



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604

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Consent
February 27, 2007

Honorable Mayor and
Members of the City Council

Title: Agreement: #4 to CM Agreement 2005-307 – State Department of Boating and Waterways Loan Agreement for the Sacramento Marina South Basin Renovation

Location/Council District: Sacramento Marina, 2710 Ramp Way / District 4

Recommendation: Adopt a **Resolution:** 1) accepting State Department of Boating and Waterways Phase IV loan funding for the Sacramento Marina South Basin Renovation in the amount of \$1,025,000; 2) authorizing the City Manager to execute Amendment Number 4 to CM Agreement 2005-307, accepting the funding; and 3) approving an additional loan application to the State Department of Boating and Waterways for a \$1,475,000 loan for Phase V of the Renovation.

Contact: Rebecca Bitter, Program Manager, 808-5047

Barbara Bonebrake, Director, 808-8225

Presenters: Not applicable

Department: Convention, Culture and Leisure

Division: Sacramento Marina

Organization No: 4370

Description/Analysis

Issue: On February 22, 2005, the City Council authorized the City Manager to execute an agreement with the State Department of Boating and Waterways to accept loan funds in the amount of \$6,500,000 (\$850,000 in Phase I, \$5,150,000 in Phase II, and \$500,000 in Phase III). In addition, Council authorized the City Manager to apply for additional loan funds and the State Department of Boating and Waterways has approved an additional \$1,025,000 in Phase IV, bringing the total loan amount to \$7,525,000. This total amount of \$7,525,000 is included in CIP IA66. The State Department of Boating and Waterways approved the City's application for Phase IV funding at their August 24, 2006, Boating and Waterways Commission meeting. This staff report requests that the City Council authorize the City Manager to execute Amendment #4 of CM Agreement 2005-307 to receive the additional Phase IV funding amount of \$1,025,000.

Due to cost escalation, particularly raw material prices, and permitting delays, the cost of the project has increased to approximately \$9,000,000 and the State has Phase V funds of \$1,475,000 available in fiscal year 2007/08 for this project. This will bring the total loan amount for the south basin renovation to \$9,000,000. This staff report also requests the City Council authorize the City Manager to formally request the \$1,475,000 from the State Department of Boating and Waterways.

Policy Considerations: This recommendation is in keeping with the City's Strategic Plan goal of preserving and expanding arts, culture, open space, urban forest, and park and recreation amenities. In addition, this recommendation preserves the City's assets and invests in infrastructure development that optimizes economic growth.

Environmental Considerations: On February 22, 2005, the City Council approved the Mitigated Negative Declaration and adopted the Mitigation Monitoring Plan for the Marina South Basin Improvements project (CIP# IA66), Resolution #2005-108.

Potentially significant environmental issues regarding Water, Biological Resources, and Cultural Resources were discussed and mitigated in this document. No new issues or new information is known that would trigger additional environmental analysis.

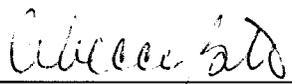
Section 15162 of the California Environmental Quality Act (CEQA) Guidelines provides that an additional Negative Declaration need not be prepared unless substantial changes are proposed in the project, substantial changes occur with respect to the project circumstances, or new information of substantial importance to the project becomes known or available. Since none of the conditions listed above relating to Section 15162 exist, additional environmental review is not required.

Rationale for Recommendation: Executing the Phase IV amendment to the State Department of Boating and Waterways loan agreement and authorizing staff to request Phase V funding will allow the Sacramento Marina to renovate the South Basin in light of escalation of commodities prices and permitting delays.

Financial Considerations: The attached resolution authorizes the City Manager to execute Amendment #4 to the CM Agreement 2005-307 with the State Department of Boating and Waterways, to accept \$1,025,000 in Phase IV (FY2006/07) funding and authorizes the City Manager to apply for \$1,475,000 in Phase V (FY 2007/08) funding for a total amount of \$9,000,000 for the South Basin renovation. CIP IA66 has been established for this project.

The annual debt payment for the \$9,000,000 loan would be approximately \$530,000 commencing 8/1/08, with full payment, to be paid by the Marina Fund. All other terms and conditions of the loan document remain the same.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Rebecca Bitter, Program Manager

Approved by: 
Barbara E. Bonebrake, Director
Department of Convention, Culture and Leisure

Recommendation Approved:


for Ray Kerridge
City Manager

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RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

FOURTH AMENDMENT TO CITY AGREEMENT NUMBER 2005-307 WITH THE STATE DEPARTMENT OF BOATING AND WATERWAYS FOR \$1,025,000 IN ADDITIONAL LOAN FUNDING FOR THE SACRAMENTO MARINA SOUTH BASIN RENOVATION; APPROVAL OF LOAN APPLICATION FOR AN ADDITIONAL LOAN OF \$1,475,000 FOR PHASE V OF THE RENOVATION

BACKGROUND

- A. On February 1, 2005, the City Council authorized the City Manager to execute an agreement with the State Department of Boating and Waterways to accept loan funds in the amount of \$6,500,000 (\$850,000 in Phase I, \$5,150,000 in Phase II, and \$500,000 in Phase III) for renovation of the South Basin at the Sacramento Marina.
- B. In addition, Council authorized the City Manager to apply for additional loan funds and the State Department of Boating and Waterways has approved an additional \$1,025,000 in Phase IV, bringing the total loan amount to \$7,525,000. This total amount of \$7,525,000 is included in CIP IA66. The State Department of Boating and Waterways approved the City's application for Phase IV funding at their August 24, 2006, Boating and Waterways Commission meeting. This staff report requests that the City Council authorize the City Manager to execute Amendment #4 of CM Agreement 2005-307 to receive the additional Phase IV funding amount of \$1,025,000.
- C. Due to cost escalation, particularly raw material prices, and permitting delays, the cost of the project has increased to approximately \$9,000,000 and the State has Phase V funds of \$1,475,000 available in fiscal year 2007/08 for this project. This will bring the total loan amount for the South Basin renovation to \$9,000,000. This staff report also requests the City Council authorize the City Manager to formally request the \$1,475,000 from the State Department of Boating and Waterways.

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 the Fourth Amendment to City Manager Agreement number 2005-307 between the City of Sacramento and the State Department of Boating and Waterways for the acquisition of a \$1,025,000 loan for Phase IV of the Sacramento Marina South Basin Renovation.
- Section 2. The City Manager or his designee is authorized to apply for additional funding in the amount of \$1,475,000 from the State Department of Boating and Waterways for Phase V of the Renovation.

