Office of the City Manager

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PUBLIC HEARING
May 21, 2013

To: Honorable Mayor and Members of the City Council

From: Christine Daniel, City Manager

Submitted by: Scott Ferris, Acting Director, Parks Recreation & Waterfront

Subject: Marina Fee Increases

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution:

1. Approving fees for goods and services at the Berkeley Marina that; a) establish a new rate schedule increasing Marina berth rent by 6%, and b) increase Parking fees for special events by 50%; and
2. Rescinding Resolution No. 65,285-N.S.

FISCAL IMPACTS OF RECOMMENDATION

The Berkeley Marina is funded entirely from revenues collected from berth fees, special fees and business leases. The Marina Fund finances all activities at the waterfront including dock operations and maintenance, educational programs, parks (Cesar Chavez, Adventure Playground and Shorebird), and capital improvements.

Berth fees are the single largest source of revenue for the Marina, followed by licenses and leases, which are fixed until at least 2015. The following chart provides a comparison of the FY 2014 proposed revenue with and without the proposed fee increases. The projected annual deficit for FY 2014 is $442,046 without the fee increase. The new fees will generate $167,066 in new revenue, which will reduce the deficit to $274,980. While additional steps will be needed to fully eliminate the deficit for future years, a modest fee increase at this time is merited.

	Without fee increase FY2014	With fee increase FY2014	Change
Total Revenues	5,212,587*	5,379,653	167,066
Total Expenditures	5,654,633	5,654,633	-
Annual Deficit	**(442,046)**	**(274,980)**	

* Revenues updated to reflect current projections.

CURRENT SITUATION AND ITS EFFECTS

The Marina Fund receives revenues from berth fees, special fees, and leases, and does not receive any General Funds. These revenues finance all activities in the Marina, including capital improvements, and are supplemented periodically by grants and loans from the State Department of Boating and Waterways.

The Marina Fund has been relying on the use of reserves to cover increasing operations costs not covered by annual revenues, and due to the projected structural deficit of approximately $442,046 in FY2014, the Marina Fund balance will go negative in FY 2016. Balancing measures to reduce operating costs have been included in the proposed FY 2014 budget. Nevertheless, an increase in berth fees and special event parking fees are justified as follows:

- The most recent fee increase in berth rates at the Marina was in FY 2012 with Resolution No. 65,285-N.S. That fee schedule increased berth and skiff fees by up to 6.7%; increased Houseboat Live Aboard fees by 20% (by $20); increased Monthly and Seasonal Small Boat Launch Ramp Fees by 20% (by $5); eliminated the Waiting List Fee; established a special rate for limited access berths; established new fees for Food and Merchandise Booths; and established new discounts for Multiple Berth Rentals.

- The State of California Department of Boating and Waterways requires that berth fees stay within the average in the area and, at a minimum, increase at the region's Consumer Price Index (CPI). In February 2013, City staff conducted the Annual Survey of Bay Area Marinas, and concluded that with the proposed increase, Berkeley Marina's rates will be on par with the "average" of other Marinas offering similar service and amenities, especially those located near the Central Bay. (See Attachment 2 - Survey of Bay Area Marina Rates (February 2013).

- Staff anticipates that an increase in berth rates will not have a significant impact on occupancy rates because there are no new marinas opening in the area and there are limited alternative berthing options in the Central Bay Area.

BACKGROUND

The most recent fee increase in berth rates at the Marina was in FY 2012 with Resolution No. 65,285-N.S. The fee increase for FY 2014 was discussed at two publicly-noticed Waterfront Commission meetings – the Waterfront Commission Subcommittee meeting on January 30, 2013 and again at the regular meeting of the Waterfront Commission on February 13, 2013. At its meeting of February 13, 2013, the Waterfront Commission took action to recommend that the proposed fee increase be approved by the City Council. Moved, seconded, carried (McGrath/ Kamen) Ayes – McGrath, Kamen, McKay, Pinto, Catalfo; Nayes – None; Recused – None; Absent – Jones, Avellar.

<u>CONTACT PERSON</u>
John Mann, Waterfront Manager, 510-981-6737

Attachments:
1: Marina Rate Schedule - Existing and Proposed FY2014
2: Survey of Bay Area Marina rates
3. Marina Fund (825) Revenues
4: Resolution
    Exhibit A
5: Public Hearing Notice

Attachment 1

Marina Rate Schedule - Existing and Proposed FY 2014

Proposed Fee Increases

	FY 2013	FY 2014	% Increase
20 feet to 21 feet	$7.30 / Ft	$7.74 / Ft	6%
22 feet to 24 feet	$7.72 / Ft	$8.18 / Ft	6%
25 feet to 29 feet	$8.69/ Ft	$9.21 / Ft	6%
30 feet to 39 feet	$9.20 / Ft	$9.75 / Ft	6%
40 feet to 49 feet	$9.75 / Ft	$10.33 / Ft	6%
50 feet to 59 feet	$10.33 / Ft	$10.95 / Ft	6%
60 feet to 69 feet	$10.97 / Ft	$11.63 / Ft	6%
70 feet to 79 feet	$11.60 / Ft	$12.30 / Ft	6%
80 feet to 89 feet	$12.29 / Ft	$13.03 / Ft	6%
Special Event Parking Fee	$10.00	$15.00	50%

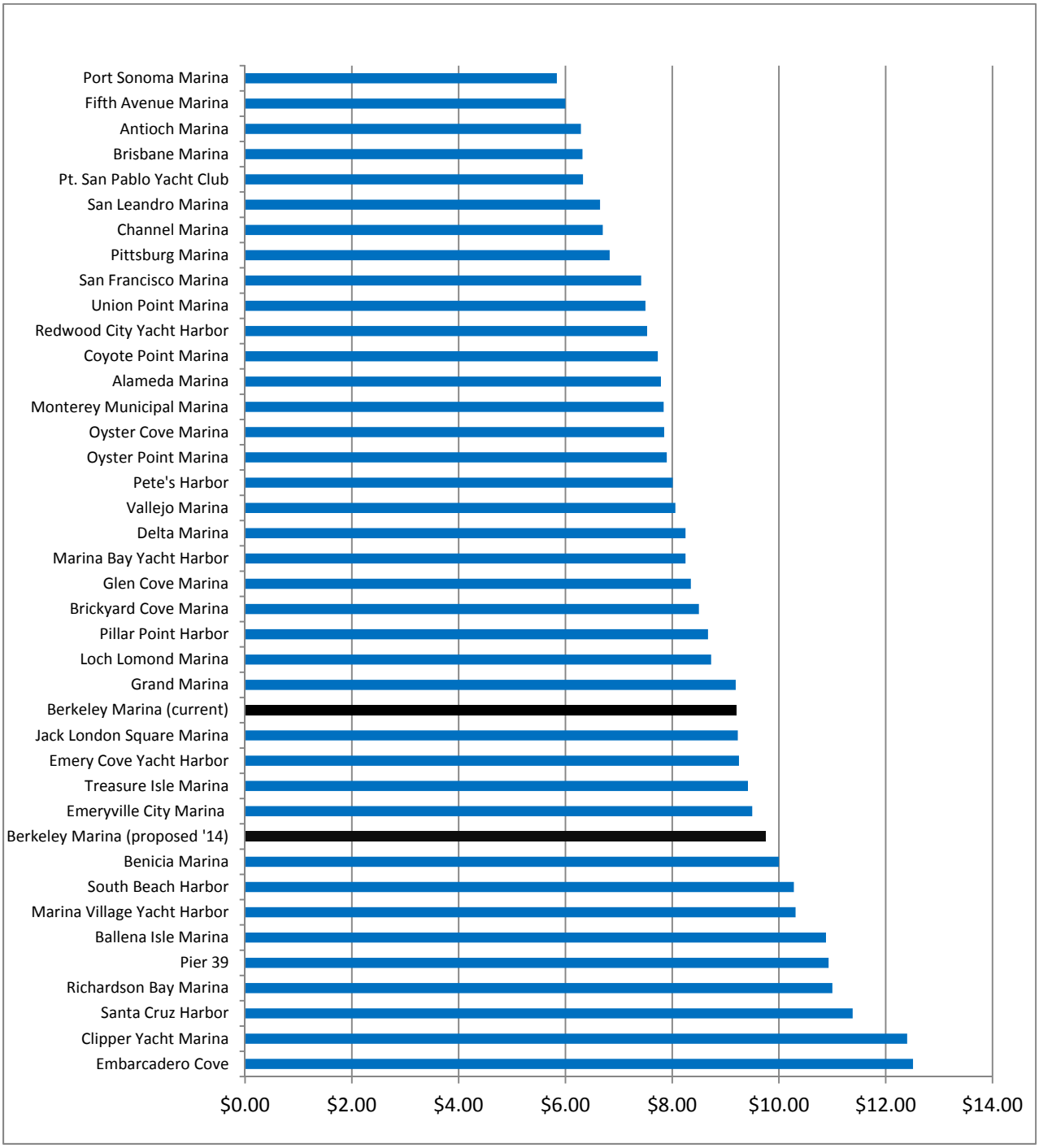
Other FY 2014 Fees (unchanged)

Dry Storage 28X8 (monthly)	$95.00 / Month
Dry Storage 24X8 (monthly)	$85.00 / Month
Upwind Berth Premium	10% of Base Berth Rent
Single Berth Premium	10% of Base Berth Rent
Upwind and Single berth Premium	20% of Base Berth Rent
Catamaran / Trimaran Side-tie Premium	20% of Base Berth Rent
Limited Access Berth	Length x Rate
Skiff Side Tie <20 feet	$80.00 / Month
Monthly Live-Aboard Fees (boat)	$145.00
Monthly Live-Aboard Fees (floating home)	$165.00
Multiple Berth Discount 5-10	-10% off Base Berth Rent
Multiple Berth Discount 11-20	-20% off Base Berth Rent
Multiple Berth Discount >20	-30% off Base Berth Rent
Daily Launch Ramp Fee	$15.00
Launch Ramp (Monthly)	$30.00
Launch Ramp (Seasonal)	$120.00
Labor Fees (per occurrence)	$75.00
Daily Visitor Berth Fees (per foot)	$ 0.50 / Day
Chaining Fee (per occurrence)	$100.00
Electronic key passes (each)	$15.00
Annual Hoist Fee	$36.00 / Yr
Tide Books	$1.00 Ea.
Daily Impound Fee	$55.00
Lien Fees	$100.00
Charter Boat Fee (public dock)	$35.00 per event + $1.00 per person
Food Booth Fee	$500/ Event
Merchandise Booth Fee	$100/Event

Attachment 2

Survey of Bay Area Marina Rates (February 2013)

(With proposed Berkeley Marina Fee Increase for FY 2014)



Attachment 3

Marin Fund (825) Revenues / Without Proposed Fee increases

includes balancing measures with parking fee increase, but no berther fee increase

No Fee Increases

Marina Fund	FY 14 Proposed	FY 15 Proposed	FY 16 Proposed	FY 17 Proposed	FY 18 Proposed
(figures in millions)					
Beginning Balance *	**1.21**	**0.77**	**0.33**	**(0.15)**	**(0.65)**
Revenues	5.21	5.25	5.28	5.33	5.37
Expenditures	5.65	5.69	5.76	5.83	5.74
Operating Income / (Loss)	(0.44)	(0.44)	(0.48)	(0.50)	(0.37)
Ending Balance	**0.77**	**0.33**	**(0.15)**	**(0.65)**	**(1.02)**
Reserve	15%	6%	-3%	-12%	-19%

Marin Fund (825) Revenues / With Proposed Fee increases

includes balancing measures, parking fee increase and 6% berther fee increases

With Fee Increases

Marina Fund	FY 14 Proposed	FY 15 Proposed	FY 16 Proposed	FY 17 Proposed	FY 18 Proposed
(figures in millions)					
Beginning Balance *	**1.21**	**0.93**	**0.65**	**0.33**	**(0.01)**
Revenues	5.37	5.41	5.45	5.49	5.53
Expenditures	5.65	5.69	5.77	5.83	5.74
Operating Income / (Loss)	(0.28)	(0.28)	(0.32)	(0.34)	(0.21)
Ending Balance	**0.93**	**0.65**	**0.33**	**(0.01)**	**(0.22)**
Reserve	17%	12%	6%	0%	-4%

***** Updated to reflect current year projections for FY 13.

RESOLUTION NO. –N.S.

ESTABLISHING FEES TO BE CHARGED FOR GOODS AND SERVICES PROVIDED AT THE BERKELEY MARINA AND RESCINDING RESOLUTION NO. 65,285-N.S.

WHEREAS, the City's costs to operate facilities, provide services and undertake capital improvements at the Berkeley Marina have increased with inflation, rising staff costs, and an aging infrastructure; and

WHEREAS, on February 13, 2013, the Waterfront Commission reviewed the Marina budget and the proposed increases in fees and, after receiving public comment during its regular meetings, took action to recommend that the proposed fee increase be approved by the City Council. Moved, seconded, carried (McGrath / Kamen) Ayes - McGrath, Kamen, McKay, Pinto, Catalfo; Nays-None Recused – None; Absent - Jones, Avellar

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the attached rate structure (Exhibit A) is hereby established for use by the general public for facilities at the Berkeley Marina, effective July 1, 2013.

BE IT FURTHER RESOLVED that Resolution No. 65,285-N.S. and all amendments are hereby rescinded effective July 1, 2013.

Exhibit A

Marina Rate Schedule

(effective July 1, 2013)

Fee	
Berth 20 feet to 21 feet	$7.74 / Ft
Berth 22 feet to 24 feet	$8.18 / Ft
Berth 25 feet to 29 feet	$9.21 / Ft
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Attachment 5

NOTICE OF PUBLIC HEARING – BERKELEY CITY COUNCIL
CITY COUNCIL CHAMBERS, 2134 MARTIN LUTHER KING JR. WAY

FEES: BERKELEY MARINA

MAY 21, 2013 AT 7:00 P.M.

The Department of Parks Recreation and Waterfront is proposing to implement new fees at the Berkeley Marina. The Department proposes: 1) establishing a new rate schedule in the Marina increasing berth fees by 6%; 2) increase Special Event Parking Fees 50% from $10.00/Day to $15.00/Day) all other fees remain unchanged

Proposed Fee Increases

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Special Event Parking Fee	$10.00	$15.00	50%

For further information, please contact John Mann, Waterfront Manager, at 981-6737.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Council members and inclusion in the agenda packet. Comments received no later than Monday, May 6, 2013 will be included in Council agenda packets. Comments received thereafter will be submitted to Council as supplemental communications. For further information, call Mark Numainville, City Clerk, 981-6900. FAX: (510) 981-6901. TDD: (510) 981-6903.

Published: May 10 and May 17, 2013

Per Gov. Code 6062A
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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City's website, on May 9, 2013.
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