013	On Call
7	LANCASTER Cory	KIZMUIT	12#026	On Call
8	LOPEZ Ruben	CRESENDO!	3#010	Monthly

9	MAXCY Dickson	REDOUBT	12#042	Monthly
10	McKENNA Vul	LEE WAY	6#009	Monthly
11	SIVER Kevin	CENTURION	13#038	Monthly
12	STRONG William	BITCH	3#026	Monthly

Fair Winds!
The BayGreen Team
415-621-1393

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2	CHAVEZ Bryan	ON Y VA	H-025	On Call
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4	ESPY Richard	BELBIT	C-002	Bi-Weekly
5	GERAKIN Zeno	VITRUM	C-037	Every 4 Weeks
6	HAFKER Dagny	WALKABOUT	B-039	Every 4 Weeks
7	HARRISON Mark	WALKABOUT	B-020	Every 4 Weeks

8	JONES Derek	JUNO	C-011	Bi-Weekly
9	MATEYKA Jackie	OUR GRAND PLAN	C-039	Bi-Weekly
10	MONNEY Leo	AMALIA	C-017	Bi-Weekly
11	MORAIS Thomas	TERRAPIN	C-013	Bi-Weekly
12	NAYFACK Nick	ANTARES	B-028	Every 4 Weeks
13	PECSVARADI Susan	NO NAME	C-024	Out of Service
14	POUNDERS William	MANANA II	B-036	Bi-Weekly
15	SANDSTROM Eric	NO NAME	B-017	Bi-Weekly
16	SCHUMAN Cara	KAIROS	A-040	Every 4 Weeks
17	SKELTON Chad	BY GEORGE	B-001 (recreational side)	Bi-Weekly
18	TRAUTWEIN Ann	REDEMPTION	B-026	Bi-Weekly
19	WEISS Steven	BESO DEL MAR	C-015	Bi-Weekly

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Fair Winds!
The BayGreen Team
415-621-1393

Green Marina Program

Goals:

-To Bring SSF students to Oyster Point Marina for curricular/extra curricular activities.

-To instill a sense of community in the participants (k-12 students, college undergrads/post grads, teachers, harbor staff, etc.).

-Provide an area for students to have an impact in their community (science, art, and agricultural projects/competitions).

-Make students aware of some resources provided in their area (transportation, community service, etc.).

-Create relationships between youngsters and local government agencies (Fish and Game, Fire Department, Police/Sheriffs departments, Coastguard, Harbor Patrol).

-Help students become aware of their surroundings and the impact they will have on the environment and society through their actions.

-Portray some current environmental and societal issues in an inspirational light.

-Create a perpetual relationship between SSF School District and San Mateo County Harbor District.

-Allow for student participation during events at Oyster Point (School quire @ December 5th Holiday Boat Lighting Event).[1]

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[1] Rev. 7/30/2015