Marina Fund Update
Budget & Finance Policy Committee, 11/12/2020
MARINA FUND STRATEGY PRE-COVID

Significant commitments in the last 2 years:

• Investment in infrastructure:
  • $3.45m for immediate needs: finger docks, electrical, restrooms
  • $8m for University, Marina, Spinnaker street renovation
  • $2.8m for South Cove projects: Bay Trail, dock replacement, ADA gangway, parking
  • $370k in Marina Corp Yard electrical
  • $5.5M loan approved by State for D&E dock replacement

• Investment in long-term planning:
  • $1M - Berkeley Marina Area Specific Plan
  • $700k – Pier study and large-scale ferry

• Investment in safety and security:
  • $250k - BPD Traffic Bureau’s relocation to the Berkeley Marina
Finger dock repairs: capping

Finger dock repairs: diamond plate

D&E Dock restroom renovation
CAPITAL RECENTLY COMPLETED

South Cove and Bay Trail Improvements

Before

After
INVESTMENTS WERE MAKING A DIFFERENCE

• These improvements were stopping the berth exodus. Occupancy had flattened with increases in the months before COVID.

• New lease with Doubletree Hotel, resulting in $3M additional for capital. Other leases in process.

• MOU with WETA/ City to evaluate feasibility of large ferry

• Paved way for fee increases and increased lease revenue – and an overall improved financial picture for the Waterfront.

• In February, staff were projecting that the Marina Fund would remain solvent through FY25.
$2.1M in revenue loss in FY20 and FY21.

Fund goes negative in FY22.

Will need $2.3m to stay in black through FY23.
COVID IMPACTS

- COVID-19 is having 3 significant effects on the Marina:
  1. Lease revenue has plummeted.
  2. General Fund support for capital needs was reduced: $3.45M to $2M.
  3. Slip holders leaving due to safety and security concerns.

- The Marina Fund is projected to exhaust all reserves next year; and is projected to need $2.3M to maintain Waterfront operations through FY23.
$1.6M projected revenue loss due to COVID

Doubletree occupancy down from 90% to 30%; est. > $1m in revenue loss

Lease negotiations stalled (Skates)

Vacancies are challenging to fill (199 Seawall, 125-127 University)
O&K DOCK ELECTRICAL REPLACEMENT ($1.2M)
DOCK REPLACEMENT & REPAIRS ($6M+)}
CRIME SURGE

• Persistent problem at the Marina
• Significant increase starting mid-summer
  • 63 Police reports in August alone
  • Assaults, stolen cars, stolen boats, burglaries/theft/vandalism; fire
• Continues to now
  • Doubletree had 14 break-ins last week.
  • Shorebird Nature Center windows smashed last weekend (3rd time in 3 mo)
  • Dry storage break-in last weekend.
CRIME IMPACTS

- Impacts on sligholders:
  - “Our guests can’t use the bathrooms.”
  - “Vessels are vandalized and broken into.”
  - “We had 8 customers’ trucks broken into on the same day.”
  - “I actually carry a canoe paddle when I go to the bathroom at night.”
  - “I’ve had three catalytic converters stolen.”
  - “Crime is 80% of what limits my use.”
  - “My daughter keeps asking me papa, why don’t you just move to some place safer?”

- In August, 6 slip holders canceled their slips in the Marina specifically due to safety, security, crime, and encampment concerns.
CRIME IMPACTS

- Impacts on tenants:
  - Doubletree:
    - Break-ins to guest rooms, cars, coolers, etc.
    - It continues to get brazen and further reckless.
    - “We’re all feeling the pain, we’re having to pay for safety and security.”
  - Skates:
    - “We’ve had having people break our windows, chew on glass, spit blood all over restaurant and grab our patrons.”
  - Hana Japan:
    - Had a woman run screaming through our outdoor dining tables, and up into the building...this hurts business, which is already struggling.
    - 14-15 break-ins each week; those customers never come back.
  - Charter boats:
    - “K dock parking lot has been a virtual warzone at times.”
    - “This is our home. It’s our livelihood. The City has to step up and do something about these problems.”
CRIME IMPACTS

• Impacts on community:
  • Vehicle break-ins
  • Recreation staff with kids in program recovered a machete and knife in Shorebird Park.
  • Woman assaulted on the path between the Nature Center and Seawall Drive.
  • Repeated vandalism to public restrooms: K Dock and Shorebird
  • Illegal dumping at entrance to Waterfront
STRATEGIES FOR RECOVERY

• Make Marina as safe as possible.
  • Safety and security: cameras, PD substation, increase security
  • Immediate needs: $60k (GF) for cameras; $180k (MF) for private security and monitors

• Improve the infrastructure.
  • Capital: O&K dock electrical, finger docks, Marina streets
  • Maintenance: dock, gangway, and gate repairs
  • Long-term planning: BMASP and ferry study
  • Seek external sources (e.g. T1, grants) to fund priority capital needs: pilings, D&E dock replacement, K dock restroom, Cesar Chavez restroom

• Still, additional support – est. $2.3M in next budget cycle will be needed to offset significant COVID-related revenue loss and maintain Waterfront operations.

• With these efforts, and economic recovery post-COVID, Marina Fund can be viable.
Thank you.

Questions?