



City of San Leandro

Meeting Date: September 17, 2012

Minutes

File Number: 12-437 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.C.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Mike Bakaldin
Public Works Director

FINANCE REVIEW: Not Applicable

TITLE: ACCEPT: Shoreline-Marina Committee Highlights of July 10, 2012

**CITY OF SAN LEANDRO
CITY COUNCIL SHORELINE - MARINA COMMITTEE**

**July 10, 2012
4:00 p.m. - 5:30 p.m.**

**San Leandro City Hall
835 East 14th Street
San Leandro, California
Sister Cities Gallery Room**

HIGHLIGHTS

Committee Members: Vice Mayor Gregory, Councilmember Prola, and Councilmember Reed

City staff present: City Manager Zapata, Public Works Director Bakaldin, Business Development Manager Battenberg, Facilities and Open Space Manager Pollart, Marina Manager Snodgrass

Public present: Terry Breese, Chris Crow, Al Fernandez, Robert Fox, Tom Miller

Councilmember Prola called the meeting to order at 4:02 p.m.

1. Update on Shoreline Enterprise Fund

Public Works Director Bakaldin provided the Committee with an overview of the Shoreline Enterprise Fund, (see attached spreadsheet). He explained key changes in revenue from

previous years in the three fund divisions, Golf Course, Harbor Operations, and Shoreline. Overall the cash balance at the end of the year is positive.

- Golf Course division received less revenue mainly because of a decrease in rounds of play and customers using the internet to prepay for rounds at a lower cost.
- Harbor Operations: The Harbor is still in operation and has increased rates to keep up with inflation. An increase of 5% has been implemented each of the past two years.
- Shoreline: The restaurants and hotel are the main revenue sources. Costs related to Marina Park, parcourse, and land based landscape medians, lighting etc., are charged against this division. The development project consultant costs are also budgeted in this account.

Discussion included clarification that the fund is currently only paying interest on the General Fund loan while principal and interest are paid on the Department of Boating and Waterway loans of which three are at 4.7% and one is at 4.5% interest, wi-fi at Monarch Bay Golf Club which is handled by American Golf Corporation, the current number of liveboard berthers which is 32, and that the planned development will address sea level rise.

2. Review of Shoreline Leases

Manager Battenberg gave a brief overview of the Shoreline leases which are deposited into the Shoreline Enterprise Fund along with Transit Occupancy Tax revenue from the Marina Inn.

Discussion included information that annual adjustments in the leases are handled by a base plus percentage of revenue formula, clarification that a member of the Spinnaker Yacht Club is the chair of the Citizens Advisory Committee and therefore knowledgeable on the proposed development, the proposed transition from a traditional marina to a hand powered water craft recreational facility, an update that the Marina Inn has requested an extension to their lease and that the El Torito restaurant was not impacted by its parent company's bankruptcy. The Committee shared their desire that the development start as soon as possible, which could be as early as 2015.

3. Update on San Leandro Shoreline Recreation Projects

Manager Pollart gave a PowerPoint presentation of the San Leandro Shoreline Recreation projects. Highlights included:

- The Par Course renovation with Measure WW funds.
- Repainting and anti graffiti coating in the interior of the restrooms
- Luster Knight Memorial bench and fountain
- Dog Park; and
- Wood chips in the medians.

Future projects include: renovation of three large rental areas at Marina Park (Seagull, Mallard, and Otter) with permanent shade structure; Invasive weed removal in the marsh lands and Heron Bay Kiosk sign (both paid by Heron Bay Development homeowners association assessment).

Discussion included the challenges re: parking at Heron Bay; Spartina work to be funded and completed by the Coastal Conservancy; the Coastal Cleanup scheduled for September 15, 2012; activity at the dog park; an upcoming project to renovate the Marina Park irrigation system schedule to start in November 2012 which includes water saving features.

4. Discussion of Additional appointments to Shoreline Advisory Group

Councilmember Prola proposed to add three more members with qualifications in design or experience in architecture to the new Shoreline Advisory Group which is comprised of 21 members of the former Shoreline Development Citizens Advisory Group. The process to add the three members will be in the same format used with the original group and the Mayor will evaluate the candidates with information being forwarded to the Shoreline-Marina Committee members for their information. The announcement of this opportunity will be handled by a Press Release to be distributed in September.

Discussion included the scope of the Shoreline Advisory Group's mission which is to provide input on development items that may come up and stay abreast of the project as it moves through the review and permitting process.

5. Public Comments

Robert Fox asked where the financing is coming from for the development. Manager Battenberg answered that Cal-Coast, the developer, is financing the project and no City support is planned.

Chris Crow asked if the sunshades are anti-fading. Manager Pollart answered yes the sunshade will be anti-fading. He further stated that the dog park is new and the ground is not comfortable for dogs, especially little ones. He would like to see grass like other dog parks have and recommended working with the Kiwanis Club, which is looking to sponsor a park. Manager Pollart added that the City is working with the Kiwanis Club on numerous ideas and that their interest is in planting 100 trees.

Al Fernandez stated that he has a small Chihuahua and dust and dirt gets in his eyes at the dog park. He also stated that the City should erect signs to inform the public to pick up after their dog. He further shared that kids throw rocks around the boat launch which is problematic for tires. Manager Pollart shared that the Recreation Department has a ranger program that informs people of park rules and to call the Police Department when issues arise.

Tom Miller asked if the revenue from the hotel falls under the Shoreline Enterprise Fund in the rents and concession section. Manager Battenberg answered yes.

6. Committee Member Comments

Vice Mayor Gregory would like to see fiber optics installed at the shoreline similar to what is proposed on Estudillo Avenue. Staff responded that high speed internet service will be part of the new development and hopefully, the fiber optic loop will be expanded with

partial funding from an Economic Development Administration grant.

7. Adjourn

Vice Mayor Gregory adjourned the meeting at 5:30 p.m.

City of San Leandro
Shoreline Fund (597)
Fiscal Years 2005-06 through 2012-13
(In 000's)

	Actuals 2007-08	Actuals 2008-09	Actuals 2009-10	Actuals 2010-11	Estimated 2011-12	Estimated 2012-13
Beginning Cash Balance	\$ 1,399	\$ 1,458	\$ 798	\$ 557	\$ 155	\$ 32
Golf Course						
Revenue:						
AGC Rent & Supplemental	987	980	913	862	822	824
AGC - Capital Improvements	-	121	57	52	51	51
Interest Income	51	29	5	4	-	1
Cell Tower	-	-	-	26	36	41
Total Revenue	1,038	1,130	975	944	909	917
Expenditures:						
Operations	100	100	65	69	60	65
Internal Service Charges	17	16	53	55	55	55
Capital Improvements - AGC	-	-	242	-	-	-
Debt	308	308	307	308	308	197
Transfer to CIP Fund	-	-	-	309	252	102
Total Expenditures	425	424	667	741	675	419
Net Income/(Loss)	\$ 613	\$ 706	\$ 308	\$ 203	\$ 234	\$ 498
Harbor Operations						
Revenue:						
Berth Rentals	646	563	543	575	566	600
Fuel Sales	47	19	29	33	23	30
Utility Charges	28	26	28	35	28	25
Card Key Fees	2	2	1	1	1	1
Boat Launch Fees	-	-	17	15	14	15
Finance Charges	32	32	33	37	6	31
Interest Income	-	-	-	-	-	-
General Fund Loan Proceeds	-	-	-	-	-	-
Other	-	14	-	1	1	1
Total Revenue	755	656	651	697	639	703
Expenditures:						
Operations	635	547	456	478	459	471
Internal Service Charges	313	314	107	139	113	121
CIP - Annual Dredging Maintenance	-	-	1	-	-	-
CIP - Channel and Berth Dredging	8	9	-	-	-	-
CIP - Marina Shoaling Study	-	26	-	-	-	-
CIP - Rebuild Fuel Dock	-	-	-	-	-	-
CIP - DMMS Sediment Removal	-	-	5	-	-	-
Debt	583	1,042	584	558	537	463
Transfers Out	-	154	-	-	-	-
Total Expenditures	1,539	2,092	1,153	1,175	1,109	1,055
Net Income/(Loss)	\$ (784)	\$ (1,436)	\$ (502)	\$ (478)	\$ (470)	\$ (352)

City of San Leandro
 Shoreline Fund (597)
 Fiscal Years 2005-06 through 2012-13
 (In 000's)

	Actuals 2007-08	Actuals 2008-09	Actuals 2009-10	Actuals 2010-11	Estimated 2011-12	Estimated 2012-13
Shoreline Operations						
Revenue:						
Rents & Concessions	\$ 414	\$ 331	\$ 264	\$ 303	\$ 377	\$ 290
Transient Occupancy Tax	344	310	263	249	302	258
Shoreline Business Association	16	16	14	13	13	13
Interest Income	16	1	-	-	-	-
Other	-	-	-	-	-	-
Total Revenue	790	658	541	565	692	561
Expenditures:						
Operations	459	433	443	517	407	490
Internal Service Charges	68	58	113	149	135	136
Monarch Bay Promotions	15	28	23	22	28	25
CIP - Advanced Planning	4	10	7	4	9	-
CIP - Neptune Bridge Protection	-	-	-	-	-	-
CIP - RIP RAP Repairs	14	59	2	-	-	-
Debt	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Expenditures	560	588	588	692	579	651
Net Income/(Loss)	\$ 230	\$ 70	\$ (47)	\$ (127)	\$ 113	\$ (90)
Net Change to Cash Balance	\$ 59	\$ (660)	\$ (241)	\$ (402)	\$ (123)	\$ 56
Cash Balance End of Year	\$ 1,458	\$ 798	\$ 557	\$ 155	\$ 32	\$ 88
Outstanding Debt:						
Cal Boat Notes	\$ 2,963	\$ 2,804	\$ 2,637	\$ 2,462	\$ 2,281	\$ 2,091
General Fund Loans	8,312	7,648	7,476	7,289	7,106	7,106
Total	\$ 11,275	\$ 10,452	\$ 10,113	\$ 9,751	\$ 9,387	\$ 9,197

Notes:

AGC Capital Improvement Commitment - Balance as of 2011-12: \$265k. The balance is transferred to a CIP Fund in Fiscal Year 2012-13 and is included in the ending balance in Fiscal Year 2011-12.

2012-13: Estimated based on adopted budget.

Prepared By:
 Finance Department
 Sr. Accountant
 C. Galvin 07/07/12

**REVIEW OF SHORELINE LEASES
JULY 2012**

Calendar Year Lease Revenue

	2005	2006	2007	2008	2009	2010	2011
El Torito	115,888	121,811	127,562	131,079	132,657	124,131	134,104
Horatio's	159,092	170,972	173,098	158,524	134,395	137,048	125,242
Marina Inn	131,924	135,248	155,593	151,380	107,943	107,530	129,485
American Golf Corp.	754,811	784,583	892,870	848,547	820,688	750,000	755,806
	1,163,720	1,214,620	1,351,130	1,291,538	1,197,692	1,120,719	1,146,648

Lease Information

- El Torito: \$1,200/month base rent
plus supplemental based on 4.5-5% of sales
1969 lease extended in 2000 to expire in 2019
- Horatio's: \$500/month base rent
plus supplemental of 1.5% of sales under \$550k; 2% of sales under \$650k;
2.5% of sales over \$650k; 3% of sales over \$700k
1997 lease expires in 2027
- Marina Inn: \$4,000/month base rent
plus supplemental based on 3% of room rentals and 5% of concessions and other sales
1984 agreement expires in 2034
- American Golf Corp: \$6,250/month base rent
plus supplemental base on 28% of green fees & cart rentals and 6% of food & shop sales
Supplemental percentage increases to 30% in 2014
1997 lease expires in 2024, includes two 5-year extensions
- San Leandro Yacht Club: \$200/month
1974 lease amended in 2001 to add month-to-month terms
- Spinnaker Yacht Club: \$250/month
1971 lease amended in 2007 to expire in 2015
- AT&T/Cingular: \$3,442.50/month adjusted 3% annually
2005 lease expires in 2015
Council policy directs funds for golf capital improvements