



# City of Sacramento City Council

2

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 6/7/2011

**Report Type:** Consent

**Title: Supplemental Agreement: Sacramento Marina South Basin Renovation**

**Report ID:** 2011-00494

**Location:** District 4

**Recommendation:** Adopt a Resolution authorizing the City Manager, or his designee, to execute Amendment Number 6 to City Agreement 2005-0307 between the City of Sacramento and the California Department of Boating and Waterways (DBAW) to 1) extend the completion date of the South Basin Renovation project to June 30, 2011; 2) defer the start date of the City's repayment of the loan to August 2012; and 3) confirm that replacement and/or repair of the G Dock Gangway Pier is not part of the project for which DBAW loaned the City funds.

**Contact:** Rebecca Bitter, Program Manager, (916) 808-5407, Convention, Culture and Leisure Department

**Presenter:** None

**Department:** Convention Culture & Leisure

**Division:** CCL Administration

**Dept ID:** 17001011

## **Attachments:**

---

- 1-Description/Analysis
- 2-Resolution
- 3 - Exhibit A

---

### **City Attorney Review**

Approved as to Form  
Kourtney Burdick  
5/26/2011 8:37:25 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
5/23/2011 10:14:55 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Barbara E. Bonebrake - 5/25/2011 10:13:13 AM

Assistant City Manager: Cassandra Jennings - 5/25/2011 9:33:36 PM



## Description/Analysis

**Issue:** In 2005, the City executed Agreement 2005-0307 with the California Department of Boating and Waterways (DBAW). Through the agreement and its associated amendments (Amendments Number 2005-0307-1 through 2005-0307-5), DBAW loaned the City the principal amount of \$9,000,000 to be used for the South Basin Renovation project (M17500300). Construction of the project was completed in late 2009, though final completion of punch list items prevented DBAW from closing the project in 2010. DBAW reimbursed the City for \$8,100,000 during construction. However, DBAW still holds \$900,000 of the original \$9,000,000 as retention, to be disbursed to the City once the project has been closed. Under the agreement, the City's repayment of the loan begins on August 1 in the same calendar year as closeout of the project.

Proposed Amendment Number 6 includes the following changes to the loan agreement:

1. Extends the completion date of the project to June 30, 2011, giving DBAW adequate time to release the \$900,000 before the end of the fiscal year;
2. Defers repayment of principal and interest on the loan by one year to August 2012, as permitted by the terms of the loan agreement; and
3. Specifies that replacement and/or repair of the G Dock Gangway Pier are not a part of the project for which DBAW loaned the City funds.

Near the end of construction, the G Dock gangway was identified as in need of repairs and in the future, piling replacement. In December 2008, the City's contractor, Bellingham Marine, made repairs to the gangway and piles. The Marina intends to replace the G Dock piles in the future once capital improvement funds can be identified for that purpose.

**Policy Considerations:** The proposed action is consistent with the policy to establish and strengthen community and regional partnerships to enhance the quality of life.

**Environmental Considerations:** The proposed action is not subject to environmental review under the California Environmental Quality Act ("CEQA"), California Code of Regulations, title 14, section 15060 because it is not a project under CEQA.

**Sustainability:** N/A

**Commission/Committee Action:** N/A

**Rationale for Recommendation:** The annual loan repayment for the South Basin Renovation project will be approximately \$560,000. Coupled with the \$465,000 due annually to DBAW for the North Basin construction in the 1980's, the total debt payments to DBAW will be \$1.2 million. The economic recession has resulted in reduced occupancy at the Marina, straining the Marina Fund, with an estimated occupancy for FY2011 of 54%.

As part of the Department's effort to bring the Marina's budget in line with its constrained revenues, staff initiated discussions with DBAW in 2010 to defer the loan repayment by

one year, as allowed for in the loan agreement. This amendment grants the City a one year deferral of principal and interest on the loan from August 2011 to August 2012.

If the economic recovery is as slow as predicted, staff is estimating the Marina Fund will have a negative fund balance in FY 2014/15. In anticipation of this, City staff has begun discussions with DBAW regarding a restructuring of the South Basin loan that will enable the Marina to meet its loan obligations and maintain a positive fund balance.

**Financial Considerations:** Approving Amendment #6 to Agreement 2005-0307 will allow the City to reimburse CIP M17500300 (South Basin Renovation) in the amount of \$900,000, the amount currently held in retention by DBAW, and close this project. Through the amendment, the repayment of the loan amount will be deferred to August 2012.

**Emerging Small Business Development (ESBD):** No good or services are being purchased.



## **RESOLUTION NO. 2011-**

Adopted by the Sacramento City Council

### **SIXTH AMENDMENT TO CITY AGREEMENT NUMBER 2005-0307 BETWEEN THE CITY OF SACRAMENTO AND THE CALIFORNIA DEPARTMENT OF BOATING AND WATERWAYS FOR THE SOUTH BASIN RENOVATION PROJECT**

#### **BACKGROUND**

- A. In 2005, the City executed Agreement 2005-0307 with the California Department of Boating and Waterways (DBAW) for a five phase loan in the total principal amount of \$9,000,000.
- B. Construction of the South Basin Renovation project was completed in late 2009. Final completion of punch list items prevented DBAW from closing the project by their fiscal year deadline in 2010. The total loan amount was disbursed to the City as reimbursements during construction, except for \$900,000 being held in retention by DBAW to be released once they close the project. Per the loan agreement, repayment begins on August 1 in the same year as closeout of the project.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager, or his designee, is authorized to execute Amendment Number 6 to City Agreement 2005-0307 (shown in Exhibit A) between the City of Sacramento and the California Department of Boating and Waterways (DBAW) to 1) extend the completion date of the South Basin Renovation project to June 30, 2011; 2) defer the start date of the City's repayment of the loan to August 2012; and 3) confirm that replacement and/or repair of the G Dock Gangway Pier is not part of the project for which DBAW loaned the City funds.
- Section 2. Exhibit A is a part of this resolution.



# Status of Contract Requiring Council Approval

**\*\* Form to be completed by City Attorney\*\***

- The contract is signed by the other party(ies), is approved as to form by the City Attorney, and is attached as an exhibit to the Resolution.

Contract Title

- The contract recommended for award by the City Council is for a public project (SCC Ch. 3.60); is NOT signed by the contractor; is in a form that the City Attorney will approve upon proper execution by the contractor; and is attached as an exhibit to the Resolution.

Contract Title

- The contract is with another governmental agency or agencies that require approval and execution by the City prior to execution by the other agency(ies). In this case, the contract is NOT signed by the other agency(ies), but is in a form that the City Attorney will approve upon proper execution by the agency(ies), and is attached as an exhibit to the Resolution.

Contract Title

Amendment No. 6 to City Agreement 2005-0307 between the City of Sacramento and the California Department of Boating and Waterways

- The contract is NOT signed by the other party(ies); however, due to special circumstances documented in writing by the Department presenting the contract, the City Attorney has confirmed in writing the legal propriety of the City Council approving and authorizing the action recommended. The unsigned contract:

Contract Title

- is attached as an exhibit to the Resolution
- is NOT attached as an exhibit to the Resolution

General Comments

Signature Field

*Kourtney P. Burdick*

Form Approved by City Attorney 12/31/10

STATE OF CALIFORNIA  
**STANDARD AGREEMENT AMENDMENT**  
 STD. 213 A (Rev 6/03)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 1 Pages

AGREEMENT NUMBER <b>03-102-407</b>	AMENDMENT NUMBER <b>6</b>
REGISTRATION NUMBER eP	

**PROJECT CODE 385**

- This Agreement is entered into between the State Agency and Contractor named below:  
STATE AGENCY'S NAME  
**DEPARTMENT OF BOATING AND WATERWAYS (DEPARTMENT)**  
CONTRACTOR'S NAME  
**CITY OF SACRAMENTO (BORROWER)**
- The term of this Agreement is January 19, 2005 through (until repaid in full)
- The maximum amount of this Agreement after this amendment is: \$ 9,000,000.00  
NINE MILLION DOLLARS
- The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

**Sacramento Marina – South Basin Loan**

This amendment to contract is entered into on **May 4, 2010**, between the California Department of Boating and Waterways (DEPARTMENT) and City of Sacramento (BORROWER).

**Loan Recitals**

WHEREAS, Section 70.2 et seq. of the Harbors and Navigation Code authorizes the Department to make loans to cities, counties and districts to design, construct, and improve small craft harbors; and

WHEREAS, the Department has previously approved a construction loan to the Borrower; and

WHEREAS, in May 2010 the Department approved the time extension for completion of the Project.

*(continued)*

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>		<b>CALIFORNIA</b> Department of General Services Use Only
CONTRACTOR'S NAME <i>(If other than an individual, state whether a corporation, partnership, etc.)</i>		
CITY OF SACRAMENTO		
BY <i>(Authorized Signature)</i>	DATE SIGNED <i>(Do not type)</i>	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
CITY MANAGER		
ADDRESS		
2710 RAMP WAY, SACRAMENTO, CALIF. 95818		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		
DEPARTMENT OF BOATING AND WATERWAYS		
BY <i>(Authorized Signature)</i>	DATE SIGNED <i>(Do not type)</i>	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
LUCIA C. BECERRA, Acting Director		
ADDRESS		
2000 EVERGREEN STREET, SUITE 100, SACRAMENTO, CALIF. 95815-3888		
		<input type="checkbox"/> Exempt per:

NOW THEREFORE, the Department and the Borrower mutually agree to amend the loan Agreement as follows:

- a. Article 7 (A) of Exhibit B is amended to read:

“The Borrower shall complete the Project no later than June 30, 2011.”

- b. The Project scope, defined by Exhibit D-Sacramento Marina Feasibility Reports (Phases I, II, III, IV and V collectively) is amended to add the following:

“Replacement and/or repair of the G-dock Gangway Pier is outside of the scope of the project for which the Department of Boating and Waterways loaned the City of Sacramento \$9,000,000. The City of Sacramento alone is responsible for necessary repairs and/or replacement of the G-dock Gangway Pier”.

- c. Article 8 (A.2) of Exhibit B is amended to add:

“The Parties to this Agreement have mutually agreed to defer the repayment of principal and interest by one year. Repayments shall begin the second August 1 following the final draw and be made in thirty (30) annual, approximately equal payments.”

Save as herein or previously amended, the contract of January 19, 2005 shall remain in full force and effect.