

MEETING #4
CITY OF SAN LEANDRO
SHORELINE DEVELOPMENT CITIZEN ADVISORY COMMITTEE
(SHORELINE CAC)

February 25, 2009
7:00 p.m. – 9:00 p.m.
Marina Inn, 68 Monarch Bay Drive, San Leandro

MEETING NOTES

Committee Members: Audrey Albers, Victor Chen, Marie Chiu, Diana Cin, Dave Clark, Peggy Hynd Combs (Vice Chair), Michael Cook, John Dilsaver, Tom Fitzsimons, Marilyn Fong, Alfred Frates, Babs Freitas, Rezsine Gonzalez, Adrienne Granger, Bob Haynes, Jr., Jeff Houston, Rebecca Jewell, Kevin Jones, Tina Kuang, Susan Leiga, Robert Leigh, Matt Maloon, Rene Mendieta, Kent Myers (Chairperson), Michael Nolan, Gil Raposo, Carole Rinaldi, Victoria Robles, Caryl Ann Symons, Ronnie Turner, Dan Walters.

Absent: Clinton Bolden, Gil Raposo, Lee Thomas.

Consultants present: Ed Miller, Cal-Coast Development.

City staff present: Public Works Director Michael Bakaldin, Business Development Manager Cynthia Battenberg, Senior Development Project Specialist Elmer Penaranda.

Public present: Dan Alex, Michelle Hayes, Nischit Hedge (Unite Here!), Dave Johnson (Chamber of Commerce), Bruce and Fran Moon, City Councilman Jim Prola, Dale and Dena Snearly, Audrey Velasquez (Marina Inn).

I. Call to Order

Chairperson Myers called the meeting to order at 7:00 pm. Mr. Penaranda conducted a silent roll call of the Shoreline CAC based upon the name tents that the members picked up or did not pick up at the front door of the meeting room.

II. CAC Business (Chairperson Myers announced that the agenda items will be taken out of order; deferring item A. to later and starting with item B.).

B. Shoreline Enterprise Fund (Fund). Manager Battenberg gave a powerpoint presentation which defined the purpose of Enterprise Funds which is to account for operations that are financed and operated in a manner similar to private business

enterprises with the intent that the costs of providing the goods or services are recovered primarily through user charges.

- The City's Shoreline Enterprise Fund has three divisions: Golf Course; Boat Harbor; and Shoreline (includes Marina Park, hotel and restaurants.)
- In the Fiscal Year 2007-08, the Golf Course and the Shoreline operated with profits of \$457,000 and 269,000, respectively. The harbor operations operated at a loss of \$874,000; thus the Fund (cumulative of the three divisions) operated at a loss of \$148,000.
- In addition, there are significant debt balances as of June 30, 2009. The Golf Course Division owes the General Fund \$4.2 million, while the Harbor Operations Division owes the General Fund \$3.3 million for dredging and owes \$3 million in CalBoat loans.

Discussion ensued regarding the following:

- Under Harbor Operations Division Expenditures: What are Interfund charges? *These are overhead costs for maintenance, vehicles, information technology, insurance, etc.*
- What are CIP Charges? *Those are engineering costs that are billed hourly for work on the repair of shoreline facilities and structures.*
- What are Services? *Those are costs relating to advertising, marketing, and landscaping.*
- What is DBW? *State of California Department of Boating and Waterworks.*
- Is it the City's plan for the Shoreline Enterprise Fund to operate at a profit? *The City's near-term plan is to operate to break-even. The City would like to identify revenues so that any future development can pay for itself. The City is not in a position to subsidize development of the Shoreline.*

C. Future of the Boat Harbor. Director Bakaldin gave a powerpoint presentation which gave an overview of the San Leandro Marina Shoreline Area.

- The harbor includes the marina office, docks, restrooms, fuel dock, boat launch, Spinnaker Yacht Club and San Leandro Yacht Club
- The harbor opened in 1963; the harbor expanded in 1972, and the concrete docks were constructed in 1991.
- There are approximately 460 berths (260 concrete and 200 wooden berths.)
- Occupancy of the harbor is currently at 40% capacity
- Siltation in the harbor and fuel dock is driving out larger boats.
- Marina operations revenues continue to drop.
- Tides and siltation are a natural process in the Bay that continues to build up deposits in the harbor and the channel making them shallower for large boats to maneuver.
- Full dredging is cost prohibitive.
- A less costly partial dredge to a five foot depth was approved by the City Council in December 2008 to take advantage of Federal funding to dredge the Channel.

- The City is in the process of reducing operating expenses to match revenues. Reductions include: eliminating one full-time position; closing the harbor office Sundays and Holidays; further reducing the budget for services and supplies; and closing the N/O and P/Q docks and adjacent private restroom.

Discussion ensued regarding the following:

- What has led to the decline in the harbor's occupancy? *The slips in the docks were constructed in the 1950s and 1960s and are smaller than what is currently in demand. It also costs less to store a boat out of the water and transport it with a trailer. Storing it out of water also reduces the cost of maintenance. The two mile length of the channel and its shallow depths makes the harbor less desirable than other marinas in the Bay.*
- What is the *break even* rate for the harbor so that its operations could cover the cost of full dredging? *The break even rate calculated two years ago was 100 percent occupancy and required triple the current slip rates.*
- Can the docks and berths be dredged with Federal funding? *No, the docks and berths are not considered Federal channels, thus those funds cannot be used for dredging the docks and berth areas.*
- Will the City and/or the future developer receive any credit for coverage over the water with removal of the docks? If so, can that credit be added to future development at the former Blue Dolphin site spanning over the water? *Yes, credit can be matched foot for foot.*

A. Revised Shoreline CAC Tentative Meeting Schedule. Manager Battenberg cited various articles from the San Francisco Business Times reporting how the slow-down of the economy has impacted hotel occupancies, reduced real estate values, delayed future developments of large projects, and prompted creative new ways to try to promote sales and services in the Bay Area. Ed Miller, Cal-Coast Development, added that in past experience it has been advantageous to conduct comprehensive master plan process during a down-turn in the economy and when the economy rebounds the master plan could be in a better position to be implemented with a more favorable lending and development environment. The SF Business Times articles provide an indication that there is no need to rush through the Shoreline CAC process, but instead it is more desirable to revise the process to have greater CAC and public participation.

Manager Battenberg explained the new revised schedule extending the Shoreline CAC's review process and including division of the CAC into three teams (groups).

- In March, more information will be provided regarding the team approach.
- In April, the CAC will be divided into three teams that will begin to meet.
- In June, each of the three teams will formulate and present their ideas to the CAC.

Discussion ensued regarding the following:

- What is the benefit of dividing into three groups? *The benefit to obtain more ideas and possibly more options for future development. (Some CAC members concurred that the breaking up the large 33 person group into three groups is a good idea and can be more productive.)*
- Why extend the process? *The current downturn in the economy provides an opportunity to do more planning and gain more public input.*
- Can the developer provide any expertise or ideas without providing a final solution? *Yes, the developer can provide a list of uses to the three teams as suggestions without influencing the final conceptual ideas.*
- Will the groups meet independently? *Yes, the groups would meet independently to formulate their recommendations.*
- How will the groups be divided? *There would be an organizer, not necessarily the leader, youths, individuals with development experience, analysts, boaters, etc. in each group.*
- Where will the groups meet outside the Town Hall meetings? *The 11 member groups can meet in public places, someone's home, or possibly at the Marina Inn.*

III. Public Comments

Dale Snearly, stated that he has been a resident in the City since 2004 and is a boater. His boat has a draft of six and one-half feet. He recommended that the CAC receive input from other marinas similar in size to San Leandro, including their challenges and their successes. He said boaters like to have a nice ambiance. The first impression is very important. Coming to a marina with empty spaces (slips) is not the right ambiance for a marina. He hopes the Shoreline CAC can develop a master plan that makes the shoreline a destination place.

Chairperson Myers adjourned the meeting at 8:50 p.m.