

Peter Grenell

From: brian foss <brian.foss@me.com>
Sent: Tuesday, January 24, 2012 8:20 AM
To: David Hull(home); Doug Charchenko; Doug Charchenko; Larry Mallon; Peter Grenell
Subject: more seminar thoughts
Attachments: SeminarOutlinejan12.pages; ATT33004.txt

Good Morning: I know you've had some conversations already on the seminar content. I have talked to all of you informally about themes and content of the seminar and how interest the target market.

So this is tossed out just for discussion purposes.

One theme could be how harbors and ports can thrive in the changing water front.

The problem right away is that commercial ports and small craft harbors have some common opportunities and threats but very different missions. and scales. Ports are global centers of commerce, harbor are service and recreation centered.

So, can we do justice to them in one seminar? Don't have a clear answer to that, but here's an outline.

....Attachment.

Have no pride of authorship here. I've taken ideas from all of you and tried to knit them together.

The main concept is to highlight what's going on in the waterfront. Trends for both ports and harbors....what's hot and not.

Trends that are working for us and against. How various (example) harbors and ports are succeeding....guest speakers. (this is the core value of the seminar...who's doing what and how..)

CIMIA/CMIB SEMINAR
SPRING 2012
CONTENT OUTLINE

Theme: How will harbors and ports thrive in the changing California waterfront
What the public is demanding

1. Commercial Port Operations and the waterfront

Goods movement dynamics and trends...West Coast of North America
Federal support of shipping channels
Pressures on waterfront use by cities and development interests,
Public Access demands, conflict or opportunity or both
Revolving environmental conflicts, opportunities

IMPACT OF
CHANGES IN
DEVELOPMENT
MODES, etc

spatial factors -
eg, S. Diego, LB, Stockton
US separates from cargo

2. Port success stories. Planning it right under new paradigms

Guest speakers 2 ea?
New York 2020 vision?
Port of Oakland, Stockton, LA

SC model?

[which one?]

3. Small Craft Harbors and the waterfront

Over view. On one hand, public interest in oceans, waterfronts, waterways has never been higher. On the other hand recent economics; shrinking middle class; the high cost of boating; pressure on fishing; are reducing demand in certain important boating sectors.

Boating Sectors with growing demand

Ocean and water and waterfront experiences (public attractions)
public wants to come for waterfront experience if given access.
Whale watching, marine tourism
Marine education, visitor centers (Sanctuary Center in Santa Cruz, Seymore Center S.C.)
University Marine Research
Foundation Marine Research/Exploration
NGO foundations that are marine oriented (OSO, SOS, SC Coastal Watershed Alliance, Surf Rider, Arana Gulch Water Alliance)
Charter Research Commercial boats,
Charter Sailing operations (bare boat/skippered)
Charter fishing operation. demand still high even with fishery restrictions.
University and School sailing programs
Board based Healthy Waterways and Oceans interest by general public
Public Access projects on waterfront/naming donor opportunities
integrated city harbor projects
Hospitality industry... willing to invest in waterfront/harbors
Water taxis

Human powered boating (canoes, kayaks, SUPs, paddle boards) boat rentals, sales, and rack rental opportunities
Dry boat storage offers cheaper berthing alternative

Boating Sectors with Lessening Demand

In water berthing for boats 30 feet or less.

Coast wide trend of empty berthing in 20-30 foot area.
demographic change.

Reduction in number of boat dealers in California (get stats if possible)

Reduction in recreational fishing sectors. ??

Reduced fish, reduced seasons.

Commercial fishing fleet reduction. Long term trend continues. Less biomass, shortened or cancelled seasons on some species. moratoriums on some species (RCA). Bigger boats, technology, Individual Fishing Quotas (IFQ) on ground fish.

Boat Yards. Continued costs, and especially environmental costs, have reduced the number in Calif. Larger yards able to spread costs.

land pressure on waterfront. Industrial use conflict in gentrifying neighborhoods.

Major factors in recreational boating

Capital costs of boat ownership

Cost of fuel and maint. and insurance and berthing

Fewer fishing opportunities

Environmental criteria: ESA, ESHA, HAPA, CAL Ocean Protection Act.
dredging limits, Corps funding

4. How small craft harbor are riding the trends

guest speakers. 2 ?

5. Financing opportunities

Public Private Partnerships.

For profit Investors, NGO opportunities, Naming donor opportunities

Tenant investment

Leasing concepts on the waterfront. What tenants need. What government need.

Public finance

Cal Boat, Cal Infrastructure Bank, CMIA, etc

Grants. Cal Boat, USFWLS, EPA, Coastal Conservancy,

link examples to success stories

Peter Grenell

From: brian foss <brian.foss@me.com>
Sent: Tuesday, January 17, 2012 6:01 PM
To: Peter Grenell
Subject: Re: Seminar composition

Peter: This is exciting. Just what I had hoped to elicit. I think you should involve the other members and pass these thought along. I think this is where this seminar should head.recognizing where harbors can thrive inside an evolving waterfront.. ...one that has very strong interest but maybe changing, at least in degree, from personal boat ownership. Environment, research, ocean conservation, natural environment. whale watching(generic), marine education, kayaking, stand up (it's here), Charter boating foundations (SOS, OSO, Watershed councils, The Clean Ocean Project

(--yes even Surfrider--). Agencies --State Parks are in crisis.

Universities. Hospitality industry as a whole.

"California harbors in a changing waterfront"

Certainly we want to show case the CMIB/CMIA, but they are just tools for what needs to be a global perspective.

I did a study for the Corps last year on economic generation in Santa Cruz. It is down, of course, on commercial fishing boats, but other commercial boat operators have more than filled in over the past 10 years. There are over 100 boats doing commercial business in the harbor (including fishing). It was eye opening. We broke it down to commercial entrance transits a day by season.

doing what?

We'll talk. You've got some good leads and directions

Thanks,
Brian

On Jan 17, 2012, at 3:00 PM, Peter Grenell wrote:

> Brian,

>

> Good points, however sobering. Interestingly, I've been looking at
> some working waterfronts stuff for an LA friend. I assume you are
> aware of the Working Waterfront symposium activity largely organized
> by Sea Grant. Two symposia have been held, both back east. The third
> will be in Tacoma, WA in 2013 some time in summer. There are
> websites. I went to the 2nd gathering last Sept. in Portland, ME.
> Out of it a Working Waterfronts Coalition formed. A mixed Sea Grant
> and other team grant a
> \$297,000 EDA grant this past October to do something in the promoting,
> organizing, supporting, planning kind of arena about working
> waterfronts. A major force behind this has been Maine, where they
> have big concerns about losing remaining waterfront lands and losing
> the fishing industry.

>

> But, the Waterfront Center in Wash. DC, which you probably are aware
> of, covers a much broader view and interests in much of what you
> allude to in terms of waterfronts but not necessarily strictly

- >
- > Then what: I think what would interest attendees would be "who has
- > done what and how"
- >
- > Multi financed/multi entity projects that used a combination of
- > financial resources.
- >
- > innovative medium/big port stories/ Waterfront not necessarily
- > harbor
- > innovative small craft harbor projects (santa cruz)/ waterfront
- > projects
- >
- > Even though we're in the harbor business, we can learn from non
- > boating,
- > waterfront development where's the public land is utilized in multi
- > participant
- > projects.
- >
- >
- > Financial options
- > grants
- > coastal conservancy
- > federal (tiger grants) I know..dream on
- > other federal programs
- > USFWS recreation grants
- > EPA engine replacement (emissions)
- > Loans
- > CalBoat (diminishing)
- > Calif Infrastructure--cheap, but can you qualify
- > CMIB
- >
- > Partners
- > Ocean oriented (NGO's) Non profits with access to specialized grants
- > (Packard Foundation)
- > Other foundation money
- > Private sector tenants/ tenant improvements
- > Donations to naming projects on public land (harbors and
- > Ports)
- >
- >
- > Larry and Doug: can you think of some Port Projects or water front
- > projects that did creative leveraging
- > with multi source financing? East Coast stuff or right at home
- > in Long Beach, LA, Oakland ??? San Diego waterfront....very successful.
- >
- > the America's cup. The America's cup in SF has a lot of creative
- > stuff (some of which the Attorney General may want to look
- > at.....), but non -the- less a lot of innovative thought.
- >
- > I just read that the SF Giants are putting together a proposal for a
- > baseball museum, housing project, and maybe a new 20k seat home for
- > the Warriors. 99 year lease etc. in the China Basin across McCovey Cove.
- > Looks like Plenty of room for large ego naming opportunities.

- >
- > In regard to recreation and commercial fishing harbor, the last five
- > year of no interest in CMIA bonds is quite understandable. The
- > underpinnings of demand have changed. It's the economy "stupid"
- > and of course that is true. but other factors have longer term impact.
- > We will not return to business as usual after the recession. Here's a
- > few reasons:

- >
- > Recreational boating and commercial fishing are changing fundamentally.
- > The whole coast has vacancies in 20, 25, and even 30 foot slips. Even
- > Santa Cruz has them. Unheard of for since 1974.....
- > All fisheries are diminished (commercial and recreational)
- > Commercial Fishing is a going to be a small, niche corner of the
- > west coast marine world. Quota system, limited entry. Bigger boats/
- > fewer boats. Technology and regulations allowing a few boats to
- > catch all the quota.

- >
- > High cost of new boats, fuel and services

- >
- > Changing middle class. US now down to 37% of population being
- > classified as middle class.and diminishing. It's a long term trend
- > not likely to change very soon.

- >
- > Boating is expensive relative to other recreation. Young people are
- > doing kayaking and Stand up paddling.

- >
- > Many aging boaters are no longer willing to pay "in water" fees and
- > salt water maintenance costs for a boat worth \$5 to \$10k boat.
- > their choices are: opting for dry storage; or their own back yard,
- > or getting out of the sport altogether.

- >
- > Recreational fishing is the real driver for boating in Calif.
- > With restrictions on fishing and fewer actual fish, the trend is
- > quite serious.

- >
- > If fishing gets worse, the vacancy factor will get worse and to a
- > critical level, in my opinion.

- >
- > Stack storage has been mentioned as an alternative, but Stack storage
- > has never really caught on on Calif. Coast. And it houses the exact
- > type of boat (20-30 feet) that new

- >
- > potential boaters aren't buying. There are exceptions.
- > Discovery Bay in the Delta is successful as far as I know, but they
- > are in

- >
- > a particular niche. Most tenants are absentee owners and with
- > very seasonal use of their boats. It would be interesting to know
- > the closure rate of boat dealers in the

- >
- > state over the last 5 years. I would say that less than half have
- > survived. There are none in santa cruz any more.
- >
- >
- >
- >
- >

Santa Barbara Harbor has no berthing vacancies, but that's largely

Peter Grenell

To:

Subject:

brian foss (brian.foss@me.com)
A few follow-up thoughts -- and a clinker!

Brian,

Re: you email from yesterday, I note the following in particular:

"...recognizing where harbors can thrive inside an evolving waterfront"

"...onemaybe changing....from personal boat ownership"

Seminar title?: "California harbors in a changing waterfront" [to which we might add something like: "Finance tools for aiding adaptive development" – or some such. This comes from your comment that CMIB/CMIA are tools.

Question: what kinds of commercial business are the 100+ boats engaged in besides fishing?

This all got me thinking about the CA harbors: essentially the CMANC collection of 4 major cargo ports (which include subsidiary uses), 7 medium-sized ports, and 11 small craft (shallow draft) harbors, and their respective waterfront contexts [and San Francisco, though not a CMANC member]. Places like San Diego, Long Beach and San Francisco clearly have a range of other development that takes advantage of the waterfront location (hotels, tourist attractions) as well as lots of public access (promenades); LA and Oakland have a lot less of the latter, but still have some, though their focus is cargo.

There's more variation among the medium-sized ports, e. g., Humboldt and Sacramento and Port Hueneme. Stockton, though, is making a vigorous effort to broaden and enhance its waterfront offerings, with its harbor being an integral part of it. Sacramento has split its waterfront, with the cargo port in West Sacto and the rest at the edge of old town, a lot like many northern European cities. A lot has to do with overall economic growth patterns (Eureka/Fields Landing is not a high growth area, e. g.), and demographics (e. g., Richmond).

Now, many of the small harbors which are based historically on extractive industries (fishing and timber) have faced familiar real estate-driven development pressures. This is where "working waterfront" issues stand out, as is visible in Maine, e. g., re: fishing. More on this later; I need to consult a source or two and prepare for tonight's harbor commission meeting.

I'll close with the clinker: Yesterday was the deadline for our receiving applications for Harbor Master. We have 52! They come from around the country; we advertised broadly. We will winnow these down to a handful – five or six, for an initial round of review and interviews. So, Marietta Harris, our HR Manager and I, want to augment our interview “committee” (ourselves) with a couple of knowledgeable, experienced, and wise professionals, such as yourself and David Hull. If you are interested and available, we'd really appreciate your assistance for a day of interviews some time during mid-late February. Let me know if you are; I can elaborate further on the position. For now, I'll just say that we are looking for one Harbor Master to oversee both Pillar Point and Oyster Point; this is driven by economics and also the potential for strengthening the Assistant Harbor Master positions (one currently at each harbor). The HM would have a broader, more managerial position than the traditional, totally boats and ropes role, particularly in light of the “changing harbors and waterfronts” issues and opportunities especially at Pillar Point. Enough for the moment.



Do let me know what you think about that.

Peter

Purpose

- Gain an understanding of our current financial position (size and origin of our revenues and expenses)
- Project what we expect our financial position to be going forward *12-13; 5 yr assumptions?*
- Obtain direction on where we should be going by setting priorities that are in line with our financial health *did*
- Obtain direction of developing strategies for improving our financial health *other important factors?;*

Current Financial Position

- Revenues: Sources and amounts. An explanation of shifts we are seeing and the reasons for those shifts
- Expenses – By category and by department - *focus on operations, CR, debt, O&B etc*
- Reserves – how much cash do we have set aside and how many long term commitments do we have. *reason for shifts and anomalies*

Financial Position Going Forward

- Revenues explain reason behind assumptions used for 5 year data *FY 11-13, 5 yr.*
- Expenses – also explain assumptions
- One-time opportunities
- Show trend lines
- Explain impact on reserves *based on what assumptions*

District Overall Going Forward

- previous direction
- Status of reaching priorities previously identified
- staff's current recommendation for priorities
 - o Maintain Existing Facilities
 - Projects and timing
 - o Develop to Diversify Revenues or Reduce Expenses
 - Projects and timing
 - o Partnerships

Questions and Conclusions

Peter Grenell

From: Genevieve Frederick
Sent: Friday, January 20, 2012 5:19 PM
To: Peter Grenell
Subject: Document1
Attachments: Doc1_.docx

Here's a general outline of how I intend to present my portion of the presentation at the workshop. If you are concerned I am really off base, please let me know but as this is such a general outline you may not be able to see what I am planning. I will work on fleshing this out more next week so you will have a better sense of what I am covering under each of these bullet points and can provide me with more feedback about what should be added.

Thanks Have a great weekend.