



Office of the City Manager

CONSENT CALENDAR
December 13, 2022

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Scott Ferris, Director, Parks Recreation Waterfront

Subject: Grant Contracts with the State Coastal Conservancy to receive the FY2022 State Budget Allocation of \$15 Million for improvement projects at the Berkeley Waterfront

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute grant contracts with the State Coastal Conservancy (SCC) to receive the FY2022 State Budget Allocation of \$15 Million for improvement projects at the Berkeley Waterfront for the following projects:

1. Dredging of the Marina Main Channel,
2. Replacement of D and E Dock system,
3. Improvements to Cesar Chavez Park Pathways,
4. Improvements to the South Cove West Parking Lot, and
5. Environmental Review and Design of the Pier-Ferry Project.

FISCAL IMPACTS OF RECOMMENDATION

The State Coastal Conservancy (SCC) has been selected to administer the FY2022 State Budget allocation of \$15 million for Berkeley Waterfront projects. The SCC runs a grants reimbursement program whereby the City floats the cost of each project and then submits reimbursement requests to the SCC as City project funds are spent. The SCC has a hard deadline of February 2026 to disburse these state funds, and in order to start these projects by the end of summer 2023, the City will need to seek approval at the SCC board meeting on April 6, 2023. As a result, the key criteria for selecting projects at the Waterfront among several badly-needed projects is project readiness – a project must be far enough along to be completed and City requests for reimbursement be completed by the Fall of 2025 in order to be processed for final reimbursement by the SCC by the February 2026 deadline.

CURRENT SITUATION AND ITS EFFECTS

Over the last fifteen years, the City Council has dedicated \$40.2M to the Waterfront¹. However, the Waterfront still has over \$140M in unfunded capital and maintenance, comprised of badly-needed improvements to dock systems, restrooms, roads, parking lots,

¹ See Off Agenda Memo to Council on Feb 16, 2022: <https://berkeleyca.gov/sites/default/files/2022-04/Waterfront%20CIP%20Projects%20021622.pdf>

pathways, parks, City buildings, utilities, and other infrastructure. The Marina Fund, the financial mechanism that operates the Waterfront, has an annual operating deficit that is projected to be \$1.45M in FY2024² and its current fund balance has only remained positive during the last two years because of \$2.55M in American Rescue Plan Act (ARPA) funding.

In FY2022, the State of California allocated a one-time distribution of state surplus funds to cities and counties throughout California. Berkeley received a one-time allocation of \$15 million for Berkeley Waterfront improvement projects. The State Coastal Conservancy (SCC) will administer these funds via their grants and contracts program. SCC requires that Berkeley submit a grant application package for each proposed project comprised of a scope of work, a cost estimate, conceptual plans, environmental review documents (CEQA), and other project-related items (e.g., photos, etc.) This funding program will terminate in February of 2026. As a result, all work to be funded by this program must be completed, fully invoiced to the SCC, and fully reimbursed by February 2026.

Staff has identified key five projects that can be completed by the state funding deadline of February 2026. Below is a list and rationale for the selection of each project.

1. \$7.403M - Dredging of the Marina Main Channel
2. \$1.587M - Replacement of D and E Dock system
3. \$2.113M - Improvements to Cesar Chavez Park Pathways
4. \$0.936M - Improvements to the South Cove West Parking Lot
5. \$2.961M - Environmental Review and Design of the Pier-Ferry Project
- \$15M - Total

1. Dredging the Marina Main Channel

Over the past thirty years, the problem of siltation at the Berkeley Marina has increased to the point where larger boats get stuck during low tide at various locations. The main channel was last dredged in 1990 when FEMA funded a temporary public ferry service after the Loma Prieta Earthquake damaged the Bay Bridge. This dredging project will increase safety at the Marina and will help increase the occupancy of slips at the Marina. The total cost of the project is estimated at \$7.703 million. This project was initiated in 2021 with a \$300,000 allocation of General Funds for the design, permitting, and environmental review phases, but no construction funding was identified. An estimated \$7.403 million in state funds will be used to complete this project.

2. Replacement of D and E Docks

The D and E Dock system at the Berkeley Marina is the last remaining of the fifteen original dock systems that were installed at the Berkeley Marina in the 1970s. This dock system has aged far past its lifespan and many of its slips are not rentable to the public (and therefore cannot produce revenue), and badly needs to be replaced. The total project cost is \$7.587 million. To-date, the project has received a \$5.5 million loan from the State Division of Boating and Waterways (DBAW), as well as funds from Measure T1 Phase 2.

² See PRW presentation to the Budget and Finance Policy Committee:
<https://berkeleyca.gov/sites/default/files/legislative-body-meeting-attachments/PRW%20Budget%20Presentation%20FY23-FY24%20Revised.pdf>

The project was initiated in 2019 and is on schedule to complete the environmental document phase and the 60% design phase in the Spring of 2023.

The dock replacement project will convert failing 32 ft and 36 ft berth slips to new and more marketable 35 ft to 45 ft slips. These new larger slips are in high demand and will help generate additional revenue to the Marina Fund. An additional \$1.587M of the state funds is needed to cover the recent unanticipated increases in construction costs.

3. Improvements to Cesar Chavez Park Pathways

The existing perimeter pathway at Cesar Chavez Park, as well as most interior pathways, are in a severely degraded condition and most sections do not meet current building codes for ADA accessibility. In 2010, the City completed a conceptual plan for a renovation of the perimeter path and competed for grant funding, which was not successful. With a new allocation of \$2.113 million in state funds, the City will be able to submit highly competitive proposals to upcoming grant programs that require a 50% match (e.g., the Land and Water Conservation Fund) to complete all pathway renovations. If the grant applications are not successful, the \$2.113 million will complete the perimeter pathway renovation.

4. Improvements to the South Cove West Parking Lot

The South Cove West Parking Lot is an existing gravel lot where vehicles kick up airborne dust and loose gravel that gets carried onto the pavement along University Ave and the adjacent East Lot, which will accelerate the damage to the roadway asphalt in the coming years. The design and permitting for the West Lot was completed in 2018 as part of the South Cove Parking Lot and Restroom Project, but construction was not completed due to lack of funding. The design will be updated to accommodate an improved back entrance to Cal Sailing Club from the parking lot. Other Waterfront parking lots like the H&I, J&K, N, and O dock lots are also in need of replacement. However, the West Lot is more project-ready and the loose gravel from this lot is a current problem. \$936K from the state funds will be matched with \$200K from the Marina fund to complete this project.

5. Environmental Review and Design of Pier- Ferry Project

The next step for the Pier-Ferry Project involves two phases – the environmental review phase (CEQA and NEPA) and the final design and permitting phase, at a total cost of \$10 million. In 2022, the City submitted a grant proposal to the Alameda County Transportation Commission (ACTC) requesting \$5 million in grant funds and providing \$5 million in local City match (comprised of \$2.2 million in existing staff cost and \$2.8 million in cash). If the ACTC grant is not awarded, the allocation of \$2.961M from the state funds will cover the first phase – environmental review (CEQA, NEPA), which includes preliminary design.

Four out of the five projects described above have already commenced. The fifth project, Cesar Chavez Pathways, is primarily a renovation of existing features that can proceed once the City completes a standard Categorical Exemption CEQA document.

The Timber Piling Replacement Project at the Berkeley Marina was also considered for this state fund allocation because the CEQA has been completed and the project is currently bidding. It has a total budget of \$3.0M comprised of \$1.5M General Fund, \$1.2M T1 Phase 2, and \$300K in Marina Funds for construction. This project also meets the key criteria that it can be completed and reimbursed by the February 2026 deadline. This project can be a

backup to the five projects described above, but we will not know if the project has a shortfall until bids are received.

BACKGROUND

In the past 15 years, Council has funded over \$40.2 million in important improvement projects at the Berkeley Waterfront.³

In the past five years, numerous improvement projects have been completed at the Berkeley Waterfront: Finger Dock replacements (3 phases), Berther Restroom renovations (4), the South Cove East Parking Lot and Restroom, the South Cove Bay Trail Segment 3, the South Cove ADA accessible gangway ramp, the South Cove sailing dock replacements (East and West docks), and the Pier-Ferry conceptual plan. These projects, along with the nine projects currently funded and underway (see below) will significantly reduce the unfunded infrastructure need and help to rejuvenate the Waterfront:

Current Construction Projects (Phase / Allocated Funding / Funding Source)

- The Marina Streets Project – Close-out phase / \$8.5M (T1 phase 1, Marina Fund, and State Transportation Tax and Measures B and BB).
- The O and K Dock Electrical System Renovation – Currently in Construction Phase / \$1.56M (CIP-General Fund, Marina Fund)
- The Finger Dock Replacement, Phase 4 – Currently under Construction / \$550k (Marina Fund).
- The Timber Piling Replacement Project – Currently in 90% design / \$2.4M (T1 phase 2, CIP-General Fund, and Marina Fund).
- The K Dock Restroom Renovation – Currently in Pre-Design / \$400k (T1 phase 2).
- The Cesar Chavez Park Restroom – Currently in Pre-Design / \$350k (T1 Phase 2).

Current Planning Projects

- The Dredging of the Marina Main Channel (Design, Permitting, and CEQA Phase) / \$300k (General Fund).
- The Dredging of the South Sailing Basin (Conceptual Phase) / \$350k (CIP-General Fund).
- The Waterfront Specific Plan / \$1.05M (CIP-General Fund).
- The South Cove West Parking Lot (Design Phase) / \$80k (Marina Fund).

With this new \$15 million in state funds plus the \$40 million previously funded by Council since 2008, the list of unfunded capital improvement projects needed at the Berkeley Waterfront has been reduced by over \$50 million.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

The five infrastructure improvement projects at the Berkeley Waterfront identified in this report will help the City to further advance the City's Strategic Plan Goal 1 – to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities. Four of the five projects involved renovations of existing facilities, and therefore do not have significant

³ See Off Agenda Memo to Council on February 16, 2022: <https://berkeleyca.gov/sites/default/files/2022-04/Waterfront%20CIP%20Projects%20021622.pdf>

environmental impacts, and the fifth project is itself an environmental review project. The construction contracts for the four improvement projects contain requirements to comply with the City's Environmentally Preferable Purchasing Policy as well as the City's Construction and Demolition Waste program to divert at least 50% of construction waste from landfills towards re-use and recycling programs.

RATIONALE FOR RECOMMENDATION

The projects identified in this report are the furthest along in terms of project readiness, and therefore will allow the City to complete these much-needed projects and the reimbursement process by the February 2026 deadline of the funding program.

ALTERNATIVE ACTIONS CONSIDERED

None

CONTACT PERSON

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Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

GRANT CONTRACTS WITH THE STATE COASTAL CONSERVANCY (SCC) TO RECEIVE THE FY2022 STATE BUDGET ALLOCATION OF \$15 MILLION FOR IMPROVEMENT PROJECTS AT THE BERKELEY WATERFRONT

WHEREAS, in FY2022, the State of California allocated a one-time distribution of state surplus funds to cities and counties throughout California; and

WHEREAS, Berkeley received a one-time FY2022 state budget allocation of \$15 million for Berkeley Waterfront improvement projects; and

WHEREAS, the State Coastal Conservancy (SCC) will administer these funds via their grants and contracts program. SCC requires that Berkeley submit a grant application package for each proposed project comprised of a scope of work, a cost estimate, conceptual plans, environmental review documents (CEQA), and other project-related items (e.g., photos, etc.); and

WHEREAS, this funding program will terminate in February of 2026. As a result, all work to be funded by this program must be completed, fully invoiced to the SCC, and fully reimbursed by February 2026; and

WHEREAS, staff has identified five projects currently underway that are the furthest along that can be completed by the state funding deadline of February 2026 as follows: 1. Dredging of the Marina Main Channel; 2. Replacement of D and E Dock system; 3. Improvements to Cesar Chavez Park Pathways; 4. Improvements to the South Cove West Parking Lot; and 5. Environmental Review and Design of the Pier-Ferry Project.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the selection of the five projects described above to be funded by the State FY2022 one-time budget allocation of \$15,000,000 to Berkeley is hereby approved; and that the City Manager or their designee is authorized to execute all grant submittal packages, grant contracts and amendments, grant reimbursement submittals, and all other grant project-related documents with the State Coastal Conservancy (SCC) in order to complete these projects. A record signature copy of contracts and any amendments will be on file in the Office of the City Clerk.