

MEETING #16
CITY OF SAN LEANDRO
SHORELINE DEVELOPMENT CITIZEN ADVISORY COMMITTEE
(SHORELINE CAC)

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

M E E T I N G N O T E S

Committee Members: Peggy Hynd Combs (Vice Chair), Michael Cook, Marie Chiu, Dave Clark, Tom Fitzsimons, Marilyn Fong, Alfred Frates, Rezsine Gonzalez, Jeff Houston, Rebecca Jewell, Susan Leiga, Robert Leigh, Steve Modifer, Kent Myers (Chairperson), Christina Ramos, Carole Rinaldi, Lee Thomas, Dan Walters.

Absent: Audrey Albers, Clinton Bolden, John Carlson, Victor Chen, Diana Cin, John Dilsaver, Babs Freitas, Adrienne Granger, Bob Haynes, Jr., Matt Maloon, Rene Mendieta, Michael Nolan, Gil Raposo, Victoria Robles, Caryl Ann Symons, Ronnie Turner.

Consultants: Scott Cooper and Ed Miller, Cal-Coast Development.

City staff: Public Works Director Michael Bakaldin, Business Development Manager Cynthia Battenberg, Marina Supervisor Delmarie Snodgrass, Senior Development Specialist Elmer Penaranda.

Public present: Al Fernandez, Jane Grayson, Keith Hansen, Paul Johnson, Barbara Jue, Eric Kurhi, Lisa Pickford, Glen Sitz, Amy Sylvestri, John Watson, Audrey Velasquez (Marina Inn), Dave Johnson (Chamber of Commerce), Pauline Cutter (City Councilmember).

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. Discuss and Consider a Recommendation to City Council of a Conceptual Master Plan for Land-side and Harbor Basin Development at the Shoreline

Manager Battenberg reviewed the Shoreline CAC's process from its inception two and one-half years ago to date (see attached powerpoint slides). Cal-Coast projected that the Marina Park option would require a \$20 million initial capital investment and \$11.5 million for dredging over 20 years, which would result in a net cost to the City of \$11.13

million over 20 years. The Aquatic Park option, which requires a \$13 million initial capital investment, was projected to provide \$6.85 million in net revenue to the City over 20 years. The net difference between the two alternatives is \$17 million. It was recommended that the CAC continue its discussion and consider a recommendation to the City Council of a conceptual master plan for the land-side development and the harbor basin redevelopment.

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

- As the desire is to keep the boats and the harbor, is there anything that can prevent silt from coming into the inner harbor? *No. Tidal action and deposition is a natural occurrence in the Bay. Most of the deposition occurs at the opening of the harbor and along the shore. The least amount of deposition is the easterly half as shown on the plan for Marina Park alternative.*
- What does Cal-Coast need from the City? *Cal-Coast needs the City to approve a planned alternative for the inner harbor so when they negotiate future development projects with interested investors, they can demonstrate that there will be amenities in the inner harbor develop around. Without an approved plan for the inner harbor it will be difficult for a developer to obtain the necessary financing.*
- How long will it take to receive sales tax from restaurants and property tax revenue? *Perhaps 2016 since the process still involve entitlements such as environmental clearance, General Plan amendments, Zoning Code amendments, permits, and construction,*
- Clarify where the projected revenue in Cal-coast's feasibility analysis amounted to \$21- to \$27-million? *The amount would be generated via ground lease revenue and Transient Oriented Tax TOT (100% percent in years 1-5, 50% percent in years 6-10).*
- Is anyone proactive in obtaining funding for dredging and its disposal to maintain the marina? *Yes. Four to five years ago the staff studied various alternatives, which included consulting other marinas and harbors around the world for alternatives and funding concepts. The U.S. Congress has provided funding in the past however funds for recreational harbors are no longer available. The City has not neglected the marina as the City's debt shows it has made extreme efforts to dredge for the last 30 years and incurred debt it is still paying off.*

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

- It does not seem likely that an Aquatic Park will not require any more dredging in the future after there is the initial one to create it. Without dredging the Aquatic Park would likely not be viable for even shallow boating. An Aquatic Park is not good for the City. Try to keep the marina as long as possible and if the economy improves or the necessary financing becomes available, perhaps a portion of the marina can be maintained as shown on the Marina Park alternative.

- The Aquatic Park option appears irreversible due to the initial capital expense to create it. Persons with small boats such as kayaks seem to have no reason to use the inner harbor if it were allowed to be filled (too shallow) when there are other places to go to such as Jack London Square in Oakland. Try to maintain the boat harbor as long as possible and perhaps the new hotel conference center and the new residential development will bring in adequate revenue to dredge to maintain a partial marina.
- The City cannot let the inner harbor sit and be hopeful that the economy changes or there is a windfall of revenue. The City must be proactive; the Aquatic Park alternative is better than doing nothing at all.
- Perhaps the boat harbor can be maintained for the next five to six years. Don't rush to spend funds to dredge. Maybe work on the aquatic park can be deferred for 10 years. This is a long length of time to see if funding becomes available to save the boats or a portion of the harbor.
- *Mr. Miller, interjected that the marina may be maintained as long as possible however Cal-Coast needs a plan from the City for the inner harbor to development of the land-side.*
- The City has expended enough funding from its general fund and reserves. There have been no new Police officer hires and the City's streets continue to deteriorate. Boaters have benefitted from the City's expenditures for the marina and not the greater amount of citizens of San Leandro. The history of the harbor has proved that it cannot generate adequate revenue to sustain itself.
- The proposed hotel and restaurants need the harbor to draw patrons and make them profitable and successful destinations. Perhaps the cost of dredging is not or will not be as expensive in the future.
- The marina has inadequate cash flow. This has been its history in the last 50 years. It has not been self-sustaining.
- The public opinion poll that the City had conducted a few years ago showed that the marina is not a high priority for its citizens. Maintaining the marina is just not realistic.
- *Manager Battenberg interjected that some of the discussion suggested that once it was decided that the boat harbor is not a viable alternative due to silting and the lack of funding for dredging and disposal of the dredged materials, the action to construct the aquatic park alternative could commence. This appeared to be the consensus opinion.*
- There appears to only be two alternatives. 1) Be hopeful that there will be an expected source of funding and the boat harbor or a portion of it can be retained; or 2) Realize that there is no funding and recommend the aquatic park option.
- If people want a marina, their opinion should not be ignored. The marina park option is what the CAC should recommend.
- The CAC can't recommend yes on every alternative. It should be decisive on its recommendation.
- The marina harbor has been in existence for 46 years. The reality is that it will never make money. It appears evident that an aquatic park will not lose money.
- There was concurrence that the CAC should be decisive in its recommendation.
- The bond to finance the marina park alternative should go to voters. Let the public decide.

- *Mr. Miller interjected that if the matter goes to the voters it is the same as having no plan for the inner harbor due to the length of time and uncertainty of the ballot's outcome. The marina park option is a beautiful concept however after performing the financial analysis the conclusion is that it is not feasible. Mr. Cooper added that even if 100% percent of the TOT, hotel tax, is made available to fund the marina park alternative, it would still fall short of the revenue required.*
- There has been plenty of effort and analysis. The CAC should recommend what is best for the city and its residents. An aquatic park appears to be the right course.

Action:

The following motion was approved by the Shoreline CAC for the recommendation to the City Council:

- Support Discussion Plan 8 for the land-side development at the Shoreline and the Aquatic Park alternative for the harbor basin. (The motion was approved by 10 yes votes and 4 no votes.).

This motion was then revised as follows, which supersedes the recommendation above:

- Support Discussion Plan 8 for the land-side development at the Shoreline and that the City maintain the boat harbor for as long as feasible, then move to the Aquatic Park alternative should additional revenue not be found. (The motion was approved by 11 yes votes, 2 no votes, and 5 abstentions.).

B. Next Steps

Manager Battenberg stated that the next step will be the CAC's recommendation will go to the City Council at its September 26, 2011 work session and that would be followed up with the Council's consideration of Approval of a Conceptual Master Plan.

III. Public Comments.

An unidentified speaker in the audience protested that public comments were only allowed after the Shoreline CAC had already made its recommendation to the City Council.

Bob Fox recommended that the matter be put on a ballot for the voters to decide.

Al Fernandez stated that he believed that dredging would still be necessary to maintain an aquatic park in the future. There will always be deposition of silt in the inner harbor area. The islands inside it would trap silt. It will silt-up and become a swamp. The City should reconsider spending its large sums of money on Doolittle Drive and Foothill Boulevard landscape improvements. There is no monetary return on landscaped planters.

An unidentified speaker in the audience recommended that the necessary safety measures be considered as part of the Shoreline's master plan so that there is no incident of injury or death to persons coming to the shoreline. He wanted to prevent an incident similar to the drowning of his friend at an Alameda beach a few months ago.

Chairperson Myers adjourned the meeting at 9:10 p.m.