

CITY OF SAN LEANDRO
CITY COUNCIL SHORELINE - MARINA COMMITTEE

April 22, 2008

9:00 a.m. – 10:30 a.m.

**San Leandro City Hall
835 East 14th Street
San Leandro, California
Sister Cities Gallery Room**

HIGHLIGHTS

Committee Members: Councilmember Prola, Councilmember Starosciak

City staff present: City Manager Jermanis, Assistant City Manager Hollister, Community Development Director Sims, Engineering Director Udemezue, Public Works Director Bakaldin, Business Development Manager Battenberg, Planning Manager Livermore, Facilities and Open Space Manager Pollart, Marina Supervisor Snodgrass, Development Planner Ricard

Public present: Julie Barsamian (SL Times), Mike Cook, John Faria, Al Fernandez, Heidi Finberg (Spinnaker Yacht Club), Bo Johansen, David Johnson, Bob Leigh, John Manuel, Gerd Marggraff, Linda Perry, Martin Ricard (Daily Review), Dan Walters, Councilmember Souza

The meeting was called to order at 9:03 A.M.

1. Update on Dredging Requirements and Schedule

City Manager Jermanis provided a brief summary of the dredging costs and explained that financial analysis indicates it is cost prohibitive to retain the boat harbor in its current configuration. Manager Jermanis explained that the dredging will be an on going issue and the City can have a vibrant Shoreline – Marina Area without the boat harbor. One possibility is a small boat lagoon and a boat launch ramp. Staff is currently working with the Army Corps of Engineers (ACOE) to determine a dredge level which supports limited boating activity, ensures flushing of the harbor and is within the City's financial means. In order to most efficiently spend the federal appropriation, staff recommends retaining a hydrologist.

Engineering Director Udemezue briefly described the complex environmental permitting process required to dredge the channel and harbor. In applying for the permits the two largest factors considered by the ACOE are the type of dredging and where the dredge material will be taken. Director Udemezue explained that the ACOE prefers upland dredge sites and this preference should facilitate a timely permit process for the City. It will most likely limit San Leandro to disposing the material at the Dredge Materials Management Site (DMMS).

Director Udemezue stated that the cost to the City to dredge the channel and dispose of the material at the DMMS would be between \$7.2 and \$15 million. Director Udemezue briefly outlined the feasibility of using alternative sites around the Bay Area for disposal and explained that these were not reasonable alternatives at this time. Director Udemezue concluded, stating that the ACOE needs a commitment within the next three weeks in order to dredge in 2008.

City Manager Jermanis stated that there is insufficient money in the Shoreline Enterprise Fund and General Fund to fund dredge disposal.

Assistant City Manager Hollister summarized a presentation on the Shoreline-Marina Area he made to the Bay Planning Coalition.

The Committee agreed that staff should work with a hydrologist to determine the dredging level required for various types of water related activities.

2. Discussion Regarding Reconfiguration of Boat Harbor

City Manager Jermanis explained that the City needs to figure out how to best take advantage of the Federal dredge funding by deciding what types of water related activities would be appropriate at the Shoreline - Marina Area and the depth of the dredging that would be required.

Public Works Director Bakaldin provided the Committee with a presentation which contained trend data regarding berthing rates and vacancies at the harbor. Director Bakaldin also analyzed the financial feasibility of constructing additional covered berths and concluded that construction was not financially feasible. Director Bakaldin provided an overview of other harbors' rates and projections on the necessary rate increase required to cover operating expenses including debt, capital improvements and dredging. He reported that the market is currently unable to support the rates required to maintain the boat harbor.

3. Update on Master Developer Selection Process

City Manager Jermanis explained that the City Council directed staff to explore the use of a Master Developer to better understand the development possibilities of the Shoreline - Marina Area. Staff solicited development team proposals through a Request for Qualifications process and six responses were received. Five development teams were determined to be qualified.

Business Development Manager Battenberg updated the Committee on the search for a Master Developer, explaining that the five qualified development teams had been interviewed and that, during the interview process, one team withdrew from consideration. Manager Battenberg explained that one team stood out from the others with impressive qualifications and direct experience in similar shoreline development. Manager Battenberg shared that a report, including a staff recommendation, has been distributed to the Ad Hoc Committee which will meet following today's Shoreline-Marina Committee meeting.

4. Public Comments

Michael Cook stated that he does not feel good about staff selecting a developer for the Shoreline - Marina Area. The developers know best what should happen at the Marina and staff should not dictate what is developed through the developer selection process. Mr. Cook explained that the Chula Vista Marina is a financial success and that the City should look at success stories, not failures.

Heidi Finberg, Spinnaker Yacht Club, stated that she was pleased to hear that dredging is a possibility, but was concerned that decision makers do not understand boating.

David Johnson shared that he moved to San Leandro due to the Marina and boating and started several successful businesses in town, thereby bringing tax dollars to the City.

John Faria explained he has lived in the City his whole life and has only been through the channel once. He stated the City should direct its financial resources toward family friendly recreation at the Marina that can be enjoyed by everyone, not just boat owners.

Al Fernandez stated the cost of dredging is increasing the longer the City waits and that it is not necessary to dredge to all markers.

Gerd Marggraff expressed the need to create development which can financially support the Marina and stressed the need for Marina supporting services, such as a boat repair shop.

Bob Leigh expressed concern that the Marina could never be self-supporting and stated the Marina does not serve the overall population of San Leandro.

Bo Johansen stated that the Marina does not offer commercial services and that if the City develops the area people will come.

5. Committee Member Comments

Councilmember Prola explained that the issue isn't if we will dredge, but how much and when. Councilmember Prola also stated that he would be interested to learn how Chula Vista overcame their dredging issues. He also reported that he is optimistic that the City can make the Marina work.

Councilmember Starosciak shared that it was also her understanding that the issue isn't if we will dredge, but how much and when. She further explained that no decision had been made regarding what the development of the marina will consist of and the visioning process will include considerable community input. She then shared that a Town Hall meeting to discuss the range of options for dredging may be appropriate in the future.

6. Adjourn

The meeting adjourned at 10:50 A.M.