



Office of the City Manager

April 12, 2018

To: Honorable Mayor and Members of the City Council

From: *Dee* Dee Williams-Ridley, City Manager

Re: **Waterfront / Marina Fund Update**

This report updates the Council on the structural, safety and financial challenges facing the Berkeley's Waterfront and discusses staff's response to date and additional strategies to address these issues. This memorandum is intended to highlight financial and operating issues at the Marina including interim staff actions and future strategies that staff intends to discuss with Council during the upcoming FY 2019 budget update process.

The Berkeley Waterfront (see Attachment 1) contains over \$200 million of infrastructure that includes docks, berths, roads, trails, parks, restaurants, hotels, and other facilities. Much of this infrastructure, like the Berkeley Pier and University Avenue west of Interstate 80, needs replacement. Staff estimate there is at least \$100 million of unfunded capital need (see Attachment 2) in the Waterfront. Additionally, in the last 18 months a variety of safety issues have developed with the arrival of unauthorized campers throughout the Waterfront. Berthers, visitors and staff have been threatened and assaulted at an increasing rate. The largest leaseholds have continually expressed their concern about car break-ins, safety for guests and the negative effect on their businesses. Berther occupancy has declined from 85% in 2016 to 79% in 2018.

The combination of berther departures and need for capital and safety repairs has fueled a significant deficit in the Marina Fund, the City's mechanism for managing all Waterfront revenues and expenditures. In FY18 and FY19 the fund will have a structural deficit of \$500,000, increasing to \$800,000 in FY20, when the Department of Boating & Waterways loan repayment is projected to begin. Given this level of deficit, the Marina Fund's \$2.2 million in reserves is projected to be exhausted by early 2021. For the last twenty years, there has been a varying structural deficit in the Marina Fund, but it has been offset by staffing reductions or underspending of capital funds. These options are no longer possible because of prior reductions and the state of existing infrastructure.

Waterfront History

The area now comprising the Berkeley Waterfront was granted by the State of California to the City of Berkeley in 1913, in grant of state tidelands. A requirement of that grant is that revenue generated at the Waterfront be spent at the Waterfront. The Marina Enterprise Fund was set up to comply with this requirement, and is the City's vehicle for managing revenue and expenditures at the Berkeley Waterfront.

In 1962, the City obtained a state loan to develop the current marina with 1,000 slips, parking lots, launch ramps, restrooms, parks, and several commercial plots for lease. By 1966, fifteen boat dock systems were constructed. By 1970, two restaurants, a hotel, and an office building were developed. By 1980, the two sailing clubs and sailing docks, the boat yard, and a third restaurant were developed. By 1991, the City landfill at the marina was capped and graded to become North Waterfront Park. In 1996, it was renamed Cesar Chavez Park.

Between 1998 and 2002, a Marina Master Plan process was undertaken to assess the state and future sustainability of the Marina. Already at that time, many of the Marina facilities had reached the end of their useful life. The [Master Plan](#) provided a plan for capital projects to be funded by the Marina Fund and was adopted by Council in 2003.¹ Following the economic downturn in 2008, Marina revenues fell and these capital projects went unfunded.

The Marina Fund's structural problems have been known and reported for decades. Budget updates and fee reports dating back to the 1990s continually describe structural deficits threatening to exhaust Marina Fund reserves:

- 1999: "...The Marina is significantly under-funded and there is no current source of funds to implement core capital projects while maintaining existing Marina operations...Without a commitment by the Council to actively seek additional sources of ongoing funding beyond non-recurring grants, Marina infrastructure will continue to deteriorate..." (Planning & Waterfront Commissions, 11/9/99).²
- 2003: "...Basic operational expenses, capital improvement costs, and debt service expenses will exceed annual revenues and deplete the Marina Enterprise Fund balance. This annual shortfall...requires additional revenue..." (Marina Master Plan).³
- 2005: "The (Marina) fund balance will be exhausted by FY2007, and while there are planned fee increases in subsequent years, this alone will not resolve the shortfall," (FY06 & FY07 Biennial Budget Update)⁴
- 2006: After FY2009, "the fund balance will no longer be able to support the annual shortfall," (Fees: Marina Fee Increases for FY07).⁵
- 2009: The City's budget presentation raised concern that Marina fund balance would be depleted by FY2010, (FY09 mid-biennial Budget Update).⁶
- 2011: "The Marina Fund balance will be used to cover the anticipated \$634,291 shortfall in FY 2012, and if needed, capital repair and replacement projects will be reduced or eliminated," (Fees: Marina Fee Increases for FY 2012).⁷
- 2013: "The Marina Fund has a structural deficit of \$500,000."⁸ "If balancing strategies are not implemented for this fund, the reserve will be depleted by the end of FY 2015.

¹ See https://www.cityofberkeley.info/Parks_Rec_Waterfront/Marina/Marina_Master_Plan.aspx, Marina Master Plan, 6/1/03.

² See Council Minutes, Item 38, 11/9/99.

³ See Marina Master Plan, 6/1/03, p.61.

⁴ See FY 2006 & FY 2007 Biennial Budget Update – First Quarter, 12/13/05, p.10.

⁵ See Fees: Marina Fee Increases for FY 2007, 6/20/06, p.1.

⁶ See FY 2009 Mid-biennial Budget Update - Pres, 5/6/08, see Slide 21.

⁷ See Fees: Marina Fee Increases for FY 2012, 5/17/11, p.2.

⁸ See Parks, Recreation and Waterfront Department Budget Presentation, 3/5/13, p. 8.

The possible fee increase combined with restructuring of Marina operations will reduce the current structural deficit but will not solve it.”⁹ (PRW Budget Presentation)

- 2015: “The Marina Fund has been relying on the use of reserves to cover increasing operations costs not covered by annual revenues, and due to the projected structural deficit of approximately \$576,473 in FY 2016, the Marina Fund balance will go negative in FY 2018, (Marina Fee Increases).”¹⁰
- 2017: In the Department’s CIP update to Council, staff described the existing structural deficit and impact of declining berth rental revenue on the sustainability of the Marina Fund. Without fee increases, the Marina Fund was projected to be insolvent within five years.¹¹

These reports document a long history of Marina Fund revenues struggling to cover basic operating costs, leaving little to no funding for capital or maintenance work.

What does the Marina Fund include?

The Marina Fund covers all Waterfront operations including the Marina, landscaping, facilities, parks, roads, recreation programs and special events. Specific examples include the daily maintenance of over 1,000 berths, repairs to 15 buildings, staffing in Shorebird Nature Center and Adventure playground and the daily administration of what essentially is a “small city”. These costs are paid via revenues from boaters’ monthly slip fees (berth rental revenues), lease revenue from the Doubletree hotel, restaurants, and commercial and non-profit tenants; and other miscellaneous fees, including live aboard fees, dry storage fees, charter boat and ferry fees, locker rentals, program registration fees, special event parking fees, etc.

Attachment 1 shows a map of the Waterfront. The total area under City management includes the entrance to the Marina: University Avenue and the Bay Trail, from Frontage Road to Marina Blvd.; and all land, infrastructure and Marina waters west of Marina Blvd. There are 100 acres of open space and parks, 1,000 berths in the Berkeley Marina, a large hotel, 4 restaurants, the Adventure Playground, Shorebird Nature Center, the Berkeley Marine Center boatyard, a 4-lane public launch ramp, 9 restroom buildings, and 11 parking lots.

Status of the Marina Fund

The Marina Fund has a structural deficit of approximately \$500,000, raising to \$800,000/year in FY 20 (see Attachment 3).

The structural deficit is driven most recently by reductions in berth rental revenue, as boaters leave the Berkeley Marina; and by increased need for capital and major maintenance expenditures at the Waterfront. Note that these deficit projections do not include a capital set-aside. In addition, these projections assume 2.5% annual increases in revenue from berth rental fee increases starting in FY19. If these do not materialize, the structural deficit may be much greater.

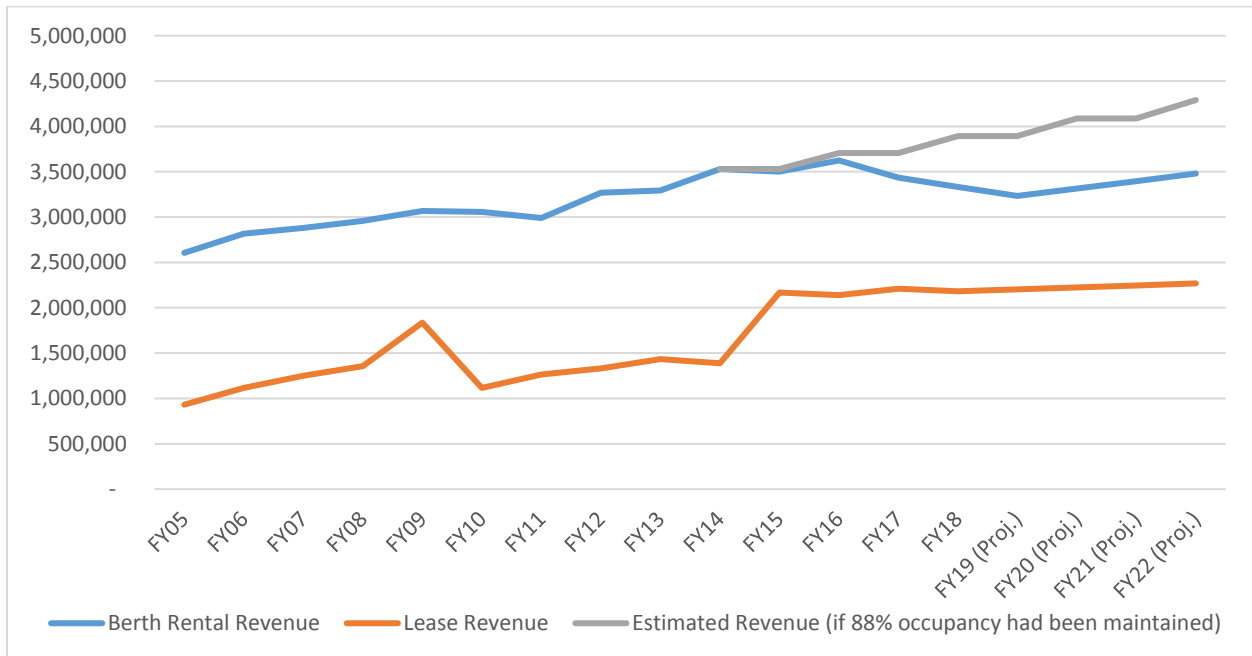
⁹ See Parks, Recreation and Waterfront Department Budget Presentation, 3/5/13, p. 6.

¹⁰ See Marina Fee Increases, 5/26/15, p.2.

¹¹ See Parks, Recreation & Waterfront Department Capital Improvement Projects (CIP) Update, 11/7/17, pp.3-4.

Over the past 10 years, the Marina Fund has weathered revenue fluctuations in berth rental and lease revenue – its two primary revenue sources. For example, following the 2008 economic downturn, lease revenue fell by 40 percent. In response, the City made staffing reductions, and as the economy strengthened, lease revenue rebounded. In contrast during this period, berth rental revenue remained consistent and strong, (see Figure 1).

Figure 1 – Revenue Fluctuations in Berth Rentals & Leases, FY05-FY22



Since its peak between FY14 and FY16, berth rental revenue has fallen more than 8%, as the Marina occupancy rate dropped from 88% to 79%, while neighboring local public marinas occupancy exceeds 90%. This loss in income has had a double impact. First, there has been an immediate decline in annual revenue. If we had maintained our FY14 occupancy rate of 88%, and continued to increase fees 6% every other year, we would on average be earning an additional \$750,000/year over the next five years (see Figure 1). Second, low occupancy rates make it difficult to raise fees biannually, as the City has historically done. Berth rental fees have not been increased since 2015. The loss of this consistent revenue source is a key driver of the Marina Fund’s structural deficit.

Safety and Security Challenges

In the last 18 months, overnight RV and vehicle camping has become expansive, with between 50 and 70 vehicles each night. This presence of unauthorized RV campers has generated significant security and behavior-related complaints from tenants, their customers, and Marina berthers. City staff have been threatened verbally and physically by RV campers. The City’s security guards have been threatened, assaulted, and had their personal property damaged. Restaurant and hotel tenants have reported an increase in customer complaints. Marina berthers have reported multiple and increasing numbers of altercations and threats from

campers around use of the slip-holder restrooms and showers. Garbage, debris, and human waste have substantially increased. Restrooms have been repeatedly vandalized.

Three recent complaints are emblematic of the feedback staff has received from Marina customers:

- A live-aboard customer with a 4-year old daughter reported that people from the RV encampment "...have been coming into the (parking) lot and relieving themselves between the vehicles...It's tough to deal with when I have arm loads of groceries and wrangling a 4-year old. Now I carry her across the parking lot so she doesn't step in the mess and track it into my truck – again. Or into the boat - again."

He goes on to report: "Hypodermic needles are an issue. My daughter has been taught that littering is bad...and she likes to pick up garbage and throw it away. Twice I've stopped her from picking up a needle and have had to tell her that it's not good to pick up trash...I'm concerned that she might grab a needle and puncture herself. I do my best to watch her like a hawk, but when these needles are on the ground where she steps when she climbs down from the truck, it makes it near impossible to guarantee her safety."

- Another live-aboard customer wrote: "The break in attempts and homeless people trying to push their way into the bathrooms/showers is terrifying and cause us to feel unsafe using the berth bathroom. And the growing amounts of human feces in our parking lot is disgusting not to mention a public health risk."

In addition to berth complaints, staff has received complaints from leaseholds:

- Management at the Doubletree Hotel lodged a formal complaint against the City. The complaint noted Doubletree guest concerns that they do not feel safe, and asking what the City is doing about the homeless encampment. Potential clients have opted not to book meeting rooms at the Doubletree out of concerns about safety. Investors recently toured the property and "were appalled at the RV encampment's proximity to the hotel."

These incidents have multiple consequences. First, safety and security threats are impacting the City's ability to retain boaters in the Marina – our primary revenue source for maintaining the entire Waterfront. This is not a trend that can be quickly reversed, because when boaters leave, they do not return quickly, instead re-establishing their boats in other Marinas. Second, these conditions increase City costs. The City has had to dedicate an additional \$50,000 from the Marina Fund this year to safety measures, in addition to the ongoing \$50,000 in cost for security services to nightly patrol the Waterfront. This includes hiring monitors for Waterfront grounds and parking lots, changes to parking lots to control access, and signage for restrooms and parking lots. Third, these safety and security challenges have had a significant impact on an already reduced staff. Staff who should be focused on dock maintenance are instead fixing broken locks on restroom doors or clearing toilets clogged with rolled-up t-shirts. Staff who should be focused on Marina operations are instead writing daily incident reports about berth complaints around restroom safety, or reports of human waste in pathway areas. Finally, the increase in blight and insecurity impacts the perception that the Waterfront is a safe place for

members of our community – to visit our parks, take the ferry, dine out, stay at the hotel, or participate in boating activities.

All of these consequences have direct and immediate impacts on the Marina Fund, and the City’s ability to continue to operate the Waterfront.

Aging Infrastructure and Capital Challenges

Much of the existing Marina infrastructure – docks, pilings, buildings, and parking lots – was originally constructed in the 1960s and 1970s. The majority of our infrastructure has reached the end of its useful life. The immediate unfunded need at the Waterfront is estimated to exceed \$100 million, (see Attachment 2). For many years, capital projects and large maintenance projects have only been completed if absolutely necessary or if they were funded by grants. Since the inception of the Marina Fund, funds have not been set aside on an annual basis in a dedicated account for capital projects. Staff estimate that the needed capital set aside should have been between \$1.5 and \$2.5 million/year. The previous annual allocations for capital (\$150,000 to \$250,000) have primarily been used for minor maintenance and have just scratched the surface of what is needed.

Despite these fiscal restraints staff have been able to secure funding and complete the following projects during the last 20 years, relying largely on grants and external funding, (see Table 1).

Table 1 - Capital Projects Completed Over Past 20 Years

Year	Description	Funding Sources	Amount
1998	Dock Replacement (F-G)	DBAW loan, Marina Fund	\$560,000
2003	Bay Trail - Frontage Road	Caltrans grant	\$3,900,000
2005	Strawbale Building Construction	State Parks Prop 12 Bond Funds, Alameda Co Recycle, Marina Fund	\$525,000
2008	Dock Replacement (H-I)	DBAW loan, Marina Fund	\$4,300,000
2010	Dock Replacement (B-C)	DBAW loan	\$3,650,000
2011	Shorebird Nature Center Class Room	State Parks Prop 12 Bond Funds, insurance	\$911,000
2014	Bay Trail Phase 1 and 2	MTC SCC, ABAG grants	\$2,400,000
2018*	South Cove Parking Lot and Restroom	DBAW, NFW, SCC, Marina Fund	\$2,100,000
		Total	\$18,346,000

*Project will be completed in late April, 2018.

Six other projects – again funded largely by grants and external funding – are being planned and will be finished soon, (see Table 2).

Table 2 - Capital Projects Funded and Completed Soon

Year	Description	Funding Source	Amount
2018	South Cove small dock and gangway replacement	ABAG/SCC Water Trail grant, Marina Fund	\$475,000
2019	Bay Trail, Phase 3	MTC, Marina Fund	\$795,000
2019	Conceptual plan for Berkeley Pier replacement	Marina Fund	\$214,000
2019	Marina Corporation Yard electrical upgrades	T1 Bond Measure	\$356,000
2020	University Avenue Replacement	T1 Bond Measure	\$3,458,000
2021	Final plan & design for Berkeley Pier replacement	T1 Bond Measure	\$889,000
		Total	\$6,187,000

Additionally, the City has applied for a \$5 Million DBAW loan to replace D&E docks, the oldest and most deteriorated docks in the Marina.

Despite these improvements many parts of the Waterfront are still dilapidated. Six other docks J, K, L, M, N and O are in need of significant repairs. Numerous finger docks are unusable, old wood pilings have broken, 6 of the 9 restrooms need major upgrades, and many parking lots and streets are beyond repair and need full replacement.

Staff Response

Staff have taken several actions to date to address safety, security, and infrastructure challenges.

Private Security: Staff have conducted meetings and ride-alongs with our private security company to improve their Waterfront patrol operations to better monitor restrooms and parking lots. Staff included the security company’s manager in the City’s January 2018 meeting with live-aboards to provide feedback and suggestions for improving patrol operations. The City pays approximately \$88,000/year from the Marina Fund for a private security officer with a vehicle to patrol for 8 hours nightly.

Waterfront Monitors: The City has hired three part-time staff to monitor parking lots, pathways, restrooms, and act as resources for tenants and berthers to flag any unusual activity or concerns. Monitors are scheduled to work shifts when there is no staff or private security presence, i.e. Sundays all day, early mornings and late afternoons / early evenings, creating an around-the-clock security presence at the Waterfront.

Staff assignments: Marina staff are now dedicating additional time during their daily routines to walk and drive through Waterfront parking lots and to check restroom areas. Landscape Gardeners and Groundskeepers have altered their routines to pick up increased amounts of garbage and hazardous waste.

Garbage services: Staff have ordered additional dumpster pickup services at the F/G/H/I Dock parking lot to respond to slip holder complaints and an increase in garbage in that area.

Signage: Staff have added signage to berther-only restrooms to prevent trespassing.

Keys: Staff conducted a Marina-wide electronic key reset to remove access from unauthorized users. This followed a 2016 re-key effort for all metal key entrance points after learning restroom keys had been duplicated and distributed to non-Marina customers.

Parking consultant: The City has contracted with Nelson Nygaard to advise on potential parking solutions that address both congestion and security concerns.

Meetings with berthers: In addition to the January 2018 meeting with live-aboards, staff held a March 2018 meeting open to all slip-holders. These meetings were opportunities for staff to hear directly from the Marina community on their concerns around security, infrastructure, and suggestions for improvements.

Meetings with tenants: Staff have held monthly meetings with the large commercial tenants, including the Doubletree Hotel, Skates on the Bay, Hs Lordships, Hana Japan, and the Yacht Club to discuss security concerns and to provide updates on capital projects at the Waterfront.

Improvements to finger docks, pilings, and restrooms: Between FY18 and FY19, Council authorized \$275,000 of Marina Fund in the capital budget for improvements to finger docks, pilings and restrooms. Staff are preparing to release an Invitation for Bids for finger dock materials, to repair 8-10 finger docks in poor condition. Piling replacement is scheduled for FY19, and staff are currently completing permit applications. Finally, staff are scoping upgrades to existing Marina restrooms and will go out to bid in FY18.

Where Do We Go From Here?

- **Marina Fund**
Fundamental changes will be needed to restore the Marina Fund to a sustainable path, and to prevent insolvency. Staff will present further information and provide recommendations on the Marina's finances to Council during the upcoming FY 2019 budget update process in May 2018.
- **Safety & Security**
Security concerns need immediate action. If we can improve security and perceptions of security at the Waterfront, we can prevent further loss of revenue from boaters, restaurants and the hotel.

In the short-term, focus must be on enforcing existing Marina rules, as defined in Chapter 6.20 of the Berkeley Municipal Code (BMC), "Marina Rules and Regulations." This includes enforcing the 72 hour limit on parking for all vehicles in marina land areas (BMC 6.20.250), and the prohibition on camping in Waterfront areas (BMC 6.20.260). Staff will continue to pursue the security measures noted above, including working with part-time monitors, private security and our Waterfront community to improve crime prevention and reporting.

In the longer-term, a key component of improving security will be changing the BMC's Marina rules to clarify what is allowable and improve the City's ability to enforce the rules. In addition, parking changes at the Waterfront, for example, fee-based parking

with permits for slip-holders and other Marina customers, could reduce the incidence of parking lot-related conflicts and security concerns. Another potential long-term security solution could be an access control point, for example, a manned kiosk on University Avenue at the entrance to the Waterfront.

These efforts, combined with improvements to infrastructure, can help boost occupancy at the Marina, and continue to draw customers and community members to the Waterfront. With their increased “eyes on the street”, security conditions will improve even further.

- **Capital Needs**

We have an immediate need to spend approximately \$3.41 million to make long-deferred and now urgent repairs to our docks, pilings, restrooms, and parking lots, and improve security (see Table 1 below). These projects are critical to retaining berthers and preventing further erosion of the Marina Fund’s main revenue source. These upgrades are over and above the six capital projects described above. Approximately \$1 million of these \$3.41 million in essential improvements will be budgeted in the next three years, FY19-21. We note that this is insufficient, but is the maximum the Marina Fund can sustain. If alternate funding is identified for the full \$3.41 million in FY19-21, we will push out the Marina Fund’s projected insolvency through approximately FY23, by saving the fund \$1 million in capital. By funding all \$3.41 million of improvements, we anticipate berthers will begin to return to the Marina, thus generating new revenues. This would buy time for medium- and longer-term efforts to make the Fund sustainable to take effect.

In the near future (FY22-23), the Waterfront will need another \$7.1 million to do more dock and piling replacement (\$2.5 million), three parking lots (\$2.7 million – F&G, O, J&K), K-Dock electrical upgrades (\$300,000) and University Avenue Shoreline Stabilization (\$1.64 million).

- **Master Plan**

A new model is needed for the Waterfront. A combination of new revenues and reduction in expenses will be needed. In addition to closing the Marina Fund’s \$800,000 structural deficit, an additional \$1.5 million/year in capital investment is needed to adequately maintain Waterfront infrastructure, including docks, restrooms, parking lots, roads and buildings. Together, these represent a \$2.3 million annual revenue gap – more than one third of current total Marina Fund revenues.

New sources of revenue could include parking fees throughout the Waterfront, development around Hs Lordships restaurant, where the long-term lease is set to expire in August 2019 and redevelopment of the Berkeley Pier to include a WETA ferry terminal and other associated amenities. While the City is in the conceptual design process on the pier, this project and any other development will take numerous years given the planning and environmental public process that will need to be completed. Many people have pointed to the Hs Lordships parking lot as a budgetary fix, but to put the revenue gap in perspective, the City currently receives about \$1.4 million in annual lease revenue from the Doubletree Hotel, a property that is more than double the land area.

Expenditure changes may also be needed. In addition to landscape, building maintenance, and marina operations, the Marina Fund currently covers the costs of all recreation programming at the Waterfront, and special events like the 4th of July and Kite Festival – costs not typically covered by other Marinas. Together, recreation programs and special events have a net cost of approximately \$780,000/year, (\$580,000/year for recreation programs and \$200,000/year for special events).

The City has begun a Master Plan update as well as a parking study to analyze revenue models that can set the Marina Fund on a more sustainable path. Council allocated \$150,000 in Marina Fund in FY18 towards the Master Plan. An estimated \$825,000 additional is needed: \$325,000 for a project manager and \$500,000 for consultants to conduct financial, regulatory, and structural evaluations, as well as public process, conceptual design, preferred plan agreement, and environmental process, (see Table 3). These efforts are critical to the economic viability of the Waterfront and ensuring that it continues to be enjoyed by the Berkeley community.

Table 3 - Waterfront Projects: Immediate One-Time Needs

Project	Amount	Notes
Finger Dock & Piling Design, Permitting & Replacement	\$825,000	These infrastructure improvements are critical to retaining berthers.
Restroom Upgrades	\$400,000	
Electrical Replacement – O Dock	\$1,100,000	
Meadow Area Barrier	\$150,000	
5 Parking Lot Gates & Infrastructure on B-E, F-I, L-M, N-O, and J-K	\$610,000	To place gates in berther parking lots, to improve the safety and sustainability of those lots.
Project Manager (3-year, project-based position)	\$325,000	50% time: Waterfront capital
Subtotal, Capital	\$3,410,000	
Waterfront Master Plan	\$500,000	Includes funding for financial, regulatory, and structural evaluations, as well as public process, conceptual design, and environmental process. Total cost est. at \$650,000; Council already authorized \$150,000 in FY18.
Project Manager (3-year, project-based position)	\$325,000	50% time: Master Plan
Subtotal, Master Plan	\$825,000	
Total One-Time, Immediate Needs	\$4,235,000	

Staff will discuss these immediate one-time needs with Council during the upcoming FY 2019 budget update process in May 2018.

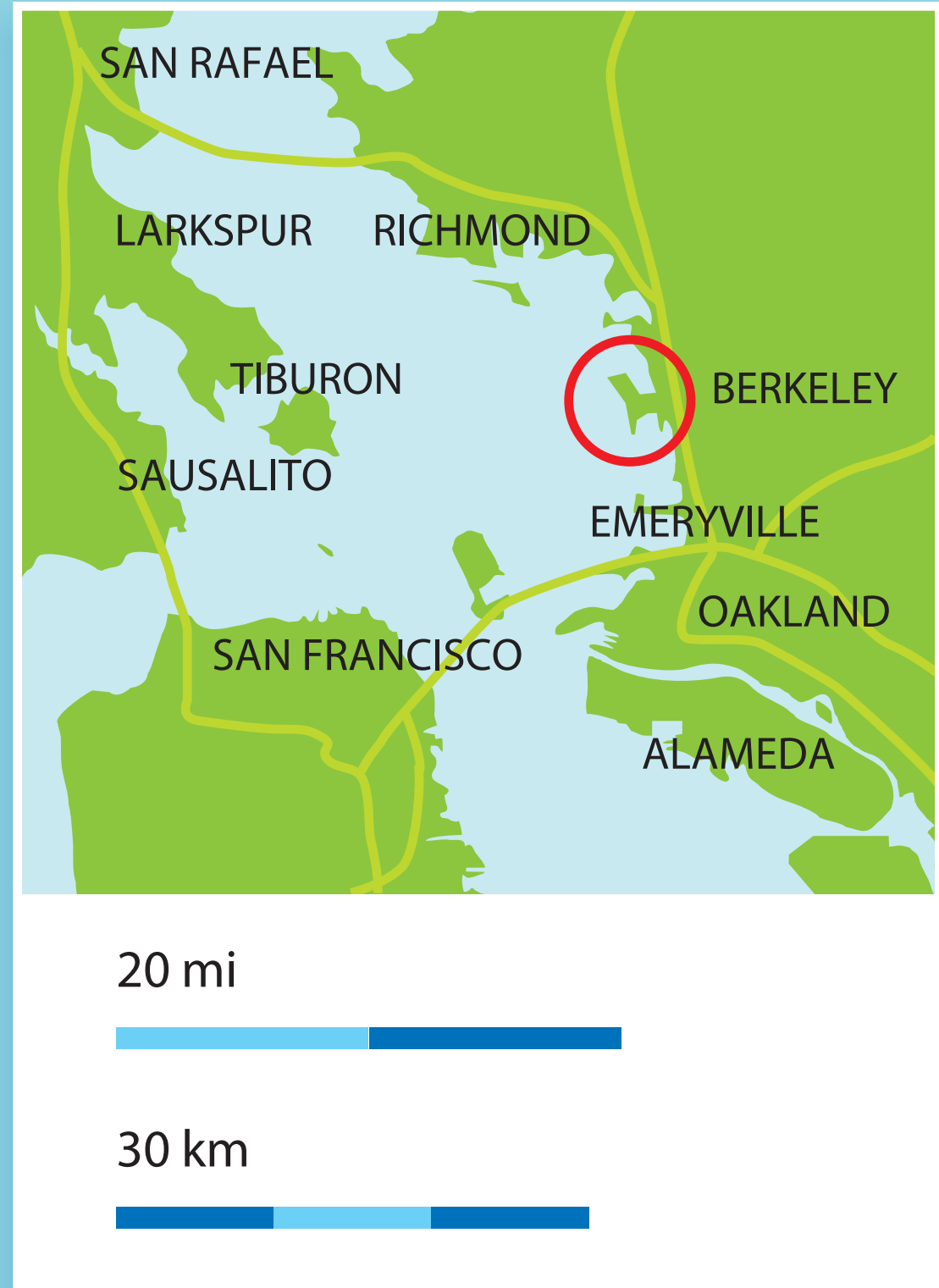
Page 11
April 12, 2018
Re: Waterfront / Marina Fund Update

Attachments: 1 – Waterfront Map
2 – Waterfront Unfunded Needs
3 – Marina Fund 5-Year Plan

cc: Jovan Grogan, Deputy City Manager
Ann-Marie Hogan, City Auditor
Mark Numainville, City Clerk
Scott Ferris, Director, Parks, Recreation & Waterfront Department
Teresa Berkeley-Simmons, Budget Manager
Matthai Chakko, Assistant to the City Manager

FEATURES & AMENITIES

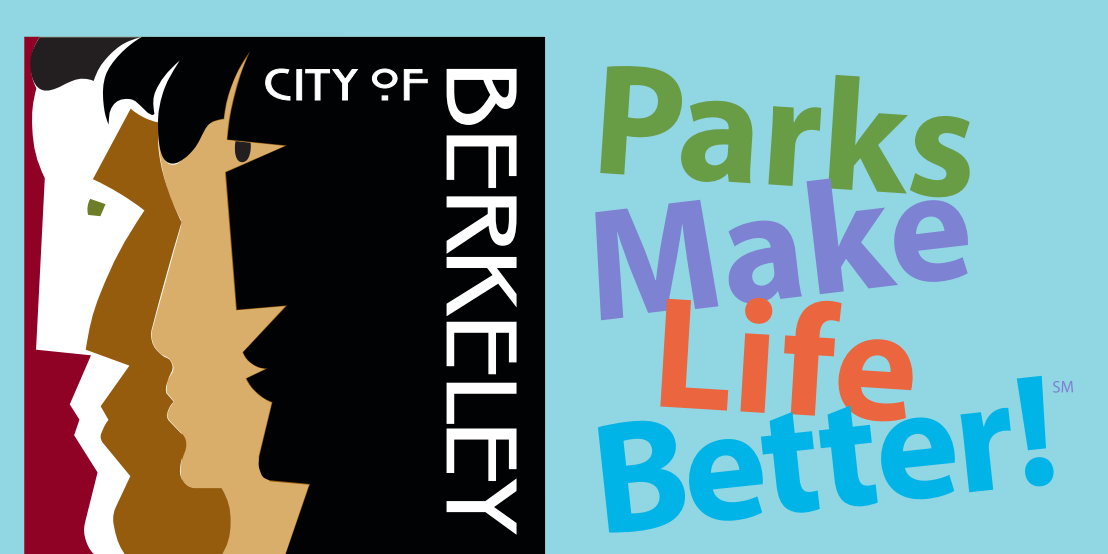
- VISITOR & PERMANENT SLIPS AVAILABLE
- DIRECT ACCESS TO THE BAY & GOLDEN GATE
- 100 ACRES OF OPEN SPACE & PARKS
- 7 MILES OF PEDESTRIAN TRAILS
- 4-LANE PUBLIC LAUNCH RAMP
- SHORT WALK TO 4TH STREET
- ADVENTURE PLAYGROUND
- FREE MOBILE PUMP OUTS
- CERTIFIED CLEAN MARINA
- DOUBLE TREE HOTEL
- HAUL OUT SERVICES
- PANORAMIC VIEWS
- 4-RESTAURANTS
- NATURE CENTER
- FERRY SERVICE
- WATERSPORTS
- FAMILY FUN



- ▼ 5 Nautical Miles to Angel Island
- ▲ 8 Nautical Miles to the Golden Gate
- ▲ 5 1/2 Nautical Miles to San Francisco

BERKELEY MARINA

YOUR GATEWAY TO THE GOLDEN GATE



ATTACHMENT 2

Waterfront Unfunded Capital & Major Maintenance Needs (for existing facilities and infrastructure as of March 2018)

Note: No new facilities are proposed on this list.

This list does not include projects funded in FY19 or before.

Project	Low-End Estimate	High-End Estimate	Funding Identified?	District
Waterfront				
Waterfront Pier and Docks (Ranked in order of priority)				
Dock Replacement/ Reconfiguration (D-E)	\$5,000,000	\$7,000,000	Applying for DBAW Loan	1
Finger Dock Replacements (Not including D-E)	\$850,000	\$1,000,000	15 % budgeted in FY18-19	1
Piling Replacement - Docks, Restrooms, Office (Not D-E)	\$2,500,000	\$3,000,000		1
Electrical Upgrade- O Dock	\$1,100,000	\$1,100,000		1
Electrical Upgrade- K Dock	\$300,000	\$300,000		1
Main Channel Dredging	\$2,000,000	\$6,000,000		1
Dock Replacement- J, K, L, M, N, O	\$35,000,000	\$40,000,000		1
Berkeley Pier Renovation Note: Conceptual Planning and Analysis is underway	\$12,000,000	\$25,000,000	Design/planning in T1 Phase 1	1/2
Waterfront Streets (Ranked in order of priority)				
Spinnaker Way Drainage & Pavement Improvements	\$900,000	\$1,500,000		1
Marina Blvd	\$700,000	\$700,000		1
University Avenue (Marina Blvd to Seawall Dr)	\$550,000	\$550,000		1/2
Seawall Drive	\$1,600,000	\$2,000,000		1/2
Waterfront Pathways, Shoreline and Buildings(Priority ranked)				
Marina Restrooms Upgrades -7 (K)	\$400,000	\$500,000		1/2
University Avenue Shoreline Stabilization	\$1,640,000	\$1,640,000		2
Marina Restrooms - Replacement DE, FG, K, LM and O	\$1,800,000	\$1,800,000		1/2
Cesar Chavez Park Perimeter Path/Amenities	\$1,000,000	\$1,000,000		1
Frontage Road Bay Trail Slurry Seal (Microsurfacing)	\$325,000	\$325,000		1/2
Marina-Admin Building (K)	\$100,000	\$100,000		1
125-127 Improvements	\$1,200,000	\$1,200,000		1
Shorebird Nature Center-classroom (K)	\$40,000	\$40,000		2
Waterfront Parking Lots (Ranked in order of priority)				
Meadow Area Barriers	\$100,000	\$200,000		1
F and G Parking Lot	\$650,000	\$650,000		1
O lot Lot Pavement, Drainage and ADA Improvements	\$960,000	\$960,000		1
J & K Lot - Pavement Rehab, Drainage and ADA	\$1,005,000	\$1,005,000		1
Skates/N Lot Pavement, Drainage and ADA	\$1,380,000	\$1,380,000		1
Launch Ramp Lots Pavement Rehab, Drainage and ADA	\$1,927,000	\$1,927,000		1
L & M Lot - Lot Pavement Rehab, Drainage and ADA	\$1,250,000	\$1,250,000		1
Lordships Lot Pavement, Drainage and ADA	\$2,380,000	\$2,380,000		2
Waterfront Projects Total	\$78,657,000	\$104,507,000		

ATTACHMENT 3
Department of Parks, Recreation & Waterfront
5-Year Financial Plan - Marina Fund (825)

03/16/18

Berth rental revenue declines 3% in FY18 & FY19; then increases 2.5%/year starting in FY20

Description / Account	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
Beginning Fund Balance (825-9701-399.99-01)	1,406,857	1,447,309	1,552,134	2,709,368	3,640,041	3,999,457	2,214,942	1,719,142	923,195	98,490	(768,971)
Revenues											
Interest Invest Pool (825-3302-361.30-01)	2,263	1,214	2,104	7,792	16,212	15,998	8,860	6,877	3,693	394	0
Marina Benches / Trees (825-5902-368.20-01)	3,400	10,200	10,200	3,400	6,800	6,800	6,800	6,800	6,800	6,800	6,800
Sewer Service/Marina (825-5903-344.20-41)				3,675	3,750	3,000					
Live Aboard Fees (825-5903-347.41-38)	184,533	199,154	190,622	225,533	238,144	245,000	245,000	251,125	257,403	263,838	270,434
Berth Rentals (825-5903-347.60-01)	3,293,872	3,529,904	3,500,127	3,624,218	3,435,203	3,332,147	3,232,183	3,312,988	3,395,812	3,480,708	3,567,725
Launch Ramp (825-5903-347.60-02)	38,733	43,512	61,844	63,065	53,711	65,000	70,000	71,750	73,544	75,382	77,267
Locker Rentals (825-5903-347.60-03)	13,104	14,807	12,386	12,019	12,779	12,500	15,000	15,000	18,000	18,000	21,600
EV Charging Stations (825-5903-347.60-05)				805	1,483	1,600	1,800	2,000	2,200	2,400	2,600
Dry Storage (825-5903-347.60-07)	70,269	80,141	77,344	91,173	82,599	88,381	91,033	91,033	93,764	93,764	96,577
Charter Boat Fees (825-5903-347.60-11)	16,763	13,836	10,896	24,431	64,497	100,000	65,000	65,000	65,000	65,000	65,000
Miscellaneous (825-5903-347.60-99)	58,115	28,573	24,065	23,857	20,875	18,000	21,600	21,600	25,920	25,920	31,104
Fines & Penalties (825-5903-353.47-01)	64,594	73,628	57,438	67,162	65,816	65,000	70,000	70,000	70,000	70,000	70,000
Marina Leases (825-5903-363.80-00)	1,433,349	1,385,943	2,165,804	2,137,792	2,210,634	2,180,000	2,201,800	2,223,818	2,246,056	2,268,517	2,291,202
Special Event Parking (825-5903-368.99-99)	0	46,963	52,650	51,169	58,221	55,291	69,114	69,114	72,569	72,569	76,198
Playground Svc Fees (825-5904-347.30-04)	35,375	28,861	31,188	28,826	31,198	27,000	27,000	27,810	27,810	28,644	28,644
Nature Center Fees (825-5904-347.39-12)	14,188	16,141	14,083	16,374	14,748	15,000	15,000	15,450	15,450	15,914	15,914
Donations (825-5904-368.20-99)	1,519	3,234	1,791	2,026	1,486	750	750	750	750	750	750
Subtotal, Revenues	5,230,735	5,478,724	6,229,043	6,383,337	6,318,157	6,231,468	6,140,939	6,251,114	6,374,771	6,488,600	6,621,815
Expenditures											
Personnel	3,058,844	3,189,021	2,915,702	3,114,578	3,298,161	3,548,603	3,624,161	3,732,886	3,844,873	3,960,219	4,079,025
Non-Personnel (excludes debt svc & capital)	1,485,007	1,425,050	1,478,846	1,634,703	1,851,462	1,943,000	1,981,860	2,021,497	2,061,927	2,103,166	2,145,229
Capital Projects	0	113,396	30,828	56,951	162,693	2,038,660	545,000	500,000	500,000	500,000	500,000
Principal Payment (825-5903-450.82-10)	259,835	272,653	285,065	298,041	310,682	165,036	172,633	262,536	273,704	287,046	300,166
Interest Payment (825-5903-450.82-25)	386,597	373,779	361,367	348,391	335,743	320,683	313,086	530,140	518,972	505,631	492,511
Subtotal, Expenditures	5,190,283	5,373,899	5,071,808	5,452,664	5,958,741	8,015,982	6,636,740	7,047,060	7,199,476	7,356,061	7,516,931
Operating Income / (Loss)	40,452	104,825	1,157,235	930,673	359,416	(1,784,515)	(495,801)	(795,946)	(824,705)	(867,461)	(895,116)
Ending Fund Balance	1,447,309	1,552,134	2,709,369	3,640,041	3,999,457	2,214,942	1,719,142	923,195	98,490	(768,971)	(1,664,087)
Reserve Rate	28%	28%	43%	57%	63%	36%	28%	15%	2%	-12%	-25%

Notes:

- 1) Assumes berth rental revenues decline by 3%/year in FY18 and FY19, then increase by 2.5% per year.
- 2) Marina lease revenue estimated to increase by 1% per year
- 3) Assume launch ramp fees don't increase until FY20, then increase by 2.5% per year.
- 4) Assume dry storage increases 3% in odd years.
- 4) Assume the following fees increase 20% in odd years: locker rental, misc (electronic key, daily impound, lien fee, boat towing fee, etc.)
- 5) Assume special event parking fees increase by 25% in FY19, and 5% in FY21 and FY23
- 6) Assumes 3% increases in Recreation programs in FY20 and FY22
- 7) Personnel costs escalate by 3% and non-personnel costs escalate by 2% starting in FY19
- 8) Starting in FY19, assume additional \$306K in annual payments for \$5M DBAW loan at 4.5% interest rate, 30-year term.