



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
December 16, 2009**

TO: Mayor and City Council

FROM: Michelle Wierschem, Recreation Manager
Karen L. Majors, Assistant City Manager

SUBJECT: Martinez Marina Operations and Reconstruction Project

DATE: December 10, 2009

RECOMMENDATION:

- A. Approve extension of the Marina Management Lease agreement with Almar for operation and management of the Martinez Marina for 1 year (January 1, 2010 to December 31, 2010).
- B. Adopt Resolution authorizing the City Manager to negotiate and execute an agreement with the Department of Boating and Waterways for the City to receive reimbursement of costs via the Abandon Watercraft Abatement Grant.
- C. Adopt a resolution authorizing the City Manager to negotiate and execute a consultant services contract with AnchorQEA to perform engineering services for the Marina Reconstruction Project not to exceed \$200,000.
- D. Approve renewal of the land lease agreement with the Yacht Club for a year (January 1, 2010 to December 31, 2010).

BACKGROUND:

The City is moving forward on several fronts with the Marina project in anticipation of getting a new lease from the State Lands Commission that allows the marina project to continue in a timely manner. Progress beyond the lease agreement includes:

- 1. Completing further technical/design studies on the Marina
- 2. Preparing for the permitting process
- 3. Continuing to refine the marina's financial model to identify additional cash flow opportunities

The scope of work to be performed by AnchorQEA includes further technical studies and design review on the breakwater wall, Marina basin and drainage ponds as well as some pre-permitting activities. The City has money in the Marina Administrative Fund that is set aside for such

expenditures and is projected to cash flow with sufficient funds to pay for the technical studies/design review and permitting for the entire entitlement portion of the project; however, Department of Boating and Waterways (DBW) loan funding will be needed to prepare construction documents for improvements.

Both the master agreement with Martinez Marina Limited Partnership (MMLP) and Department of Boating and Waterways (DBW) loans are dependent on the City having a long term lease with the State Lands Commission. The City met with the State Lands Commission Staff on November 30th to discuss the valuation of the Marina and the next steps in negotiating a new lease agreement on the February 2010 State Lands Commission Agenda.

In this discussion State Lands Commission staff gave a range of rents based on the appraisal report prepared for the City. State Lands Commission staff indicated that public benefit considerations could be applied to justify a reduction in rent. City staff compiled a description of regional and statewide benefits (*Attachment A*) for the State Lands Commission staff review. City staff will meet with Chie of the Land Management Division of the State Lands Commission on December 14th to review the public benefits of the marina and further discuss rents and lease terms in preparation for the February State Lands Commission meeting.

In addition to requesting approval by City Council for the proposed contract with AnchorQEA, staff is also recommending approval of a contract extension with Almar for management of the City's Marina and a land lease renewal with the Yacht Club for use of the land area adjacent to the Yacht Club. The last item of business requires adopting a resolution accepting a \$30,000 grant from the Department of Boating and Waterways (DBW) for the abatement of abandon watercraft.

Almar Operations and Lease Extension thru 2010

The Marina is currently operated by Almar Marine Management which is part of the marina partners Martinez Marina Limited Partnership, MMLP. They manage 225 slips in the Marina and have turned the cash flow around from a mere \$6,000 per year to over \$170,000 net cash flow to the City.

Additionally, Almar has cleaned-up Marina operations by disposing abandoned boats, removing people camping illegally in the Marina, refurbishing portions of the Marina docks, adding a water pump valve to more evenly distribute water pressure in the hoses and continue to implement clean Marina practices.

Notable recent accomplishments of Almar's management of the Marina include obtaining a Clean Marina Certification (May 2009); and more recently, applying for and receiving a grant for \$30,000 from the Department of Boating and Waterways to dispose of abandoned boats in the Marina.

In June, 2009, Tom Hogan of Martinez Marina LP requested City Council approval to extend the Sub-Lease until December 31, 2009. The Sub-Lease allows an extension of the "Original Entitlement Period" for up to five years if all required entitlements have not been secured. The City Council agreed to a six month extension to in June 2009. This will be the third extension.

This extension is needed until such time as a master agreement can be negotiated with the

MMLP of which Almar is a partner. This agreement is contingent upon successful land lease negotiations with the State Lands Commission for a new land lease for the Marina. The next meeting with the State Lands Commission staff is scheduled on December 14th with the goal of bringing a lease agreement proposal to the February 2010 meeting of the State Lands Commission for approval.

Given the excellent work of Almar and the amount of work that needed to be completed to complete agreements with the State and MMLP, City staff is recommending a one year extension of the Alamar contract to manage the marina.

The proposed Sub-Lease extension is essential so that the State Lands Commission lease can be completed and the professional management of the marina can resume in the meantime.

Yacht Club Land Lease Renewal

The Yacht Club has a separate agreement for use of land surrounding the Yacht Club for activities and events. The initial lease term began on January 1, 2009 and was set for one year to expire on December 31, 2009. Staff is recommending that the lease be renewed for one year January 1, 2010 to December 31, 2010, at which time the area being used can be assessed in relation to the proposed land improvements with the Marina Master Plan renovation to ensure there are no conflicting uses.

Department of Boating and Waterways (DBW) Abandon Watercraft Grant

Almar Management's Harbor Master, Craig Paulsen, completed a grant application with DBW enabling the City to receive reimbursement money from DBW for dismantling and disposal of abandon watercraft in the marina. The City has been incurring costs for the removal of these vessels which have been coming primarily out of the Marina operating budget. Some additional costs are also incurred by the Public Works Department as well.

It is estimated that a boat removal can cost between \$1,000 and \$3,000 depending on the size of the vessel and materials contained with the watercraft. There are plans to dispose of five abandoned vessels in the marina this year. By entering into an agreement with the DBW the City will be able to recoup most of these costs. The cap on reimbursement is \$30,000 and is available for 15 months.

Reconstruction of the Marina

The City has a desire to improve the quality of life and create a sense of place in the community by reconstructing the Marina. Currently the Marina is in a declining state. The docks are deteriorating, the breakwater needs repairs, and improvements to the entrance are needed to slow the deposit of silt.

In an effort to revitalize the Marina the City created a Marina Master Plan and selected a private partner, Martinez Marina LLP to operate the Marina and share costs while making improvements to the marina. Planned improvements include:

- **Waterside Improvements**
 - Repair of breakwater wall and reconfiguration of entrance
 - Design/expansion of basin to accommodate more boating slips
 - Complete dredge of the basin
 - New ADA accessible concrete docks
 - Improving access to utilities
 - Expanded use of the Disposal Ponds
 - Fuel Dock

- **Landside Improvements**
 - Adding a pad and finding a proprietor to build a restaurant
 - Remodeling the Harbor Masters Building
 - Adding a boat storage and repair facility
 - New Bait and Tackle shop
 - Restrooms with lockers
 - Parking lot improvements
 - Landscaping

Funding will come from loans through the State Department of Boating and Waterways (DBW), Marina cash flow and private investment.

The total project is estimated to cost **\$23,480,805**. MMLP share of the project cost is **\$14,157,350** and the City's share is **\$9,323,455**. Once completed and fully operational the estimated net income over time to the City could exceed **\$200,000** per year.

Some work has been completed that supports the revitalization of the Marina and includes:

- Removal of the Ferry Pier
- Plaza Improvements
- Expansion of the Launch ramp
- Phase I Technical Studies

City Staff also proposes that additional technical studies for the Marina be completed while negotiating a new lease agreement with the State Land Commission. It is the goal of staff to be well on our way to completing these studies for the project once the lease agreement has been approved.

This will allow the permitting phase to continue on until the new lease agreement has been approved. A new lease agreement with State Land Commission as well as having permitting activities underway will provide DBW with the documentation needed to draw down our new loan commitments.

Technical Studies and Permits

There were four phases of work identified by Moffatt Nichol to provide entitlements and construction documents for improvements to the Marina. The improvements to the Marina require permits and approvals from a number of agencies including the Department Army Corps of Engineers, San Francisco Bay Area Conservation and Development Commission (BCDC),

State Lands Commission to name a few. The engineering and technical studies for the project included:

Phase I – Technical Studies, CEQA and Permit Application

Assess the existing conditions of the Marina, breakwater wall and dredge ponds. Prepare a technical feasibility study to include the conceptual design of the breakwater improvements including projected costs. Assess disposal ponds capacity and replacement of docks. There was substantial analysis of dredge sediment undertaken to prepare for dredging permits. Phase I also included an initial study and the mitigated negative declaration pursuant to CEQA that is required for submission to the DMMO for dredging and JARPA application for the breakwater and dock improvements.

- **Phase II- Permit Processing and Response to Permitting Agencies**

Permit processing with all applicable agencies. Once an application is submitted the permitting agencies then ask questions about the project and may ask for additional information.

- **Phase III- Construction Documents, Cost Estimates and Bid Specifications**

During this phase of the project, plans and technical specifications along with estimates of probable costs for the improvements are developed. The final product is Final bid documents for the City to solicit bids from contractors.

- **Phase IV- Building Permit**

Provide technical expertise to coordinate a building permit from the City

Moffat & Nichol Contract Review

Moffat & Nichol completed the first phase of the contract. Moffatt Nichol provided technical studies for the dredge, disposal ponds and breakwater wall as well as design recommendations, cost estimates and some permits. The following is a summary of permits obtained:

- DMMO a division of US Army Corps of Engineers, approved the permit #35 for 100,500 CY of dredging. The permit is valid until 4/23/13
- BCDC permit # M81-93 is valid for 100,000 CY dredging with work to be completed by 10/28/13
- CA Regional Water Quality Board approved dredging 100,000CY with project completion date of 12/31/13

All aspects of the contact for phase I were completed by Moffat & Nichol except the JARPA application which deals with entitlements for the basin and breakwater design and dock replacement. This application was not submitted because the City did not have a lease agreement that spanned the life of the project from the State Lands Commission.

The City expended \$259,543 of the \$273,890 contract. The contract savings of \$14,437 is reflective of the savings realized from the JARPA application not being submitted.

The goal of phase I work which Moffatt Nichol performed was to characterize overall existing conditions of the Marina, specifically they were to determine:

- The amount and quality of dredge material
- To formulate conceptual ideas for repair of the breakwater wall, basin design and installation of new docks
- Provide preliminary estimates of the cost for improvements
- Complete a Mitigated Negative Declaration to conform to CEQA
- Begin the entitlement process for dredging, breakwater repairs and dock replacement

The information the City received from Moffatt Nichol was a big picture view of the Marina issues and potential solutions. Before moving forward with phase II Permitting, it is in the City's best interest to get additional information on the breakwater repair approach and how to maximize the use and capacity of the dredge ponds before completing a permit with JARPA. These studies were not part of the phase I scope of work and are intended to:

- Facilitate less costly construction and maintenance options for the Marina
- Generate more accurate cost estimates for construction
- Ensure a comprehensive and more efficient permitting process
- Help to further minimize short term and long term impacts to the environment

A Selection AnchorQEA and Contract Review

The work that Moffat & Nichol completed allowed the City to better understand the constraints and opportunities regarding the repairs to the Marina. However there are concerns including:

1. Some of the design options while viable could be improved
2. Additional environmental impacts may surface during the permitting phase
3. High cost estimates.

These concerns have prompted the City and MMLP to recommend these further studies be performed.

One of the reasons the Marina reconstruction engineering work was divided into phases was to allow for changes in consultants if it was in the best interest of the overall project. It also allows for further consideration of design options before going into the permitting phase of the project.

Three engineering firms were invited to provide bids on these studies, Moffatt & Nichol, Bluewater Group and AnchorQEA. Only AnchorQEA provided a proposal and cost estimate for these studies.

AnchorQEA is being recommended to provide a peer review of the breakwater and basin design concepts provided by Moffatt & Nichol, give a detailed engineering plan of the dredge ponds to expand capacity as well as provide a pond management plan and position the City for a more efficient and successful permit application process.

AnchorQEA is known for their innovative approach. They work backwards from environmental constraints into designs that meet the goals of their clients while minimizing potential environmental impacts. The Project Manager for the City's contract with AnchorQEA is Josh Burnam, who used to be the Senior Regulatory Project Manager for Permitting for the Army Corps of Engineers.

The advantages of AnchorQEA are:

- AnchorQEA has less overhead, resulting in a cost savings on the contract.
- Their team of consultants are engineers and support staff that used to work for the Army Corps of Engineers in the permitting division. This experience will give the City a distinct advantage in obtaining permit approval for innovative solutions such as the doubling of the capacity of the drainage ponds.
- Going with a different consultant allows for peer review of the most critical and costly construction component of the Marina the basin dimensions and breakwater repair.

AnchorQEA's work will incorporate the data and reports already generated by Moffatt & Nichol to complete the work products for this contract. The work proposed by AnchorQEA is as follows:

- Breakwater Evaluation
- Investigation and Improvements to Disposal Ponds
- Delineations and Biological Reports
- Basin Design Considerations and Dimensions review
- Permit Agency Consultations

It is estimated that pursuing further studies and design modifications now, could result in a cost savings of **\$240,000 to \$470,000** in the entitlement and construction phases of the Marina reconstruction.

Further savings will also be realized in years to come with each dredge with a long term approval permit for regular use of our disposal ponds. The work is scheduled to begin in January 2010 and end in May 2010. The project costs are estimated to be \$117,323. A project schedule is shown in ***Attachment B***.

Barring any other considerations, the City would then want to contract with AnchorQEA for completions or remaining permits. AnchorQEA is also qualified to complete the permitting phase of the project with JARPA and an estimate of approximately \$80,000 was given for this work.

FISCAL IMPACT:

The project is budgeted under Account No. 7800922 for technical and permitting contract with AnchorQEA for the Marina Reconstruction Project.

<u>Budget</u>	<u>Amount</u>
Technical Studies & Review	\$90,000
Agency Consultation	\$21,000
Permit Processing	\$83,000
Project Management	\$6,000
Total Project Budget	\$200,000
<u>Funding</u>	<u>Amount</u>
Marina Revenue Cumulative Net to FY 10/11	\$263,000
Total Project Funding	\$200,000

ACTION:

- A. Approve extension of the Marina Management Lease agreement with Almar for operation and management of the Martinez Marina for one year (January 1, 2010 to December 31, 2010).
- B. Adopt Resolution authorizing the City Manager to negotiate and execute an agreement with the Department of Boating and Waterways for the City to receive reimbursement of costs via the Abandon Watercraft Abatement Grant.
- C. Adopt a resolution authorizing the City Manager to negotiate and execute a consultant services contract with AnchorQEA to perform engineering services for the Marina Reconstruction Project not to exceed \$200,000.
- D. Approve renewal of the land lease agreement with the Yacht Club for a year (January 1, 2010 to December 31, 2010)

Attachments: Resolution for Agreement with Department of Boating and Waterway
Resolution for Contract Services with AnchorQEA
Attachment A – Regional Benefits of Martinez Marina
Attachment B– AnchorQEA Work Schedule

APPROVED BY:



City Manager

RESOLUTION NO. -09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARTINEZ APPROVING AN AGREEMENT WITH THE DEPARTMENT OF BOATING AND WATERWAYS TO RECOVER THE CITY'S COSTS FOR DISMANTELING AND DISPOSAL OF ABANODON WATERCRAFT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME

WHEREAS, City of Martinez has plans to dismantle and dispose of five abandon watercraft in the City's marina this year and expect more in coming years; and

WHEREAS, City of Martinez has been incurring the costs associated with dismantling and disposing of abandon watercraft in the City's marina; and

WHEREAS, the Department of Boating and Waterways (DBW) has, awarded the City grant funds up to the amount of \$30,000 to reimburse the City for these costs; and

WHEREAS, the Department of Boating and Waterways (DBW) has asked the City to enter into an agreement for dispersal of the reimbursement payments to the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez hereby authorizes the City Manager to execute an agreement with the Department of Boating and Waterways (DBW) for reimbursement of costs associated with the dismantling and disposal of abandon watercraft in the Martinez Marina when the required insurance and other contract documents have been reviewed and approved by City Staff and City Attorney.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on 16th day of December 2009, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

RESOLUTION NO. -09

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONSULTANT SERVICES CONTRACT WITH ANCHORQEA FOR THE MARTINEZ MARINA RECONSTRUCTION PROJECT IN AN AMOUNT NOT TO EXCEED \$200,000

WHEREAS, the City Council of the City of Martinez has authorized the reconstruction of the Martinez Marina at Waterfront Park using Marina Revenue and public loans; and

WHEREAS, the City follows federally mandated **Qualifications-Based Selection** procedures in selecting a design professional for major projects; and

WHEREAS, the City has solicited Statements of Proposals for technical studies for the marina; and

WHEREAS, received one proposal for technical services from a highly qualified firm; and

WHEREAS, the City has checked references of this firm; and

WHEREAS, it is in the City's best interest to perform a peer review of prior engineering design work completed on the marina; and

WHEREAS, this firm is qualified to complete the permitting phase of the Marina Reconstruction Project

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez that the City Manager is hereby authorized to negotiate and execute a contract not to exceed \$200,000 with AnchorQEA, and execute a standard consultant services contract when the required insurance and other contract documents have been reviewed and approved by City staff and City Attorney.

BE IT FURTHER RESOLVED that should the City Manager be unable to negotiate a mutually agreeable contract with the AnchorQEA he is authorized to negotiate and execute a standard consultant contract with another qualified engineering firm as necessary.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 16th day of December, 2009 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

Description of Martinez Marina Regional and Statewide Benefits

Supports Regional Recreational Boating and Fishing Activities

- Martinez is 32 miles northeast of San Francisco and 50 miles from Sacramento. Martinez provides convenient access to Delta and San Francisco Bay via the Carquinez Straits. The Sacramento-San Joaquin Delta and San Francisco Bay Area waterways are in the top three most popular waterways in California according to the 2002 Cal Boating Facility Needs Assessment. Contra Costa County has a population of 1,024,000.
- Over 6,000 boaters use the Martinez Marina each year and an average of 200 boats rent slips in the marina. Attached is a chart showing the areas slip renters come from thus reflects the regional use of the marina. The top four regions slip renters reside come from are:
 - 37% East Bay (San Francisco Bay) serving primarily Contra Costa County
 - 36% City of Martinez residents
 - 14% Greater San Francisco Bay Area
 - 7% Northern California Inland areas from Sacramento to Redding to the Sierra Foothills
- The Martinez Marina is one of only two marinas providing direct access to the Carquinez Straits. Martinez is the only marina in Contra Costa County that provides access to a major freeway (Hwy 680) near the Carquinez Straits. The other access point is Crockett Marine Service Inc. This is a small privately owned/operated launch area and service site.
- The Martinez Marina is a hub for charter fishing boats in the winter. The Carquinez Strait is a prime fishing area in the winter.
- The Martinez Marina is home to a local Sea Scouts program of which only a handful exist in the Contra Costa County. This program serves youth from 14 – 20 years of age, from all over Contra Costa County.

Plays Critical Role in Public Safety and Emergency Response

- The Martinez Marina provides water access for water enforcement and safety services for the Coast Guard, Contra Costa County Sheriff's Department and CHP Boating Division.
- The Martinez Marina provides berths for 11 spill response vessels for three response operators that serve not only respond to these refinery spills, but spills all over the Northern California region.

There are refineries in the area that ship petroleum products via the Carquinez Strait. There are five oil refineries in the nearby area, two in Martinez, Shell refinery and Tesaro refinery that regularly use the Carquinez Straits, and three other refineries in the region, Chevron (Richmond), Valero (Benicia), Conoco Phillips (Rodeo).

 - 1 National Response Center Boat
 - 3 Cal Boating Response Boats
 - 7 Marine Spill Response Corporation Boats

- Caltrans uses the marina for water access to inspect the bridges.

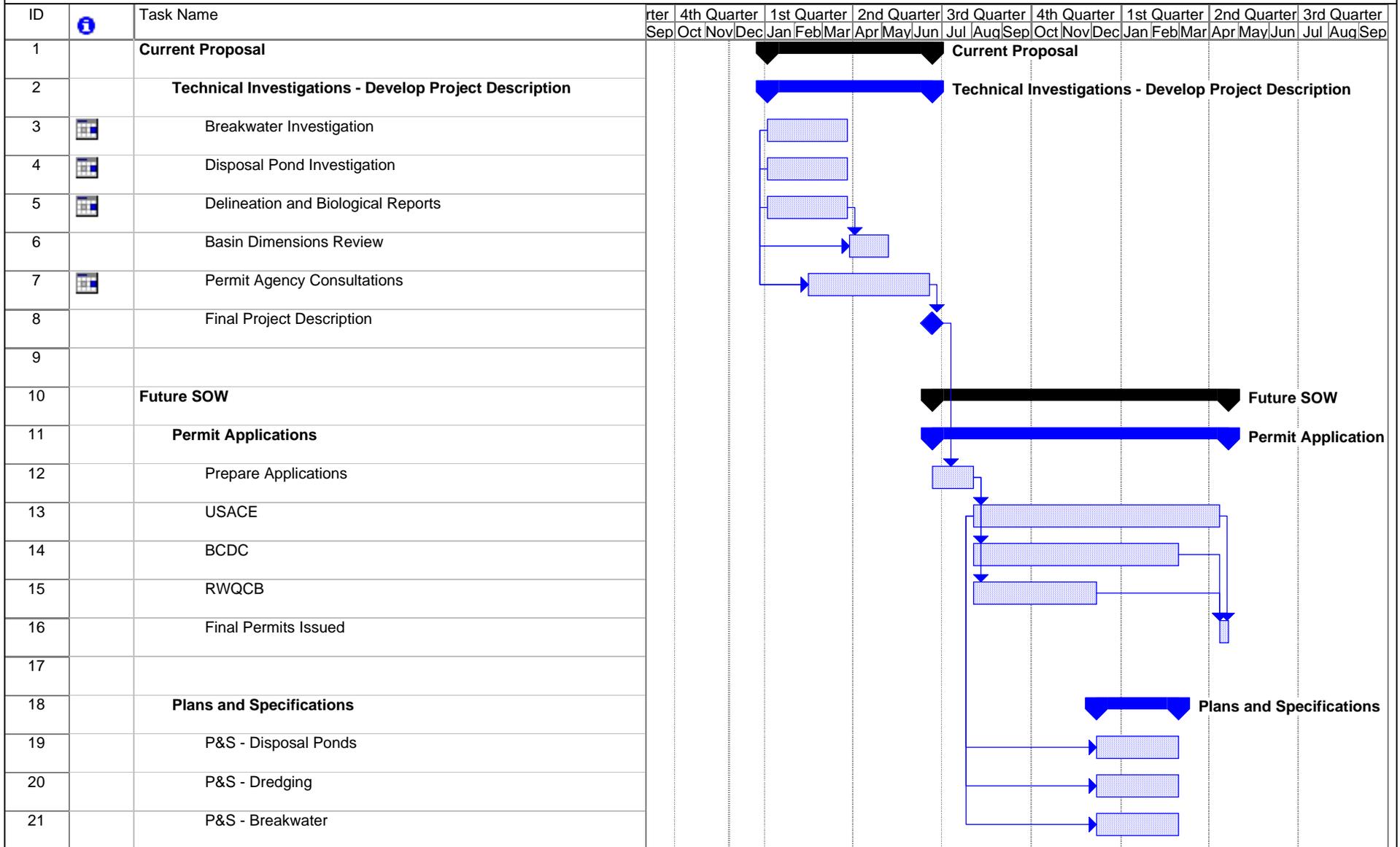
Provides Water Access and Venue for Research and Learning Institutions

- The Martinez Marina provides water access to the State Department of Fish and Game and private research companies. The Delta Research Institute has plans to locate a research facility in Martinez and plans to house a research vessel in the Martinez Marina. The research being done on the waterways in the region will add to the preservation of these valuable waterways as well as the health and wellbeing of the public.
- Local educational institutions use the marina and fishing pier for “hands on” educational experiences to teach students. Diablo Valley College regularly visits the marina and fishing pier to engage in maritime and marine biology studies.

Contributes to Smart Growth and Economic Wellbeing of the Region

- The revitalization plan for the marina will add new jobs, increase local and State tax revenue and enhance recreational boating services. Revitalization plans call for marina expansion that will include approximately 100 additional slips over what is currently exists in the marina today. Additional enterprises such as a restaurant, dry boat storage and expanded service center will create a significant number of jobs in our region.
- Martinez has been designated as a future Ferry destination by the State Water Emergency Authority. The City once connected to Benicia by way of a local Ferry. The marina is a key support structure to provide the infrastructure needed to provide access to a future Ferry stopping in Martinez. The Ferry system also plays a role in public safety in the event of bridge and/or local highway closure, the Ferry transit system provides an important role in moving people and resources around the Bay Area.
- The City of Martinez is committed to rebuilding the marina in a responsible manner as to generate enough cash flow to repay the City’s outstanding and future loans from to the Department of Boating and Waterways that have supported the marina’s construction and infrastructure in the amount of four million dollars. Repaying the City’s debt service to the State has a statewide benefit from a fiscal standpoint.

City of Martinez Marina - Proposed Schedule
November 25, 2009



Project: Martinez Timeline v2 Date: Wed 11/25/09	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	