

**City of San Leandro**  
**Shoreline Development Frequently Asked Questions**  
**November 2011**

**1. Why is the City looking to develop the Shoreline?**

For more than fifteen years now, the City of San Leandro has made numerous attempts to develop the blighted former Boat Works and Blue Dolphin sites. These once vital sites are currently in disrepair and represent a missed opportunity. The community's vision for the shoreline includes redeveloping these sites with attractive and desirable amenities available to all San Leandro residents. Additionally, Federal grant funding to off-set the costs of necessary dredging of the two-mile channel which keeps the boat harbor navigable has dried up. Faced with significant budget shortfalls and no readily available funding for further dredging, the City Council is hopeful that landside development will help fund redevelopment of the boat harbor basin.

**2. Where is the proposed development going to occur?**

Development will occur on an approximately 40-acre portion of the 1,800 acre publically-owned shoreline. Development is concentrated at the Horatio's, Marina Inn, El Torito and former Blue Dolphin and former Boat Works sites. Marina Park, the par course, the championship golf course, the shoreline trail and marshes, etc. will remain as is. The Monarch Bay executive golf course will be retained and is proposed to be retained. To view the development area please [click here](#).

**3. Why is the City using a master development approach?**

In 2006 and 2007, the City evaluated how to best approach development at the shoreline. Past development efforts involved identifying the three main development sites and requesting proposals. The three sites were: 1- the former Boat Works site which currently fenced off; 2- the former Blue Dolphin site which is also fenced off; 3- the former boat launch site just north of El Torito. Although hotels and restaurants were proposed, final designs completed and City funding dedicated, in the end in each instance the developer was unable to obtain financing because they were unable to create necessary synergy between the uses to ensure that their project would be successful. In other words, the risk was too high. To mitigate the risk, the City Council decided on a master developer approach to allow complementary uses, the ability to phase a project and to encourage sufficient development to fund the needed infrastructure.

**4. How was the master developer selected?**

A Request for Qualifications was issued in 2008, and developers were evaluated on the following criteria:

- Quality of development team and experience.
- Experience developing restaurants and hotels.
- Demonstrated success in financing and developing waterfront projects.
- Demonstrated ability in working on a successful public-private development project involving new construction.
- Experience working with communities on highly political development projects.
- Vision (approach to identifying development mix).
- Ability to manage projects within schedule and budget.
- Willingness to participate in the funding of technical studies.

Following review of the proposals and interviews with the interested and qualified development teams, interviews with other communities, reference checks, and a preliminary analysis of financial strength, the City Council concluded that Cal Coast Development, LLC would be the best developer. While numerous teams were qualified, Cal Coast has extensive experience in the type of development that will likely occur. Additionally, Cal Coast has completed numerous long-term politically-sensitive projects.

**5. What is the contact information for the Master Developer?**

Edward (Ed) J. Miller may be reached at emiller@cal-coast.com or (310) 544-5900.

**6. What type of agreement does the City have with the developer?**

In October 2008, following a Request for Qualifications process, the City entered into an Exclusive Negotiating Rights Agreement (Original ENRA) with Cal Coast Development, LLC (Cal Coast) for the master development of approximately 40-acres along San Leandro's shoreline. The agreement was for an initial term of 18 months, and the option to extend an additional 18 months was exercised in June 2010. The agreement terminated as of October 20, 2011.

Over the past three years Cal Coast has worked in partnership with the City and an approximately 33 member Shoreline Development Citizens Advisory Committee (CAC) to develop a Conceptual Master Plan for the shoreline area.

A new Exclusive Negotiating Rights Agreement (ENRA) to proceed with the design, entitlement and negotiations necessary to bring the Conceptual Master Plan to fruition has been negotiated and was brought to City Council for action on April 2, 2012. The ENRA does not commit the City to approving the entitlements or leasing the land to Cal Coast. The ENRA does outline Cal Coast's and the City's responsibilities in terms of moving forward with developing the shoreline consistent with the Conceptual Master Plan. The City, as the property owner, and the Citizens Advisory Committee will be involved in this approximately three year process. Additional Town Hall meetings and Council work sessions will occur over the next few years to gain community input.

**7. How was public outreach incorporated into the planning process?**

The City Council Shoreline-Marina Committee meetings were opened to the public in 2007. To date, 25 committee meetings have been held along with six Town Hall meetings and five City Council work sessions.

To ensure the proposed development reflects the desires of the community at large, a Shoreline Development Citizens Advisory Committee (CAC) was established following an application process. The CAC includes city-wide and stakeholder representation. The CAC has met 16 times over the past two and a half years, attended Town Hall meetings and provided guidance to the developer. The proposed Conceptual Master Plan is based on CAC input and supported by the CAC.

The agendas, presentations, reports and highlights from the Shoreline-Marina Committee meetings, Town Hall meetings and CAC meetings are available on the City's website as well as relevant consultant reports and studies.

**8. What role did the Citizens Advisory Committee (CAC) play in the development of the Conceptual Master Plan for the site?**

The CAC, selected by the City Council, worked diligently to learn about the challenges and opportunities for development at the shoreline. Over the course of two and a half years, the CAC learned about past development attempts, the finances of the Shoreline Enterprise Fund, results from a statistically significant public opinion poll regarding revenue for dredging the marina, potential traffic impacts from development, and environmental constraints. The CAC created development concepts which Cal Coast used as a starting point in developing a master plan for the area. Cal Coast incorporated CAC input in the various discussion plans created and in the design elements.

Although not originally included as part of the CAC's mission, the City Council requested CAC assistance in evaluating a plan for the redevelopment of the boat harbor basin. The CAC evaluated Cal Coast's financial feasibility study in order to make a recommendation for basin redevelopment.

**9. What were the steps taken to develop the Conceptual Master Plan?**

An outline of steps taken to develop the Conceptual Master Plan follows:

- Analysis of the Shoreline Enterprise Fund and options for the boat harbor, such as privatization.
- Research of other bay area boat harbors to learn about their challenges and plans and shed light on opportunities.
- Completion of an Environmental & Regulatory Constraints Analysis for the shoreline.
- Exploration of dredging options.
- Execution of a statistically significant public opinion poll to determine support for a \$60 parcel tax to dredge the boat harbor and channel. The poll showed there was not sufficient support for the parcel tax.
- Determination that a master developer approach would be best to ensure synergy between the uses, proper phasing and to mitigate the financial risk.
- Issuance of a Request for Qualifications for a Master Developer, evaluation of the proposals and ultimate selection of Cal Coast Development, LLC. Click here for a powerpoint presentation of projects by Cal Coast. Cal Coast's website address is: [www.cal-coast.com](http://www.cal-coast.com)
- Establishment of a Shoreline Development Citizens Advisory Committee (CAC) to provide input to the developer. The CAC's mission was to work with Cal Coast on a recommendation for the landside development.
- CAC education - Economic Development Overview 1995-present; Future of the Boat Harbor; Shoreline Enterprise Fund; Traffic Circulation and Access.
- In-depth analysis of dredging alternatives.
- CAC group exercise to develop three design concepts (group 1 design concept, group 2 design concept, group 3 design concept) for development.
- Cal Coast creation of initial discussion plans and input from CAC.
- Completion of a "fatal flaws" analysis, including meetings and presentation by Bay Conservation and Development Commission regarding permitting, preliminary traffic analysis, and meetings with American Golf Corporation regarding future plans.

- City retains John Harbottle, golf course architect to develop reconfiguration concepts for the Monarch Bay 9-hole executive course to create potential sites for residential development along Monarch Bay Drive and within the golf course.
- Cal Coast creation of Discussion Plan 6. CAC poll taken a all but one member is generally supportive of Discussion Plan 6.
- Cal Coast architectural design study and minor modifications resulting in creation of Discussion Plan 8.
- Cal Coast requests information from City Council on future of the boat harbor basin in order to proceed with development.
- Development of a Harbor Basin Alternative Study to shed light on other options for the basin and estimate costs of the various options.
- City Council presentation of study results and request for input from CAC on redevelopment of the harbor basin.
- Cal Coast preparation of a financial feasibility study to determine if ground lease revenue from development can support initial capital investment required by the Aquatic Park and Marina Park alternatives.

Based on that information, the CAC made their recommendation to “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 Conceptual Master Plan represents Discussion Plan 8 and the Aquatic Park alternative.

#### **10. Does the Conceptual Master Plan retain the boat harbor?**

The main cost of operating the boat harbor is dredging the channel and the harbor basin. The U.S. Army Corps of Engineers is only authorized to dredge the channel, while the City is responsible for dredging the harbor and disposing of all dredge materials. The City has successfully lobbied Congress for special federal dredging assistance in the past. This has been challenging since the San Leandro Marina does not meet the Corps funding criteria for their dredging program. Unfortunately, the Army Corp has informed the City that Federal funding is extremely limited and is now being directed to commercial harbors and levee projects and there is no longer funding available for recreational harbors like ours.

The cost of this dredging and disposal of the dredge materials is \$1.5 - \$2 million annually. While the berthing rates cover the costs associated with operating a boat harbor, there is no funding available for dredging, dredge material disposal or the debt service currently required on past loans to expand the harbor and loans for dredging.

#### **11. What about establishing a Parcel Tax or other financing mechanism to pay for dredging?**

In 2007, the City retained Godbe Research to conduct a statistically significant public opinion poll to determine if people would be willing to approve a parcel tax to fund dredging of the boat harbor. The results showed that although people think the boat harbor is an asset, they are not willing to tax themselves to pay for it. The poll (live link) also showed that the boat harbor ranked significantly lower than other public services such as police, fire, streets, and libraries.

The recommendation from the CAC for development included a recommendation to the City to continue to operate the boat harbor for as long as feasible and then to move to the Aquatic Park option should needed funding for dredging not be found.

**12. When was the channel last dredged?**

In 2009, the Army Corps of Engineers completed a partial dredge of the bay channel after eight years of City lobbying Congress for the funding. The partial dredge was to five feet plus one foot, as opposed to the standard dredge depth of seven feet plus one foot. The harbor was not dredged due to the lack of local funding. The City is now responsible for removing the material dredged from the channel in 2009 from the dredge disposal site. Disposal alternatives are being explored as the Shoreline Enterprise Fund does not have the approximately \$2 million for transportation of the approximately 95,000 cubic yards of materials to nearby Oyster Bay Regional Park or another acceptable location.

**13. Did the City look at other options to keep the boat harbor?**

In 2010, the City and Cal Coast shared the cost of a Harbor Basin Alternative Study which provided information, including costs, of three different possibilities for the harbor basin that retained the aquatic recreational opportunities, coordinated with existing and potential landside uses and which were intended to be in equilibrium with the natural sedimentation process in the harbor. One option explored was a Marina Park Alternative which was a reduced size, approximately 200-slip, marina with dredged materials to be deposited in the harbor basin and the south basin. A natural shoreline with pedestrian promenade with vegetative transition along the western portion of basin was part of the alternative. Unfortunately, this alternative had an estimated cost to the City of \$11 million plus over a 20-year period of time and therefore was not recommended. Based on the financial feasibility study, the CAC recommendation, affirmed by the City Council, is 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 to dredge.

The desire to retain boating activities remains strong and should funding be available in the future, boating activities will likely remain at the shoreline.

**14. Can the City or Cal Coast fill in the boat harbor?**

Filling in the Bay would only be approved by the Bay Conservation and Development Commission (BCDC) for projects that have substantial public benefits, such as airport runway and freeway expansions, port development, recreational opportunities, and creation of public access. The Conceptual Master Plan does not include a proposal to fill the bay; however, BCDC, who has jurisdiction over all the water-covered areas of the Bay as well as a 100-foot-wide band measured back from the shorelines, will need to permit the development.

**15. Has an environmental study and report been done on this current proposal?**

A comprehensive environmental analysis, called an Environmental Impact Report or EIR, is a necessary next step in the process and will consider the impacts of the project. The EIR will take 18-24 months to complete and the cost will be paid by the developer. The EIR is a public document and includes a period for public review and comment.

**16. Did the City research the Environmental & Regulatory Constraints of the site?**

To assist the City early on in determining development alternatives for the area, in 2007 the City retained ESA in 2007 to perform an Environmental and Regulatory Opportunities and

Constraints Analysis. ESA was selected because of their expertise in environmental work and specific knowledge of the San Leandro Shoreline Marina Area.

The report includes a preliminary environmental outline of issues and related constraint levels for potential development. It provided important background information in order to determine alternative uses for the boat harbor and overall development constraints for the proposed development area.

**17. What environmental regulatory agencies are involved in the development of the Shoreline?**

There are many regulatory agencies that will be involved with the development of the Shoreline area, such as the Bay Conservation and Development Commission (BCDC), U.S. Army Corp of Engineers (ACOE), Regional Water Quality Control Board (RWQCB), U.S. Fish and Wildlife Service, and the California Department of Fish and Game, to name a few. Waterfront development is a major undertaking, with various constraints.

The California Environmental Quality Act (CEQA) process is very involved and is in place to ensure environmental factors are considered for the proposed master plan. (See question 14 - Has an environmental study and report been done on this current proposal?)

**18. Does the Conceptual Master Plan take into consideration sea level rise from global warming?**

There is general consensus from the scientific and regulatory community that development should plan for a 16 inch rise in the sea level by 2050 and include provisions for an up to 55 inch sea level rise by 2100. The Conceptual Master Plan takes this into consideration.

**19. How will the golf courses be affected?**

The Tony Lema 18-hole championship golf course will not be affected. The Conceptual Master Plan, however, envisions the reconfiguration of the 9-hole executive course. The original golf course architect, John Harbottle, was retained to redesign the course to provide additional developable space. The new design (Concept C of the Reconfiguration Concepts) is sensitive to maintaining the present quality and performance of the current executive course and respects the City's ordinance which requires protection of the monarch butterflies who winter on the golf course. The reconfiguration allows for up to 132 homes to be included in the Conceptual Master Plan on undeveloped land along Monarch Bay Drive, on the corner of Fairway Drive and Aurora Drive, and on land within the course after it is redesigned. American Golf Corporation, the operators of the Monarch Bay Golf course which is owned by the City, have indicated that they are amenable to allowing the course to be redesigned to allow for additional development.

**20. Is the shoreline part of a redevelopment area?**

No. None of the approximately 1,800 publically owned acres at the shoreline are part of a redevelopment project area.

**21. How many berths are there at the current Marina?**

The marina currently has a 465-berth boat harbor which is currently approximately 40% occupied.

**22. Who operates the Marina, the City or a private company?**

The Marina is owned and operated by the City of San Leandro. The City has explored the possibility of leasing the marina to a private operator. There was interest; however, private operators have been unwilling to take on the dredging of the two-mile channel and the dredged materials disposal which is currently estimated to cost an average of \$2 million annually. Additionally, private operators were interested in building a large dry-dock facility at the shoreline.

**23. Is Cal Coast the developer that the City of Alameda used for the redevelopment of the former naval base?**

It is not the same developer, nor the same process.

**24. What are the next steps and timeline for the shoreline development?**

The development of the Shoreline is a multi-year process involving significant environmental review by multiple agencies and extensive community input. The next steps for the continued development of the shoreline include the adoption of an Exclusive Negotiating Rights Agreement with Cal Coast to proceed with the CAC recommendation for the Conceptual Master Plan. Cal Coast could then initiate the entitlement process and submit a formal planning application. Discussions would begin with the various local, state and federal agencies on required discretionary permits. The preparation of an Environmental Impact Report (EIR) would be required, and Council would need to adopt any land use entitlements. City staff would also need to negotiate a Development Agreement with Cal Coast which would require market studies, financial pro-forma, negotiated ground lease rates, phasing, etc. These steps are expected to take approximately three years.