

# Nefstead

By Hillary Hauser

*Waterfront Director Paul Nefstead stormed into the Santa Barbara harbor like a bull in a china shop, crashing into favored institutions with a roar and a snort while cleaning house, raising rents and upping slip fees . . .*

**H**e tossed nonpaying and late-paying slipholders into the eviction pile, ignoring their cries of protest and threats of lawsuits. When he decided to stop dredging the harbor's mooring area—thereby closing it down—permit holders went screaming to the Harbor Commission. If the Harbor Commission questioned his actions, he told its members to mind their own business and let him do his job.

But Waterfront Director Paul Nefstead may have achieved the height of controversy when he called many of the commercial fishermen in the harbor "horses' asses" and "irascible" loafers who should get real jobs.

During the past four years, some people have found Nefstead's comments funny; others have echoed the sentiment of one prominent harbor businessman who termed Nefstead "a very dangerous man." The opinions about this man have varied as widely as the man's own comments. One Nefstead supporter, a commercial boat operator, doesn't believe the waterfront director is a person to fear. "At least he can make decisions," the operator said. "Without him, the Moby Dick Restaurant would still be sagging in the ocean, where it was left in the storm of 1983."

Within three months after Nefstead's March 1984 installation as waterfront director, his impact on the area was so pronounced that wild rumors began to circulate about him: Nefstead had been shipped by the military to Siberia; Nefstead had been fired from a city job in another city for acts of chicanery; Nefstead was in cahoots with Santa Barbara's city administrator to undermine the financial underpinnings of the harbor, so the stories went.

In October 1985, 200 harbor users signed a petition asking for Nefstead's removal and sent it to city council. In

turning a deaf ear to the petition, Mayor Sheila Lodge stated, "He's not the world's most diplomatic person, but he'd be the first to admit it. On the whole, he's been following council's direction. It's just his style."

In keeping with this notorious style, Nefstead responded to the signature drive by saying the complainers could move to Port San Luis, where "they'd slip on fish guts when they walk out on the pier." He added, "If what's in the petition is true, I'd sign it myself . . . but this is a free country, and I respect people's rights to their opinions." He then sent an open letter to the public, stating that people should not listen to the lies and innuendoes about him.

Nefstead, who turns sixty-two in July, will retire from his job as waterfront director on June 30. Reflecting on the early days of his reign, he describes them as "fun." He enjoys challenges—really tough ones—and the harbor as it was delivered to him in 1984 was, by anyone's standards, a mess. The 1983 storms had destroyed Marinas Three and Four; the main breakwater was cracked and broken in parts leaking sand into Marina One and clogging the mooring area so much that boats docked there had to move out; the main channel dredging program was in shambles, with no money anywhere to pay for future emergencies; and the bulk of the fishing fleet had been stranded inside the harbor since February 1983, the month of Queen Elizabeth's visit to Santa Barbara.

If the harbor's current condition presents a gauge of Nefstead's success, as he leaves the job the marinas have been repaired, the dredge is poised to act, new breakwaters protect the harbor from southeastern storms, the commercial fishing docks now receive water and electricity—and the sum of \$2.5 million stands in reserve.

When the city faced a storm-battered waterfront, the harbor was broke. To tackle the mountain of problems, the city needed a human bulldozer with

sharp teeth, nerves of steel and a heavy-duty constitution. Nefstead got the job. As director of Stearns Wharf operations, he had brought the wharf back to life in 1979 with new businesses and income-producing leases.

With his background in economics and engineering, Nefstead came to Santa Barbara well-equipped to solve the harbor's problems. A native of Iowa, he received a degree in industrial economics from Iowa State University in 1949—during a break between his stints in the U.S. Army during World War II and the Korean conflict. In 1950, the army sent the twenty-four-year-old to Fort Churchill, Canada, as part of its Arctic research and development team. In the extreme cold, the group conducted experiments on engineering equipment and materials—"from explosives to tractors to human waste disposal," recalls Nefstead.

His work at the North and South Poles, no doubt the source of the harbor rumor that "the military sent Nefstead to Siberia," involved some historic firsts. Among them, the fact that his team was the first to arrive in Antarctica after Admiral Byrd left in 1942.

Nefstead returned to the United States to continue his schooling, receiving a masters degree in business administration from Pennsylvania's Lehigh University. In 1966, he began an eighteen-month tour in Vietnam as a lieutenant colonel, working on base construction to accommodate President Johnson's buildup of troops.

After retiring from the army on December 31, 1967, Nefstead came to Santa Barbara and took a job at Aerospace Lines (now Tracor) as a senior financial analyst. In January 1970, the city hired Nefstead as a city budget analyst working for the city administrator. During that time, he maintained the files on Stearns Wharf. "We had to figure out what to do with the [1969 oil spill] money."

Later, in 1979, Nefstead took over wharf operations. In the short period of



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one year, he oversaw the construction, leasing and operations of the wharf, and the "city was satisfied," Nefstead said. Next, the city turned over the waterfront parking operations to Nefstead, and after the 1983 storm, the harbor.

Remembering the beginning of his iron-fisted rule, Nefstead says he developed a managing style that made people believe "I was a terror to deal with . . . They thought I was absolute, demanding, all-powerful—none of which was true," Nefstead says. "But I went along with it, because it created an aura that helped deal with the troubles of the harbor. The arrogant sonofabitch image is the very image I didn't want to lose, but now that I'm retiring, I don't need it."

The nature of the harbor required that

Nefstead be tough.

"If you give in to somebody, you're backing into somebody else," Nefstead says. "If you give in to the UCSB Sailing Club, for example, what you're doing is raising slip fees on everyone else. If you give in to Tom White [owner of Santa Barbara Shellfish Co.], you're backing into Al Steinman [Moby Dick restaurant]. You do the most fair and equitable thing and then stay adamant about it. It comes off as arrogant and dictatorial, but in reality, it protects you from backing into the buzz saw you'll run into if you give in."

Some people have felt that Nefstead wanted to turn the harbor into a Disneyland or a pleasure harbor like Marina Del Rey, citing his installation of T-shirt shops and ice cream parlors. T-shirts and ice cream cones are unneces-

sary items in a real, working harbor, they said. Acknowledging the complaint, Nefstead counters, "Any good way to raise revenue from real estate operations keeps [the expenses] from ending up entirely on the backs of the slipholders. Therefore, you look for the most lucrative real estate operations possible. At the moment, ice cream, T-shirt and snack food operations are the highest producers per square foot in any visitor-serving area. And so, I had a purely economic reason for putting in a T-shirt shop in lieu of a dirty, dusty hardware store."

Any hardware store owner who takes offense at the waterfront director describing the owner's business as dirty and dusty can join the commercial fishermen who took exception to Nefstead's comments about some fishermen being "iras-

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cible" loafers who should get decent jobs. Probably no greater furor arose over Nefstead's tactics than the one created by his comments during a May 1985 interview with Monica Tomlinson of the Coastal Resource Information Center in Goleta. To Tomlinson, Nefstead said the following: "The fishing industry is loaded with incompetence. It's the last refuge of the irascible individual, the plain old horse's ass who can't get nor hold a job with anybody else . . . There are several high-quality fishermen and they don't have any problems . . . The vast majority of them are there simply because it's a refuge from a nine-to-five job . . . I don't think we need to coddle and subsidize those fishermen. I don't care if those do get wiped out."

At the time, Nefstead admitted he had used "intemperate language" in the interview, but that "the crux of the information is valid."

Recalling the brouhaha today, Nefstead says he has done "more for the commercial fishermen than anyone else." He pointed to the Commercial Urchin Diver Association (CUDA) docks as a case in point. These docks, located in a shallow-water area in front of the Breakwater Cafe, occupy a space once subjected to a tug-of-war between the fishermen and a yachting organization. In addition, Nefstead saw to it that the commercial fishing docks receive water and electricity.

Regarding the commercial fishing fleet, Nefstead still maintains that "two different kinds" of fishermen exist at the harbor—"the bad kind are those who don't fish, and those who stand around the docks, those who bitch, moan and complain, who are drunk half the time or on dope. At the same time we have a serious, working crowd. No one can accuse Ralph Hazard, Sonny Castagnola, Butch Knapp or Gil Crabb of loafing and wasting their time. Among the fishermen we have solid citizens earning a good living."

Nefstead's principle aim has been to avoid putting all the harbor's financial burdens on the backs of slipholders. When he came to his job, slip fees ran a flat \$3.50 per foot. Today, a slip costs \$5 to \$6.65 per foot, depending on the size of the boat, and commercial fishermen pay \$4 per foot. Nefstead points out that even with those increases, the slip fees in the Santa Barbara harbor rank the lowest in Southern California. ■

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The subject of money and the harbor fueled one of the most widely publicized rumors about Nefstead. The rumor claimed that harbor revenues were disappearing into the city's general fund. State law stipulates that money generated in harbor areas should remain there.

At the same time Nefstead took over the harbor, Tim Hushion, publisher of the now-defunct *Harbor News*, began a campaign to investigate where harbor-generated funds were distributed.

Nefstead said of Hushion's allegations: "His great frustration was that he couldn't find an impropriety. There were all kinds of grounds for questionable judgment, maybe, but no case of us being on the take. We may be dumb or arrogant, but we're honest."

Nefstead found another headache in dealing with the Harbor Commission. During the most active period of harbor change, he constantly reminded the commission that its role is only to advise city council, "not to run the harbor." Often, he'd butt heads with commissioners, and in occasional flare-ups he would agitatedly tell the commission to "mind its own business" and let him do his job.

Down at the docks, Nefstead's confrontational nature once almost landed him in an actual fistfight. During the launching of a new fireboat in the harbor, city officials—including Mayor Lodge—had gathered at the foot of the Navy Pier to watch the proceedings. While television cameramen set up their equipment, the manager of a nearby fish market tugged Nefstead by the elbow pointing out to him that a local fisherman and his wife were again selling shrimp on the dock without a license.

"It wasn't the time or place [for an argument]," Nefstead recalls. "So I gave my card to [the fisherman] and said, 'Come see me.' The fisherman exploded. He's screaming, she's screaming, 'You S.O.B.!' but I wasn't going to back down. Both [the fisherman] and I have ample stomachs, and we stood there, butting each other with our stomachs. Finally, we both saw the humor in the situation and he backed off."

As his stewardship of the harbor draws to a close, Nefstead believes the problems of the harbor are "90 percent solved. The one thing I'm pleased with is the waterfront staff I've assembled," Nefstead asserts. "They're bright, they're young,

and most of all, they're dedicated and are all having a ball doing their job. Unless I'm badly mistaken, the morale is high."

Upon retirement, Nefstead plans to tour the U.S. in a motor home with Marjorie, his wife of 39 years.

Nefstead hopes his six-month trip will provide him with "a clean break" from his job. "We'll leave town so there won't be any calling, any 'where's the file' anguish . . . I won't be tempted to offer any advice to my successor."

His only advice is that the city lease the real estate operations for the wharf and the harbor to a private agency.

"Local government is ill-equipped to deal with economic confrontations and disputes," Nefstead said. "When I am negotiating with a gift shop operator, the operator knows that he or she can appeal

to the Harbor Commission, and even further, call my boss, call the Mayor, or take [the matter] to city council. That means efficiency is very difficult to maintain . . . Everyone thinks they have special rights when dealing with public property. This situation would not exist if they were dealing with Bill Levy, Bill Wright or Fess Parker."

True to his military nature, Nefstead plans to run the harbor with his full effort until "five o'clock on Thursday, June 30, when I walk out the door." After his six-month camper trip, he'll return to Santa Barbara and "see what the world has to offer." He thinks he'll try volunteer work.

"In fact, I'd like to work for an organization like the Santa Barbara Rescue Mission," he says. "I feel it's a big need—not a soft, coddling kind of need. I've

been working with [problem] people and alcoholics both in the army and the waterfront, and I think I sort of relate to them, understand them. There's got to be some way to put these skills to use."

The next waterfront director, as yet unnamed, will be a "nicer person," Nefstead speculates. "He will be more understanding, less arrogant and have a greater propensity to compromise."

With a laugh, he adds, "He probably won't last too long."

Are city officials sorry to see him go?

Paul Nefstead pauses, then replies, "I think they'll be relieved." ■

*Hillary Hauser followed Paul Nefstead's stormy career while covering the harbor and waterfront for the Santa Barbara News-Press from 1981 to 1987.*