



## Legislation Text

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**File #:** 11-0753, **Version:** 1

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Adopt resolution amending the Master Fee and Charges Schedule; and increase appropriations in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR) by \$9,970,000. (District 3)

The State of California, Department of Boating and Waterways (DBW) provides loans for the purpose of constructing small craft harbors. On March 2, 2011, DBW approved a \$9,970,000 loan for Phase 1 of the Alamitos Bay Marina rebuild. Phase 1 includes the in-water and on-land rebuild of Basin 4, as well as the construction of an eelgrass mitigation area in Marine Stadium, which is required by a policy set forth by the National Oceanic and Atmospheric Administration.

The total cost of Phase 1 is estimated to be \$23,700,000; however, total available funding is \$14,450,000. The City of Long Beach (City) has an existing contract with DBW for a Phase 1 loan in the amount of \$8,250,000, and \$6,200,000 from the Marina Fund that has been budgeted for this phase. The additional \$9,970,000 DBW loan would bring the available funding to \$24,420,000, providing the funding needed to complete Phase 1. DBW loan terms are 30 years at 4.5 percent, and the annual debt service for the additional \$9,970,000 is estimated at \$606,198.

Marina slip fees will be increased to cover the debt service associated with this loan, as described in the List of Proposed Fee Adjustments - Marina Slip Fees (Attachment). The slip fee increases, which are supported by the Marine Advisory Commission, will become effective October 1, 2011. The City anticipates drawing on this loan no earlier than October 1, 2011, and the first payment on this loan will be due August 1, 2012.

On January 13, 2011, the State Coastal Commission approved the Coastal Development Permit for the rebuild project, which is the final regulatory permit required. The anticipated schedule for Phase 1 is to begin in-water construction in late July, and the land-based construction shortly thereafter.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on July 15, 2011, and Budget Management Officer Victoria Bell on July 18, 2011.

City Council action is requested on August 9, 2011, in order to execute the loan contract with the Department of Boating and Waterways as expeditiously as possible, consequently allowing Phase 1 of the Alamitos Bay Marina rebuild to remain on schedule.

Repayment of the DBW loan is solely borne by the marina enterprise through a gross pledge of marina revenue (slip and concession fees). The annual debt service for the additional \$9,970,000 is estimated at \$606,198. The recommended slip fee increases will result in additional revenue to the Marina Fund (TF 403) in the amount of \$635,474 annually. This additional revenue and an expense reduction of \$200,000 in the Proposed FY 12 budget will provide the required coverage ratio of 1.25 times the annual debt service of this loan. The first payment on this loan will be due August 1, 2012. There will be no impact to the General Fund associated with the proposed recommendation.

The combination of the current \$8,250,000 DBW loan, the \$6,200,000 currently budgeted in the Marina Fund, and the additional \$9,970,000 in FY 11 loan funds will fully fund the design, engineering, and construction of Phase 1 of the Alamitos Bay Marina rebuild. An appropriation increase of \$9,970,000 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR) is requested to utilize this funding. Acceptance of the DBW loan will result in a positive impact on local jobs when construction begins.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE MASTER FEE AND CHARGES SCHEDULE FOR SPECIFIED CITY SERVICES FOR THE CITY OF LONG BEACH

GEORGE CHAPJIAN  
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST  
CITY MANAGER