

The Noyo Harbor District

The Noyo Harbor District (District) is a well-managed and effective entity. Issues concerning the future development of the Noyo Harbor need to be addressed.

Method of Investigation

The Grand Jury interviewed a member of the Noyo Harbor Commission (Commission), the Harbor Manager, the Harbor Secretary/Treasurer, a representative of the U.S. Coast Guard facility at the harbor, a land manager and businessman from the harbor, two land owners in the harbor area, a Fort Bragg City Council (City Council) member, a member of the Citizens Advisory Committee that participated in the Coastal Conservancy proposal for the future of the harbor, and two boat owners/fishermen who have boats moored in the harbor. The Grand Jury attended a regular Commission meeting. The Grand Jury reviewed the following documents: minutes from 1/11/01, 1/26/01, and 2/8/01; the development proposal for the Noyo Harbor, *Noyo Harbor Plan* (Plan); the budgets for the present and past two years; the most recent audit; and berthing policy and vessel mooring contract documents. The Grand Jury inspected the harbor facilities.

Background Information

The District is a designated port district that receives its authority from the Harbors and Navigation Code of the State of California. The District is a geographical area for tax revenue base and encompasses approximately ten square miles bordered by Pudding Creek on the north, Jughandle Creek on the south, and the coast. The District is governed by the appointed five-person Commission: two appointments by the City Council, two appointments by the County Board of Supervisors (BOS), and one appointment by consensus of the City Council and the BOS. The Commission is charged to organize, fund, build, administer, and maintain the Noyo Harbor. The Commission has the authority to pass and enforce ordinances but operates within the confines of ordinances and regulations of 16 other federal, state, and local agencies. The District also has the authority to operate the harbor area as a business in the interest of the public good. The District employs 3.5 full-time employees: a Manager (formerly known as Harbor Master), a Secretary/ Treasurer, a full-time maintenance person, and a half-time maintenance person. The District retains an advisory attorney.

District Operation

Finding

- 1. The Commission is successfully organizing, funding, building, administering, and maintaining the Noyo Harbor.**

Response (Board of Supervisors): The Board neither agrees nor disagrees.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

Response (Fort Bragg City Council): The Fort Bragg City Council agrees with this finding. The City of Fort Bragg maintains a close and cooperative working relationship with the Noyo Harbor District which includes the appointment of one member of the Harbor District Board and joint appointment with the Board of Supervisors of the Commission Chair. The District provides regular written reports of the District's operations to the City Council and the appointed representative provides periodic reports and updates on District activities at regular City Council meetings.

Fiscal Matters

The District is carrying out its fiscal responsibilities effectively.

Findings

- 2. District revenues are derived from a combination of Mendocino County tax (\$48,241.64 for fiscal year 99-00) and operating revenue, for example: slip rental, hoist/pier fees, and ground rental (\$313,473.88 for fiscal year 99-00).**

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

- 3. District had a net profit of 9.44% for the 99-00 fiscal year. The District has a capital fund of \$900,000 for large maintenance projects and emergency situations. At present, most of the fund will be used for emergency repairs caused by ocean surge/storm damage.**

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District disagrees with the last statement of this finding. Most of the fund will be used for dredging of the Noyo Mooring Basin (approx. \$250,000.00), repair of the deteriorating sea wall (approx. \$300,000.00) and the removal of dredge spoils material contained in the spoils site (approx. \$122,000.00)

- 4. There is a possibility (subject to permit) of revenue from Caltrans' use of Ocean Front Park for equipment marshalling during the replacement of the Noyo Harbor Bridge.**

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

5. The District keeps paid employees to the minimum number necessary.

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

6. The Commissioners are not compensated for meetings, but are reimbursed for mileage and expenses incurred when they are required to leave the area on District business.

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

7. The District budget and audit figures are acceptable to the BOS and the City Council. The audit is conducted annually by an independent source. The auditor's report indicates sound financial health.

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

Response to Findings 2-7 above (Fort Bragg City Council): The Fort Bragg City Council agrees with the Report's general comment regarding the District's fiscal matters; that the District is carrying out its fiscal responsibilities effectively. The City Council has not initiated its own review of the detail of the District's fiscal affairs, and has no information to suggest disagreement with the Grand Jury's detailed findings identified above. The City Council has observed that the District has consistently performed in a fiscally responsible manner and is not aware of any irregularities or areas of concern in this regard.

In addition, the City Council has supported and assisted the District in the implementation of its financial responsibilities by obtaining a grant for the purchase of a site for storage of dredge spoils resulting from the District's dredging of the Harbor. The City maintains ownership of the dredge spoils site for use by the Harbor District. In addition the City Council recently adopted a resolution in support of the District's request for federal funding for repair of the District's breakwater at the mouth of the Harbor.

For the purpose of clarification regarding Finding #4 above, the City Council notes that Ocean Front Park is owned and operated by the City of Fort Bragg. The parking area adjacent to the Park is the property of the Harbor District and is subject to its control. While the City Council supports the potential for the District to obtain revenue from use of its property, the City Council has expressed its concern that Ocean Front Park is a valuable public recreational amenity and access to the park should be maintained to the maximum extent feasible during the period the Noyo Bridge is under construction.

Policies and Procedures

Findings

- 8. Staff has indicated that ordinances and regulations from the various agencies serve to guide policy and procedure.**

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District disagrees with this finding. The Noyo Harbor District operates under its own Ordinance and regulations. It is a Port District organized under section 6200 et seq. of the State of California Harbors and Navigation Code. (Because Port Districts receive statutory authority from the California Harbors and Navigation Code of the State of California, they have the additional right to pass ordinances and enforce regulations within their boundaries.)

However, some of the regulations within the ordinance are governed by the County of Mendocino and the State of California.

Response (Fort Bragg City Council): The City Council has not initiated its own detailed review and has no information to disagree with the findings above regarding the District's operational policy.

- 9. The District lacks a comprehensive policies and procedures handbook that reflects the daily operation and emergency mandates of the 16 agencies involved with the District.**

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding. The District realizes this is a very important finding and plans to work with other districts to establish a comprehensive policy and procedures handbook.

Response (Fort Bragg City Council): The City Council has not initiated it's own detailed review and has no information to disagree with the findings above regarding the District's operational policy.

Future Development

The Commission has a stated interest in the development and improvement of the harbor area to enhance service to the public and increase revenue.

Findings

10. The Noyo Harbor is a unique coastal entity that could be developed to enhance both the economic and recreational needs of visitors and local citizens.

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

11. The Plan, based on a 1992 study funded by the Coastal Conservancy, suggests a comprehensive plan for the future. The Plan writers gathered information from local proposals, committees, commissions, studies, and investigations. They conducted interviews and exchanged verbal and written correspondence with Harbor groups and individuals. From this data, they identified needs including the following:

- a. improvements for support of the commercial fishing industry (repair yard and mobile lift, work dock, oil disposal facility, additional berthing);**
- b. additional launch ramp facilities for recreational boats, additional showers, restrooms, laundry facilities, storage lockers and berthing;**
- c. additional parking;**
- d. land use to be apportioned to commercial fishing and visitor facilities;**
- e. affordable worker housing near the Harbor;**
- f. natural resource oriented recreation should be encouraged;**
- g. a system of pedestrian trails and paths to take advantage of the coastline;**
- h. additional traffic access points for general circulation and emergency purposes at both the north and south sides of the Harbor;**
- i. identify and plan protection for the natural resources of the Harbor; and**
- j. develop revenue-producing facilities within the District.**

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding. However, the study is 9 years old with some of the recommendations having been addressed and implemented. Prior to proceeding with any development of the Harbor the Harbor District recommends that the study be updated.

12 The Plan also suggests potential sources of grants and loans for proposed improvements.

Response (Board of Supervisors): The Board neither agrees nor disagrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

13. The Commission, Board of Supervisors, and City Council do not have an action plan for implementing the recommendations in the Plan.

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding although the Harbor District does not have authority regarding planning and local land use controls.

14. The Commission and the City Council discuss periodically the possibility of annexing the Noyo Harbor area.

Response (Board of Supervisors): The Board agrees with this finding.

Response (Noyo Harbor District): The Noyo Harbor District agrees with this finding.

Response to Findings 10 through 14 above (Fort Bragg City Council): The current City Council has not reviewed the 1992 report referenced and has no information to suggest disagreement with the findings reported above. The City Council agrees that the Noyo Harbor is a unique coastal amenity. The City Council also agrees that it does not have an action plan for implementing the recommendations in the Plan, and further notes that the City does not have the ability or the jurisdiction to implement *any* plan for the Noyo Harbor. The Harbor is located within the planning and service jurisdiction of Mendocino County as part of the County unincorporated area. Regarding annexation; the City Council agrees with the finding that the City has periodically discussed the possibility of annexing Noyo Harbor. These discussions are continuing.

Recommendations

- A. The Commission should compile a general Policies and Procedures manual that includes at least an overview of District operation, a mission statement, job descriptions, duties, and daily and emergency procedures. (Findings 8,9)**

Response (Board of Supervisors): The Board agrees with this recommendation.

Response (Noyo Harbor District): The recommendation has not yet been implemented, however, the Harbor District plans to begin implementation within six months.

Response (Fort Bragg City Council): The City of Fort Bragg has no authority to direct the operations of the Harbor District. The City is prepared to assist the District in preparing the proposed Policies and Procedures manual by providing suggested sample policies and procedures used for City operations. The Commission, the BOS and the Fort Bragg City Council continue to study the various proposals and create a plan with specific implementation timeframes for developing the Noyo Harbor. (Findings 10, 11,12)

- B. The Commission, the BOS and the Fort Bragg City Council continue to study the various proposals and create a plan with specific implementation timeframes for developing the Noyo Harbor.**

Response (Board of Supervisors): The Board agrees with this recommendation, although establishing a specific time frame may be difficult. The City of Fort Bragg, the County of Mendocino, and the harbor district have discussed development of Noyo Harbor for years, if not decades. The discussions usually focus upon the annexation of the harbor into the City.

In order for the City to consider annexation and development of Noyo Harbor, they must be convinced that development in and around the harbor will result in a net tax revenue gain, or neutrality, to the City (i.e., new tax revenues will be equal to or greater than the cost of providing services to the annexed area.). In the event of a net tax gain, the County will be interested in a reasonable tax sharing agreement for the annexed area. All interested parties have agreed that the most critical element to future development is the creation of a second access road.

With the impending reconstruction of the Noyo Bridge, there appears to be a window of opportunity for creation of a second access. It is difficult to imagine that proper staging of materials and construction activity can safely occur without a second access road to the harbor, and the support structures of the bridge.

The County and the City both view the future development of Noyo Harbor as an important vision for the North Coast. Both parties, as well as the harbor district, believe that the harbor can be developed into a tax and job producing area, while maintaining its unique charm as a working harbor. We will continue to participate in planning for the development of Noyo Harbor.

Response (Noyo Harbor District): The Noyo Harbor District continues discussions with the Fort Bragg City Council, the BOS, and Noyo Harbor property owners regarding the potential future development of Noyo Harbor. The Noyo Harbor District supports productive use and operation of the Harbor and reflective and appropriate planning for development. However, the Harbor District does not have administrative authority over planning and local land use controls.

Discussion regarding possible future annexation of the Harbor to the City of Fort Bragg continues. The City is addressing water and wastewater service issues that effect the potential for annexation of the Harbor.

Response (Fort Bragg City Council): The Fort Bragg City Council continues in discussion with the Commission, Noyo Harbor property owners and the Board of Supervisors regarding the potential future development of the Noyo Harbor. The Fort Bragg City Council supports productive use and operation of the Harbor and thoughtful and appropriate planning for development. As identified above, the Harbor is not located within the corporate limits and planning/service jurisdiction of the City of Fort Bragg.

Discussion about possible future annexation of the Harbor to the City is also continuing. The City of Fort Bragg is currently working actively to resolve capacity and operational issues limiting its ability to ensure the availability of basic water and wastewater services to residents and businesses in the City. Discussion about the potential for annexation of the Harbor must necessarily include resolution of these items.

Response Required

Mendocino County Board of Supervisors
Fort Bragg City Council

Response Requested

Noyo Harbor District Commission