

**CITY OF SAN LEANDRO**  
**CITY COUNCIL SHORELINE - MARINA COMMITTEE**

**May 25, 2010**  
**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: Mayor Santos, Councilmember Prola and Councilmember Starosciak

City staff present: City Manager Hollister, Assistant City Manager Marshall, Community Development Director Sims, Engineering Director Udemezue, Public Works Director Bakaldin, Business Development Manager Battenberg, Facilities and Open Space Manager Pollart, Marina Supervisor Snodgrass, Senior Development Specialist Penaranda

Public present: Audrey Albers, John Dilsaver, Al Fernandez, Marilyn Fong, Al Frates, Rebecca Jewell, Dave Johnson, Bob Leigh, Charles and Janet Porrill, Caryl Ann Symons

The meeting was called to order at 9:00 a.m.

**1. Update on the Shoreline Enterprise Fund**

City Manager Hollister gave an update on the Shoreline Enterprise Fund. He reported that operating expenses have increased while revenues have decreased the last two years. Accelerated General Fund principal payments totaling over \$1 million were made in Fiscal Years 2006-07 and 2008-09. The City also has \$200,000 in capital improvement obligations to the golf course. Given the above, the anticipated fund balance as of June 30, 2010 is approximately \$300,000 which is insufficient given the current shortfall in harbor operations (including annual debt service of \$600,000) and the cost of discarding the dredged material.

The Committee asked if Cal-Coast, the master developer, can improve this financial situation, and contribute to the significant expenses of the harbor and it's dredging. Staff replied negatively that the master developer cannot support the harbor and cannot commit to funding dredging.

City Manager Hollister explained that there are not sufficient funds for the required deadline of summer 2011 for the disposal of the recently dredged material. Mayor Santos thought that the Shoreline Enterprise Fund had \$1.4 million in reserves. Manager Hollister replied that the general fund accelerated loan payments and other expenses as well as a decrease in revenues have left the fund without sufficient reserves.

The Committee requested a detailed report of the Shoreline Enterprise Fund revenues and expenditures for the next meeting.

## **2. Discussion Regarding Boat Harbor Basin**

Director Bakaldin affirmed City Manager Hollister's update on the Shoreline Enterprise Fund. He provided an overview of the past studies the City has done – privation, harbor reconfiguration, etc. – that the City has performed that have all led to the same conclusion that the City cannot sustain the expense of dredging the channel in order to operate a viable boat harbor. He stated that in order for Cal-Coast Development to proceed in its plans for the shoreline area, it needs to know what the inner basin will look five years from now. Cal-Coast has offered to pay half the cost of a study of alternatives for the basin.

Manager Hollister stated that over the years the City has performed numerous financial analyses and it's clear that the City cannot afford to continue to operate a boat harbor. The City now needs to have a shoreline planning expert provide other options that are available for the boat harbor. Manager Bakaldin recommended bringing in a third party consultant with experience in shoreline planning and familiarity with the Bay Conservation Development Commission (BCDC) regulations to identify possibilities for the current boat harbor as the possibility of letting it silt up is not desirable.

The Committee concurred. The success of a future development would be jeopardized by allowing mud to simply accumulate and the possible odors that would come with stagnant water. There must be a plan; silting-up is not an option. Discussion ensued regarding what a consultant can add to what the City already knows. Manager Battenberg replied that the services scoped for the consulting firm would require its expertise in environmental planning and cost analysis for the various alternatives. For example, discussion plans prepared by the developer included a small sandy beach area in the inner harbor. The consultant can provide analysis if that is environmentally and financially possible.

Director Bakaldin added that the City wants all options including what it would mean to leave the inner harbor area alone without disturbing it; how would natural tidal action and siltation fill in the basin. As BCDC has no experience in redeveloping a boat harbor area, the City will have to ensure that it works cooperatively to develop a creative solution.

Manager Hollister explained that Request for Proposal (RFP) will be prepared and posted for consulting groups.

Manager Battenberg explained that the Shoreline CAC is scheduled to meet on June 16th to comment on the most current discussion plan. At that meeting the CAC can also provide comments on the scope of work and that the CAC comments could then be shared with the Shoreline-Marina Committee at the June meeting.

The Committee requested that the proposed scope of services for a Basin Alternatives Study be brought back to the Committee at the June meeting, along with input from the CAC.

## **3. Public Comments**

Bob Leigh, Shoreline CAC member, asked that the study go to the Shoreline CAC for review and comments.

Al Frates, Shoreline CAC member, asked if the City has considered a small tax on the City's homeowners for the operation of the marina. Manager Hollister replied affirmatively that citizens were polled two years ago and the result was that only one-half of the voters would vote yes for the measure. This is less than the two-thirds that is required to pass a tax measure; thus a parcel tax was not pursued.

Caryl Ann Symons, Shoreline CAC member, recommended a similar poll be conducted and to model it this time after San Lorenzo Unified School District's bonds where every dollar amount is accounted for in public reports. If it is made clear that all of the funds are accounted for in a report to the public, this caveat could make a difference in obtaining the two-thirds requirement of the cast votes for approval of the tax.

Audrey Albers, Shoreline CAC member, stated that she does not want the harbor to deteriorate. There is not enough advertising or promotion of shoreline events. For example, no one knew of the recent sturgeon fishing derby that recently occurred. She is concerned because her interpretation of the recent discussion plans from Cal-Coast is that the harbor will be closed, the inner basin allowed to silt-up and be the setting for multi-story office buildings surrounding it. The marina is a great resource. She cited an example of its use by the U.S. Coast Guard a few days ago to practice rescue techniques in and under water. She recommended that the City consider keeping the harbor; dredge it and arrange with EBRP to take and receive the spoils.

Al Fernandez affirmed that it is less expensive to have dry storage for a small boat than renting a slip at the harbor and that it also amounts to less maintenance costs for the boat.

**4. Committee Member Comments** – None provided.

**5. Adjourn** - The meeting adjourned at 10:00 a.m.