

June 28, 2006

TO: County of San Mateo
Affected Cities & Special Districts
Interested individuals

SUBJECT: Municipal Service Review for the San Mateo County Harbor
District

This draft municipal service review for the San Mateo County Harbor District is being circulated for review and public comment prior to consideration by the San Mateo Local Agency Formation Commission. Affected agencies, residents, property owners and interested individuals and groups are comment on the municipal service review to assist the Commission in making determinations regarding the San Mateo County Harbor District as required by Government Code Section 56430.

This draft report is available on line at www.sanmateolafco.org. Comments or inquiries may be submitted to LAFCo by July 11, 2006:

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Updated Draft Municipal Service Review

San Mateo County Harbor District

Introduction

This draft municipal service review for the San Mateo County Harbor District is being prepared as required by Government Code Section 56430 and circulated for comment by affected organizations and agencies. Section 56430 requires that in order to prepare and to update spheres of influence, the Local Agency Formation Commission shall conduct a service review of the municipal services provided in the county or other appropriate area. A municipal service review is an analysis of public services in which determinations are made regarding adequacies or deficiencies in service, cost effectiveness and efficiency, government structure options and local accountability. Following input by affected individuals, groups and agencies on the draft service review, LAFCo staff will prepare a final report and recommended determinations for Commission consideration at a public hearing. Comments on this draft report are requested by July 11, 2006 and should be submitted to Martha Poyatos, San Mateo LAFCo, 455 County Center, Redwood City, CA 94063, or faxed to 650/465-5059 or e-mailed to mpoyatos@co.sanmateo.ca.us

Local Agency Formation Commission (LAFCo)

Created by the State legislature in 1963, the Local Agency Formation Commission (LAFCo) is a State-mandated, independent commission with countywide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, consolidations and dissolutions. The Commission consists of two members of the Board of Supervisors, two members of city councils of the cities in the county, two board members of independent special districts in the county, a public member, and four alternate members (county, city, special district and public). As an independent commission, LAFCo adopts its own budget and contracts with the County of San Mateo for staff, facilities and legal counsel. The Executive Officer serves in the administrative capacity, which includes staff review of each proposal, municipal service reviews and sphere of influence studies and assistance to local agencies and the public. LAFCo's net operating budget is apportioned in thirds to the County of San Mateo, the 20 cities and the 24 independent special districts. For additional information on LAFCo please visit www.sanmateolafco.org.

San Mateo County Harbor District

The San Mateo County Harbor District (SMCHD) is an independent special district formed in 1933 to construct, maintain and administer harbor facilities. Enabling legislation for the district is State Harbors and Navigation Code, Section 6000 et seq. The District's original plan was to develop a commercial port in Redwood City. Due to lack of funding, the District remained inactive from 1935 to 1948, at which time the District was resurrected to obtain federal funds to construct a harbor of refuge at Pillar Point Harbor at Half Moon Bay. With these federal funds, a breakwater was completed in 1962 and additional work to protect the harbor was completed in 1967.

The District's existence since has been marked by several efforts to dissolve it. In 1966, a dissolution initiated by the Board of Supervisors was approved by the voters but later overturned by the courts in 1969. Subsequently several efforts to either detach portions of the county from the District or dissolve it ended with court challenge, denial at protest hearing, failure at election and most recently in 1991, withdrawal of the application.

SMCHD operates according to State Harbors and Navigation Code Sections 6000 et seq. and is authorized to: control and operate all harbor works and facilities within its boundaries, supervise pilotage of seagoing vessels within the harbor and the docking of vessels and pass all necessary ordinances for the protection and safety of persons or property using district facilities and waters subject to the jurisdiction of the district.

While District boundaries are countywide, the District operates at two locations: Pillar Point on Half Moon Bay and Oyster Point Marina/Park on the bayside in South San Francisco. The District owns and operates Pillar Point Harbor and has operated Oyster Point Marina/Park via a Joint Power Agreement (JPA) with the City of South San Francisco since 1977. The JPA expires in 2026.

District Services:

District enterprise and non-enterprise operations at the two locations are summarized as follows.

Pillar Point Harbor:

Enterprise activities:

- A public 369-berth marina that contains roughly 180 commercial fishing vessels and the remainder are recreational boats. Berth-holders sign berthing agreements with the District and pay berthing and utility fees, which are used to maintain the facilities (See fee schedule).
- Forty moorings maintained and rented out by the District. Boaters may have private moorings, for which the District charges a small fee.
- A six-lane public small craft launch ramp. A yearly average of 30 boats per day are launched, for an annual total of approximately 10,000 to 12,000 launches. These boaters pay the District a launch fee.
- A public hoist to serve boaters
- Lease-holders at Pillar Point Harbor include three wholesale commercial fish buyers, a fuel dock and ice facility, two sport fishing concessions, a kayak rental and guided tour business, three restaurants, and a recreational vehicle park. Each lessee pays rent to the District for use of the respective premises. The District is responsible for maintaining building structures and exteriors. Lessees are responsible for the interior of the premises and any improvements.
- The District issues commercial activity permits for sport fishing charter boats, retail fish sales, special events such as the Mavericks surfing competition, and a wireless concession. Approximately 4,000 to 5,000 people per year purchase fish directly from the Harbor's fishermen.

Non-Enterprise Activities:

- Search & Rescue (SAR): The District's Pillar Point Harbor Patrol provides the only search and rescue security vessels stationed on the San Mateo County coast. The SAR area of operation includes the entire County coast and out to approximately twelve nautical miles. This area comprises approximately 420 square miles of open-ocean and exposed coastal waters as well as protected waters within Pillar Point Harbor. The U.S. Coast Guard provides occasional back-up assistance to the Harbor Patrol with helicopter assistance and other resources at the farthest extent of the Patrol's Operations. As the only agency that maintains immediate response vessels stationed anywhere on the County coast, the Pillar Point Harbor Patrol is often asked to provide expertise

and equipment (vessels, trained personnel, and facilities) to other agencies when events occur within the Patrol's area of operation. The Harbor Patrol interacts and trains with other agencies including: U.S. Coast Guard, U.S. Customs, Immigration and Naturalization Service, the Monterey Bay and the Farallones National Marine Sanctuaries, California Department of Fish and Game, County of San Mateo Sheriff and Office of Emergency Services, Half Moon Bay Fire District and Half Moon Bay Police Department.

The District staffs the Harbor facility 24 hours a day, 365 days per year with trained search and rescue staff (SAR), vessels and SAR personal watercraft (PWC) for surf impact zone work. The Patrol averages about 120 distress call responses per year including vessels on fire or sinking, collisions, cases of vessels in some of form of danger and medical cases. District staff also assist in referrals for assistance, technical advice mechanical problems, boaters lost in fog, as well as assistance to swimmers and surfers in distress, body recovery and environmental responses. By agreement with San Mateo County, the Pillar Point Harbor Patrol is dispatched through the County Communications System.

- Law enforcement: Pillar Point Harbor staff enforces the California Harbors and Navigation Code and the County Harbor District Ordinance Code. The Harbor Patrol wears uniforms, and District patrol vehicles and vessels are marked accordingly.
- The District operates a waste oil collection facility available to boaters to help maintain water quality.
- The District contracts for garbage collection and operates a marine debris recycling facility.
- Recreational facilities available to the public include parking, public restrooms, fishing piers, break walks, paths, shoreline access trails and beaches with an estimated 100,000 visitors per year. The Harbor is also a port of call for tall ships "Lady Washington" and "Hawaiian Chieftain", which attract visitors at each annual visit. The San Mateo County Local Coastal Program (LCP) includes a policy that encourages the Harbor District to continue efforts developing and maintaining public shoreline access, public recreation and visitor-serving facilities.

Oyster Point Marina/Park-South San Francisco

Enterprise Activities:

- A public 600-berth marina that serves predominantly recreational vessels, subject to berthing agreements and berthing and utility fees.
- A two-lane public small craft launch ramp with an annual average of 4,200 launches.
- Lease-holders at Oyster Point include the Marina Inn, a 30-room hotel and restaurant, Oyster Point Bait & Tackle, Oyster Point Yacht Club, the Boat & Motor Mart boat sales, repair and dry boat storage facility and fuel dock and Marina offices.
- Commercial activity permits sport fishing charter vessels.

Non-Enterprise Activities:

- Search & Rescue (SAR): Oyster Point Harbor Patrol currently assists the U.S. Coast Guard with San Francisco Bay SAR activities and Homeland Security patrols, reflecting the proximity of Oyster Point Marina to San Francisco International Airport and shipping channels and anchorages in the Bay. The Harbor Patrol's resources are continually tapped as the Coast Guard's responsibilities continue to expand. Mutual assistance continues to develop due to the training and level of experience of Oyster Point Harbor Patrol Personnel.

The Harbor Patrol maintains direct communications with the South San Francisco Police Department for land activities and County Communications. The Harbor Patrol's mutual support for SAR in order of priority is South San Francisco Police and Fire, U.S. Coast Guard, San Mateo County Sheriff's Department, State Department of Fish and Game, and Animal Control.

- Law enforcement: Oyster Point Harbor staff enforces the California Harbors and Navigation Code and the District Ordinance Code. The Harbor Patrol wears uniforms, and District patrol vehicles and vessels are marked accordingly.
- The Oyster Point Harbor Patrol implements youth educational programs for ocean awareness, boating safety, environmental education and natural history in schools and community centers at various locations. Additional outreach includes South San Francisco's Annual Day-in-the Park, boat shows and the San Mateo County Fair.

- The San Francisco Conservation and Development Commission (BCDC) Bay Plan segment for South San Francisco designates most of Oyster Point for shoreline public park uses. Oyster Point includes a public recreational fishing pier, hiking and biking trail (which completes a gap in the San Francisco Bay Trail), windsurfing ramp, swimming beach, picnic areas

The following tables include information on other harbor/marina services in San Mateo County and an overview of the Harbor District. Map A illustrates location of these facilities.

Other Marina/Port Facilities in San Mateo County

Brisbane Marina	Brisbane Marina is a City of Brisbane facility located at Sierra Point on 31 acres of water, just north of Oyster Point and South of Candlestick Point. There are 580 berths, a sewage pump out dock, 280' guest dock, 6 boater keyed restrooms and showers, 2 public restrooms and a 255' long public fishing pier. Facilities also include laundry facilities, picnic facilities.
Coyote Pt. Marina	Operated by the County of San Mateo Parks Department, Coyote Point Marina is part of the Coyote Point Recreation Area located at the northeastern area of the point with direct access to the San Francisco Bay. The Marina can accommodate 565 boats in slips ranging from 24' to 50' in length and single side ties for vessels up to 22'.
Port of Redwood City	The Port, owned by the City of Redwood City, includes maritime shipping, commercial and recreational facilities. Maritime shipping facilities include port berthing facilities including 5 wharves with facilities including ship unloading conveyor, bulk cement pipeline and hoppers, petroleum pipeline, mobile crane, tractors, and forklifts, lighted for 24-hour operation. Electric, telephone and water hookups, U.S. Coast Guard certified oil waste reception facility. The Marina has more than one mile of waterfront public access, including walkways viewing, fishing and picnic areas, restrooms and parking. Recreational Facilities also include: boat launching, 190-berth Redwood City Marina, dry boat storage. Commercial uses at the port include office, restaurant and conference center.
Bair Island Marina	Bair Island Marina is a privately owned 100-boat marina. Boat slips range in size from 35' to 45', with no live-aboards.
Docktown Marina	Privately owned, the marina has 145 slips, Guest slips, 350 RV & boat storage. Launch ramp, restrooms, showers, laundry facility & phone.
Oyster Cove Marina	Privately owned, the marina has 570 slips. Guest slips. Dry storage. Gas & diesel. Launch ramp, restrooms, showers, laundry, pumpout.
Pete's Harbor	Privately owned, Pete's Harbor has 280 slips with Guest slips
Westpoint Marina	35 acres near Port of Redwood City has been purchased for the purpose of constructing a privately owned 48-boat marina.

San Mateo County Harbor District
 400 Oyster Point Blvd.
 South San Francisco, CA 94080

Contact Person: Peter Grenell
 General Manager
 650/583-4400 650/583-4611 FAX
 Website: www.smharbor.com

Date of Formation: 1933

Enabling Legislation: Section 6000 et seq. State Harbors and Navigation Code

Governing Board: Five-member board of directors appointed to four-year terms

- a. Membership and Term Expiration Date: Sally Campbell (2008), Pietro Parravano, President (2008), James Tucker (2006), Ken Lundie (2006), Leo Padreddi (2008)
- b. Compensation: \$600 per month
- c. Public Meetings: 1st and 3rd Wednesday of the Month at 7 p.m.
 1st Wednesday at 766 Main Street, Half Moon Bay
 3rd Wednesday at 33 Arroyo Dr., So. San Francisco

Services Provided: Builds, operates and maintains harbor and marina facilities in San Mateo County and provides search and rescue facilities at Pillar Point Harbor

Area Served: San Mateo County Estimated Population: 723,453

Contractual Arrangements: A Joint Powers Agreement with the City of South San Francisco for operation, maintenance and economic development at Oyster Point Marina

Number of Personnel: 5 Management, 1 Administrative Services, 3 Finance Services, 12 Operations Oyster Point, 12 Operations Pillar Point

Sphere of Influence: Zero

Fiscal Data
 Revenues:

	<u>Adopted 2005-06</u>	<u>Adopted 2006-07</u>
Property Tax	3,350,000	3,050,000
Fees for Service	3,370,844	3,459,288
Other Revenues	1,938,770	1,231,500
TOTAL REVENUES	\$8,659,614	\$7,740,788
Personnel Services	\$3,941,526	\$3,313,426
Services and Supplies	1,901,758	1,507,758
Debt Service	904,196	2,400,000
Capital Outlay	179,900	146,500
Capital Projects	1,421,599	--
TOTAL EXPENDITURES	\$8,348,979	\$7,367,684

Municipal Service Review:

Service review criteria as set forth in Government Code Section 56430 are examined below and includes information provided by the District.

(1) Infrastructure needs or deficiencies

As noted above, San Mateo County Harbor District owns the Pillar Point facility and operates the Oyster Point facility by joint power agreement with the City of South San Francisco. District administrative offices are leased. Capital improvement projects range from new restroom facilities, new patrol boat, pier repair and rehabilitation, parking lot repaving and removal of docks at Oyster Point to prepare for construction of a commuter ferry terminal by the San Francisco Bay Regional Water Transit Authority. Projects are funded by the District, loans and grants as well as cost sharing with other agencies.

Infrastructure needs at Pillar Point and Oyster Point include:

Pillar Point Harbor:

- Inner Harbor breakwater rip rap repair
- Maintenance dredging including use of dredged material for Princeton Shoreline protection and public access
- New Harbor Entrance and signs
- Re-roof or add second story to concessionaires building
- Inspect and repair fish buyers building on Johnson Pier
- Replace Romeo Pier
- New federal navigation channel to replacement for Romeo Pier (with cost sharing agreement with U.S. Army Corps of Engineers)
- Rehabilitation of floatation on central basin docks (preventive maintenance)
- Proposed Boat haul-out facility to replace a leased facility that was closed upon expiration of lease (dependent upon financial feasibility)
- Reuse of old restroom site following completion of new restroom facilities, now out to bid for construction

Oyster Point Marina/Park:

- East Basin parking lot paving (currently gravel)
- Maintenance dredging of West Basin
- Completion of Bay Trail Segment (predominantly grant funding)
- Landscape improvements to park portion
- Marine science learning center (under study)
- Berthing reconfiguration to accommodate changes in boating market favoring larger vessels
- Modification of dock to serve dining vessels

Harbor District's Leased Administration Office Space and Planned Permanent Space:

- Leased Space: The District is in year one of a five-year lease of temporary space for Administration offices at Oyster Point Marina Plaza. District Administration moved to the leased office space from the overcrowded Pillar Point Harbor office.
- Planned Permanent Space: The Harbor Commission intends to relocate the Administration Office back at a coastside location into permanent District owned quarters. Investigations for a site are underway. Meanwhile, the Harbor Commission continues to hold public meetings in Half Moon Bay (first Wednesday of the month) and South San Francisco (third Wednesday) to maximize accessibility of proceedings to the public. The District plans a commission meeting room in the permanent administration office.

(2) Growth and population projections for the affected area.

The SMCHD territory is coterminous with the County of San Mateo. The District's facilities serve County residents and non residents. The District indicates that about 40% of Pillar Point users are from outside the county mostly the greater bay area and Sacramento Valley and approximately 10% are from out of state. At Oyster Point, the District reports that 52% of marina tenants identify San Mateo County as county of residence, 19% are from San Francisco County, 7% are from Santa Clara County; 5% from the East Bay; 14% are from other counties in California and 3% come from out of State.

Association of Bay Area Governments (ABAG) Projections 2005 projects that by 2025 the County will grow by 106,000 persons or 14.6%. The nine-county Bay Area region is projected to grow by 1.27 million or 18% by 2025.

Projections 2005	2005	2020	2025
County of San Mateo	723,200	806,500	829,200
Bay Area Region	7,091,700	8,094,000	8,419,100

It should be noted that Projections 2005 is the official forecast of the Association of Bay Area Governments (ABAG) in which ABAG assigns growth potential to local jurisdictions based on smart growth policies and assumptions that local jurisdiction general plans and zoning will be amended to promote "smart growth" policies. In this regard, the projections are based on recommended policies for urban planning and not on growth trends or current general plan policies. Nevertheless, continued population growth in San Mateo County and surrounding counties will increase demand for marine and visitor serving facilities in San Mateo County.

(3) Financing constraints and opportunities

SMCHD funding sources include a share of property tax, charges for berthing and services, rent, concessions, and grants. Revenues and expenditures are summarized in the table below:

	<u>Adopted 2005-06</u>	<u>Adopted 2006-07</u>
Property Tax	3,350,000	3,050,000
Fees for Service	3,370,844	3,459,288
Other Revenues	1,938,770	1,231,500
TOTAL REVENUES	\$8,659,614	\$7,740,788
Personnel Services	\$3,941,526	\$3,313,426
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Debt Service	904,196	2,400,000
Capital Outlay	179,900	146,500
Capital Projects	1,421,599	--
TOTAL EXPENDITURES	\$8,348,979	\$7,367,684

The District, as of June 2005 had \$24,884,378 in long term debt including 19 loans outstanding from the California Department of Boating and Waterways (CalBoating) for construction projects at Oyster Point Marina/Park and Pillar Point Harbor. Interest for sixteen of the loans is 4.5% and three loans have a rate of 4.7%. Since 1997 the District received deferrals from the CalBoating in which no interest or principal payments were due for three years,

followed by an agreement in 2001 in which principal payments were deferred and the District made interest only payments for 2001 through 2004. The District's budget includes funds restricted for annual payments to CalBoating. In 2004, the Harbor Commission approved a loan restructuring agreement with CalBoating. That agreement included the District pledging collateral to secure repayment of the loans. Collateral includes all property tax revenues received by the District and a restricted account with the County Treasury in the amount of \$1,500,000.¹

The District notes that it has continually pursued and received grant monies for a variety of projects and continues to do so. In addition, the District comments that following a Board of Harbor Commissioners finance workshop in 2005, the District identified several opportunities for sustaining positive cash flow, augmenting revenues, expanding investments, modifying debt service practices and cost containment. These include:

- Loan restructuring
- Financial opportunities related to the Water Transit Authority proposed ferry service
- Future share of tax increment resulting from inclusion of Oyster Point Marina in City of South San Francisco Downtown Redevelopment Area
- Increased rates for berthing, live aboard, and small boat launch fees for 2006-2007 and use of District established Harbor Cost Index (HCI) instead of Consumer Price Index (CPI), whenever legally possible to more accurately reflect actual costs increases associated with District operations.
- Possibility of including rental space in new administration offices to generate revenue and defray building cost.

(4) Cost avoidance opportunities

Cost avoidance practices include competitive bidding, discounts, renegotiating contracts for rental equipment, use of in-house labor when more cost effective than contractors, use of Sheriff's and Court work programs, volunteers, purchasing fuel through County Public Works and packaging multi-facility and multi agency projects. At present the District has a hiring freeze in which positions that are vacated filled at the discretion of the board.

¹ Source: Audited Financial Statement

(5) Opportunities for rate restructuring

The District Board of Commissioners adopts a fee schedule (attached). The Board of Commissioners The following includes fees for berthing and live aboard.

	Pillar Point	Oyster Point
Berth Rates	\$6.80 per foot	\$7.00/\$7.30 per foot
Live Aboard	\$265/Mo. + berth rent	\$265/Mo. + berth rent

The average berth rate of all San Francisco Bay Area marinas² is \$7.65 per foot and median is \$7.33 per foot. The average for publicly operated marinas is \$6.99 per foot.

The District notes that ability to increase rates is dependent in part upon occupancy rates at marinas as well as economic events such as such as the current restrictions on Salmon fishing along the California and Oregon coasts³ which affects the commercial fishing industry. In regard to occupancy, Oyster Point experiences low occupancy (currently 54%) for recreational boaters and Pillar Point experiences full occupancy. The WTA proposed commuter ferry service and City of South San Francisco redevelopment plans may have positive effects on occupancy at Oyster Point. The District comments that rate restructuring to better address changing trends in the types and sizes of boats purchased is also under consideration and notes however, that raising the rates too drastically could result in either conversion of a harbor such as Pillar Point from a harbor of refuge for commercial fishing vessels to a harbor for recreational yachts.

Because the District existed before passage of Proposition 13 and encompassed all of San Mateo County, the District receives a share of the 1% property tax countywide and uses property tax revenue to offset shortfalls in enterprise revenue, fund non-enterprise activities, district administration and governance. (While it is common for enterprise districts to receive a share of the 1% property tax, the intent of the legislature in implementing Proposition 13 was to encourage enterprise districts to recover the costs of providing services through fees, thereby dedicating property tax to fund non-enterprise services that do not lend

² March, 2006 data

³ In April, the National Marine Fisheries Service introduced restrictions on commercial salmon fishing that are estimated to result in about 40% of the usual commercial salmon harvest. California's average commercial harvest in recent years has been about \$12 Million. (National Oceanic & Atmospheric Administration (NOAA), U.S. Department of Commerce, April 28, 2006.

themselves to fees such as Search and Rescue with annual costs totaling approximately \$122,000.)

(6) Opportunities for shared facilities.

The District does not share facilities with other agencies, however through the Joint Powers Authority with City of South San Francisco operates a city-owned marina.

Pillar Point is the only harbor on the County's ocean coastline and the only full time immediate response for ocean going search and rescue on the coast as well as the only commercial fishing harbor in San Mateo County. On the bayside, Oyster Point is proposed as a location for a new ferry service on the Peninsula in the short term and the Port of Redwood City has also been identified for service in the future. Both of these proposals are contingent upon funding becoming available. As shown above, other bayside facilities include Brisbane Marina, Coyote Point and Redwood City Port and Marina, as well as several privately operated recreational marinas. Potential exists to work with other agencies to locate additional bayside docking facilities for emergency response in cases of earthquake or other disasters. Opportunities also exist to collaborate with school and college districts on marine-related educational matters.

Current practice of sharing resources includes training with other agency personnel. The District collaborates with the Coast Guard, County Sheriff (including Office of Emergency Services), fire and other agencies in emergency response and preparedness. The District cites the potential for the District to work with County Office of Emergency Services (OES)⁴, local Bayside municipalities and the Water Transit Authority on provision of emergency preparedness and response from District water-based facilities. The District states that with its harbor specific mandate and expertise the District could have interagency agreements with localities and the County to more efficiently implement such plans. The Harbor Patrol enforces District ordinance code and Harbors and Navigation Code and assists other agencies when appropriate. County Sheriff and South San Francisco Police are otherwise responsible for law enforcement at the two District operated facilities.

Other agencies with marine emergency response capability include Coast Guard, County Sheriff's Department, Menlo Park Fire District and City of Foster City Fire Department (Lagoon response).

⁴ OES is a joint powers authority between the County of San Mateo and the 20 cities in the county in which emergency response planning, training and management is funded by the County, cities and grant monies. OES interacts with special districts and includes them in training.

(7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.

The District's sphere of influence is zero with a determination that the District be dissolved and service responsibilities be transferred to the County of San Mateo. Potential advantages of this alternative include elimination of costs associated with maintaining a separate government entity to operate the two marinas and once debt is paid down, dedication of property tax to other non-enterprise services. In 2005-2006 the Harbor District budgeted \$146,675 for Harbor Commission and \$634,443 for administration. Assuming no significant change in operations positions, savings other than those related to Harbor Commission overhead (salaries, benefits, elections) resulting from dissolution would depend upon actual reduction of administrative positions. The District cites election costs as a significant expenditure that should be examined based on the high cost (\$500,000) for two commissioner terms to be included on the ballot. The District also cites the disadvantage of a successor agency being shouldered with the District's debt and the ability of a general-purpose government such as the County to effectively provide the oversight and the day-to-day specialized harbor and marine services that the District can provide as a single-purpose special district. It should be noted that the Cortese Knox Hertzberg Act requires that in any reorganization that successor agencies use existing revenues to pay obligations of a district. In that respect, the successor agency would not bear a new cost associated with debt, rather it would serve as the agent to receive property tax to pay debts of the dissolved district.

Reorganization of service providers could also include expansion of San Mateo County Harbor District services to include operation of other public marina facilities by joint power agreement or formal transfer of facilities. An advantage of this alternative is that once debts are retired, property taxes that are collected countywide could be more equitably used to fund non-enterprise services at marine/harbor facilities located in other areas of the county. Or these property taxes could be redistributed to affected agencies to be fund non-enterprise function of those agencies.

(8) Evaluation of management efficiencies.

This section examines the ability of an agency to provide efficient and effective service by meeting service demands and maintaining adequate staffing levels given the resources available. The

District's adopted mission statement is: "To assure that the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas."

The District is organized pursuant to Harbors and Navigation Code with an elected five-member Board of Harbor Commissioners who appoint a General Manager. In addition to the General Manager, personnel include Director of Finance and Human Resource Manager, Harbor Master and Assistant Harbor Master for each facility as well as patrol and maintenance staff. The General Manager, Harbor Masters, Director of Finance and Human Resources Manager comprise the District's management team. In total, the District has 32 employees (Please see organizational chart).

The arrangement by which the Harbor District operates the Oyster Point Marina via a joint powers agreement with the City of South San Francisco eliminates the need for the City of South San Francisco to maintain a separate function of marina operations and administration.

(9) **Local accountability and governance.**

This section examines the degree to which an agency keeps affected residents informed/educated about district services, budget, programs, anticipated changes in service, effectiveness of the district in responding to requests for information and the degree to which the district encourages public participation in decision making. As a special district, the SMCHD is subject to the Ralph M. Brown Act governing public meetings.

As noted above, the District is governed by a Board of Harbor Commissioners elected at large countywide. Meetings are held on the first and third Wednesdays of the month alternating between Half Moon Bay and South San Francisco, with an agenda prepared and circulated the week before and posted on the District's website (www.smharbor.com). The District adopts a budget annually. Following recent interaction with District constituents regarding proposed fee increases, the District plans to institute an additional communication means on matters concerning Harbor Commission business and in which information on District meetings will included in billing and be provided at each Harbor office as well as staff being available to answer questions about District business. The District indicates that it will also make changes to the District's website to better serve constituents.

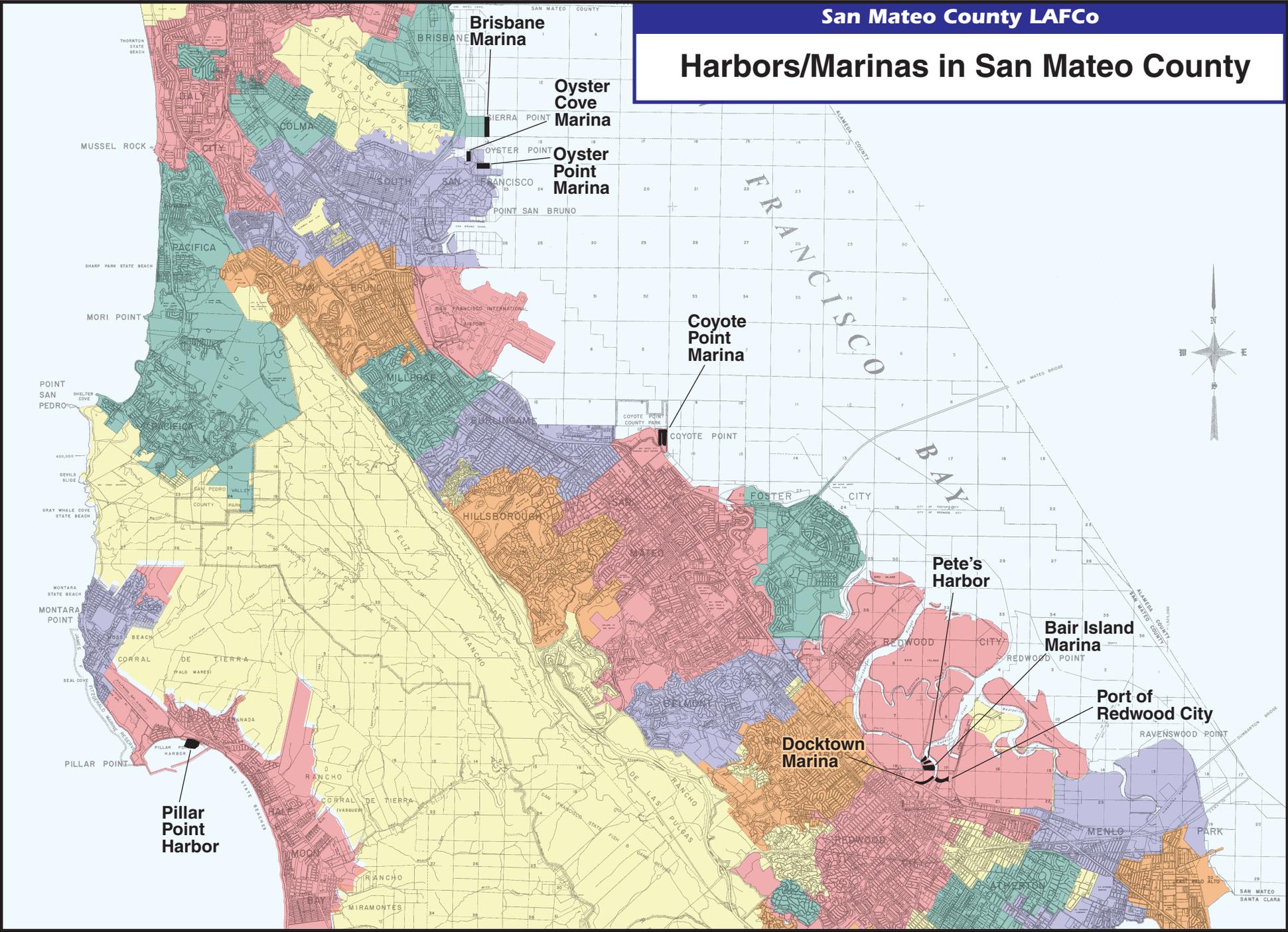
The District's Harbor Patrol conducts various educational and outreach activities and has regular contact with boaters regarding local conditions or safety including safety inspections. In addition, Harbor Commissioners, the General Manager and Harbor Masters make presentations to community groups, service organizations and chambers of commerce. The District maintains active relationships and is represented at:

- Monterey Bay National Marine Advisory council
- Gulf of the Farrallones National Marine Sanctuary Advisory Council
- California Marine Affairs and Navigation Conference
- California Maritime Infrastructure Authority
- California Special District Association
- Half Moon Bay/Coastside Chamber of Commerce
- South San Francisco Chamber of Commerce

Recommended LAFCo Determinations Pursuant to Government Code Section 56430:

To be prepared following public comment and input from the Harbor District and affected agencies.

Harbors/Marinas in San Mateo County



San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

Revised June 21, 2006

Effective July 1, 2006

Service	Pillar Point Harbor	Oyster Point Marina/Park	
Administration Processing Fee	\$30.00 Fee for any processing request or late fee posting	\$30.00 Fee for any processing request or late fee posting	
Anchoring	Gratis Within Outer Harbor, Not Available in Inner Harbor	Not Available Within Marina	
Berth Waiting List	\$25.00 Per Year. Must Be Paid Annually to Preserve Position on Waiting List	\$25.00 Per Year. Must Be Paid Annually to Preserve Position on Waiting List	
Berthing	Single Finger Only @ \$30.00 a month plus: \$6.80 Commercial Docks D-H; \$6.90 Recreational Docks A-C Per Berth Foot. Berths Available in Lengths of 30, 35, 40, 45, 50, 55, And 65 Feet. The multi-hulled Rate is 150% of regular rates for Commercial Docks D-H and Recreational Docks A-C Per Berth Foot. Fee is Based on Length of Berth or Overall Length of Boat (LOA), Whichever is the Greater. Twelfth (12th) Month Free if Paid One (1) Year in Advance. Discount for full time commercial fishermen applies as previously approved by Board.	Single Finger Monthly Rate 22' and below \$100; 26' not available; 30' \$210; 36' \$255; 40' \$295; 45' \$330; 50' \$365; 60' \$440. The Trimaran Multi-Hulled Rate is \$9.35 Per Berth Foot. Twelfth (12th) Month Free if Paid One (1) Year in Advance.	Double Finger Monthly Rate 22' and below \$100; 26' \$190.00; 30' \$220; 36' \$265; 40' \$305; 45' \$345; 50' \$380; 60' \$460. Twelfth (12th) Month Free if Paid One (1) Year in Advance
Berthing, Transient	\$0.60 Per Foot Per Day. The multi-hulled rate is 150% of regular transient rates.	\$0.65 Per Foot Per Day.	
Berthing, Transient Rafting From Docks Or Piers	\$0.60 Per Foot Per Day.	\$0.65 Per Foot Per Day.	
Bid Package	\$25.00 Per Set, Non Refundable	\$25.00 Per Set, Non Refundable	
Boat Wash	\$1.00 Per 5 Minutes. Coin Operated. Quarters (25¢) Or Tokens Only.	\$1.00 Per 5 Minutes. Coin Operated. Quarters (25¢) Only.	

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San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

Revised June 21, 2006

Effective July 1, 2006

Service	Pillar Point Harbor	Oyster Point Marina/Park
CEQA Review: Initial Study	\$100 Fee for Reviewing Application and Processing for Initial Study. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.	\$100 Fee for Reviewing Application and Processing for Initial Study. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.
CEQA Review: Negative Declaration	\$50 Fee for Reviewing Application and Processing for Negative Declaration. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.	\$50 Fee for Reviewing Application and Processing for Negative Declaration. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.
Commercial Activity Permit	\$250.00 Per Year. Additional License Agreement Required if District Facilities Used to Support the Commercial Activity	\$250.00 Per Year. Additional License Agreement Required if District Facilities Used to Support the Commercial Activity
Credit Check	Not to exceed \$50. (Pass through charge to applicants for credit check prior to acceptance as berth on monthly berth rental agreement.)	Not to exceed \$50. (Pass through charge to applicants for credit check prior to acceptance as berth on monthly berth rental agreement.)
Day Use Parking	As designated in specific locations.	As designated in specific locations.
Dinghy Storage	\$25.00 Per Month	\$25.00 Per Month
Dock Box Rental	Not Available	\$5.50 Per Month
Electricity	An amount, adjusted monthly, equal to the amount that the District pays for the electricity (including all associated charges and fees).	An amount, adjusted monthly, equal to the amount that the District pays for the electricity (including all associated charges and fees).
Emergency Equipment Purchase for Tenants	Cost of item plus 10% Handling Fee	Cost of the Item plus 10% Handling Fee
Emergency Pump Out Dockside	Actual Labor (see Labor Charges); \$60.00 minimum	Actual Labor (see Labor Charges); \$60.00 minimum
Faxing Service	\$.25 Per Page In/Out	\$.25 Per Page In/Out
Fish Sales Permit - Retail	\$225.00 per year	\$225.00 per year
Hoist, Public	\$30.00 Per Hour Pro Rata. \$5.00 Minimum	Not Available

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San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

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Service	Pillar Point Harbor	Oyster Point Marina/Park
Installment Note Interest (Promissory Note)	Prime rate plus 2%	Prime rate plus 2%
Key Deposits	\$10.00 Per Key	\$10.00 Per Key for 2 Keys. \$25.00 For Extra Keys
Keys	\$10.00 Deposit Per Key	\$10.00 Fee Per Key for 2 Keys. \$25.00 Fee Per Key for Extra Keys
Labor Charges	\$60.00 Per Hour Regular Time; \$90.00 per hour if Staff goes into Overtime status. For All Services by Staff Where Reimbursement of Time is Appropriate and Provided for by Law.	\$60.00 Per Hour Regular Time; \$90.00 per hour if Staff goes into Overtime status. For All Services by Staff Where Reimbursement of Time is Appropriate and Provided for by Law.
Late Charge	Administrative Processing Fee plus 1.5% per month on all balances remaining after the 10 th of each month. After 60 Days Security Deposit Shall Apply to Unpaid Balance.	Administrative Processing Fee plus 1.5% per month on all balances remaining after the 10 th of each month. After 60 Days Security Deposit Shall Apply to Unpaid Balance.
Launch Ramp, Commercial Use Only	See Commercial Activity Permit Requirements	See Commercial Activity Permit Requirements
Launch Ramp, Recreational Use Only	\$10.00 Per Launch, In And Out. No Discount. Annual Permit \$150 Valid at All District Operated Launch Ramps. 20% Discount on Annual Permit to Senior Owner Over 65 Years of Age or 20% Discount on Annual Permit to Person With Disability Displaying Disabled Placard or Plate on Towing Vehicle.	\$10.00 Per Launch, In And Out. No Discount. Annual Permit \$150 Valid at All District Operated Launch Ramps. 20% Discount on Annual Permit to Senior Owner Over 65 Years of Age or 20% Discount on Annual Permit to Person With Disability Displaying Disabled Placard or Plate on Towing Vehicle.
Live Aboard Permit	\$265.00 Per Month ; This represents \$90 per month increase in rate, to be implemented over a 3 year period with \$30/month increases on July 1, 2006, 2007 and 2008 respectively. Future increases over each annual \$30/month increase may be added at District's discretion to offset District losses, inflation costs or expenses. Senior discount of \$35.00 off the new Live Aboard Rate-Seniors are age 65 and older. Discount available at time of request and eligibility confirmation, and is not	\$265.00 Per Month ; This represents \$90 per month increase in rate, to be implemented over a 3 year period with \$30/month increases on July 1, 2006, 2007 and 2008 respectively. Future increases over each annual \$30/month increase may be added at District's discretion to offset District losses, inflation costs or expenses. Senior discount of \$35.00 off the new Live Aboard Rate-Seniors are age 65 and older. Discount available at time of request and eligibility confirmation, and is not retroactive.

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San Mateo County Harbor District
Rates and Fees Schedule-FY 2006-2007

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	retroactive.	
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San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

Revised June 21, 2006

Effective July 1, 2006

Service	Pillar Point Harbor	Oyster Point Marina/Park
Mailed Notices	\$2.25 per Individual Notice; \$12.25 Per Year for Agendas of Board of Harbor Commissioners (BOHC); \$25.25 Per Year for Agendas and Minutes of BOHC and Standing Committee Meetings and Self-Addressed Stamped Envelope (in the proper amount).	\$2.25 per Individual Notice; \$12.25 Per Year for Agendas of Board of Harbor Commissioners (BOHC); \$25.25 Per Year for Agendas and Minutes of BOHC and Standing Committee Meetings and Self-Addressed Stamped Envelope (in the proper amount).
Memorial Bench	General Public: \$3,500.00; 5-year Berth Holders or Fishers Taken by the Sea: \$2,500.00	General Public: \$3,500.00; 5-year Berth Holders or Fishers Taken by the Sea: \$2,500.00
Mooring Permit	\$1.50 Per Foot Per Month, \$45.00 Minimum	Not Available.
Mooring Fee for District Owned Mooring	\$4.00 Per Foot (LOA) Per Month, \$100.00 Per Month Minimum With Signed Agreement. \$10.00 Transient Daily Rate.	Not Available.
NEPA Review: Initial Study	\$100 Fee for Reviewing Application and Processing for Initial Study. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.	\$100 Fee for Reviewing Application and Processing for Initial Study. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.
NEPA Review: Negative Declaration	\$50 Fee for Reviewing Application and Processing for Negative Declaration. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.	\$50 Fee for Reviewing Application and Processing for Negative Declaration. Additional Fees in Amount Actually Incurred by the District for Consultant, Studies, Public Reviews, Public Notices, etc.
Passenger Service Fee	\$2.00 Per passenger	\$2.00 Per passenger
Photocopies	\$0.20 Per Page. Counter or Meter Used to Determine Usage.	\$0.20 Per Page. Counter or Meter Used to Determine Usage.
Plaque on Existing Bench	General Public: \$500.00. 5-year Berth Holders or Fishers Taken by The Sea: Optional Donation.	General Public: \$500.00. 5-year Berth Holders or Fishers Taken by The Sea: Optional Donation.

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San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

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Service	Pillar Point Harbor	Oyster Point Marina/Park
Proposals, Filing and Evaluation of Proposers/Proposers Credit Check	\$500.00 Per Proposal	\$500.00 Per Proposal
Recreational Vehicles (C Lot Only)	\$30.00 Per Night (includes one launch per paid night). Vehicles Must be Self-Contained. Monthly Rate of \$300 Available During Salmon Season Only. Requires Evidence of Pre-Paid Monthly Boat Berthing. Limited to Towing Vehicle and 1 Towed Vehicle/Boat Within one 40' Parking Space. Any Extra Vehicles Billed at Full Rate.	Not Available
Recreational Vehicles With Trailered Boats	\$527.00 Per Month to Include Unlimited Launching or Unlimited Berthing, or a Combination Thereof. Limited to Boats of 30' or Less. Vehicles Must be Self-Contained. Limited to Towing Vehicle and 1 Towed Vehicle/Boat Parked Within our Standard 40' Space. \$515.00 Per Month to Holder of Annual Launching Permit. Available During Salmon Season Only. The District has leased the RV lot to a private operator. Charges to patrons served on or from the leased premises shall be reasonable and consistent with the quality of services and facilities offered, and shall be no more than rates and charges for comparable facilities in the counties of San Francisco, Marin, Contra Costa, Alameda, Santa Clara, San Mateo	Not Available

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San Mateo County Harbor District

Rates and Fees Schedule-FY 2006-2007

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Service	Pillar Point Harbor	Oyster Point Marina/Park
Recreational Vehicles With Trailered Boats (Continued)	Santa Cruz and Monterey, which shall be annually reviewed by District.	Not Available
Refloating Sunken Vessels	\$450 Minimum Charge. Actual Costs at Either District Rates or if Using Outside Salvage Company at Their Rates.	\$450 Minimum Charge. Actual Costs at Either District Rates or if Using Outside Salvage Company at Their Rates.
Removal Fees	Actual Costs Incurred for Staff Time, Equipment and Materials. Cost Recovery for District Staff Time Associated with Removing Vessel from Assigned Berth and/or From the Facility as a Result of Non-Payment of Fees Which Results in Cancellation of the Berth Rental Agreement of Failure to Pay Transient Dockage as Charged.	Actual Costs Incurred for Staff Time, Equipment and Materials. Cost Recovery for District Staff Time Associated with Removing Vessel from Assigned Berth and/or From the Facility as a Result of Non-Payment of Fees Which Results in Cancellation of the Berth Rental Agreement of Failure to Pay Transient Dockage as Charged.
Returned Checks (Non-Sufficient Funds)	\$30.00 Per Check.	\$30.00 Per Check.
Security Deposit	Equal to One (1) Month's Berthing.	Equal to One (1) Month's Berthing.
Storage Fee	Monthly Berth Rental Fee for the Size of the Vessel or Slip. Mooring Fee for District Owned Mooring if Vessel Stored on Mooring. Fee to be Charged for Vessels Remaining in the Facility After Cancellation of the Owner/Tenant's Berth Rental Agreement and Failure of the Owner/Tenant to Remove the Vessel as Instructed.	Monthly Berth Rental Fee for the Size of the Vessel or Slip. Fee to be Charged for Vessels Remaining in the Facility After Cancellation of the Owner/Tenant's Berth Rental Agreement and Failure of the Owner/Tenant to Remove the Vessel as Instructed.
Towing	\$175.00 Per Hour for non-berth holders. \$150.00 Per Hour for berth holders. Includes 2 Person Crew and Harbor Patrol Vessel. Additional Personnel Requirements will be Billed at Labor Charge Rate (See Labor Charges).	\$175.00 Per Hour for non-berth holders. \$150.00 Per Hour for berth holders. Includes 2 Person Crew and Harbor Patrol Vessel. Additional Personnel Requirements will be Billed at Labor Charge Rate (See Labor Charges).

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