

MEETING #14
CITY OF SAN LEANDRO
SHORELINE DEVELOPMENT CITIZEN ADVISORY COMMITTEE
(SHORELINE CAC)

April 20, 2011
7:00 p.m. – 9:00 p.m.
Marina Inn, 68 Monarch Bay Drive, San Leandro

MEETING NOTES

Committee Members: Audrey Albers, Clinton Bolden, John Carlson, Marie Chiu, Diana Cin, Dave Clark, Peggy Hynd Combs (Vice Chair), John Dilsaver, Tom Fitzsimons, Marilyn Fong, Alfred Frates, Adrienne Granger, Jeff Houston, Kevin Jones, Susan Leiga, Robert Leigh, Matt Maloon, Steve Modifer, Kent Myers (Chairperson), Michael Nolan, Christina Ramos, Carole Rinaldi, Caryl Ann Symons, Lee Thomas, Dan Walters.

Absent: Victor Chen, Michael Cook, Babs Freitas, Rezsine Gonzalez, Bob Haynes, Jr., Rebecca Jewell, Rene Mendieta, Gil Raposo, Victoria Robles, Ronnie Turner.

Consultants: Scott Cooper, Cal-Coast Development.

City staff: Public Works Director Michael Bakaldin, Business Development Manager Cynthia Battenberg, Facilities and Open Space Manager Debbie Pollart, Marina Supervisor Delmarie Snodgrass, Senior Development Specialist Elmer Penaranda.

Public present: Robert Fox, Kathe Frates, Dave Johnson (Chamber of Commerce), Allison Modifer, Meriam Reynosa (State Senator Corbett).

I. Call to Order

Chairperson Myers called the meeting to order at 7:00 p.m. Staff 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

A. Welcome new Members: John Carlson; Steve Modifer; and Christina Ramos

The new members introduced themselves briefly. Ms. Ramos stated her background as a traffic consultant; Mr. Carlson stated he is a third generation San Leandro resident and it was his first time to participate as an advisory board member; and Mr. Modifer stated he is a resident of the nearby Mulford Garden neighborhood.

B. Presentation of the Harbor Basin Alternatives

Business Development Manager Battenberg gave a brief introduction that the Harbor Basin Alternatives Study was presented to the City Council at its March 21st work session. At that meeting Council directed staff to bring the Study to the Shoreline CAC for review. The CAC is being requested to provide direction to Cal-Coast regarding basin redevelopment to enable Cal-Coast to perform a Financial Feasibility Study to determine if revenue may be available through a tax rebate agreement to implement one of the harbor basin alternatives. City Council ultimately would like a recommendation from the CAC on how to proceed.

Facilities and Open Space Manager Pollart and Public Works Director Bakaldin gave a powerpoint presentation which provided a summary of the Harbor Basin Alternatives Study and the Shoreline Enterprise Fund.

1. The purpose of the Study was to identify a range of practicable options for harbor uses should dredging discontinue, such as retaining aquatic recreational opportunities, coordinating with existing and potential landside uses, and being in equilibrium with the natural sedimentation processes. The Study also identified options for the City's Dredge Material Management Site (DMMS).
2. The topics analyzed for the Alternatives were: Recreation; Consistency with Cal-Coast's Plans; Sedimentation; Hydrodynamics; Technical and Regulatory Opportunities and Constraints (Permits), and Initial and Long-Term Maintenance Costs.
3. One of the four alternatives was 'No Action' where the harbor would eventually progress into a marsh (mud flats with mixed plants).
4. The other three alternatives were the: 'Marina Park,' 'Aquatic Park,' and 'Nature Park.'
5. The three alternatives had common development attributes:
 - Initial dredge and earthwork required
 - To varying degree, all alternatives would contain high and low marsh areas
 - High marsh areas designed with anticipated 10- to 17-inch sea level rise
 - Perimeter multi-use promenade
 - Retain existing Wes McClure Boat Launch, and overlook near Horatio's
6. Marina Park Alternative would include a reduced marina having 185 berths, beach, small marsh, and would require channel dredging every four years and berth dredging every eight years.
7. Aquatic Park Alternative would not have a marina. There would be initial dredging to create the high areas to create the high marsh and wildlife refuge areas; then it would be self-sustaining. Small hand- powered boating (i.e., canoes, kayaks, paddle boats) would be available.
8. Nature Park Alternative would be similar to the Aquatic Park Alternative however the small boating would be limited or restricted. The use and improvements would be more as an interpretive park which includes an interpretive center and boardwalks that span out over the marsh.

9. Capital and Operating Expenditures (over 15 years) by Alternative

<u>Alternative</u>	<u>Low</u>	<u>High</u>
No Action	\$ 6.1M	\$ 7.9M
Marina Park	\$33.5M	\$43.6M
Aquatic Park	\$15.7M	\$20.4M
Nature Park	\$18.6M	\$24.2M
Full Harbor*	\$38.2M	\$49.7M

*estimate by staff (dredge to -5 MLLW)

10. All alternatives propose to eventually discontinue use of DMMS.
11. Options for DMMS included: operating the DMMS for other disposers, enhancing it for a shorebird habitat, restoring it into a tidal marsh or seasonal wetland.
12. Shoreline Enterprise Fund has three divisions: Golf Course, Harbor Operations, and Shoreline Operations. Although the golf course operates with a net income, revenues are estimated to be less than previous years. The harbor and shoreline operations continue to operate at a net loss every year. The projected Fund balance on June 30, 2011 is \$0. There are outstanding loan amounts to CalBoat and the General Fund.
13. The CalBoat Loans were mainly for concrete docks and some miscellaneous expenses. There is a \$2.6 million balance.
14. The General Fund Loans were used for the golf course construction and dredging. There is approximately \$7.5 million balance remaining
15. The total shoreline debt is \$10.1 million.
16. The proposed Shoreline Development has progressed to Discussion Plan 6 which was supported in concept by the CAC. (Financial feasibility studies, regulatory agencies review, traffic studies, environmental review, etc. are still required).
17. The landside development plans have been placed on hold until the City determines a plan for the boat harbor basin.
18. Cal-Coast is agreeable to the following:
 - To evaluate the feasibility of including Aquatic Park improvements as part of the development project under a tax rebate agreement.
 - To evaluate the feasibility of including Marina Park improvements under a tax rebate agreement, excluding costs associated with dredging and boat harbor operations. (Tax Rebate agreement would dedicate future Transient Occupancy Tax, Sales Tax and ground lease revenue to repay the amount of investment plus reasonable rate-of-return.).
19. City Council has directed staff to work with Cal-Coast and the CAC to determine the Financial Feasibility of an alternative plan for the harbor basin and Discussion Plan 6. The goal is a recommendation from the CAC to the City Council on a comprehensive master plan for the Shoreline.

Discussion, including questions and answers, between the Shoreline CAC, staff and Mr. Cooper ensued (comments from the CAC are non-italic; comments from staff and Mr. Cooper are in *italics*).

- What is the developer's position on the boats and marina? Could the hotel/conference center be developed without the boats? *Mr. Cooper replied that the development could still be viable without boats and harbor.*
- Did the City Council's recommendation and direction have any limitations on the CAC? *No, the CAC can develop its own recommendation regarding the harbor, using the information within the Study and Cal-Coast's feasibility study.*
- Is it possible for the City's DMMS to accept other entities dredge materials? *No, the current permit does not allow it; the current permit would need to be modified by the Regional Water Quality Control Board (RWQCB).*
- Was there a Staff Report prepared for the City Council recommending the Aquatic Park alternative? *No. If the Council had directed staff to proceed with that alternative a staff report would have been prepared.*
- What level of quality of a hotel will an aquatic park alternative attract? *This will be analyzed in the Financial Feasibility Study. The different harbor alternatives will affect the type of hotels, restaurants and shops. This would result in different projected revenue streams depending upon the alternative.*

The following comments or recommendations were provided by the Shoreline CAC:

- A financial report should compare the value of hotels and restaurants adjacent to and having views of a harbor versus similar development next to a marsh.
- Dredging material and relocating it on to other parts of the Bay, such as the South Basin, to create what appears to be islands is a bad practice that would degrade the environment.
- The inner harbor should contain boats and not a marsh and wildlife.
- Table 4-9 in the Study shows that the various alternatives are most expensive the first five years, decreases slightly in the six to 10 year period and drops significantly after 10 years. The capital costs are what are so expensive in the beginning.
- It was motioned by Member Fitzsimons and seconded by Member Bolden that the developer prepares financial feasibility studies for the Marina Park and Aquatic Park Alternatives and how they affect Discussion Plan 6 components and its potential to generate revenues. The motion carried 24 ayes, one noe (member Albers).

C. Discussion of next step – Financial Feasibility Study

Business Development Manager Battenberg stated that the next step will be the developer's in depth analysis of all of the proposed development components in Discussion Plan 6 (i.e., hotel, restaurants, retail, leases, etc.) and how they could generate revenue to fund some of the costs related to implementing a boat harbor alternative. This would likely include two more CAC meetings.

D. Next Meeting Date.

The next Shoreline Development CAC meeting date is scheduled for May 18, 2011.

III. Public Comments.

Robert Fox recommended that the development proposal and the harbor basin alternative be put on a ballot and decided by the registered voters.

Chairperson Myers adjourned the meeting at 8:10 p.m.