

**MINUTES  
REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

**August 14, 2014**

**PRESENT:**

Commissioner Dale  
Commissioner Marks  
Commissioner Wilson  
Commissioner Higgins

**ABSENT:**

Commissioner Newman

President Marks called the Executive Closed Session to order at 6:04 p.m.

Larry Doss and Pete Oringer, Timber Heritage Association, addressed the Board prior to commencing Executive Closed Session. Mr. Oringer said the approval of an Exclusive Right to Negotiate for the purchase of the Redwood Marine Terminal Berth 1 Roundhouse Real Property will help their organization obtain grants and establish permanency, while preserving local history.

President Marks adjourned the Executive Closed Session at 6:53 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:05 p.m.

President Marks lead those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator: There was unanimous consent to direct CEO and District Counsel to respond to Timber Heritage Association regarding matters associated with the ERTN and there was no action taken on the Sale of the Boiler item; Status on Conference with Legal Counsel – Existing Litigation: no action taken.

**PUBLIC COMMENT:**

Kent Sawatzky said if the drought continues, one of the few areas with industrial property with water access. He suggested stockpiling five-years' worth of water for municipalities. Some coastal dependent industrial property may be needed to be used as coastal dependent non-industrial on a temporary basis. Mr. Sawatzky also said he appreciated the Board's consideration of the Timber Heritage Association's ERTN. The Harbor District will enjoy good Karma by facilitating the transfer of ownership of the property in order for the THA to obtain grants.

**CONSENT CALENDAR**

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR.  
COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

**COMMUNICATIONS AND REPORTS**

**CEO REPORT:**

- ❖ CEO wished Dan Berman, Director of Conservation, well in his new position as Trinidad City Manager and thanked him for his years of service to the Harbor District.

- ❖ Redwood Terminal 2 Cleanup: Steve Calanog, USEPA, reported as of today approximately 2.3 million gallons of pulping liquors have been transported to Longview, WA; signaling 85% completion. Six tanks have been removed, 3 completely. It is estimated the completion of the liquor transfer will happen on September 5. Tank demolition is estimated to be complete by January 2015.

**STAFF REPORTS:**

Director of Harbor Operations/Bar Pilot:

- ❖ Three ships are scheduled to dock at Schneider dock within the next 45 days.
- ❖ By the end of next week, all the dredge equipment should be at the Fields Landing Boat Yard.

District Planner

- ❖ Two of three agencies have responded regarding the water trails permitting.
- ❖ Has been learning firsthand about Director of Conservation's responsibilities.
- ❖ The RFP for the bathymetric survey of 13 Humboldt Bay dock sites has been distributed.
- ❖ Developing the RFP for improvements at Redwood Terminal 2 using New Markets Tax Credits. Director of Facility Maintenance has been very helpful.

District Treasurer

- ❖ Has been working on the District's year end accounting issues and readying for the annual audit.

**DISTRICT COUNSEL REPORT:** None.

**COMMISSIONER AND COMMITTEE REPORTS:**

Commissioner Dale:

- ❖ Reported it is an odd year for oyster seed growth – very slow.

President Marks:

- ❖ Travelled to Redway with CEO to make a presentation to the Garberville/Redway Rotary.

Commissioner Wilson:

- ❖ Said he happy to help THA to obtain grants, even if they are only leasing the Berth 1 property.

Commissioner Higgins:

- ❖ Eel River and Pt. Seward may disconnect causing ecological stress.
- ❖ Has been working on MLPA issues and fish management

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:**

- A. **CONSIDERATION OF ADOPTION OF RESOLUTION 2014-10, A RESOLUTION REAFFIRMING THE HUMBOLDTBAY HARBOR, RECREATION AND CONSERVATION DISTRICT'S COMMITMENT TO CREATING JOBS AND SUSTAINABLE ECONOMIC GROWTH THROUGH HUMBOLDT BAY AND ITS HARBOR.**

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-10, A RESOLUTION REAFFIRMING THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT'S COMMITMENT TO CREATING JOBS AND SUSTAINABLE

ECONOMIC GROWTH THROUGH HUMBOLDT BAY AND ITS HARBOR. COMMISSIONER DALE SECONDED.

District Counsel commended the Board for not rubber-stamping the resolution as other agencies did. This is a much more coherent and consistent resolution, closely aligned to what the Board adopted the first time around.

President Marks said the Humboldt Bay Working Waterfront Opportunities Committee was given counsel by three different counsels to come together untied.

Kent Sawatzky applauded everyone – the resolution is heading towards the first plan, the creation of jobs overall. It is good to see the agencies working towards the same result.

Commissioner Wilson said he disagreed that the agencies are butting heads and said that at the staff and policy level, there was unity.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER NEWMAN - ABSENT  
COMMISSIONER DALE – AYE  
COMMISSIONER MARKS – AYE  
COMMISSIONER WILSON – AYE  
COMMISSIONER HIGGINS = AYE

MOTION CARRIED WITHOUT DISSENT.

**B. CONSIDERATION TO AWARD 2014 REFUNDING REVENUE BONDS TO BBVA COMPASS BANK.**

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF AWARDING THE 2014 REFUNDING REVENUE BONDS TO BBVA COMPASS BANK. COMMISSIONER HIGGINS SECONDED.

Kent Sawatzky asked the Board if they were casting aside their safety net by no longer being required to keep the reserve fund as the former bonds required. He cautioned the Board to find another way to retain reserves.

MOTION CARRIED WITHOUT DISSENT.

**C. CONSIDERATION TO ACCEPT AND DEPOSIT THE RETAINER FOR JPMCHASE, THE PROPOSED NEW MARKETS TAX CREDIT INVESTOR, IN THE AMOUNT OF \$50,000 IN EXCHANGE FOR \$3 MILLION IN NEW MARKETS TAX CREDITS ALLOCATION.**

COMMISSIONER HIGGINS MOVED TO ACCEPT AND DEPOSIT THE RETAINER FOR JPMCHASE, THE PROPOSED NEW MARKETS TAX CREDIT INVESTOR, IN THE AMOUNT OF \$50,000 IN EXCHANGE FOR \$3 MILLION IN NEW MARKETS TAX CREDITS ALLOCATION. COMMISSIONER WILSON SECONDED.

Albert Lemus, Lowes Enterprises, told the Board if they invested \$3.8M in Parcel A improvements and \$2.5M in acquisition of Parcels B & C, for \$6.3M investment the District would only borrow \$3.5M. Therefore, the District would have a \$10M asset and only \$3.5M debt. There would be approximately \$150,000 worth of costs associated with the process. As the facility is cleaned up and improved, more tenants will be attracted.

Kent Sawatzky said when a public agency borrows over \$700,000, they must have a feasibility study done by a licensed engineer. Caution is justified. In the feasibility study it must state the designation of coastal dependent industrial and abide by all legal uses.

MOTION CARRIED WITHOUT DISSENT.

**D. CONSIDERATION TO ACCEPT AND DEPOSIT THE RETAINER FOR THE CSCDA ALLOCATION \$25,000 IN EXCHANGE FOR \$9 MILLION IN NEW MARKETS TAX CREDIT ALLOCATION**

COMMISSIONER DALE MOVED TO ACCEPT AND DEPOSIT THE RETAINER FOR THE CSCDA ALLOCATION \$25,000 IN EXCHANGE FOR \$9 MILLION IN NEW MARKETS TAX CREDIT ALLOCATION. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

**E. CONSIDERATION TO ACCEPT LACO ASSOCIATES UPDATED PHASE 1 FOR PARCELS A, B AND C FOR \$25,000.**

COMMISSIONER HIGGINS MOVED TO ACCEPT LACO ASSOCIATES UPDATED PHASE 1 FOR PARCELS A, B AND C FOR \$25,000. COMMISSIONER DALE SECONDED.

Kent Sawatzky said if the update on Phase 1 says you need a Phase 2, does this slow down the New Markets Tax Credit project? Commissioner Wilson replied Phase 2 has been done from the previous Phase 1; since much of the high ticket Phase 2 works has been done, clean up will be specifically documented.

CEO said the Water Board is aware of the data gaps and are following the progress.

COMMISSIONER HIGGINS AMENDED HIS MOTION AS FOLLOWS: TO ACCEPT LACO ASSOCIATES UPDATED PHASE 1 FOR PARCELS A, B AND C FOR \$30,000. COMMISSIONER DALE ACCEPTED THE AMENDMENT. MOTION CARRIED WITHOUT DISSENT.

**F. CONSIDERATION TO ACCEPT KELLY-O'HERN ASSOCIATES ALTA SURVEY PROPOSAL OF PARCEL A FOR \$22,500.**

COMMISSIONER HIGGINS MOVED TO ACCEPT KELLY-O'HERN ASSOCIATES ALTA SURVEY PROPOSAL OF PARCEL A FOR \$22,500. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

**G. CONSIDERATION OF LEASE TO MCKENNY'S INSULATION DIVISION OF 13,000 SF, WEST END OF REDWOOD TERMINAL 2 SHOP FOR TRUCK AND FOAM STORAGE.**

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF LEASE TO MCKENNY'S INSULATION DIVISION OF 13,000 SF, WEST END OF REDWOOD TERMINAL 2 SHOP FOR TRUCK AND FOAM STORAGE. COMMISSIONER DALE SECONDED.

Kent Sawatzky asked if McKenny's Insulation Division was a legal use of the property. He said the rate at \$.20 sf is half the price of private rates and cautioned the Board to not undercut private business.

COMMISSIONER WILSON AMENDED HIS MOTION TO ADD THE FOLLOWING: GIVE CEO DIRECTION WITH DISTRICT COUNSEL OVERSIGHT. COMMISSIONER DALE ACCEPTED THE AMENDMENT.

MOTION CARRIED WITH COMMISSIONER WILSON ABSTAINING.

**ADMINISTRATIVE AND EMERGENCY PERMITS:** None.

The Regular Meeting of the Board of Commissioners adjourned at 9:25 p.m.

APPROVED BY:

RECORDED BY:

\_\_Signature on File\_\_\_\_\_  
Greg Dale  
Secretary

\_\_\_\_Signature on File\_\_\_\_\_  
Patricia Tyson  
Director of Administrative Services