



Office of the City Manager

ACTION CALENDAR

May 14, 2019

(Continued from April 30, 2019)

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Scott Ferris, Director, Parks Recreation & Waterfront
 Subject: Contract: Berkeley Marina Area Specific Plan (BMASP) – Hargreaves Associates

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or her designee to execute a contract and any amendments with Hargreaves Associates to produce the Berkeley Marina Area Specific Plan (BMASP) in an amount not to exceed \$1,101,000.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this work is available in the Capital Improvement Fund (Fund 501) and will be included in the second Annual Appropriations Ordinance of FY19.

CURRENT SITUATION AND ITS EFFECTS

The City's "Marina Enterprise Fund" – the mechanism for managing all Waterfront revenues and expenditures – has annual revenues of approximately \$6.2 million and annual expenditures of approximately \$7.2 million, with an annual structural deficit in excess of \$1 million. The Fund is projected to exhaust all reserves within the next two years (by FY 2021). This fiscal crisis has accelerated due to long-deferred infrastructure needs and declining berth occupancy rates.

The goal of the Berkeley Marina Area Specific Plan (BMASP) is to provide a vision and plan for achieving a financially self-sustainable, publicly-owned marina area with infrastructure and amenities to support current and future community needs, while adapting to climate changes and promoting recreation and environmental stewardship. A Draft Environmental Impact report (DEIR) will be prepared to ensure the BMASP meets the requirements of the California Environmental Quality Act (CEQA).

The project will involve an extensive public process to ensure that the vision is a product of the community's needs for decades to come.

On October 10, 2018, the City issued a competitive Request for Proposals (RFP) to provide professional consultant services necessary to produce a specific plan and draft environmental document for the Berkeley Marina Area (Specification No. 18-11248-C).

The City received two proposals. After conducting a selection process by a six-member review panel, Hargreaves Associates was identified as the consultant that received the best score according to the criteria contained in the RFP document. Hargreaves has extensive experience, leading projects ranging from Crissy Field in San Francisco to Queen Elizabeth Olympic Park in London. Staff recommends Council approval of a contract with Hargreaves Associates for professional consultant services for the project.

BACKGROUND

For the last twenty years, there has been a structural deficit in the Marina Fund, which has been offset by staffing reductions and the delay of capital improvements. These options are no longer possible, however, and new approaches are needed.

Marina Area revenue comes primarily from berth rentals and commercial lease rents. Berth Rentals (defined as Occupancy Rates) declined from 88% in 2015 to 77% in 2018. Lease revenue from restaurants and the hotel, whose rent is generally based on a percentage of gross revenue, declined about 5% in 2018. Boaters and commercial tenants have cited the Marina's deteriorating infrastructure, as well as safety and security concerns, to explain these declines.

Much of the existing Marina Area infrastructure – docks, pilings, buildings, parking lots, and roads – were originally constructed in the 1960s and 1970s, and have reached the end of their useful life. The cost to address these existing capital needs is estimated to exceed \$100 million. Since the inception of the Marina Fund, a there has been no dedicated set-aside for a capital reserve account, which means that capital projects and large maintenance projects were only completed if absolutely necessary or if they were funded by outside grants.

The BMASP will include the following:

- Evaluation of existing infrastructure amenities, and operations
- Evaluation of potential new revenue generation opportunities and programs in the context of existing land-use, zoning, regulatory limitations.
- A financial analysis of the operations of the Berkeley Waterfront (revenues and expenses, programs and services)
- Recommendations for a range of optimal models of operation.

The end result will be a comprehensive specific plan for a vibrant, beautiful, ecologically and financially stable marina for the use and enjoyment of generations to come. It will include implementation tools and policies to address future demand for land use, access/circulation/parking, utilities, public services, recreational facilities/ programs/ special events, commercial facilities, and shoreline protection, as well as a 5-year Capital Improvement Program (CIP) plan.

RATIONALE FOR RECOMMENDATION

The City does not have sufficient expertise to develop a comprehensive specific plan for the Berkeley Marina. After conducting a competitive RFP selection process by a six-member review panel, Hargreaves Associates was identified as the consultant that received the best score according to the criteria contained in the RFP document.

ALTERNATIVE ACTIONS CONSIDERED

At the current rate of expenditures and declining infrastructure, within two years, the Marina will deteriorate to the point where it is no longer useable for many people. At that time, without support from the General Fund or other sources, the City will need to close the Marina docks, close the recreational programs and special events, and drastically reduce maintenance services to the landscaping, parks, roads and pathways at the Waterfront. With a reduced presence of City staff and the general public, the entire area will decline in recreational value and safety.

CONTACT PERSON

Scott Ferris, Director, Parks Recreation & Waterfront, 981-6700
Christina Erickson, Deputy Director, PRW, 981-6712
Nelson Lam, Associate Civil Engineer, PRW, 981-6395

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S

CONTRACT: BERKELEY MARINA AREA SPECIFIC PLAN – HARGREAVES ASSOCIATES IN AN AMOUNT NOT-TO-EXCEED \$1,101,000

WHEREAS, the City’s “Marina Enterprise Fund” – the mechanism for managing all Waterfront revenues and expenditures – has annual revenues of approximately \$6.2 million and annual expenditures of approximately \$7.2 million, with an annual structural deficit in excess of \$1 million. The Fund is projected to exhaust all reserves within the next two years (by FY 2021). This fiscal crisis has accelerated due to long-deferred infrastructure needs and declining berth occupancy rates; and

WHEREAS, the goal of the Berkeley Marina Area Specific Plan (BMASP) and Draft Environmental Document (DEIR) is to provide a vision and a plan for achieving a financially self-sustainable, publicly-owned marina area with infrastructure and amenities to support current and future community needs, while adapting to climate changes and promoting recreation and environmental stewardship; and

WHEREAS, on October 10, 2018, the City issued a competitive Request for Proposals (RFP) to provide professional consultant services necessary to produce a specific plan and draft environmental document for the Berkeley Marina Area (Specification No. 18-11248-C); and

WHEREAS, the City received two proposals. After conducting a selection process by a six-member review panel, Hargreaves Associates was identified as the consultant that received the best score according to the criteria contained in the RFP document; and

WHEREAS, funding for this work is available in the Capital Improvement Fund (Fund 501) and will be included in the second Annual Appropriations Ordinance of FY 2019.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is hereby authorized to execute a contract and any amendments with Hargreaves Associates in the amount of \$1,101,000 for professional consultant services for the Berkeley Marina Area Specific Plan. A record signature copy of said agreements and any amendments to be on file in the Office of the City Clerk.