

October 6, 1978

To: Mayor and City Council
From: City Manager
SUBJECT: POINT PINOS LIGHTHOUSE MUSEUM.

For many years the City has had as a goal the acquisition of the entire Point Pinos Lighthouse Reservation when it became surplus to the needs of the Coast Guard. The intent was to acquire the property for open space and golf course use and to acquire the Lighthouse building for the purpose of providing a historical museum.

At present the City has a license with the Coast Guard for the golf course property and a separate license for the Lighthouse building for the purpose of providing a museum.

In regards to the museum, the City has spent a considerable amount over the years on the operation of the building and restoration work. For several years the Coast Guard has been working on designating the Lighthouse Reservation as surplus property. When it becomes surplus, they will certify this to the General Services Administration who will then contact other Federal agencies. If no Federal agencies are interested, then the State and local governments are given an opportunity to acquire the deed to the property.

We have always been lead to believe that the City would have a very good chance to obtain title since we are the current operating entity. The Coast Guard in July of this year advised us that due to the increasing number of regulations and environmental concerns, it may be another two years before the property can be considered as surplus. It is unknown when the surplus designation will be made or how much of the property will be considered as surplus. For example, the Coast Guard may wish to retain the Lighthouse building and their housing units and surplus the balance of the property.

The City's lease with the Coast Guard for the Lighthouse building runs until January, 1980. This lease may be cancelled by either party with 30 days' written notice.

The Lighthouse building is operated under the direction of Vern Yadon and is open on weekends for tours. At present it costs the City approximately \$2,000 to \$2,500 per year for staffing, cleaning, minimum building maintenance, and utilities. Recently Mr. Yadon has placed a donation box at the door, and it appears the donation box will raise from \$600 to \$1,000 per year.

Our problem is that there are currently no funds in the budget to operate the Lighthouse museum and the costs are being absorbed by the Museum budget, which has been substantially reduced. Our concern is that there is no immediate prospect for improved financing either this year or in the future.

Another concern is that we will not have the necessary funds to finish the restoration of the building or to provide the basic building maintenance which is required of us by the Coast Guard. The restoration and maintenance work could be very expensive.

Another aspect of the problem is that the operation of the Lighthouse does take

some of the Museum Director's time and this places a further burden on maintaining our basic Museum programming.

Based on the above problems, we need to reach some policy decisions as to what course of action we should take in regards to the Lighthouse museum. It appears we would have the following options to consider:

1. Have the City continue to operate the Lighthouse museum. This raises the question of where do we obtain the necessary financing, and also the question of what will be the long range use of the building once it is obtained from the Coast Guard.
2. The City could terminate the lease and turn the building back to the Coast Guard. This raises the question of what impact this action would have on the ultimate surplus designation of the Lighthouse Reservation. It would be uncertain as to what this might do in regards to the chances for the City obtaining the balance of the property. Mr. Yadon does feel that there would be some other governmental agency such as the State or the National Park Service interested in obtaining the property. He does feel there might be some problems with this in that they might want to provide more visitor facilities which would affect the character of the site and also the visitor facilities might encroach on the property currently used for the golf course. If another governmental agency were to become involved in this property, it is conceivable that their use might not be in the best long range interest of the City.
3. There is a possibility that the City could continue to lease the operation and assign the museum function to a private agency for operation. This would, of course, have to be cleared with the Coast Guard and such an arrangement may not be possible. With the financing restrictions facing private agencies, it is also possible that we might not be able to find anyone willing to assume this function.

Vern and I do plan to meet with the Coast Guard Commander in the near future to explain our problems and obtain their reactions. It is possible that the lease could be amended so that the Coast Guard would be willing to pick up a greater part of the maintenance cost. Vern feels that since this is a historic building, the Coast Guard would have some legal obligations to provide the basic maintenance in the event the City had not agreed to do so in the current lease.

We should also try to find out the current status of the surplus designation by the Coast Guard.

Another consideration in this matter is the City's ability to continue to finance the operation in the future. From all indications, the financial picture will get increasingly more tight in the future unless the State Legislature provides some relief through the allocation of sales tax to the City. We should know what action the Legislature will take by next July.

My inclination is that we should try to finance the Lighthouse Museum for at least this year even if City reserve funds have to be used. Perhaps the financial picture will be cleared within the next nine months so that we can make some long range decisions.

I would appreciate your giving this problem some thought, and I will try to place this on the agenda of the October 18th Council meeting.


GARY W. SALES
City Manager