



## **CITY OF MARTINEZ**

## **CITY COUNCIL AGENDA July 21, 2010**

**TO:** Mayor and City Council

**FROM:** Mitch Austin, Recreation Manager  
Phil Vince, City Manager

**SUBJECT:** Martinez Marina Operations and Reconstruction Project

**DATE:** January 19, 2011

### **RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to negotiate and execute a consultant services agreement with AnchorQEA to perform engineering services for the Marina Reconstruction Project not to exceed \$200,000.

### **BACKGROUND:**

At the July 21, 2010 City Council meeting staff reported on the AnchorQEA findings and next steps in the marina reconstruction. Since the last report to the City Council the following marina reconstruction related activities have taken place:

- Pre-permitting activities have been completed by AnchorQEA
- Submission of a grant application for the Boating Infrastructure Grant (BIG) a competitive federal grant in the amount of 1.5 million dollars
- Extensive discussions and review of revised financial model for the marina with Department of Boating and Waterways (DBW) has been completed
- A walkthrough of the City's marina with the California Boating and Waterways Commissioner, key DBW staff and City representatives
- Revision of the phasing of the marina to meet new DBW standards and criteria
- Begun a market survey of potential demand for mooring in the region
- Draft sublease agreement with the City's private partner Martinez Marina Limited Partners completed
- Request to our legislators to bring forth legislation to grant the City the marina lands
- Begun initial planning to bring a restaurateur and other economic activities to the waterfront

One of the most critical findings that were presented at the last City Council meeting was the state of the marina's water depth in key areas including the entrance. AnchorQEA findings clearly show that if repairs are not made in the next 12 to 24 months the marina is at serious risk

of closing. Continued interim dredging costs cannot be afforded by the Marina cash flow without repair to the breakwater wall. Staff has shared this information with the Department of Boating and Waterways and they too are concerned about the timing of repairs to the marina and are working with the City on an accelerated schedule to move along the approval process so reconstruction can begin.

The most important task the City has before it currently is to ensure that the reconstruction plan and financial projections can meet the new Department of Boating and Waterways (DBW) standards. When the City first began its pursuit to rebuild the marina the Department of Boating and Waterways was well funded and had complete discretion on loan terms. Because the City's marina already has debt with DBW for previous improvements to the marina the City needed more time to rebuild the marina before the new construction loans could be repaid. The financial model under which the 2.77 million and \$338,000 loans were approved included suspension of loan payments during construction and interest only payments for several years after that with principal payments coming approximately five years after the completion of the entire marina. The loan term was set-up for 40 years. These terms under which the loan was originally approved are no longer applicable in part because the City needs to change the project scope. The scope changed when the City discovered through AnchorQEA studies that the eastern wall had to be replaced. In changing the project scope approval is required by the DBW Commission and therefore must meet the new DBW standards as shown below. These new standards are being imposed upon DBW at the direction of the State's Department of Finance. It is imperative for DBW to make sure all pending and future loan requests meet these standards for DBW to preserve the loan portion of the department. Some of the new standards include:

- At a minimum, interest payments must begin at the same time the loan is being drawn down
- Financial models must meet a 1.2 debt to income ratio and meet a repayment schedule of 30 years
- Projects must be "stand-alone" which means they have the ability to repay the debt liability incurred from DBW
- Future phases must show funding beyond DBW loans
- It is preferred that projects be "shovel ready" having the permits the require for construction before approving the loans
- Prefer projects that show a substantial contribution to the project funding

When the City reported the timing and next steps of the project in July, City staff was unaware that new standards were being implemented and that this project would need to conform to those new standards. Staff has now reworked the project phasing and financial model in an attempt to meet the new standards with the input of DBW staff.

The latest phasing is shown in **Attachment A**. During the process of reworking the phases of the marina, staff recognized an opportunity to create a "stand alone" project in Phase I and complete a larger portion of the marina reconstruction than originally planned by starting on the eastside of the marina rather than the west side as originally proposed. Phase I will recover the eastern half of the marina that is no longer accessible to boats due to extensive shoaling. Recovering this half of the marina will allow it to bring in new revenue to pay for the phase I debt liabilities,

drastically reduce siltation by replacing the eastern wall and includes three fingers (5,200 linear feet) of ADA accessible new concrete docks to be installed. This approach to the reconstruction of the marina is a big departure from what the City had agreed to in concept with its private partner Martinez Marina Limited Partners (MMLP) and to their credit they support the new modeling and will make their contribution project, four million dollars, much sooner in the project rebuild than first proposed. The revised cost estimates and phasing based on the revised scope and phasing is as follows:

**Waterside Improvements**

Phase	Description	Cost Estimate to Date	Estimated Date Construction
I	Replace eastern wall, dredge 140,000cy, improve upper ponds, install three fingers of docks	\$4,600,000	2011-2013
II/III	Dredge the western side of the basin 80,000cy, make wall repairs, remainder of the docks and fuel station	\$2,161,000	2014-2016
IV	Reconfigure entrance to the marina	\$2,000,000	2017-2020

Funding of the marina project has become more challenging as the result of these changes and will require that more than half of the cost to reconstruct the marina must come in the first phase. Staff is working with DBW to explore increasing the loan amount from \$3.111 million dollars to a total of \$4.6 million. This will depend in large part to the marina’s ability to repay the increase amount of loan funding. Funding sources other than DBW loans are also being explored. The City expects to hear whether the City is the recipient of the BIG grant (1.5 million dollars) of which a portion could be used on Phase I. The City is also meeting with key agencies that use the marina for public safety purposes to see if other resources may be available to assist with the reconstruction effort. Lastly the City has been exploring any other City resources that may be applicable to the marina reconstruction. Staff will continue to meet with DBW staff to review the funding model and address questions they have. Staff expects to return to the City Council in early spring with the financial model and funding proposal for the revised marina reconstruction scope.

**Next Steps**

The City is working on concurrent paths to move along the key tasks that support the financial model of the marina and permitting necessary for the marina to be in a position to begin construction in 2011/12 as shown in **Attachment B**. Lead times are a critical aspect of marina projects in particular as they the approval process requires review and approval from a myriad of public agencies. The next step in Technical Studies as shown in **Attachment C** is Permitting. In order to deal with the most urgent aspect of the marina, the eastern wall,

AnchorQEA has submitted a scope of work to obtain a JARPA permit to reconstruct the eastern wall of the marina and elements of the dredge permit.

The scope of work includes:

- Regulatory Permits – Submission of \*JARPA application for wall
  - Sampling and Analysis Plan – Part of dredge permit
  - Geotechnical Studies- Supports JARPA permit
  - Wind Wave Analysis- Supports JARPA permit
  - Conceptual Dredge Design- Part of dredge permit
  - Project Support and Review- Management of permitting activities
- \*JARPA, Joint Aquatic Resource Permits Application*

The City is recommending continuing with AnchorQEA due to their outstanding performance and support of the marina project. They have demonstrated creativity and flexibility needed to address the varied and challenging needs of the marina.

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 for increasing the capacity of the drainage ponds.
- The continuity of the project team to keep the current momentum gained on rebuilding the marina
- The excellent reputation that AnchorQEA has with Department of Boating and Waterways

In order to keep the marina project moving forward to meet our projected construction start, the permitting effort needs to begin in January 2011 so that a permit can be obtained by early summer. In addition to its importance to meet construction timelines, the permit effort supports our bid to get loan approvals with the Department of Boating and Waterways.

The City is being asked to support the permitting effort with City funds using the Unallocated Reserves to fund this work. The original financial model always included one million dollars of support by the City. Approving the loan today would show a good faith effort to DBW to make the aforementioned investment in the marina reconstruction effort.

### **FISCAL IMPACT:**

The project is budgeted under Account No. 7800922 for permitting activities contract with Anchor QEA for the Marina Reconstruction Project.

<b><u>Budget</u></b>	<b><u>Amount</u></b>
Regulatory Permitting (JARPA)	\$40,000
Sampling and Analysis	\$25,000
Geotechnical Studies	\$65,100
Wind Wave Analysis	\$33,750
Conceptual Dredge Design	\$10,000
Project Management	\$27,000
Total Project Budget	\$200,000
<b><u>Funding</u></b>	<b><u>Amount</u></b>
Unallocated Reserve	\$200,000
Total Project Funding	\$200,000

**ACTION:**

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.

Attachments: Resolution for Contract Services with Anchor QEA  
**Attachment A** –Four Phases of Marina Construction  
**Attachment B**–Timeline and Tasks  
**Attachment B**–Technical Studies Phases



**APPROVED BY:** City Manager

RESOLUTION NO. -11

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A  
CONSULTANT SERVICES CONTRACT WITH ANCHOR QEA  
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**, the received one proposal for technical services from a highly qualified firm; and

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

**WHEREAS**, there it is in the City's best interest to perform permitting and design work 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 anchor QEA, 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 Anchor QEA he is authorized to negotiate and execute a standard consultant contract with another qualified engineering firm as necessary.

\* \* \* \* \*

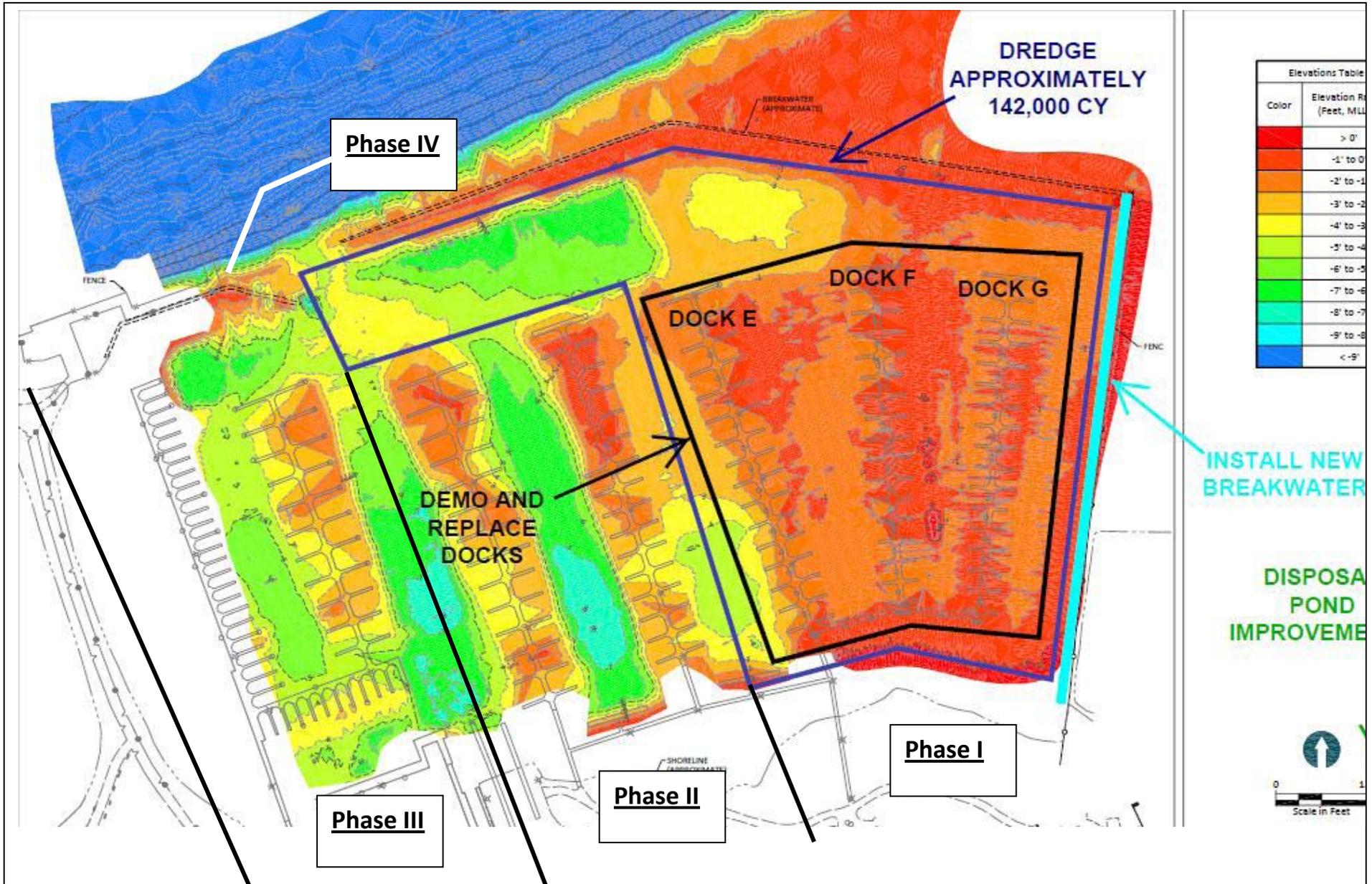
**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 16th day of January 19, 2011 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ





**Technical Studies and Permits**

There were four phases of work indentified by Moffatt Nichol to provide entitlements and construction documents for improvements to the Marina. These kind of improvements to the Marina requires 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. AnchorQEA was selected to complete various Pre-Permitting Activities in order to ensure that the most efficient and environmentally conceptual design would be included in the permit process. This helps ensure a quicker less costly turn around for permits to reconstruct the marina.

• **Phase I – Technical Studies, CEQA and Permit Application - COMPELTED**

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 to prepare for dredging permits. Also included in the scope of phase I was an initial study which includes the mitigated negative declaring application for CEQA and application submission to DMMO for dredging and JARPA application of the breakwater and dock improvements.

• **Pre Permitting Studies and Tasks - COMPELTED**

Breakwater review and evaluation, disposal pond conceptual plan, pre-permitting walkthrough and basin design review and amendment

• **Phase II- Permit Processing and Response to Permitting Agencies – Beg. Jan. 2011**

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 the building permit application with City staff to obtain a Building Permit.