

MINUTES
BOATING AND WATERWAYS COMMISSION MEETING
SACRAMENTO, CALIFORNIA
August 12, 2004

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Chairman Joseph P. Sharpe, on August 12, 2004, at 8:40 A.M., at 2200 Harvard Street, Hilton Sacramento Arden West Hotel, Sacramento, California.

ROLL CALL

Commissioners Present: Joseph P. Sharpe, Chairman
 Warren E. Rupf, Vice Chairman
 Lenora S. Clark
 Jon S. Fleischman
 Charles P. "Bud" Johnson
 Robert Y. Nagata
 H.P. "Sandy" Purdon

Department of Boating and
Waterways Personnel Present: Raynor Tsuneyoshi, Director
 Joy Fisher, Staff Counsel
 Steve Watanabe, Acting Chief, Boating Facilities Division
 Dolores Farrell, Chief, Boating Operations Division
 Harold Flood, Supervisor of Planning, Facilities Division
 Mary Just, AGPA, Boating Facilities Division
 Mike Sotelo, AGPA, Regulations Unit
 Margarita Sanchez, Administrative Assistant
 Suzi Betzler, Notary Public

ADMINISTRATION OF OATH

Mr. Tsuneyoshi administered the Oath of Office to the four new Boating and Waterways Commissioners which are Ms. Lenora S. Clark, Mr. Jon S. Fleischman, Mr. Charles P. "Bud" Johnson, and Mr. H. P. "Sandy" Purdon.

ELECTION OF VICE-CHAIRMAN

Commissioner Rupf was elected Vice-Chairman for 2004.

APPROVAL OF MINUTES

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Boating and Waterways Commission minutes of the March 15, 2004, meeting be approved. The motion carried unanimously.

CHAIRMAN'S REPORT

Chairman Sharpe thanked former Commissioners Heim and Beatie for all their expertise, hard work, and dedication they brought to the Commission. He introduced the four new Commissioners and welcomed them to the Boating and Waterways Commission.

Chairman Sharpe read a letter from Senator Liz Figueroa, 10th District, dated June 30, 2004. He indicated that Senator Figueroa, who is Chair of the Joint Committee on Boards, Commissions and Consumer Protection, has requested a response to a survey about the Boating and Waterways Commission.

Chairman Sharpe appointed a subcommittee consisting of Commissioner Rupf, Commissioner Nagata, Mr. Ed Macken and Mr. Doug Parsons to respond to the letter.

DIRECTOR'S REPORT

Mr. Tsuneyoshi welcomed the new Commissioners and reported that the Department's budget of \$66,113,000 for FY 2004/05 included the following: \$16,500,000, for loans to public agencies to construct and improve marinas; \$3,500,000, for loans to private sector marina owners to construct and improve marinas; \$10,996,000 for grants to public agencies to construct and improve boat launching facilities; \$2,598,000 for capital outlay projects to construct and improve boating facilities on state lands; \$9,075,000 in aid to local agencies for boating law enforcement; \$1 million for beach erosion control; \$500,000 for abandoned watercraft abatement grants; and \$8,111,000 in federal funds for a variety of boating safety, education and access programs including vessel sewage pumpout education and grants, and a coastal data information program. He noted that the state budget also included \$27.35 million to California State Parks from boating-derived gasoline taxes.

Mr. Tsuneyoshi reported that the California Performance Review (CPR) report had been released and it included eliminating 118 boards and commissions, and that all agencies and departments would be consolidated into 11 departments which would contain multiple divisions. He stated that under the plan, the Department of Boating and Waterways would become the "Division of Boating and Waterways" in the newly created Department of Infrastructure, and that the yacht and ship broker and for-hire vessel licensing functions, would be moved to the Commerce and Consumer Protection Department. Mr. Tsuneyoshi stated that the Boating and Waterways Commission would be abolished and its functions absorbed by the new Division of Boating and Waterways. He reported the proposed effective date for the reorganization would be July 1, 2005.

Mr. Tsuneyoshi stated that the CPR would be holding a total of six public hearings on the recommendations in the report and that the report can be revised before submitting to the Governor for review. He indicated the report would then be presented to the Little Hoover Commission and then to the Legislature in 2005. Mr. Tsuneyoshi reported that the Legislature can only vote on the report and not amend it.

Mr. Tsuneyoshi thanked the boating community for all their support. He acknowledged the Recreational Boaters of California, the Pacific Inter-Club Yacht Association, Marina Recreational Association, and the California Association of Harbor Masters and Port Captains.

LEGISLATIVE REPORT

Mr. Mike Sotelo reviewed the Legislative Report and gave the Commission an update of legislative matters concerning the Department. Copies of the Legislative Report were available to the public and Mr. Sotelo was available to answer questions from the Commission Members.

CONSENT CALENDAR

Mr. Flood presented, for approval, to the Commission the Consent Calendar which consisted of five grants and one loan and blanket authority for emergency loans; ramp repair and modification grants, and sign grants.

Mr. Flood indicated that the four grants are final phase funding and are projects that have been approved previously by the Commission. He stated the projects are phased funded because of cost but that each year the Commission has to approve funding which is in the current budget year. Mr. Flood added that the Department has to come back to the Commission to get the phases approved.

Mr. Flood indicated that staff recommended approval of the Consent Calendar.

Commissioner Purdon asked if all the final phase projects meet the current regulations, such as, ADA.

Mr. Flood responded that typically a project will not start construction until all the funding is in place and all current guidelines have been met. He added that this particular loan is in the second phase funding so there will be other phases and will be on the agenda at a future Commission meeting for approval.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission approve the Consent Calendar as presented. The motion carried unanimously.

CONSIDERATION OF PUBLIC GRANTS

Mr. Flood presented to the Commission for its advice and consent the following request for public grants.

Antioch Marina Boat Launching Facility

Request for a Department of Boating and Waterways Phase I grant of \$280,000 to the City of Antioch to construct the Antioch Marina Boat Launching Facility. The funding of \$280,000 would be for the planning and engineering of the new facility. The total amount of grant would be \$3,769,500. The City of Antioch is located in eastern Contra Costa County and the project site is located on the southern shoreline of the San Joaquin River, within the City of Antioch.

Mr. Flood indicated the proposed project would entail the following: 1) construct a new four-lane boat launching ramp, 2) install three new boarding floats, 3) construct a new paved parking area with 129 vehicle/trailer spaces, 4) construct a new restroom, 5) add utilities, 6) install drainage and erosion control, 7) add signage.

Mr. John Cruger-Hansen, Harbormaster, City of Antioch, was available to answer questions from the Commission.

Mr. Flood also indicated that Commissioner Clark had visited the proposed project site.

Mr. Flood stated that staff recommended that the Commission consent to the project.

Commissioner Rupf asked that the words mobilization and dewatering, which were used in the Feasibility Report, be defined. Mr. Flood stated that dewatering is when water is eliminated so that concrete can be poured. He added that there are various methods in which dewatering is done, typically involving some sort of cofferdam. Mobilization, Mr. Flood added is the funding needed to get the contractor started on the project.

Commissioner Clark reported that she had visited the project site and reported that the marina will be adding a larger and more accessible boating ramp and facility.

Commissioner Rupf asked if the engineering permits and inspections are local charges and would the City of Antioch be charged for inspection.

Mr. Cruger-Hansen replied that the City of Antioch has their own inspectors and engineers and are part of the Public Works Department so they do not charge the City.

Mr. Flood indicated that the Cost Estimate totals in the Feasibility Report are the Department's standard markup for the items which allow entities to go outside to get engineering if they need to and pay for all the necessary permits. He added that any funds that are not used revert back to the Harbors and Watercraft Revolving Fund to be used for other projects.

Commissioner Rupf stated that he is concerned that a public entity would obtain a public grant and then pay themselves to do the inspection or engineering work.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission consent to the Phase I grant of \$280,000 to the City of Antioch to construct the Antioch Marina Boat Launching Facility. The motion carried unanimously.

Mr. Cruger-Hansen thanked the Commission.

Oyster Point Marina Boat Launching Facility

Request for a Department of Boating and Waterways Phase I grant of \$83,000 to the San Mateo County Harbor District to improve the Oyster Point Marina Boat Launching Facility. The funding of \$83,000 would be for planning and engineering. The total amount of grant would be \$828,000. The Oyster Point Marina Boat Launching Facility is located approximately two miles north of the San Francisco International Airport on the San Francisco Bay.

Mr. Flood indicated the proposed project would entail the following: 1) demolish existing boat launching ramp and construct a two-lane boat launching ramp, 2) install new boarding float, 3) repave existing parking area and staging area.

Mr. Peter Grenell, General Manager, San Mateo County Harbor District and Mr. Robert Johnson, Harbormaster, Oyster Point Marina, were available to answer any questions from the Commission.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Commissioner Johnson asked why a boarding float with measurements of 8' x 20' cost over \$75,000.

Mr. Flood replied there is an error in the measurement of the boarding float as printed in the Feasibility Report. He added the measurements for the boarding float should be 8' x 120'.

Mr. Flood indicated that Commissioner Clark had visited the proposed project site.

Commissioner Clark reported that the project site is well visited by boaters and noted that the site is not in ADA compliance. She stated the main principals of Oyster Point Marina have considerable plans for continued improvements and expansion.

Commissioner Clark recommended approval of the proposed project.

Mr. Grenell reported that capital improvements are being done in the area, such as, lighting for the East Basin parking lot and the area around the boat trailer parking lot; paving of the parking lot for the berthing tenants.

MOTION: It was moved by Commissioner Clark and seconded by Commissioner Johnson that the Commission consent to the Phase I grant of \$83,000 to the San Mateo County Harbor District to improve the Oyster Point Marina Boat Launching Facility. The motion carried unanimously.

Mr. Grenell thanked the Commission for their support of Oyster Point Marina.

Port San Luis Boat Launching Facility

Request for a Department of Boating and Waterways grant of \$1,409,000 to the Port San Luis Harbor District to improve the Port San Luis Boat Launching Facility. Port San Luis is located in the County of San Luis Obispo and the Port San Luis Boat Launching Facility is located on San Luis Obispo Bay west of the town of Avila Beach.

Mr. Flood indicated the proposed project would entail the following: 1) replace the sport launch hoist, draw-works, controls and rigging, 2) construct a new paved parking area with 28 vehicle/trailer parking spaces, 3) construct a new barrier-free access restroom, and 4) add utilities and signage.

Mr. Joe Barget, Facilities Manager, Port San Luis Harbor District (District), was available to answer any questions from the Commission.

Mr. Flood indicated that Commissioner Nagata visited the proposed project site.

Mr. Flood indicated that staff recommended that the Commission consent to the project and allow the Port San Luis Harbor District to continue to charge a boat launching fee of more than \$13.00 per boat launch to cover the higher than average operation and maintenance expenses of the hoist.

Mr. Flood reported that the Port San Luis Harbor District charges a fee of \$13.00 for small boats and \$20.00 for up to 32' boats.

Commissioner Johnson asked about the capability of the boat hoist. Mr. Barget responded that the hoist is made of steel with a motor that picks a boat off a trailer, takes it out over the water and then lowers it onto the dock. He added that the District thought of renovating the existing hoist, but added that it was more feasible and economical to replace the steel and the motors.

Commissioner Purdon asked about the history and regulation on the boat launching fee. Mr. Flood responded that there is no regulation on the fee for boat launching but that the Commission used to allow a fee of \$5.00 for a boat launch. He added that about two years ago the Department did a

study to determine how much facilities were charging for boat launching. Mr. Flood stated that there were many complaints that launching facilities that the Department had funded were charging too much. He indicated the complaints were stating that \$5.00 was charged for boat launching and \$10.00 for parking, and additional fees were being added for fishing and for pets, and that was not the intention of the Commission. Mr. Flood reported the Commission then decided that a fee of \$13.00 for boat launching would include any cost the boater would have to get his boat onto the water. He added that any amount charged over the \$13.00 would require Commission approval. Mr. Flood stated the \$13.00 fee may increase annually with the CPI.

Commissioner Purdon asked if the fee is a requirement of grants only. Mr. Flood responded it is a requirement only for boat launching facilities that the Department funds with the grant program.

Commissioner Purdon asked if a market study was done. Mr. Flood responded that a study was done on all of the boat launch facilities in the State and most of the public facilities in the year 2000 did not charge anything but the ones that did charged an average fee of \$6.00 and the private facilities charged \$8.00 with the highest being over \$45.00 in Tahoe.

Commissioner Nagata reported that he had visited the project site and that it was the first sport launch hoist he had reviewed. He added that he was concerned about the launching fee, but noted that the hoist is much more labor intensive than a ramp. Commissioner Nagata stated when using boaters' money to build a facility, the boaters should not be charged for using it, except for a minor amount that it would cost to run it and no profit should be made. He added that in this project it is a little more labor intensive due to the hoist and the charges probably have to be a little more. Commissioner Nagata said the Commission should approve the higher fee for boat launching and asked Mr. Flood to explain the difference for the fee of a smaller boat than that of a larger boat.

Mr. Barget responded that it takes a longer time and care to handle the larger boat. Mr. Flood added that this facility is one of the few boating facilities that require someone on staff to operate it. He added that at most boat launching facilities a boater would launch his own boat, but at this facility one person has to be there to launch boats and at peak hours at least two are needed.

Commissioner Nagata asked if the rates on page seven of the Feasibility Report are what the Commission is approving. Mr. Flood responded yes.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Johnson that the Commission consent to the grant of \$1,409,000 to the Port San Luis Harbor District to improve the Port San Luis Boat Launching Facility and to allow the Port San Luis Harbor District to continue to charge a boat launching fee of more than \$13.00 per boat launch to cover the higher than average operation and maintenance expenses. The motion carried unanimously.

Mr. Barget thanked the Commission.

CONSIDERATION OF PUBLIC LOAN

Mr. Flood presented to the Commission for its advice and consent the following requests for public loans.

City of Long Beach Downtown Marinas

Request for a Department of Boating and Waterways Phase IV loan of \$6,875,000 to the City of Long Beach to improve the Long Beach Shoreline Marina (previously known as the Downtown Marina) and the Rainbow Marina (previously known as the Shoreline Village Marina). The total amount of loan would be \$31,718,000. The City of Long Beach is located in Southern California and the Downtown Marinas are located in the northwest portion of the City of Long Beach.

Mr. Flood reported the proposed project would entail the following: 1) replacing docks and fingers, including demolition of existing treated wood docks and fingers, 2) utilities replacement, 3) piles, 4) widening/replacement of gangways and docks for ADA compliance, and 5) ancillary items.

Mr. Douglas Parsons, Superintendent of Marine Operations, City of Long Beach, was available to answer questions from the Commission.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Commissioner Nagata asked why this agenda item could not be heard on the Consent Calendar. Mr. Flood responded that this project amount is too large since the Consent Calendar's maximum is \$3 million.

Commissioner Purdon asked if this loan of \$6.8 million would be the final phase. Mr. Flood responded that it is not, and that there is still \$8.125 million left. He added the Commission approved the \$31,718,000 loan in concept at the March 15, 2004, Commission meeting. Mr. Flood reported that the original loan was a \$16 million loan, but due to complications and new ADA guidelines the loan was increased.

Commissioner Clark asked when there are phases of the loan, do they draw down on each phase or does the Commission approve the phases. Mr. Flood responded that they can only draw down what is already approved by the Commission and what is in their contract. He added that in this project, if approved, they still have \$8 million left and could draw down close to \$25 million, but the final phase would have to be next year and the year after depending on future funding.

Commissioner Purdon asked what would happen if the \$8 million does not get approved and there are no funds available. Mr. Flood responded that the City of Long Beach would have to alter their project or find funding some place else.

Commissioner Purdon asked if the Department allows second position funding behind it. Mr. Flood responded that the Department does allow subordinate financing and the Department can also take a second position.

MOTION: It was moved Commissioner Rupf and seconded by Commissioner Purdon that the Commission consent to the Phase IV loan of \$6,875,000 to the City of Long Beach to improve the Long Beach Shoreline Marina (previously known as the Downtown Marina) and the Rainbow Marina (previously known as the Shoreline Village Marina). The motion carried unanimously.

Mr. Parsons thanked the Commission on behalf of the City of Long Beach.

Long Beach – Alamitos Bay

Request for a Department of Boating and Waterways Phase I loan of \$500,000 to the City of Long Beach to improve Alamitos Bay – Basins 2 & 3. The total amount of loan would be \$43,500,000. The City of Long Beach is located in Southern California and Alamitos Bay lies in the southeastern portion of the City of Long Beach.

Mr. Flood indicated that the proposed project would entail the following: 1) demolishing existing berths and constructing 1,093 new berths, 2) repaving the parking areas, 3) constructing new restroom facilities, 4) dredging, 5) repairing the seawall.

Mr. Flood indicated that Commissioner Nagata visited the proposed project site.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Commissioner Rupf asked about the sentence stating that the “The Department will seek a first lien position on these funds...” Mr. Flood responded, “The Department will ‘get’ first position.” He added this is being worked on and the paperwork is almost done.

Commissioner Fleischman asked if the Department will do an analysis to make sure that as the Department commits to large projects, all areas of the state be considered.

Mr. Flood responded that any large project that the Department funds with loans or grants is going to make it more difficult to fund other projects in the future, especially since the Department’s funds are diminishing. He added there have been studies done in the last four years indicating where boaters’ needs are with respect to new facilities and that the Department compares the requests for new facilities with the studies.

Mr. Parsons reported that the reason the phasing program came into effect by the Department was so that no one facility could receive 50, 60 or 100 percent, of the funds available that one year and that is why the Downtown project is now on its fourth phase.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Clark that the Commission consent to the Phase I loan of \$500,000 to the City of Long Beach to improve Alamitos Bay – Basins 2 & 3. The motion carried unanimously.

CONSIDERATION OF PRIVATE LOAN

Ms. Just presented to the Commission for its advice and consent the following request for a private loan.

Monterey Bay Boatworks Breakwater Cove Marina

Request for a Department of Boating and Waterways Recreational Marina Loan of \$900,000 to Monterey Bay Boatworks Company, Ltd., a Limited Partnership, for improvements to the Breakwater Cove Marina. Breakwater Cove Marina is located on the northwest portion of Monterey Harbor within the City of Monterey.

Ms. Just reported that the Recreational Marina Loan will be used to construct 22 new boat slips to be part of the existing 71-slip dock, and construct a harbormaster building. The building will be located adjacent to the water line next to the boat lift, and will accommodate offices, a conference room and storage lockers.

Mr. Bart Bruno, General Partner, Monterey Bay Boatworks Company, Ltd. was available to answer questions from the Commission.

Ms. Just stated that Commissioner Clark visited the proposed project site.

Commissioner Johnson asked if the existing ramp is ADA compliance. Ms. Just responded that this project does not include a launch ramp, but that there are gangways which may have ADA issues that need addressing. She added that the ADA problem was discussed with Monterey Bay Boatworks.

Mr. Bruno added that there will be modifications on the gangways so that they are in ADA compliance.

Commissioner Clark reported that she visited the site and noted that the Marina was initially set up for commercial enterprises and repair, but due to change in demographics from commercial fishing in the area to more recreational boating, the partnership has a long range vision of attempting to accommodate the recreational boaters and the slips will be mainly for recreational boats.

Commissioner Clark recommended approval of this proposed project.

Commissioner Nagata asked what percentage is commercial. Mr. Bruno responded that the initial project was intended to be industrial, but the needs of the boating community will be served for

boats to be moored and to have slips in the marina. He added the percentage is about 10 to 15 for commercial.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission consent to the Recreational Marina Loan of \$900,000 to Monterey Bay Boatworks Company, Ltd., for improvements to the Breakwater Cove Marina. The motion carried unanimously.

Mr. Bruno thanked the Commission on behalf of Monterey Bay Boatworks and the City of Monterey.

CONSIDERATION OF PUBLIC GRANT TIME EXTENSION

Miller Park-Tomales Bay Boat Launching Facility

Marin County has requested a construction timeline extension of two years for the Miller Park-Tomales Bay Boat Launching Facility.

Mr. Flood stated that this agenda item should have been on the Consent Calendar of March 2004, but due to the fact that the project manager no longer works at the Department, it was not added to the Calendar.

Mr. Flood reported the reason for the delay in this project is due to the project planning taken longer than anticipated. He added the planning process is now complete and permitting has started. Mr. Flood indicated that construction completion is expected to be in October 2005.

Mr. Flood recommended that the Commission approve the first-time request for a construction date extension of two years (to May 1, 2006).

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission consent to a construction timeline extension of two years (to May 1, 2006) to Marin County for the Miller Park-Tomales Bay Boat Launching Facility. The motion carried unanimously.

OLD BUSINESS

Martinez Marina Loan Time Extension

Request from the City of Martinez (City) to extend the Martinez Marina loan agreement and allow interest-only payments in fiscal years 2004/05 and 2005/06 with the following conditions:

1. City and Pacific Marina Development/Almar Marina Management diligently continue negotiations.
2. A long-term agreement acceptable to the Department of Boating and Waterways between the City and Pacific Marina Development/Almar Management is signed no later than August 1, 2005.
3. City makes all interest-only payments on time.
4. City and Pacific Marina Development/Almar Marina Management present to the Boating and Waterways Commission at the October Commission meeting an outline and time schedule for development of the new lease that is acceptable to the Boating and Waterways Commission.

Mr. Mark Ross, Vice Mayor, City of Martinez and Mr. Tom Hogan, President, Pacific Marina Development were available to answer any questions from the Commission.

Mr. Flood indicated that the City has issued RFPs and is currently negotiating with Pacific Marina Development and Almar Marina Management. He stated the City has requested to have interest only payments for two years while the negotiations are in process and contracts are signed with the long-term developer. In addition the City requested that the \$2.973 million in loan funds, which are still available, be extended for that period of time for infrastructure repair.

Mr. Flood reported that when the Commission acted on this loan earlier this year, the City of Martinez was given until July 15, 2004, to sign a long-term operator and if they did not then the loan funds would be reverted at the end of this fiscal year. He added that the City does have a long-term operator willing to sign, but the negotiations have taken longer than anticipated. Mr. Flood stated that part of the problem is that the Department of Boating and Waterways and the City have to approve all plans which takes more time.

Mr. Flood said staff recommends that the Boating and Waterways Commission consent to the City of Martinez's request as stated.

Commissioner Nagata asked what the loan balance is. Mr. Flood responded the unused loan balance is \$2.973 million and the outstanding balance from previous loans to be repaid is about \$1.75 million.

Commissioner Clark asked about the Feasibility Report where it stated there were plans for the entity that took over the development to pay the \$1.7 million. Mr. Flood responded yes, that was a condition of the Commission five years ago when payments were originally deferred. He added that five years ago the City of Martinez asked the Commission to have their principal and interest deferred for five years while they arrange to have a long-term operator take over the marina.

Mr. Flood stated the City signed a short-term operator with an option to do this, but at the end of the five-year period the operator declined to sign the long-term option. He reported that the City has since issued two RFPs to try to find a new operator, and the RFPs do not include for the Department being repaid.

Commissioner Clark asked if City of Martinez has a plan for repayment with the new entity that has responded to the RFP. Mr. Ross responded that the plan before the Commission is a plan to repay the Department but not the whole \$1.7 million. He added the \$1.7 million is the reason why none of the RFPs came back.

Commissioner Nagata asked why the Department would loan \$2.973 million dollars to someone who has defaulted. Mr. Flood responded that the \$2.973 million would go into infrastructure repairs around the marina, but the condition is that City bring in somebody else to rebuild the marina and operate it for a long-term of 45 plus years. This arrangement will generate sufficient revenues from that operator coming in to pay the Department for both loans in the future, which was the original condition.

Mr. Ross informed the Commission that what was done in the 70s and 80s was true and that the City of Martinez did not pay off its debt for the original construction of the original marina. He added the City does not believe it should take money and throw it away and that the City wants to make this a viable marina for the boating public. Mr. Ross stated he would like to come back to the Commission in October with a good business plan that will pay the Department back and that the problem has been the \$1.7 million dollars from the past.

Mr. Hogan stated that Pacific Marina Development's investment is between \$10 to \$12 million of equity and loan financing that would be put into the property to rebuild the marina. He added that part of what the Commission is going to see in the business plan is the structure of the funding and how the project will be put together and that there is substantial equity.

Commissioner Rupf reported he was on the Commission five years ago when this transaction began. He indicated part of his support of this recommendation is that the City brings in experts from the private sector, but if the Commission is still looking at the same or larger window of time and money by August 1, 2005, then he will make a motion to cut the Department's losses.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission consent to extending the Martinez Marina loan agreement and allow interest-only payments in fiscal years 2004/05 and 2005/06 with the following conditions: 1) City and Pacific Marina Development/Almar Marina Management diligently continue negotiations; 2) A long-term agreement acceptable to Department of Boating and Waterways between the City and Pacific Marina Development/Almar Management is signed no later than August 1, 2005; 3) City makes all interest-only payments on time and, 4) City and Pacific Marina Development/Almar Marina Management present to the Boating and Waterways Commission at the October Commission meeting an outline and time schedule for development of the new lease that is acceptable to the Boating and Waterways Commission.

Commissioner Nagata commented that the conditions in the staff recommendations do not include the \$2.973 million and whether it reverts back.

Mr. Flood responded it should be included in the staff recommendation. He added it was not one of the points, but it was included in extending the consent for the loan agreements.

Commissioner Rupf stated he made the motion based on the assumption that unless the Commission has an opportunity to change it, the current agreement is in force and effect, but just for a longer period of time.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Commission consent to extending the Martinez Marina loan agreement and allow interest-only payments in fiscal years 2004/05 and 2005/06 with the following conditions: 1) City and Pacific Marina Development/Almar Marina Management diligently continue negotiations; 2) A long-term agreement acceptable to Department of Boating and Waterways between the City and Pacific Marina Development/Almar Management is signed no later than August 1, 2005; 3) City makes all interest-only payments on time and, 4) City and Pacific Marina Development/Almar Marina Management present to the Boating and Waterways Commission at the October Commission meeting an outline and time schedule for development of the new lease that is acceptable to the Boating and Waterways Commission. Commissioners Rupf, Nagata, Johnson and Fleischman voted “yes.” Commissioners Purdon and Clark “abstained.” Motion passed.

NEW BUSINESS

“*Sharing the Bay*” video was shown to the Commission.

Mr. Tsuneyoshi indicated the video was sponsored by the Department of Fish and Game, Pacific Interclub Yacht Association, Recreation Boater of California and the Department of Boating and Waterways.

PUBLIC COMMENTS

Mr. Brad Gross, California Association of Harbor Masters and Port Captains, welcomed the new Commissioners and stated the Association’s support for the Department.

COMMISSIONER ANNOUNCEMENTS

Commissioner Fleischman asked if the next Commission meeting could be held near the State Capitol. Commissioner Rupf suggested that the next Commission meeting be held at different locations throughout the State, as it was done in the past, to make it more convenient for the boaters. Mr. Tsuneyoshi responded that he would look into having the next Commission meeting in a different location.

Commissioner Rupf suggested that the committee, which was appointed earlier in the meeting, should meet soon.

Chairman Sharpe announced that the next Boating and Waterways Commission meeting will be held on November 18, 2004.

ADJOURNMENT

The Chair adjourned the meeting at 10:34 A.M.

Raynor Tsuneyoshi, Secretary

Attachment