



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

H-2



August 9, 2011

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www.LBParks.org

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HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to accept up to \$9,970,000 in loan funds from the State of California, Department of Boating and Waterways; execute, implement, award, and administer the loan agreement, including the execution of any documents necessary for the implementation and administration of Phase 1 of the Alamitos Bay Marina rebuild; receive the supporting documentation into the record, conclude the public hearing, and adopt the attached 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)

DISCUSSION

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.

HONORABLE MAYOR AND CITY COUNCIL

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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.

TIMING CONSIDERATIONS

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.

FISCAL IMPACT

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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:MS:DN:eh

Attachments: List of Proposed Fee Adjustments – Marina Slip Fees
Resolution Authorizing Acceptance of Loan Funds
Resolution Amending the Master Fee and Charges Schedule

APPROVED:


PATRICK H. WEST
CITY MANAGER

List of Proposed Fee Adjustments for August 9, 2011 - Marina Slip Fees

Fee	Current Fee	Requested Fee	Per	Annual Revenue Changes	Fund
DEPARTMENT: PARKS, RECREATION AND MARINE					
MARINE BUREAU - TIDELANDS FUNDS					
MARINA FEES					
Marina Slip Permit Fee (Effective 10/1/11)	\$164.45	\$171.65	Per Month	\$8,830	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$256.95	\$268.15	Per Month	\$23,159	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$370.00	\$386.20	Per Month	\$133,102	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$471.60	\$492.20	Per Month	\$129,940	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$584.65	\$610.20	Per Month	\$161,318	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$688.55	\$718.65	Per Month	\$72,354	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$787.90	\$822.35	Per Month	\$56,404	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$929.50	\$970.10	Per Month	\$974	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$1,014.00	\$1,058.30	Per Month	\$16,517	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$1,262.90	\$1,318.10	Per Month	\$5,949	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$1,534.70	\$1,601.75	Per Month	\$5,351	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$1,829.30	\$1,909.20	Per Month	\$0	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$2,146.70	\$2,240.50	Per Month	\$0	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$2,487.00	\$2,595.65	Per Month	\$0	MARINA
Marina Slip Permit Fee (Effective 10/1/11)	\$2,850.10	\$2,974.65	Per Month	\$0	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$207.25	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$323.75	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$466.20	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$594.25	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$736.70	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$867.60	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$992.75	Per Month		MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$1,171.20	Per Month	\$11,501	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	1.2 Times the Applicable Slip Rate	\$1,277.65	Per Month		MARINA

ATTACHMENT

List of Proposed Fee Adjustments for August 9, 2011 - Marina Slip Fees

Fee	Current Fee	Requested Fee	Per	Annual Revenue Changes	Fund
Marina Temporary Permit Fee (Effective 10/1/11)	70 Foot Slip	1.2 Times the Applicable Slip Rate	\$1,591.25	Per Month	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	80 Foot Slip	1.2 Times the Applicable Slip Rate	\$1,933.75	Per Month	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	90 Foot Slip	1.2 Times the Applicable Slip Rate	\$2,304.95	Per Month	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	100 Foot Slip	1.2 Times the Applicable Slip Rate	\$2,704.85	Per Month	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	110 Foot Slip	1.2 Times the Applicable Slip Rate	\$3,133.65	Per Month	MARINA
Marina Temporary Permit Fee (Effective 10/1/11)	120 Foot Slip	1.2 Times the Applicable Slip Rate	\$3,591.15	Per Month	MARINA
Visiting Vessel (Effective 10/1/11)	Visiting Vessel Permit Fee	\$1.00	Foot/Night, \$12.80 Daily Minimum	\$10,077	MARINA
Total Parks, Recreation and Marine Revenue				\$635,476	

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO RECEIVE LOAN FUNDS UNDER THE STATE OF CALIFORNIA, DEPARTMENT OF BOATING AND WATERWAYS LOAN PROGRAM FOR THE COMPLETION OF PHASE I OF THE ALAMITOS BAY REBUILD

WHEREAS, the State Department of Boating and Waterways provides loan funds to cities, counties and districts for the construction of small craft harbors; and

WHEREAS, the City of Long Beach is desirous to receive loan funds for the rebuild of Alamitos Bay Marina;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. That the filing of an application for Nine Million Nine Hundred and Seventy Thousand Dollars (\$9,970,000.00) in loan funds from the State Department of Boating and Waterways for the completion of Phase I of the Alamitos Bay Rebuild was necessary.

Section 2. The City certifies that it has or will have funds available to operate and maintain the project.

Section 3. The City Manager is authorized to conduct all negotiations, and execute and submit all documents including, but not limited to, applications, agreements, amendments and payment requests which may be necessary.

Section 4. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2011 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk