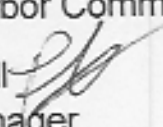


**San Mateo County
Harbor District****Memo**

Date: April 12, 2012

To: Board of Harbor Commissioners

From: Peter Grenell 
General Manager

Re: Public Hearing: Commercial Fish-Buying and Unloading
Leases on Johnson Pier, Pillar Point Harbor

BACKGROUND

Three firms holding leases on Pillar Point Harbor's Johnson Pier have been engaged in commercial fish buying and unloading: Pillar Point Seafood, Three Captains Sea Products, and Morning Star Fisheries. (See Attachment 1 diagram of the leased premises in the fish buyers building.) The three leases were due to expire on March 1, 2012. The leases had no provision for extension beyond the single option to renew that each lessee had exercised previously.

The District took two actions:

(1) Pursuant to provisions of Harbors and Navigation Code 72.2, on December 7, 2011 the Harbor District authorized issuance of a Public Notice (see Attachment 2) inviting any and all interested parties to submit proposals to lease, improve and operate commercial fishing buying and unloading facilities at Pillar Point Harbor on Johnson Pier, in the existing District-owned fish buyers building. Interested persons received an application form and a sample lease. Proposals and accompanying application materials were due to the District by February 23, 2012.

(2) Pursuant to a provision of each existing lease's general conditions, the District extended all three leases on a month-to-month basis, with the intention of enabling the continuation of lessees' operations without interruption until the matter of the new leases was resolved. The three leases are still active with all terms and conditions remaining operative.

The District received four proposals (summarized in Attachment 3) submitted by the three existing lessees Pillar Point Seafood, Three Captains Sea Products, and Morning Star Fisheries, and a fourth from Bettencourt Fisheries, and which are

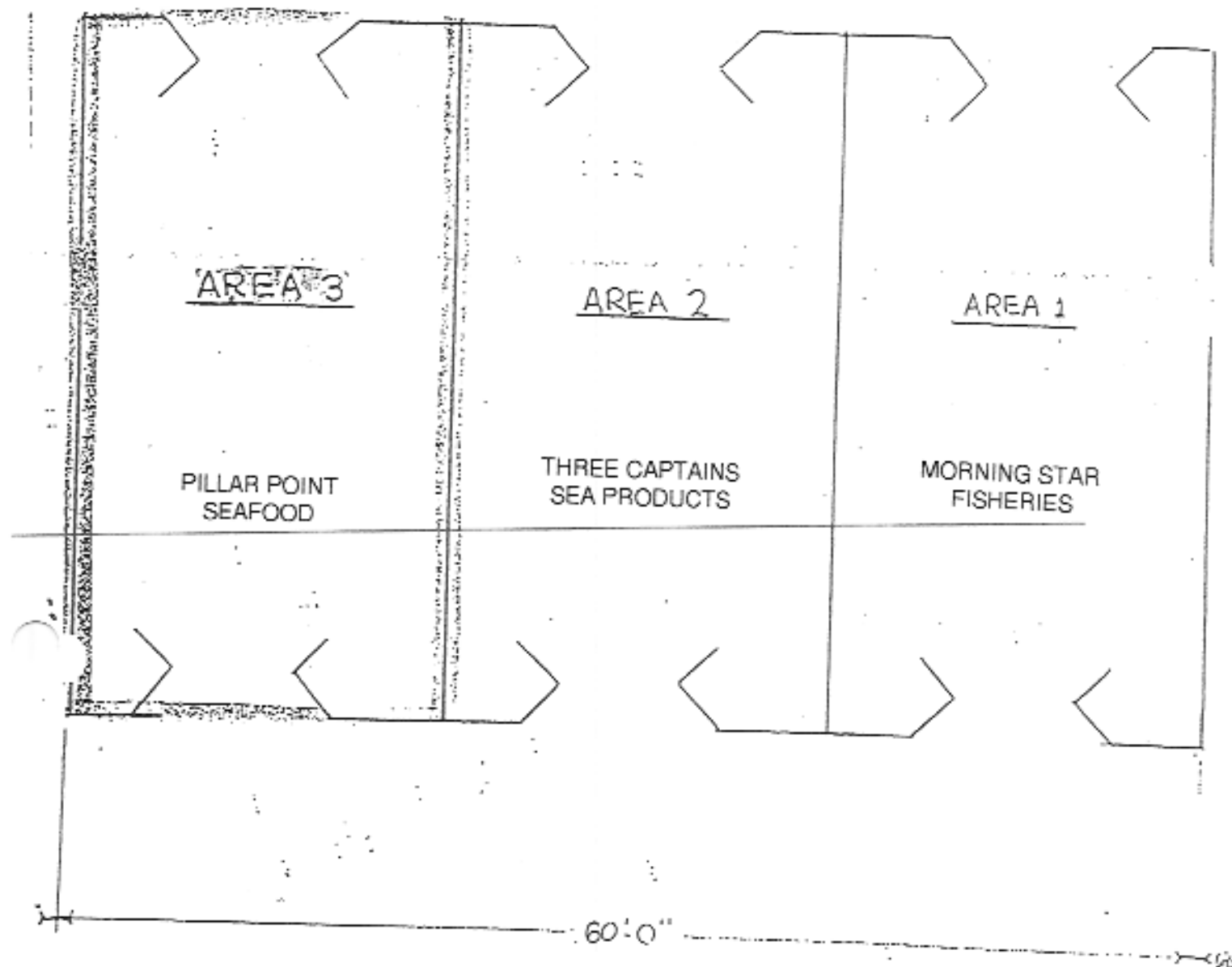
included in Attachment 4 (specific proposal information from the respective application forms and cover letters). District staff and the Harbor Commission reviewed the proposals, and sought further information and responded to questions from the proposers.

Pursuant to Harbors and Navigation Code 72.2, the District has noticed a scheduled public hearing for April 18, 2012 for the Harbor Commission to consider the lease proposals submitted. Award of the three new leases will not be final until approved by the State Department of Boating and Waterways.

ATTACHMENT 1

WATER

EXHIBIT "A"



TO Tie-up CLEAT

WHARF

SITE PLAN FOR FISH BUYERS LEASED
PREMISES ON JOHNSON PIER

ATTACHMENT 2

PUBLIC NOTICE: BUSINESS OPPORTUNITY

COMMERCIAL FISH BUYING OPPORTUNITY AVAILABLE

The San Mateo County Harbor District, an independent special district of the State of California, invites any and all interested parties to submit proposals and application materials to lease, improve and operate commercial fish buying facilities at Pillar Point Harbor (AP 047-083-060) on Johnson Pier, in the existing District-owned fish buyers building. San Mateo County zoning permits this activity on the site, which consists of three separate and currently leased premises, each with an area of approximately thirty-three (33) feet by nineteen (19) feet including the upper and lower levels of the building located on the westerly extension of the pier. Subject to District approval, additional designated area may be available for non-exclusive use as vehicle parking and freezer storage. Portions of the pier adjacent to the premises can be available for docking vessels as reasonably necessary to enable conduct of lessee's business.

The District is seeking proposals to lease premises for wholesale fish-buying for a term of five (5) years, with one five (5) year option to renew. The lease(s) will be triple-net and will require payments of minimum annual rent of not less than \$3,000.00 per month adjusted annually for inflation plus fish purchase and off-loading fees.

The lease(s) will reserve to the Board of Harbor Commissioners the power to fix and determine the rates to be charged by lessee(s) for the use by the public of facilities developed by the lessee(s), as required by California law. The lease(s) shall be negotiated with the District's General Manager, and will require final approval by the Board of Harbor Commissioners and the California Department of Boating and Waterways.

The Board of Harbor Commissioners shall fix the time and place for a Board public hearing within 180 days of receipt of the lease proposals and their completed applications through a public notice.

To request a Lease Application Form and Sample Lease, please contact the San Mateo County Harbor District by Fax at 650-583-4611 (include an email address), or via email to dnixon@smharbor.com. **Proposals and completed application materials should be delivered to San Mateo County Harbor District, 400 Oyster Point Boulevard, Suite 300, South San Francisco, CA 94080 no later than 4:00 p.m. PST on Thursday, February 23, 2012.** All proposals and application materials must be accompanied by a \$500.00 filing fee.

ATTACHMENT 3

SUMMARY OF PROPOSALS AND DISTRICT SAMPLE LEASE

**MAIN POINTS OF LEASE PROPOSAL FROM
PILLAR POINT SEAFOOD
(MIKE McHENRY)**

1. Wants same site and space.
2. Will continue current operations (unloading only).
3. Wants 10-year term plus a 10-year renewal option.

**MAIN POINTS OF LEASE PROPOSAL FROM
THREE CAPTAINS SEA PRODUCTS
(LARRY FORTADO)**

1. Minimum rent in District Sample Lease is too high.
2. Additional poundage fee in District Sample Lease is not fair.
3. The fee for Retail Sales of 6% (in both current lease and Sample Lease) is too high.
4. Wants a 5-year term with a 10-year option to extend.
5. Lessee's present premises are at a disadvantage compared to the others, because of the middle location in the building. This reduces usable area because of the need for access through the premises to the lessee's hoist (see diagram).

3 CTNG

WATER

EXHIBIT "A"

AREA 3

AREA 2

AREA 1

60'-0"

10) Tie-up Cleat

WHARF

SITE PLAN FOR FISH BUYERS LEASED
PREMISES ON JOHNSON PIER

**MAIN POINTS OF LEASE PROPOSAL FROM
MORNING STAR FISHERIES
(DAVE MALLORY)**

1. Keep current minimum rent plus CPI.
2. OK with added poundage and unloading fees OR have \$3,000 minimum rent but no poundage and unloading fees.
3. Retail sales fee of 6% is too high.
4. Wants a 10-year renewal option.
5. Wants same space and premises.

**MAIN POINTS OF LEASE PROPOSAL FROM
BETTENCOURT FISHERIES, INC. (BETTENCOURT FISHERIES
LANDING)
(GEOFF BETTENCOURT)**

1. Wants a space; any one will do.
2. Will operate as an offloading facility only. (Having an "independent" hoist is 'imperative' for fishing IFQ species).
3. Wants 5-year lease with 2 5-year renewal options.
4. Offers minimum rent of \$3,300/month plus 3% increase/year (triple net).
5. Offers \$0.01/lb. for shellfish and \$10/lb. for wetfish.
6. Has a First Receiver Site License for groundfish (in IFQ program).
7. Wants to be the headquarters for a HMB community groundfish association.
8. Wants to use the 2nd floor for an EDF office (Environmental Defense Fund; EDF is working with the Nature Conservancy to promote the federal groundfish rationalization program using IFQs (Individual Fishing Quotas).
9. Also interested in possibly developing a consumer education center.

MAIN POINTS OF DISTRICT SAMPLE LEASE

1. Lease Term: five years plus one five year option to renew.
2. Minimum Annual Rent: \$3,000 per month adjusted annually for inflation.
3. Wholesale Fish Purchase Fee: \$10.00 per ton gross weight for wetfish and \$0.01 per pound gross weight for finfish and shellfish purchased by tenant at the premises.
4. Fish Off-Loading Fee: \$10.00 per ton gross weight for wetfish and \$0.01 per pound gross weight for finfish and shellfish off-loaded by tenant at premises.
5. Retail Fish Sales Fee: six percent of gross receipts for fish sold retail to general public.
6. Use of Premises: Fish buying, unloading, storing and shipping, and ancillary and compatible uses.

**MAIN POINTS OF LEASE PROPOSAL FROM
PILLAR POINT SEAFOOD
(MIKE McHENRY)**

1. Wants same site and space.
2. Will continue current operations (unloading only).
3. Wants 10-year term plus a 10-year renewal option.

LEASING APPLICATION - FISH-BUYERS BUILDING

Please print legibly or type. Use attachments to provide complete and detailed information to facilitate Harbor review and approval process.

I. Proposed Tenant Legal Name/Business Type

Date: 2-20-12

A. Name/Address of Proposed Tenant

Full Legal Name of Proposed Tenant:

Residence Address: Michael Dennis McHenry
223 San Clemente Rd.
Half Moon Bay CA 94019

E-mail Address: μ

Existing Business Name:

Business Address: Same

Telephone: 650-703-5498

Fax: 650-726-4002 OR 530-438-2323

How long at current Premises:

Contact Person: 60 years
Kim McHenry 650-207-2563

Name

Telephone

μ
E-mail Address

II. Legal Status

A. Fictitious Business Name Statement (if applicable)

Operating Name: Michael McHenry

When/Where Filed? ✓

Not Applicable ✓

B. Type of Business Entity:

 Corporation Mutual Benefit Sub Not-for-Profit

 Partnership: General Limited

 Limited Liability Company (LLC)

 Limited Liability Partnership (LLP)

 Sole Proprietor(s)

 Franchise

 Other

(explain)

Attach a copy of the Articles of Organization.

E. Who will sign the lease?

Print Name: Michael D. McHenry

Print Title: owner / operator

Print Name: _____

Print Title: _____

(If tenant is a corporation, two signatories are required. Both must be corporate officers or persons who are authorized by the corporation to enter into contracts).

F. Has the proposed tenant ever had a lease, license or other tenancy with the District? Identify the dates of this tenancy, location of tenancy, and facts concerning the termination or expiration of tenancy.

Yes - Station at the end of #1 Johnson
Truck 1982-2012
Current action by Harbor District

G. FOR DISTRICT USE ONLY:

Name & Date of Current Lease/License:

Lease/License No.: _____

Status of Account: _____

III. Description of Proposed Use, Area, Location, Term, Activities and Required License or Permits.

- A. Proposed Uses (including ancillary or support uses).** Describe the operations and activities that will occur on the Premises, including both indoor and outdoor uses, on a separate attachment, if necessary. Provide a complete and detailed explanation to facilitate the District's lease review and approval process. State whether you propose not to purchase fish, but only to unload fish. Explain if any of the proposed uses are water-dependent. If applicant is currently leasing District premises, the above
- Confidential Page 3 of 17 (Leasing Application - Fish-Buyers Building - Fish Buyers Building)

information is still required and must be provided, including any proposed changes in current operation, activities, and uses.

- Current operations to remain the same.*
- B. Requested amount of space (delineate by type of space – i.e. off-pier storage space, improved land, office space, and by amount of square footage specifically ground floor and/or upper floor space; deck space on pier; specify if more than one leasehold space is requested): *Same as current on and off pier.*

- C. Desired Location, if known (be specific – i.e. pier building space number, outdoor area on pier, other outdoor area). Include site map. *Current site 350731?*

- D. Term sought (months/years): *To be determined during negotiation 10 yr 10 year option to renew*

- E. How many employees will be working on site in the course of normal daily operations?

- Family operated*
- F. Will proposed use require interior or exterior alterations, improvements, repairs or demolition on the Premises? Describe in detail all alterations, improvements or repairs proposed, including estimated square footage of interior and exterior areas to be constructed or renovated in an attachment, if necessary. *none*

- G. Will any of the types of work listed below be required for site preparation/construction of tenant improvements, or on-going operations? Please provide explanation for any of the items checked below which will apply and list any permits required, if known:

Activity	Site Preparation	Ongoing Operations
Excavation (quantity in cubic yards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fill (Indicate if any pier repairs or new construction in or over water is proposed)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Utility installation or modification, including systems to handle sewage and storm water runoff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**MAIN POINTS OF LEASE PROPOSAL FROM
THREE CAPTAINS SEA PRODUCTS
(LARRY FORTADO)**

1. Minimum rent in District Sample Lease is too high.
2. Additional poundage fee in District Sample Lease is not fair.
3. The fee for Retail Sales of 6% (in both current lease and Sample Lease) is too high.
4. Wants a 5-year term with a 10-year option to extend.
5. Lessee's present premises are at a disadvantage compared to the others, because of the middle location in the building. This reduces usable area because of the need for access through the premises to the lessee's hoist (see diagram).



THREE CAPTAINS SEA PRODUCTS

WHOLESALE FISH DEALER - Fresh Salmon - Crab - Market Fish

San Mateo County Harbor District
1 Johnson Pier
Pillar Point Harbor
Half Moon Bay, CA 94019

February 20, 2012

Three Captains Sea Products is the longest continuous fish buying company in Pillar Point Harbor since 1981.

When our business expanded, the Harbor District felt space should be limited. With their suggestion, we moved our fish and crab processing to Yale Avenue, Princeton. Three Captains built a 2000 square foot building and installed required equipment with considerable cost to accommodate the growing business at Pillar Point Harbor. We have four trucks and three fork lifts in operation. We process 90% of the product which comes to our dock, adding to the viability of Princeton. We employ three full time and ten part time employees who depend on these jobs to support their families.

Three Captains has always worked well with the fishermen and treated them fairly. They receive their checks on timely manner.

In regards to the rent, the buyers do not have the exclusive buying. Fifty percent of the boats sell their fish to the public on the pier. With cost of living expenses and the rent being at \$2,100, with an increase of \$1,000 at renewal, and an additional poundage fee does not seem fair. We will work with the Harbor for a rent increase. The charge of 6% plus an additional fee for fish sold to the public is too great a hardship. We have to buy the product, then we sell to the public while the fisherman sell direct. For example, if we buy salmon at \$8.00 per pound and sell at \$10.00 a pound, on a \$2.00 profit the harbor gets \$.60, which leaves us at \$1.40 to cover all expenses.

I have put my life effort into the fishing industry at Pillar Point Harbor. Without the location at the end of the pier, my livelihood comes to an end. Three Captains is more than willing to work with the Harbor Commission in any way to make this a fair and amicable lease for both sides.

Sincerely,

Larry Fortado

Larry Fortado, Three Captains Sea Products

LEASING APPLICATION - FISH-BUYERS BUILDING

Please print legibly or type. Use attachments to provide complete and detailed information to facilitate Harbor review and approval process.

I. Proposed Tenant Legal Name/Business Type Date: 2-20-12

A. Name/Address of Proposed Tenant

Full Legal Name of Proposed Tenant: Three Captains Sea Products, Inc.
Residence Address: _____

E-mail Address: _____

Existing Business Name: same

Business Address: PO Box 1971
El Granada, CA 94018

Telephone: 650-726-3111

Fax: 650-726-4107

How long at current Premises: 1981

Contact Person: Larry Fortado 740-0362
Name Telephone

E-mail Address

II. Legal Status

A. Fictitious Business Name Statement (if applicable)

Operating Name: Three Captains Sea Products
When/Where Filed? _____
Not Applicable _____

B. Type of Business Entity:

☒ Corporation ☐ Mutual Benefit ☐ Sub ☐ Not-for-Profit
☐ Partnership: ☐ General ☐ Limited
☐ Limited Liability Company (LLC)
☐ Limited Liability Partnership (LLP)
☐ Sole Proprietor(s)
☐ Franchise
☐ Other _____

(explain)

Attach a copy of the Articles of Organization.

E. Who will sign the lease?

Print Name: Larry Fortado

Print Title: President

Print Name: _____

Print Title: _____

(If tenant is a corporation, two signatories are required. Both must be corporate officers or persons who are authorized by the corporation to enter into contracts).

F. Has the proposed tenant ever had a lease, license or other tenancy with the District? Identify the dates of this tenancy, location of tenancy, and facts concerning the termination or expiration of tenancy.

current tenant

G. FOR DISTRICT USE ONLY:

Name & Date of Current Lease/License: _____

Lease/License No.: _____

Status of Account: _____

III. Description of Proposed Use, Area, Location, Term, Activities and Required License or Permits.

- A. Proposed Uses (including ancillary or support uses).** Describe the operations and activities that will occur on the Premises, including both indoor and outdoor uses, on a separate attachment, if necessary. Provide a complete and detailed explanation to facilitate the District's lease review and approval process. State whether you propose not to purchase fish, but only to unload fish. Explain if any of the proposed uses are water-dependent. If applicant is currently leasing District premises, the above

information is still required and must be provided, including any proposed changes in current operation, activities, and uses.

- B. Requested amount of space (delineate by type of space – i.e. off-pier storage space, improved land, office space, and by amount of square footage specifically ground floor and/or upper floor space; deck space on pier; specify if more than one leasehold space is requested):
- C. Desired Location, if known (be specific – i.e. pier building space number, outdoor area on pier, other outdoor area). Include site map.
- D. Term sought (months/years): *5 yrs, with 10 year option*
- E. How many employees will be working on site in the course of normal daily operations? *2*
- F. Will proposed use require interior or exterior alterations, improvements, repairs or demolition on the Premises? Describe in detail all alterations, improvements or repairs proposed, including estimated square footage of interior and exterior areas to be constructed or renovated in an attachment, if necessary. *no*
- G. Will any of the types of work listed below be required for site preparation/construction of tenant improvements, or on-going operations? Please provide explanation for any of the items checked below which will apply and list any permits required, if known: *no*

Activity	Site Preparation	Ongoing Operations
Excavation (quantity in cubic yards)		
Fill (indicate if any pier repairs or new construction in or over water is proposed)		
Utility installation or modification, including systems to handle sewage and storm water runoff		

**MAIN POINTS OF LEASE PROPOSAL FROM
MORNING STAR FISHERIES
(DAVE MALLORY)**

1. Keep current minimum rent plus CPI.
2. OK with added poundage and unloading fees OR have \$3,000 minimum rent but no poundage and unloading fees.
3. Retail sales fee of 6% is too high.
4. Wants a 10-year renewal option.
5. Wants same space and premises.

Morningstar Fisheries Lease Proposal

Pillar Point Harbor

Morning Star Fisheries has been buying and selling fish from Pillar Point Harbor since 1983 from various locations. Ten years at its present location, which is Area 1, on the site map. This is also the site in which I would like to continue its operations.

All of our product is provided to us from these local waters by, mostly, local fishermen. The exception being fisheries such as salmon where fishermen move up and down the coast. With this local product we do our best to supply a good percentage to the local products and restaurants before we send the remainder outside the area. The fishermen, I believe, are pleased with the relationship.

Since this is a negotiation process, I will now propose my counter offers in order of preference:

1. Keep the minimum rent as it is, with the ongoing CPI. The added poundage and unloading fees would be acceptable. A 1/3 increase in minimum rent plus the poundage and unloading would be too much too soon for such an unpredictable industry as fishing. One question. Why does the CPI never go down?
2. If you need \$3000 per month for the minimum rent, then drop the added charges, poundage and unloading.

As for retail sales, 6% is kind of steep; but I do not see that as a serious hurdle, as long as the fishermen who do it are charged the same.

Regarding the terms of the lease in years, I would prefer a 10 year option to renew rather than 5 year option. It would be of more value to me, as well as the Harbor.

My plans for this space are no different from what I have been doing the past 10 years; however, I would not hesitate to cooperate with the tenants of the other two areas should they come up with an idea of change that would be beneficial to all parties.

Morning Star Fisheries has been a viable business in the Harbor for quite some time. And I'd like to see it continue. The fishermen help me. I help the fishermen. These are my proposals. Let's negotiate.

David Mallory

LEASING APPLICATION – FISH-BUYERS BUILDING

Please print legibly or type. Use attachments to provide complete and detailed information to facilitate Harbor review and approval process.

I. Proposed Tenant Legal Name/Business Type

Date: 2/20/2012

A. Name/Address of Proposed Tenant

Full Legal Name of Proposed Tenant: David Charles Mallory

Residence Address: 417 St. John Ave.
Halt Moon Bay, Ca. 94019

E-mail Address: marnie.stardm@hotmail.com

Existing Business Name: Marnie Star Fisheries

Business Address: P.O. Box 11714
El Granada, Ca. 94018

Telephone: 650 728 3729

Fax: 650 728 3727

How long at current Premises: 10 years

Contact Person: David Mallory 650 504 1935

Name

Telephone

marnie.stardm@hotmail.com

Email Address

II. Legal Status

A. Fictitious Business Name Statement (if applicable)

Operating Name: _____

When/Where Filed? _____

Not Applicable _____

B. Type of Business Entity:

☐ Corporation ☐ Mutual Benefit ☐ Sub ☐ Not-for-Profit

☐ Partnership: ☐ General ☐ Limited

☐ Limited Liability Company (LLC)

☐ Limited Liability Partnership (LLP)

☒ Sole Proprietor(s)

☐ Franchise

☐ Other _____

(explain)

Attach a copy of the Articles of Organization.

E. Who will sign the lease?

Print Name: _____

Print Title: _____

Print Name: _____

Print Title: _____

(If tenant is a corporation, two signatories are required. Both must be corporate officers or persons who are authorized by the corporation to enter into contracts).

F. Has the proposed tenant ever had a lease, license or other tenancy with the District? Identify the dates of this tenancy, location of tenancy, and facts concerning the termination or expiration of tenancy.

G. FOR DISTRICT USE ONLY:

Name & Date of Current Lease/License: _____

Lease/License No.: _____

Status of Account: _____

III. Description of Proposed Use, Area, Location, Term, Activities and Required License or Permits.

A. Proposed Uses (including ancillary or support uses). Describe the operations and activities that will occur on the Premises, including both indoor and outdoor uses, on a separate attachment, if necessary. Provide a complete and detailed explanation to facilitate the District's lease review and approval process. State whether you propose not to purchase fish, but only to unload fish. Explain if any of the proposed uses are water-dependent. If applicant is currently leasing District premises, the above

information is still required and must be provided, including any proposed changes in current operation, activities, and uses.

- B. Requested amount of space (delineate by type of space – i.e. off-pier storage space, improved land, office space, and by amount of square footage specifically ground floor and/or upper floor space; deck space on pier; specify if more than one leasehold space is requested):
- C. Desired Location, if known (be specific – i.e. pier building space number, outdoor area on pier, other outdoor area). Include site map.
- D. Term sought (months/years):
- E. How many employees will be working on site in the course of normal daily operations?
- F. Will proposed use require interior or exterior alterations, improvements, repairs or demolition on the Premises? Describe in detail all alterations, improvements or repairs proposed, including estimated square footage of interior and exterior areas to be constructed or renovated in an attachment, if necessary.
- G. Will any of the types of work listed below be required for site preparation/construction of tenant improvements, or on-going operations? Please provide explanation for any of the items checked below which will apply and list any permits required, if known:

Activity	Site Preparation	Ongoing Operations
Excavation (quantity in cubic yards)		
Fill (indicate if any pier repairs or new construction in or over water is proposed)		
Utility installation or modification, including systems to handle sewage and storm water runoff		

**MAIN POINTS OF LEASE PROPOSAL FROM
BETTENCOURT FISHERIES, INC. (BETTENCOURT FISHERIES
LANDING)
(GEOFF BETTENCOURT)**

1. Wants a space; any one will do.
2. Will operate as an offloading facility only. (Having an "independent" hoist is 'imperative' for fishing IFQ species).
3. Wants 5-year lease with 2 5-year renewal options.
4. Offers minimum rent of \$3,300/month plus 3% increase/year (triple net).
5. Offers \$0.01/lb. for shellfish and \$10/lb. for wetfish.
6. Has a First Receiver Site License for groundfish (in IFQ program).
7. Wants to be the headquarters for a HMB community groundfish association.
8. Wants to use the 2nd floor for an EDF office (Environmental Defense Fund; EDF is working with the Nature Conservancy to promote the federal groundfish rationalization program using IFQs (Individual Fishing Quotas).
9. Also interested in possibly developing a consumer education center.



Application for Pillar Point Harbor Lease
Fish-Buyer's Building
Johnson Pier, Pillar Point Harbor

February 23, 2012

Included in Application

Harbor Application Package	17 pages
Attachment #1- Additional Information	6 pages
Attachment #2- Letter from Dana Beseckeer	1 page
Attachment #3- Letter from CFF	1 page
Attachment #4- First Receivers License	1 page
Attachment #5- Financial Statements	2 pages

LEASING APPLICATION – FISH-BUYERS BUILDING

Please print legibly or type. Use attachments to provide complete and detailed information to facilitate Harbor review and approval process.

I. Proposed Tenant Legal Name/Business Type Date: Feb 23, 2012

A. Name/Address of Proposed Tenant

Full Legal Name of Proposed Tenant: Bettencourt Fisheries Inc.

Residence Address: 416 Central Avenue

Half Moon Bay, CA 94019

E-mail Address: lisadamrosch@gmail.com

Existing Business Name: Bettencourt Fisheries

Business Address: 416 Central Avenue

Half Moon Bay, CA 94019

Telephone: (650)255-2063

Fax: (650)726-4636

How long at current Premises: 49 years

Contact Person: Lisa Bettencourt-Damrosch

Name

Telephone

lisadamrosch@gmail.com

(650)255-2063

E-mail Address

II. Legal Status

A. Fictitious Business Name Statement (if applicable)

Operating Name: _____

When/Where Filed? _____

Not Applicable X

B. Type of Business Entity:

X Corporation Mutual Benefit Sub Not-for-Profit

 Partnership: General Limited

 Limited Liability Company (LLC)

 Limited Liability Partnership (LLP)

 Sole Proprietor(s)

 Franchise

 Other Please note that Incorporation is in progress, we have

(explain)

operated as Bettencourt and Son for more than 60 years.

Confidential Page 1 of 17 (Leasing Application – Fish-Buyers Building – Fish Buyers Building)

Attach a copy of the Articles of Organization.

E. Who will sign the lease?

Print Name: Geoff Bettencourt

Print Title: CEO Bettencourt Fisheries Inc.

Print Name: David Bettencourt

Print Title: COO Bettencourt Fisheries Inc.

(If tenant is a corporation, two signatories are required. Both must be corporate officers or persons who are authorized by the corporation to enter into contracts).

F. Has the proposed tenant ever had a lease, license or other tenancy with the District?

Identify the dates of this tenancy, location of tenancy, and facts concerning the termination or expiration of tenancy.

Proposed tenant is also a vessel owner and has leased a mooring
and/or a berth since the harbor began leasing moorings to vessel
owners.

G. FOR DISTRICT USE ONLY:

Name & Date of Current Lease/License:

Lease/License No.: _____

Status of Account: _____

III. Description of Proposed Use, Area, Location, Term, Activities and Required License or Permits.

- A. Proposed Uses (including ancillary or support uses). Describe the operations and activities that will occur on the Premises, including both indoor and outdoor uses, on a separate attachment, if necessary. Provide a complete and detailed explanation to facilitate the District's lease review and approval process. State whether you propose not to purchase fish, but only to unload fish. Explain if any of the proposed uses are water-dependent. If applicant is currently leasing District premises, the above

ConfidentialPage 3 of 17 (Leasing Application – Fish-Buyers Building – Fish Buyers Building)

information is still required and must be provided, including any proposed changes in current operation, activities, and uses. **See Attachment 1- Section III.A**

- B. Requested amount of space (delineate by type of space – i.e. off-pier storage space, improved land, office space, and by amount of square footage specifically ground floor and/or upper floor space; deck space on pier; specify if more than one leasehold space is requested): **Same space as currently assigned leaseholders, upstairs downstairs, freezer space, gated yard, trap storage space**
- C. Desired Location, if known (be specific – i.e. pier building space number, outdoor area on pier, other outdoor area). Include site map. **We are requesting one of the 3 available spaces. We do not have a preference for a particular space.**
- D. Term sought (months/years): **See Attachment 1- Section III.D**
- E. How many employees will be working on site in the course of normal daily operations?
See Attachment 1-Section III.E
- F. Will proposed use require interior or exterior alterations, improvements, repairs or demolition on the Premises? Describe in detail all alterations, improvements or repairs proposed, including estimated square footage of interior and exterior areas to be constructed or renovated in an attachment, if necessary.
See Attachment 1-Section III.F
- G. Will any of the types of work listed below be required for site preparation/construction of tenant improvements, or on-going operations? Please provide explanation for any of the items checked below which will apply and list any permits required, if known:

Activity	Site Preparation	Ongoing Operations
Excavation (quantity in cubic yards)	n/a	n/a
Fill (indicate if any pier repairs or new construction in or over water is proposed)	n/a	n/a
Utility installation or modification, including systems to handle sewage and storm water runoff	n/a	n/a

Peter Grenell

From: Geoff Bettencourt <geoffbettencourt@gmail.com>
Sent: Sunday, February 19, 2012 12:49 PM
To: Peter Grenell
Cc: Debbie Nixon
Subject: Information for Application

Hi Peter-

We just had one final question on our application package before we get it to you next week.

We are applying as Bettencourt Fisheries Inc. We recently began the process of incorporating, and thought that we would have the articles of incorporation prior to the Feb 23 deadline. Unfortunately, the Secretary of State's office is running a little behind. Our attorney filed all of the paperwork on January 11, 2012 and expects to have everything completed by early March. We just wanted to let you know that our application package will not include the Articles of Organization or Statement of Domestic Stock Corporation as requested on page 10 of the application. We fully expect to be able to get those to you within another week or so, well before any final decision is made, or lease agreement is reached. We have noted all of this on the application as well.

We just want to make sure that this is acceptable and that our application will still be accepted and considered without issue.

Thanks so much
Lisa

Bettencourt Fisheries Landing



We are the fourth generation of a Princeton-by-the-Sea commercial fishing family and are current owners and operators of the successful fishing vessel

Moriah Lee. As a state-of-the-art and professionally operated unloading facility, Bettencourt Fisheries Landing will be founded on the values of our historic family—honor, respect, integrity, and fairness—as well as on principles of efficiency, transparency, reliability, and accuracy.



Bettencourt Fisheries Landing intends to operate as an independent free-market offloading facility to which all boats will be guaranteed access. Vessels will not be held to dock-pricing, but will be able to source the very best markets for their catch. An independent hoist is imperative in order for this Harbor to be a viable port for boats fishing IFQ species, and necessary for our family and others to continue fishing here. This is also extremely important for the many local vessels that have curated specialty markets, and provides opportunity for all fishers to seek new buyers and better prices.

Bettencourt Fisheries currently holds a First Receiver Site License, which enables us to legally offload catch from IFQ fishers. The transition of the West Coast Trawl Ground Fishery in 2011 to an IFQ management approach has created new requirements for fishing, receiving, unloading and reporting groundfish. Accuracy in receiving and reporting IFQ catch is a complex and crucial component of unloading this federally monitored fishery. NOAA/National Marine Fisheries has recognized Bettencourt Fisheries for exceptional documentation and accuracy within the Catch Share/ IFQ program.

Bettencourt Fisheries Landing is part of a large coalition that includes The Nature Conservancy, Environmental Defense Fund, and the National Geographic Society. Together, we are dedicated to ensuring the preservation of thriving fisheries and the communities that depend on their bounty.

Our deep connections to the honor and hard work that this Harbor was built on, as well as our commitment to accurate, technology-based reporting, puts Bettencourt Fisheries Landing in a unique position to successfully manage and operate this facility in a manner that (a) improves the economic performance of our local fishing fleet, (b) increases revenue to the port, and (c) supports the long-term robustness and relevance of our working waterfront amidst a rapidly changing industry.

Proposed Uses (III.A)

Unloading. Bettencourt Fisheries Landing proposes not to purchase fish, but only to unload fish. Unloading operations and activities at Bettencourt Fisheries Landing will involve:

- Access to offloading services for all vessels, regardless of the end buyer. Boats will be able to sell their catch to the market of their choice and will not be held to dock pricing.
- Fair offload pricing for all vessels that is competitive with other ports. This pricing will be based on a per pound or per ton "hook" or "hoist" fee payable by the buyers or the vessels directly. Our prices and policies will be posted and available for all vessels to ensure transparency and fairness.
- Bait availability for vessels offloading at Bettencourt Fisheries Landing.
- Increased marketing opportunities for vessels that may not have enough volume on their own to sell to larger markets.
- Service for loading and unloading gear and equipment.
- Accurate modern technology-based reporting for vessels and the Harbor, ensuring faster, more efficient payments to vessels as well as to the Harbor for offload fees.
- Compliance with all relevant regulations.
- Clear expectations for vessel partners to ensure efficient offloads.

Recording, Accounting, and Reporting. Bettencourt Fisheries Landing will provide strict accounting and reporting of all pounds offloaded over the dock to each vessel and to the appropriate agencies as required.

- The Harbor administration will be able to receive accurate electronic reports of poundage and revenue due the Harbor as often as daily, if required.
- Payments to the Harbor for percentage of offload will be timely and accurate, and we will have fish tickets and data to support all payments.

Half Moon Bay Community Groundfish Association. Bettencourt Fisheries Landing will also serve as headquarters for a new Half Moon Bay Community Groundfish Association. As is the case with cooperatives in other ports, vessels belonging to this Association will operate under a Fisheries Management Plan that promotes the restoration of seafloor habitat, reduced bycatch, and rebuilding of overfished stocks. These gains will be maintained and enhanced by this project and the participation of the Half Moon Bay fishing community.

Environmental Defense Fund (EDF). Bettencourt Fisheries Landing will provide use of the second-floor office space to EDF staff and researchers. Among other projects, Environmental Defense Fund is engaged in research and advocacy to (a) reduce the costs of monitoring while maintaining critical accountability, (b) enhance fishermen's ability to avoid sensitive stocks while catching healthy target stocks, and (c) improve fishermen's revenue through unique collaborations between gear designers, fishermen, and consumers.

Seafood Discovery Center. Bettencourt Fisheries Landing intends to explore the possibility of converting part of the leased space into a consumer education center, where visitors can learn about sustainable seafood and the Harbor's role in the future of fishing. Many in our support network are excited about this possibility and will work with us and the Harbor to explore the potential to create, fund, and operate this center.

Benefits to Pillar Point Harbor of Bettencourt Fisheries Landing

In addition to our recognizable name, experience adapting to requirements of new regulations, and network of support, Bettencourt Fisheries Landing offers the following direct revenue- and reputation-building benefits to the Harbor.

Unloading of IFQ Catch. As licensed IFQ receivers, Bettencourt Fisheries Landing can legally offload fish from any IFQ vessel. As permit, quota and vessel owners, Bettencourt Fisheries has rights to more than 3.1 million pounds of local harvestable quota. Further, we can guarantee that 75% of all IFQ species caught from local boats will unload over the Bettencourt Fisheries Landing dock. Without an IFQ-licensed free-market offloading location at Pillar Point, all of this quota will undoubtedly be run to other ports for offload. This would include our quota as well, which would lead to our family being forced out of this Harbor after 100 years.

Free-Market Unloading. Bettencourt Fisheries Landing offers great potential for increased offloading revenue to the Harbor from fishers who want to sell direct to the market. Our port is situated strategically between Morro Bay and Fort Bragg, which are the nearest other ports with free-market offload locations. Bettencourt Fisheries Landing will provide a local option to our network of buyers that do not have offloading facilities for their current vessels. Our convenient location, accurate reporting, and competitive pricing will make offloading in Half Moon Bay an attractive alternative for these buyers. (*See Attachment #2- Letter from Dana Besecker Inc.*)

Half Moon Bay Sustainable Groundfish Association. With Bettencourt Fisheries Landing serving as headquarters for the new Half Moon Bay Sustainable Groundfish Association, the prosperous future of the local groundfish fleet will be ensured. Currently, local vessels are members of the community association in Morro Bay. Creating a Half Moon Bay chapter will guarantee that Pillar Point Harbor remains a viable groundfishing port.

Publicity and Media Coverage. Geoff Bettencourt is widely recognized as a leader in the sustainable fisheries movement. He has been invited to participate in many workshops and conferences regarding community fishing and the preservation of port infrastructure. He receives regular media requests from regional and national press, including the New York Times, Associated Press, and National Geographic. He has appeared on television and radio, and has lobbied before Congress. As Geoff Bettencourt continues to champion causes that benefit the future of West Coast fisheries, the Harbor will benefit through its association with Bettencourt Fisheries Landing.

Affiliations. Our partnership with Environmental Defense Fund and their desire to have satellite offices above our facilities will bring credibility and prestige to our location and our Harbor. Our relationships with The Nature Conservancy, Environmental Defense Fund, National Geographic Society and others, present potential opportunities for further development and promotion of the Harbor. (See Attachment #3- Letter from California Fisheries Fund)

Benefits to fishing vessels of Bettencourt Fisheries Landing

We are fishermen. We always have been. We understand the challenges facing many boat owners in our community. It is our goal that everyone currently fishing from this port continues to do so and that they are successful now and into the future. We believe that a change in the current offloading facilities to include Bettencourt Fisheries Landing will serve to enhance existing fishing businesses as well as provide additional opportunities for fishers to maximize the value of their catch.

Brokering Relationships. Bettencourt Fisheries Landing's connections to major buyers creates new options for smaller volume fishers that otherwise might not have access to large markets. More buyer options could also provide opportunities for boats to sell their fish at slightly higher prices. For fishers that are unloading to markets that work for them, we support their ability to continue to do so. We will not directly dictate fish prices, nor will we control boat-buyer relationships. We'll only create introductions.

Fairness and Transparency. Prices, policies, and offloading procedures will be posted and available for all vessels to ensure transparency and fairness. We will work with all boats to create a clear and consistent chain of communication that allows for the most efficient offloading possible.

Equal Access. Bettencourt Fisheries Landing will be available to all boats and buyers, regardless of size, volume, brand, or present or previous affiliation. Vessels that may otherwise travel to offload-only locations in other ports can save fuel and time (which also translates to higher quality fish) by unloading at Bettencourt Fisheries Landing.

Careful and Accurate Reporting. Our commitment to immediate, detailed, careful, and accurate documentation of offloads will result in more accurate and timely payment to boats from buyers. Because of our accurate reporting record, IFQ fishers can be sure that their quota accounting is exact.

Term (III.D)

We are seeking a 5-year lease with an option for two 5-year renewals at the end of the first lease term. We are offering \$3300 per month lease rate, plus triple net and a 3% increase in base rent per year. We agree to Harbor fees of \$0.01 per pound and \$10/ton wetfish offloaded over our dock to be paid to the Harbor on any schedule requested by the Harbor.

Management Team/Employees (III.E)

Bettencourt Fish Landing will be managed by Lisa Bettencourt-Damrosch on a day-to-day basis. She has more than 20 years of sales and marketing experience, in addition to being raised in a commercial fishing family. She is also well versed in the IFQ reporting and compliance systems and has recently been asked to speak on a panel at the 2012 Quota Holder's Workshop in Portland, OR.

Geoff Bettencourt will act as a consultant for the business while continuing to operate the *Moriah Lee*.

Also involved in the family business as a consultant and manager is Geoff and Lisa's father, David Bettencourt. David has 60 years of commercial fishing experience as well as 35 years management experience gained while a Captain in the Half Moon Bay Fire Department.

Additional employees will be hired on a seasonal basis to facilitate offloads as needed.

Improvements (III.F)

- Bettencourt Fisheries Landing will upgrade the façade of our location with well-branded signage.
- All areas of our location will be clean and operational.
- Boats and buyers working with Bettencourt Fisheries Landing will be required to comply with procedures that ensure cleanliness and order.
- We envision a small educational center within the currently dilapidated and broken freezer area of the dock. From here the visitors that venture out onto Johnson Pier to see a working harbor in action can learn more about sustainable fisheries and the important role that Pillar Point Harbor is playing in the future of fishing. We can bring our network of friends and colleagues dedicated to restoring waterfront economies to the table to explore the possibility of helping to create and fund this project as well as to provide additional opportunities for our Harbor community to be at the forefront of innovative and sustainable fishing education.

Operational Details (III.K & III.N)

Permits (III.K). Bettencourt Fisheries has been issued a Pacific Coast Groundfish Shorebased IFQ Program First Receiver Site License by the US Dept. of Commerce, National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS). (See Attachment #4.)

Trucks (III.N). Offloaded catch will be picked up for distribution by buyers using trucks as needed. Largest trucks will be 40-foot semi-trucks and trailers that are 18,000 lbs fully loaded. Only one truck will be allowed onto the dock at any one time.

Bettencourt History

In the early 1900's a young father named Joseph Bettencourt came to what would later be known as Pillar Point Harbor with dreams for a new family business. He created Joe's Seafood Market—Princeton's first—from which he sold crabs, crab cocktails, sardines, and oysters.

From here he also operated the first party boat business in the Harbor with his sons Manuel, Ernie, Henry, and George. He expanded to a second "crab stand" and eventually sold both shortly before his death in 1941. One of his original markets became the famed Ida's Market. The other still stands now, operating as Barbara's Fish Trap.



Joseph's sons Henry and George grew to be commercial fishermen and the subjects of local lore for more than a century. Since that first day when Joseph arrived at Pillar Point, and every day since, at least one with the Bettencourt name has called this Harbor his working home. From Joseph and his son Henry, to Henry's son David, to Henry's grandsons Tommy (before he was lost at sea at the age of 20), and Geoff. Four generations of Bettencourts have made their living from these shores.

Today, Geoff Bettencourt is at the helm of the family business, with his father David still working well into his retirement years. Together they own and operate the successful fishing vessel *Moriah Lee* and for the last eight years Geoff has been at the forefront of the sustainable fishing movement.



Though the Bettencourt family is deeply rooted in the tradition and "old school" honor that has spanned a century, the family business has also adapted over the years by upgrading vessels, rebuilding the *Moriah Lee*, and venturing into new fisheries.

Few changes to the business have been more significant than Geoff's pioneering partnerships with environmental groups such as The Nature Conservancy and Environmental Defense Fund. Geoff has worked with these partners to ensure that commercial fishing for his family, and for this Harbor, will last for many more generations.



DANA F. BESECKER COMPANY, INC.

Tyler Besecker
7900 SE 28th St Ste 403
Mercer Island, WA 98040

February 19, 2012

To Whom It May Concern:

I am writing this letter in an effort to support Bettencourt Fisheries in their quest for a dock lease in the Half Moon Bay/Pillar Point Harbor. My endorsement is based on a wonderful working relationship with Lisa (Bettencourt) Damrosch and Geoff Bettencourt for nearly one year.

The Dana F. Besecker Company has been buying seafood for approximately thirty years. We work with companies such as Bettencourt fisheries in numerous ports on the Pacific Coast spanning from Adak, Alaska to Santa Barbara, California. We have extensive experience working with unloading and processing companies just like Bettencourt Fisheries in each of these ports. Without a doubt, Lisa and Geoff of Bettencourt Fisheries, personify professionalism, paperwork proficiency, accuracy, and timeliness and are a joy to work with whenever we get the opportunity to buy across their dock.

If Bettencourt Fisheries were given the opportunity to obtain a dock lease, our company would not only buy product from their family owned and operated fishing vessel Mariah Lee, but we would also offer a competitive market to other boats in the harbor. In addition to working with these boats in the community, we would strive to bring additional boats participating in multiple fisheries to the leased dock in Half Moon Bay.

The Bettencourt Family, and Bettencourt Fisheries as an entity, exude integrity and an honest, straight forward way of conducting business. Our family seafood company hopes to exemplify these same qualities and to work with the Bettencourt's for many years to come in Half Moon Bay.

Please give full consideration to Bettencourt Fisheries in their attempt at a dock lease in the Half Moon Bay/ Pillar Point Harbor.

Sincerely,

Tyler Besecker
Vice-President
Dana F. Besecker Co., Inc.