



State of California • Natural Resources Agency

DEPARTMENT OF PARKS AND RECREATION
Division of Boating and Waterways
PO Box 942896
Sacramento, California 94296

Gavin Newsom, Governor

Armando Quintero, Director

December 19, 2023

California State Polytechnic University, Humboldt
Office of the President
Mr. Tom Jackson, Jr., President
1 Harpst Street
Arcata, CA 95521

Re: NOTICE OF BREACH OF CONTRACT

Dear President Jackson,

The California Department of Boating and Waterways (now California Department of Parks and Recreation, Division of Boating and Waterways) (DBW), entered into the enclosed **Agreement for Financing and Operation of the Humboldt State University Boating Instruction and Safety Center** (Agreement) with Humboldt State University (now California State Polytechnic University, Humboldt) (CPH), to provide the citizens of Eureka, its neighboring communities, and the students of CHP with a gateway and beacon for public recreational boating, boating instruction, and boating safety education.

DBW's \$4.067 million investment by the boaters of California to build the Humboldt State University Boating Instruction and Safety Center (BISC), was intended to not only provide much needed boating instruction for exploration of the Humboldt Bay, local rivers, and the north coast, but also to become a safe place and community hub for boating recreation, learning, and resultant life transformation that comes from nature, water sports, and water based skills development.

DBW has also invested over \$702,000 since 2003 through its Aquatic Center Grant program for equipment, instructor training, and community scholarships to offset costs of CPH's ongoing boating instruction and safety training.

Unfortunately, it appears that CPH has not fulfilled its commitment to boating instruction and safety training at the BISC for the Humboldt Bay community. It is not using the BISC for the purposes for which the building was funded, or for which the property was leased from the City and approved by the State Lands Commission (see enclosed LEASE AGREEMENT, Section 5. USE OF PREMISES AND FACILITIES).

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Instead, without DBW's approval, CPH redesignated the boater-funded BISC's classrooms, offices, and storage spaces for CHP's administration and alumni fundraising office space, university fundraising events, private club rowing, and storage of private club vessels, with negligible BISC-offered public access and boating services.

These actions are in breach of **Section 5 OPERATION OF PROJECT** of the Agreement which states:

- "A. **UNIVERSITY shall operate the PROJECT as a Boating Instruction and Safety Center providing the following PROJECT activities:**
1. **Boating and water safety instruction for the general public in addition to students, faculty and staff of the UNIVERSITY.**
 2. **Recreational services for the general public consistent with UNIVERSITY rules, provided that such use does not interfere with the primary boating and water safety instructional activities.**
- B. **UNIVERSITY shall continue the PROJECT activities described in paragraph 5A for the full term of this AGREEMENT, unless approved in writing by DEPARTMENT. DEPARTMENT shall not unreasonably withhold approval of proposed changes to PROJECT activities."**

DBW has been in numerous communications with your staff and general counsel regarding its concerns and has attempted an inspection of the BISC and the equipment funded by DBW's Aquatic Center Grant program. CPH denied DBW's request for inspection and relegated all communication regarding the BISC to occur through CPH's general counsel, Mr. May.

DBW also requested during a conference call with CPH's Frank Whitlatch, Cooper Jones, and Tim Downs on September 20, 2022, copies of all financial records showing the investments and modifications that CPH has made to the BISC. To date, those records have not been provided, which is also in breach of the Agreement: **Section 17. INSPECTION OF BOOKS, RECORDS, AND REPORTS** which states: "...Both parties shall maintain and make available for inspection accurate records of all of its costs, disbursements, and receipts with respect to its activities under this AGREEMENT."

Therefore, in accordance with Agreement, **Section 6. BREACH OF CONTRACT**, this letter serves as notification to CPH of these breaches of the terms of the Agreement. CPH has 90 days from receipt of this letter, until **March 29, 2024**, to remedy the above noted breaches.

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Please remit all requested financial documentation and proof of the BISC's restoration, in its entirety, for the activities noted in 5.A.1. and 2 above to our Senior Counsel, Kathryn Tobias at Kathryn.Tobias@parks.ca.gov.

Sincerely,

DocuSigned by:
Ramona Fernandez
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Ramona Fernandez, Deputy Director
California State Parks, Division of Boating and Waterways

Enclosures: 2

cc: Mr. Shahrooz Rookparvar, Vice President for Administration and Finance, Cal Poly Humboldt
Mr. Dustin May, General Counsel, Cal Poly Humboldt
Honorable Kim Berkel, Mayor, City of Eureka
Mr. Miles Slattery, Manager, City of Eureka
Mr. Reid Boggiano, Program Manager, State Lands Commission
Ms. Kathryn Tobias, Senior Counsel, California State Parks