



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 25, 2013

TO: Mayor and Councilmembers

FROM: Facilities Division, Waterfront Department

SUBJECT: California Department Of Boating And Waterways Loan

RECOMMENDATION: That Council:

- A. Authorize the receipt of loan funds totaling \$1,900,000 from Department of Boating and Waterways; and
- B. Increase appropriations and estimated revenues by \$1,900,000 in the Fiscal Year 2014 Waterfront Fund for the Marina One Replacement Project funded from loan proceeds.

The Marina One Replacement Project began in 2009 with the construction of Phase 1, the first of an eight phase project. Funding has been provided by a series of loans from the California Department of Boating and Waterways (DBW). \$7.2 million in loans were secured from DBW for the design and construction of Phases 1 through 4 including the replacement of the utilities, the main headwalk, and L, M, N, O, and P fingers. Bellingham Marine Industries completed construction of Phase 4 in February 2013.

Council adopted a resolution on March 20, 2012, requesting an additional \$7.3 million loan from DBW for the design and construction of Phases 5 through 8 of the Marina One Replacement Project. Despite applying for the full \$7.3 million, DBW approved a loan of \$1.9 million to move forward with the design of Phases 5 through 8 and the construction of Phase 5 only at this time. It is typical of DBW to lend a portion of the funds for multi-year projects to free up loan funds for other ports and harbors. It is probable that DBW will provide additional loan funds for the remainder of the project in future years' budgets.

Staff will commence with the design of Phases 5 through 8 in Fiscal Year 2014. These remaining phases will be bid as a single project in early Fiscal Year 2015 with construction of Phase 5 scheduled for the winter of 2014/2015. The low-bid contractor will be authorized to proceed with construction of the remaining phases as funding becomes available.

BUDGET/FINANCIAL INFORMATION:

The first four phases of construction funded by the DBW loan and associated debt service have been factored into the Waterfront Department's six-year cash flow model. The debt service associated with an additional \$7.3 million loan was also included in the Department's six-year cash flow model, which indicates that the Department can pay the debt service and maintain reserves at or above required levels.

PREPARED BY: Karl Treiberg, Waterfront Facilities Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office