



Office of the City Manager

WORKSESSION  
February 16, 2021

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Scott Ferris, Director, Parks Recreation and Waterfront Department

Subject: Berkeley Marina Area Specific Plan and Pier/Ferry Work Session

### SUMMARY

This report provides background on the Berkeley Waterfront, summarizes the work completed thus far on the Berkeley Marina Specific Plan and the Pier/Ferry Planning Projects, discusses the immediate fiscal issues facing the Marina Fund, introduces a set of possible solutions and seeks City Council guidance at this critical juncture on both planning projects.

### INTRODUCTION

The Berkeley Waterfront requires a healthy Marina Fund to sustain it. Currently, the Marina Fund is projected to exhaust all reserves and is anticipated to need \$650,000 to cover basic operating costs in FY22. Additionally, much of the infrastructure in the Waterfront needs replacement. Two interrelated planning projects, running in parallel, provide an opportunity to design an improved and fiscally sustainable Waterfront: the Berkeley Marina Area Specific Plan (BMAASP) and the Pier/Ferry Planning Project. At City Council's direction, these projects started in 2020 with a collaborative effort from our residents, consultant team, and City staff. The BMAASP and Pier/Ferry projects will lay the groundwork to address the critical operational and structural needs of the Waterfront, while ensuring environmental, recreational and safety enhancements.

### BACKGROUND

#### **History**

The area now comprising the Berkeley Waterfront was granted to the City by the State of California in 1913, as a grant of state tidelands. In 1962, the City obtained a state loan to develop the current marina with 1,000 slips, parking lots, launch ramps, restrooms, parks, and several commercial plots for lease. By 1966, 15 boat dock systems were constructed. By 1970, two restaurants, a hotel, and an office building were developed. By 1980, the two sailing clubs and sailing docks, the boat yard, and a third restaurant were developed. By 1991, the City landfill at the marina was capped and graded to become North Waterfront Park. In 1996, it was renamed Cesar Chavez Park. The total area under City management includes the entrance to the Marina

(University Avenue and the Bay Trail, from Frontage Road to Marina Blvd) and all the infrastructure and Marina waters west of Marina Blvd. In all, there are 100 acres of open space and parks, over 1,000 berths in the Berkeley Marina, a large hotel, 4 restaurants, the Adventure Playground, Shorebird Nature Center, the Berkeley Marine Center boatyard, a two-story office building, a 4-lane public launch ramp, 9 restroom buildings, and 11 parking lots. Attachment 1 shows a map of the Waterfront.

### The Marina Fund

A requirement of the State Tidelands Grant is that revenue generated at the Waterfront be spent at the Waterfront. The Marina Enterprise Fund was set up to comply with this requirement, and is the City's vehicle for managing revenue and expenditures at the Berkeley Waterfront. In a typical year (FY19), the Marina Fund annual revenues were approximately \$6.85M. But most recently (FY21), with impacts from Covid 19, revenues are projected to fall to \$5.18M. Generally, the Marina Fund operates without direct financial support from the City's General Fund. This revenue came primarily from boat slip rental fees and business leases, along with other smaller sources of revenue as follows:

- 55% Boat Slip Fees (Slips, Live Aboards, and associated fees)
- 21% Hotel Leases
- 14% Other Leases (Restaurants, Office Space, Bait Shop, Marine Center, etc.)
- 5% Other Boating Fees (Launch Ramp, Small-scale Ferry, Charter Boats)
- 2% City Youth Programming (Nature Center/Adventure Playground) and Special Events
- 2% Other (Interest, Donations, EV Charging)
- 1% Water-based Recreation Non-Profits (Cal Sailing Club, UC Berkeley's Cal Adventures, Yacht Club)

Community users of the open space and amenities at the Berkeley Waterfront such as independent fishermen, windsurfers, small boat users, tourists, walkers, runners, dog walkers, and other park users do not provide direct income to the Marina Fund. Up until 2015, boater revenues comprised two thirds of all Marina Fund income. Recently, as boaters have left, leases have become a larger percentage of revenue.

Tax revenue generated by businesses in the Waterfront such as Transient Occupancy Tax (TOT) (aka "the Hotel Tax"), sales tax, utility users tax, business license tax, parking lot tax, and other taxes and fees, are credited to the General Fund and provide resources to support city operations that serve the Marina such as Police and Fire services. An estimated \$3.8M in FY18, \$4M in FY19, and \$3.1M in FY20 of tax revenue has been collected; we anticipate these amounts will be lower in FY21 and FY22 due to Covid 19 impacts on the overall economy. Over 95% of this annual tax revenue is from the hotel in the Waterfront.

The Marina Fund expenditures cover all operations including the Waterfront landscaping, facilities, docks, parks, roads, recreation programs and special events. Specific examples include the daily maintenance and customer service for over 1,000 berths, repairs to 15 buildings, office operations, security and the programming of

Shorebird Nature Center and Adventure playground. The Waterfront requires the daily administration of what essentially is a “small city”.

### The Berkeley Pier and Potential Large-Scale Ferry Service

In July of 2015, after serving as a major recreational amenity for the entire Bay Area since 1937, the Berkeley Municipal Pier was closed to the public indefinitely due to structural safety issues. On June 21, 2017, after conducting a competitive RFP process, the City contracted with GHD, Inc. to perform a structural engineering assessment to identify feasible options and costs for fixing the Pier (Contract No. 10632, Resolution No. 67,856). The [draft study](#) identified [11 options](#) ranging in cost from \$17 million to \$55 million.<sup>1</sup> A second component of the study looked at the [feasibility of small-scale ferry service](#) at the potentially renovated pier. Small-scale ferry service is currently offered by two independent providers at K-dock at the main basin at the Marina.<sup>2</sup> In 2019, the Water Emergency Transportation Authority (WETA) and City staff initiated a dialogue for a potential partnership to study the feasibility of a large-scale ferry service at the Berkeley Waterfront. WETA’s current interest in the project was based on two recent developments:

1. In 2016, WETA updated their [Strategic Plan](#), which identified a network of 16 ideal locations for expanded ferry service throughout the Bay Area region, including the Berkeley Waterfront, to help provide alternative transportation for passengers and emergency response.<sup>3</sup> The Plan projects that by year 2035, ferry service at the Berkeley Waterfront could see a daily ridership of up to 1,589 trips (795 unique individuals) for a total annual ridership of 203,000 trips.
2. In 2018, Bay Area voters approved Regional Measure Three (RM3), a bridge toll increase to finance \$4.5 billion in highway and transit projects, and provide \$60 million each year to operate new bus and ferry services in congested bridge corridors.<sup>4</sup> WETA is expected to receive up to \$300 million for one-time capital construction projects and up to \$35 million per year to operate an expanded region-wide ferry system.

In 2019, WETA and City staff determined that it would be cost-effective to investigate a single pier that would provide two uses – ferry service and public recreation. In order to evaluate the viability of this multi-purpose concept, WETA and the City entered into a Memorandum of Understanding (MOU) to conduct engineering feasibility studies on the proposed improvements and impacts (Resolution 68,782, Approved 3-12-2019). The

<sup>1</sup> See [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/Berkeley%20Pier%20Structural%20Assessment%20DRAFT.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Berkeley%20Pier%20Structural%20Assessment%20DRAFT.pdf); and [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/COB%20-%20Alternative%20Summary%20Table\\_edits.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/COB%20-%20Alternative%20Summary%20Table_edits.pdf)

<sup>2</sup> See [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/Small%20Scale%20Ferry%20Terminal%20FS%20Berkeley%20Municipal%20Pier\\_DRAFT.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Small%20Scale%20Ferry%20Terminal%20FS%20Berkeley%20Municipal%20Pier_DRAFT.pdf)

<sup>3</sup> See

<https://weta.sanfranciscobayferry.com/sites/default/files/weta/strategicplan/WETAstrategicPlanFinal.pdf>

<sup>4</sup> See <https://sanfranciscobayferry.com/news/voters-approve-regional-measure-3>

waterside analysis include the following: fixing the existing or building a new pier, building new breakwaters, dredging, and more. The landside analysis included potential renovations to existing parking lots, public access paths, and public amenities (e.g., restrooms), as well as alternative transportation modes. If the project is deemed viable by the City Council and WETA Board in terms of costs, public benefits, and minimized impacts at the Berkeley Waterfront, the MOU will have subsequent agreements to cover design, construction, and operations. The existing Pier Structural Assessment cost \$214,123, the Small Scale Ferry Feasibility Study was \$94,744 and the Large Scale Ferry Study costs will total \$381,495. Per the MOU, WETA has contributed \$250,000 towards these costs, while T1 Phase 1 and the Marina Fund have funded the remainder.

### **The Berkeley Marina Area Specific Plan (BMASP)**

In recent years, the infrastructure at the Berkeley Marina has begun to experience significant failures such as deteriorating dock systems, the closing of the Berkeley Pier, crumbling roadways and parking lots, and more. Due to insufficient revenues, a capital replacement fund for this critical infrastructure work has never been established. In past years, infrastructure replacement has been funded through a variety of grants, loans, the Marina Fund when possible, and most recently, one-time allocations from the General Fund and the T1 Bond Measure. Additionally, the Marina Fund currently supports all aspects of the Waterfront including recreational activities at Cesar Chavez Park, Shorebird Nature Center and Park, Adventure Playground and at the South Cove area.

The financial feasibility of this Fund supporting these elements with its current revenues is unrealistic. With these issues in mind, in 2019 the City Council funded the BMASP project in order to figure out how to best improve and operate the Waterfront. The following mission statement has guided this plan:

To provide a vision and plan for achieving a financially self-sustainable, publicly owned marina area with infrastructure and amenities to support current and future community needs, while adapting to climate changes and promoting recreation and environmental stewardship.

The scope of work for the BMASP includes the following:

- Evaluation of existing infrastructure amenities and operations;
- Evaluation of potential new revenue opportunities and programs in the context of existing land-use, zoning and regulatory frameworks;
- A financial analysis of the operations of the Berkeley Waterfront (revenues and expenses, programs and services); and
- Recommendations for a range of optimal models of operation.

The end result, with Council, community and consultant input, will be a comprehensive specific plan for a vibrant, delightful, ecologically and financially viable Waterfront for the use and enjoyment of generations to come. It will include implementation tools and policies to address future demand for land use, public access / circulation and parking, utilities, public services, recreational facilities / programs / special events, commercial

facilities, shoreline protection, environmental stewardship, as well as a long term Capital Improvement Program (CIP) plan.

The BMASP project also involves the preparation of an Environmental Impact Report (EIR) to ensure the BMASP meets the requirements of the California Environmental Quality Act (CEQA). Over the next two years (FY21- FY23), the BMASP project will involve an extensive public process to ensure that the vision of the Plan equitably reflects the community's needs for the next 25 to 50 years. In addition, two current studies at the Waterfront – the Sea Level Rise Study and the Berkeley Pier/Ferry Planning Project – will be integrated into the BMASP. In 2019, the City contracted with Hargreaves Jones Landscape Architects, Inc. to conduct the two-year planning project in the amount of \$1.049M (General Fund, Resolution No. 68,917), and a notice-to-proceed was issued in March of 2020.

### Previous Planning Efforts

The City started planning for the current form of the Berkeley Waterfront in the late 1950s, with the initial Berkeley Marina Development Plan of 1960, and involved several additional studies. In the late 1970s, the City conducted a planning process to convert the City garbage landfill just north of the Marina Basin into a park (North Waterfront Park, which later became Cesar Chavez Park). In 1986, the City adopted the Berkeley Waterfront Specific Plan (Measure Q) that focused on areas of the Waterfront east of Marina Blvd (private parcels) and did not focus on state tidelands; this area is now McLaughlin Eastshore State Park. In 2003, the City completed an updated version of the Marina Master Plan that contained a plan for boat facilities and capital projects at the Waterfront. The range of studies is listed below and can be found on the BMASP webpage.

- 1960 – Berkeley Marina Development Plan
- 1964 – The City of Berkeley Marina – A Master Plan and First State Development Plan
- 1967 – South Marina Development Plan and Cost
- 1978 – North Waterfront Park Land Use Plan – Environmental Impact Report
- 1979 – Berkeley North Waterfront Plan (which became Cesar Chavez Park)
- 1986 – Berkeley Waterfront Specific Plan (does not include State tidelands)
- 1991 – Conceptual Master Plan at North Waterfront Park (Cesar Chavez Park)
- 1999 – Boat Facilities Infrastructure Assessment
- 2002 – [Eastshore State Park General Plan](#)<sup>5</sup>
- 2003 – [Marina Master Plan Update](#)<sup>6</sup>

### CURRENT SITUATION

The Marina Fund's structural problems have been known and reported for decades. Budget updates and fee reports dating back to the 1990s continually describe structural deficits threatening to exhaust Marina Fund reserves. These reports document a long history of Marina Fund revenues struggling to cover basic operating costs, leaving little

<sup>5</sup> See <http://www.ebparks.org/parks/eastshore/>

<sup>6</sup> See [https://www.cityofberkeley.info/Parks\\_Rec\\_Waterfront/Marina/Marina\\_Master\\_Plan.aspx](https://www.cityofberkeley.info/Parks_Rec_Waterfront/Marina/Marina_Master_Plan.aspx)

to no funding for capital or maintenance work.<sup>7</sup> Failure to fix this problem now could result in the need for years of annual supplements from the General Fund or potentially returning the Waterfront tidelands area back to the State, leaving Berkeley residents with little input over the Waterfront's future.

## Marina Fund

Separate from the infrastructure needs at the Waterfront, lies a glaring structural problem in the annual operations budget of the Berkeley Waterfront. Operations funding is necessary to provide Marina staff, landscape maintenance, dock/building/roadway maintenance, accounting, customer service, recreational programming, summer camps, playground upkeep, and special events. Simply put, the Waterfront does not have enough revenue-generating resources to fund its annual operations.

Now, the combination of accelerating costs and the recent loss of lease and boater revenue due to COVID 19 has put the Marina Fund on the brink of insolvency.<sup>8</sup> The Marina Fund will exhaust all reserves in FY22. It was going to happen eventually, but the decline in revenues, lack of investment, surge in crime and the global pandemic have made the depletion of Marina Fund reserves imminent. There needs to be dramatic change, and a sizable increase in revenue, for the Berkeley Waterfront to survive in its current form.

## Waterfront Capital

For the past several decades, infrastructure improvement funding has come primarily from outside grants and loans. While these have led to valuable improvements (e.g., dock replacements at B&C, F&G, H&I, new Launch Ramp Restroom, South Cove Dock Replacements and new parking lot/restroom, and Bay Trail Extension out to Shorebird Park), these funding sources come with costly debt service, hefty local matches, and have barely scratched the surface of the Waterfront's roughly \$100 million in unfunded infrastructure needs<sup>9</sup>. The City cannot rely on these as the sole source of infrastructure funding.

A recent one-time push for maintenance funding has started to address some of these needs. The Berkeley T1 Bond Measure, for example, has provided \$5M in roadway, restroom, piling and electrical improvements, and \$2 million was allocated from the General Fund to address critical safety issues on Marina docks. Projects in construction in the next several months in 2021 include the Marina Streets Project (University Avenue, Marina Boulevard, Spinnaker Way), the O & K dock electrical replacement and the new bike lockers project (20 stalls) at the Marina Mall. This one-time maintenance funding, however, is not sustainable over the long haul. The Marina Fund has no capital reserve fund for major capital replacements of its key assets (pilings, docks,

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<sup>7</sup> See [https://www.cityofberkeley.info/uploadedFiles/Clerk/Level\\_3\\_-\\_General/Marina%20Fund%20Update%20041218.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Marina%20Fund%20Update%20041218.pdf)

<sup>8</sup> Waterfront / Marina Fund Update, April 12, 2018; [https://www.cityofberkeley.info/uploadedFiles/Clerk/Level\\_3\\_-\\_General/Marina%20Fund%20Update%20041218.pdf](https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Marina%20Fund%20Update%20041218.pdf)

<sup>9</sup> See [https://www.cityofberkeley.info/Parks\\_Rec\\_Waterfront/Home/Unfunded\\_Capital\\_Projects\\_List\\_2020.aspx](https://www.cityofberkeley.info/Parks_Rec_Waterfront/Home/Unfunded_Capital_Projects_List_2020.aspx)

parking lots, roads, trails, restrooms, lighting, and utilities). A new strategy is needed for funding the significant infrastructure repairs at the Waterfront going forward.

## Community Process to Date

### Berkeley Marina Area Specific Plan (BMASP)

The City is currently in the early stages of a two-year community process for the BMASP. To date, we have completed an updated inventory of the Waterfront's capital needs (approx. \$100m)<sup>10</sup>, studied the fiscal makeup of similar marinas in California for potential solutions<sup>11</sup>, and are currently completing the following: a Sea Level Rise study<sup>12</sup>, a preliminary modeling of revenue needed, a list of potential new revenue sources, and a list of potential regulatory constraints. In October 2020, we conducted four small focus group meeting, and on January 28, 2021, conducted the first of four large community meetings (via Zoom), with 124 members of the public in attendance. A [Community Questionnaire](#) has also been posted on the [BMASP website](#) for all interested individuals to provide valuable feedback. The survey will be advertised on *Berkeleyside* and the *Berkeley Times* beginning in late February and concluding in mid-March.

### Berkeley Pier / Large-Scale Ferry

The City is also currently in the early stages of a one-year community process for the Pier/Ferry Planning Project.<sup>13</sup> To date, we have completed a [structural assessment study](#)<sup>14</sup>, and a draft [Small Scale Ferry Study](#).<sup>15</sup> The Pier/Ferry Study has identified examples of new multi-use piers, examples of pier/ferry configurations that might be optimal in Berkeley, and identified examples of landside improvements that might support WETA ferry service. The public has been involved from the outset, taking part in four focus groups in January 2021, and in a large Community Workshop on January 21, 2021, with 86 members of the public in attendance.

Initial examples of pier/ferry terminal configurations that might be a potential fit in Berkeley can be viewed on pages 27-31 of the [PowerPoint Presentation Slides for 1/21/21 Community Workshop](#)<sup>16</sup>. These waterside configurations still require additional engineering analyses regarding wind, waves, ferry operation, as well as evaluation for

<sup>10</sup> See slide 51 in the [PowerPoint Presentation Slides for 1/28/21 meeting](#)

<sup>11</sup> See slides 53 through 64 in the [PowerPoint Presentation Slides for 1/28/21 meeting](#)

<sup>12</sup> See slides 39 through 40 in the [PowerPoint Presentation Slides for 1/28/21 meeting](#)

<sup>13</sup> See Off Agenda Memo, Public process for two Waterfront planning projects: Berkeley Marina Area Specific Plan (BMASP) and Pier Renovation / Potential New Ferry Service, December 10, 2020 at: [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/BMASP%20Ferry-Pier%20121020.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/BMASP%20Ferry-Pier%20121020.pdf)

<sup>14</sup> See [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/Berkeley%20Pier%20Structural%20Assessment%20DRAFT.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Berkeley%20Pier%20Structural%20Assessment%20DRAFT.pdf)

<sup>15</sup> See [https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/Small%20Scale%20Ferry%20Terminal%20FS%20Berkeley%20Municipal%20Pier\\_DRAFT.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Small%20Scale%20Ferry%20Terminal%20FS%20Berkeley%20Municipal%20Pier_DRAFT.pdf)

<sup>16</sup> Pages 27-31 of [PowerPoint Presentation Slides for 1/21/21 Community Workshop](#)

recreational amenities, access and transportation, path to implementation, and public benefits, as shown in Slide 11 of the Pier/Ferry Breakout Group Slides.<sup>17</sup>

Similarly, landside access improvements and adaptations are discussed in slides 32-34 of the [PowerPoint Presentation Slides for 1/21/21 Community Workshop](#).<sup>18</sup> Key issues to be investigated with further study include the following: how will people get to and from the Waterfront, what access enhancements might be considered, what type of parking management is needed (i.e. who parks where and at what times), and potential additional parking. Landside access opportunities at the Waterfront that might be associated with a multi-use pier/ferry are highlighted on slide 34.<sup>19</sup>

### Community Feedback

Notes from the community comments heard at each meeting and breakout session are posted on the [BMA SP](#) and the [Pier/Ferry Planning Project](#) websites. In the coming weeks, the project team will post an organized summary of the feedback from all 10 outreach meetings.

A [Community Questionnaire](#) has been posted on the City's website for the public to provide feedback. The questionnaire is designed to solicit community and stakeholder feedback, and can be completed in 5-7 minutes. Comments of both projects can also be emailed to [bmasp@cityofberkeley.info](mailto:bmasp@cityofberkeley.info).

The next Community Workshops for the BMA SP are scheduled for late August or early September, 2021; and for the Pier/Ferry in June, 2021.

## DISCUSSION

There are a number of regulatory restrictions that govern any work at the Waterfront, and that inform both the BMA SP and Pier/Ferry Planning projects. These are discussed below, followed by some potential opportunities being explored for new revenue generation at the Waterfront.

### **Restrictions at the Berkeley Waterfront**

There are several regulatory constraints that govern Waterfront lands. In general, certain areas of the Waterfront will be more challenging to modify than others. These areas include: the southernmost 4.6 acres of the Waterfront (199 Seawall parking lot), the 100-foot shoreline band, Cesar Chavez Park, Shorebird Park, and Horseshoe Park.

### State Tidelands

The Berkeley Waterfront is human-made. It was created by "filling" this area of the San Francisco Bay. Because these "lands" were once "waters", they are classified as State Tidelands. The City holds these lands in Public Trust for the State<sup>20</sup>, and is subject to

<sup>17</sup> See slide 11, Pier-Ferry Breakout Group Slides, 1/21/2021:

[https://www.cityofberkeley.info/uploadedFiles/Parks\\_Rec\\_Waterfront/Level\\_3\\_-\\_General/FINAL-Breakout%20Deck-2021-01-21-Pier-Ferry\\_CM1.pdf](https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/FINAL-Breakout%20Deck-2021-01-21-Pier-Ferry_CM1.pdf)

<sup>18</sup> See slides 27-31 of [PowerPoint Presentation Slides for 1/21/21 Community Workshop](#)

<sup>19</sup> [PowerPoint Presentation Slides for 1/21/21 Community Workshop](#)

<sup>20</sup> Chapter 347 of the California Statutes of 1913

the limitations, duties, and reversionary rights dictated in the land grant. The Public Trust Doctrine essentially limits use of the property to water-based and water-associated uses, such as boating, commerce, tourism, hotels, restaurants recreation, and water-related education. No residential development is permitted. Similarly, no municipal use is permitted (e.g., a non-water-based use that benefits only the City and not the people of the State, such as a City library). New uses are subject to approval by the California State Lands Commission to ensure they comply with the Trust.

#### The Bay Conservation and Development Commission (BCDC)

BCDC is a regulatory agency with authority over the conservation and development of the San Francisco Bay and shoreline band (the band is defined as 100 feet inland of the high tide line). At the Berkeley Waterfront, BCDC has jurisdiction over the 100-foot shoreline band around the entire perimeter, as well as the 4.6 acre peninsula of land south of Shorebird Park, including the building at 199 Seawall Drive.<sup>21</sup> The project team has had initial discussions with BCDC staff to begin the review of these restrictions on both of these areas, and will have more detailed information by the next community meeting in the Fall.

#### Measure L – City of Berkeley Open Space Ordinance

Adopted in 1986, Public Parks and Open Space Preservation Ordinance No. 5,785-N.S. is intended to preserve open space in Berkeley. It stipulates that any change of public parks and open space to other uses would require voter approval in a General Election. Designated parks at the Waterfront include the following: Cesar Chavez Park, Shorebird Park, and Horseshoe Park.

#### Land and Water Conservation Fund (LWCF) Grants

In the early 1980s, when the City closed the landfill that comprised the lands in the southern portion of Cesar Chavez Park (originally known as North Waterfront Park Phases I – IV), the City secured Land and Water Conservation Fund (LWCF) grants to develop the site into parkland. Per the federal legislation for LWCF grants, these lands are dedicated as parkland in perpetuity and cannot be developed for other purposes.

The BMASP will further review these restrictions. The current understanding of these restrictions is included in Attachment 2.

### **Potential Solutions for New Revenue Generation**

While there are many potential paths for generating new revenue for the Marina Fund, a multi-faceted approach will be required. With our consultant team of Hargraves Jones and Keyser Marsten, in collaboration with our partners at WETA, and together with community and Council input, the viability of potential revenue solutions will be explored in-depth as both planning projects progress. Over the course of the next two years, options for new revenue will be evaluated in the context of public input, difficulty of implementation, and public benefit. At this stage, we have identified examples suggested via public input. There are legal and jurisdictional limits on these ideas, as

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<sup>21</sup> [https://www.bcdc.ca.gov/plans/sfbay\\_plan#34](https://www.bcdc.ca.gov/plans/sfbay_plan#34)

mentioned above, as well as cost and feasibility considerations, all of which will come into play as we move through the planning processes.

### New Facilities

The following is a list of potentially feasible revenue-generating facilities that could be incorporated at the Berkeley Waterfront.

#### *Additional Hotel*

In terms of economic development, a hotel could generate some of the highest revenue per square foot of any land use at the Waterfront. This would provide lease revenue to the Marina Fund, and generate transient occupancy tax and sales tax for the City's General Fund. A hotel could be developed in the context of the Waterfront environment, with ecologically-sensitive components such as a living roof, rain gardens, solar or wind power, and educational features. It might also incorporate water-based themes or recreation-based tourism. There are a limited number of potential sites where an additional hotel could be located, including the area around the Berkeley Marine Center, the area directly west of Hana Japan Restaurant, existing parking lots such as the Skates/N-Lot or the west side of the Double Tree Hotel, and the area east of the South Cove parking lots. The existing hotel could potentially expand their operations to some of these areas.

#### *Restore Berkeley Pier with Regional Ferry Service*

A multi-use pier for recreation and ferry users could provide multiple benefits to the City. First, it would significantly offset the cost to the City of rebuilding the Berkeley Pier, which is currently estimated to range from \$15 to \$55 million dollars. The Pier is a valued recreational amenity, affirmed repeatedly during dozens of community meetings not just for the Pier/Ferry and BMASP, but also during the Measure T1 public process. Second, the regular presence of new ferry users<sup>22</sup> would enlarge the customer base at the existing restaurants, businesses, and the hotel, leading to higher revenue for the Marina Fund via higher percentage rent revenue, (the City gets a percentage of gross revenues from the hotel, Skates, etc.) Third, the ferry with its large customer base could complement and incentivize other new revenue-generating development like a hotel or restaurant that otherwise might not be viable. Fourth, ferry service is likely to spark bike and shuttle improvements for Berkeley residents, visitors, and employees to and from the Waterfront.

#### *Restaurant*

A new restaurant would provide new lease revenue for the Marina Fund, sales tax revenue for the City's General Fund, and would add to the restaurant/recreation synergy at the Waterfront. From an economic development perspective, an agglomeration of similar-yet differentiated restaurant uses in an area can greatly improve the success of all. Current restaurants in the Waterfront include Skates on the Bay, Hana Japan, and the Berkeley Boathouse.

#### *Boat Slip Reconfiguration*

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<sup>22</sup>A ridership study from WETA several years back forecasted approximately 1,500 trips per day (one-way). As a result, the study will need to be updated.

Reconfiguration of Marina slips to replace underutilized smaller slips with larger slips could better meet current market demand, and could generate more revenue for the Marina Fund.<sup>23</sup> Similarly, new modifications can create a better separation of recreational boaters from commercial boating (i.e. charter fishing, charter excursions, small scale ferry service) which would enhance the marina experience, and increase boating customers. The City could reconfigure a portion of the smaller slips into larger ones to meet rising demand. The larger slips have a progressively higher slip rate per foot, and so a smaller number of larger slips could bring in more revenue than a larger number of small slips. The current design of the new D & E docks slated for construction in 2023 will use this concept; and it could be applied to other areas such as J and O docks.

### *New Businesses or Activities*

The land at the Berkeley Waterfront is classified as state tidelands, which only allows certain water-based activities (navigation, commerce) as well as associated uses that benefit all people in the state, e.g., tourism, hotels, restaurants, etc. The current commercial development in the Waterfront (non-hotel, non-restaurant) includes a two-story office building, Bait Shop, and Marine Boat Repair Center. Other commercial development opportunities could include an event center, aquatics center, watersports shop, environmental science incubator, educational space, sandwich/sundries shop, etc.

### *Special Events*

Concerts and festivals could generate direct revenue for the Marina Fund through special events fees. They also have a multiplier effect increasing business at Waterfront hotels, restaurants, and in turn, increasing the lease revenues to the Marina Fund via percentage rents. Council's 2019 adoption of [new special event fees](#) at the Waterfront lays the groundwork for this.<sup>24</sup> Larger special events might take place at Cesar Chavez Park, or the 320 stall parking lot in the southern Waterfront.

### *Event / Party Areas*

Event and party venues generate meaningful revenue, particularly in scenic locations like the Waterfront. A flexible venue could include spaces for weddings, family events, etc. with the use of tent or sunshade structures outdoors, new indoor event space ancillary to a restaurant or aquatic center, or a combination of indoor/outdoor use. These might be developed at Cesar Chavez or Shorebird Parks, new locations at existing parking lots, the former Ferry Dock at the corner of University Avenue and Marina Boulevard, or the area by the Berkeley Marine Center.

### *Fish Market / Commercial Fishing Amenities*

<sup>23</sup> Of the 1,000 boat rental slips in the Berkeley Marina, approximately 25% are 27 feet in length or smaller, and the remainder range from 28 feet up to 60 feet. Starting over two decades ago, demand for small slips has weakened dramatically, while demand for larger slips has grown. At the Berkeley Marina, approximately 25% of the 25-foot slips are currently not rented, and the other small slips are rented during fishing seasons only (not year-round). Small boat owners find it more economical to keep their boats on land and drive them to marinas for boating (it has become easier to own pickups and SUVs that can transport smaller boats).

<sup>24</sup> See [https://www.cityofberkeley.info/Clerk/City\\_Council/2019/05\\_May/Documents/2019-05-14\\_Item\\_46\\_Selected\\_Marina\\_Fee\\_Increases.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2019/05_May/Documents/2019-05-14_Item_46_Selected_Marina_Fee_Increases.aspx) (Resolution 68,899–N.S.)

A fish market at the Waterfront similar to a farmers' market or Seattle's Pike Place market could be an appropriate water-related amenity for the public, drawing users to the Waterfront for fresh seafood, and generating lease or sales revenue for the Marina Fund. This would also support commercial fisherman at the Berkeley Marina. This use could take place on land or on the commercial fishing boats docked at the Marina, similar to the marina in Half Moon Bay.

### *Recreation Businesses*

New water-based recreation businesses could have multiple benefits in the form of new lease revenue, new sales tax, and synergy with the free recreational and open space features of the Waterfront, which could better serve the families and youth of the larger Berkeley community. Possible ideas include a climbing gym, trampoline center, bicycle rentals, kite and other outdoor recreation and exercise possibilities, etc.

### Potential Fees, Taxes, Bonds

The following is a list of potential revenue-generating fees and taxes that could be incorporated at the Berkeley Waterfront.

#### *Parking Fee*

Paid parking at various locations at the Waterfront could generate additional revenue for the City's Marina Fund, while simultaneously dis-incentivizing car-based traffic to the Waterfront.

#### *Vehicle Entrance Fee*

A modest entrance fee paid by each vehicle entering the Marina could generate revenue for the Marina Fund, while encouraging carpooling and dissuading single-occupancy drivers. Equity would need to be a consideration, potentially addressed by a monthly/annual pass with discounts for regular and low-income visitors. Entrance to the Waterfront would be free for all non-motorized visitors in this concept (pedestrians, bicycles, skateboards, etc.), and customers at restaurants, businesses, and hotel could receive discounts. For example, at selected East Bay Regional Park District parks nearby, the vehicle parking fee is \$2 (Monday-Wed) and \$5 (Thursday-Sunday).

#### *Special Assessment Tax*

A special property tax assessment, similar to that in the San Mateo County Harbor District, could provide regular recurring annual revenue to support Waterfront operations and reduce the need for additional commercial development.

#### *Infrastructure Bond Measures*

Bond measures that provide one-time infrastructure funding for the Waterfront could be part of a solution for financing the significant capital replacement needs. For example, the Measure T1 bond program is supporting a number of Waterfront capital projects, including the reconstruction of University Ave, Marina Blvd and Spinnaker Way, selective piling replacement, support for the D & E dock replacement, renovation of K Dock restroom, and a new restroom at Cesar Chavez Park.

### COUNCIL DISCUSSION

Council feedback is requested to guide the project team on next steps. The following questions are posed in an effort to spark discussion and solicit feedback in key areas related to funding mechanisms, land uses, amenities, pier/ferry design examples, and Waterfront access. The questions are similar to the questions asked at our Community Workshops in January 2021.

1. What revenue-generating solutions/funding mechanisms should be studied in greater depth and evaluated for feasibility at the Berkeley Waterfront?
2. What kind of uses/amenities and locations should be evaluated?
3. What waterside and landside access concepts for a Berkeley Pier/Ferry terminal should be evaluated?

### CONCLUSION AND NEXT STEPS

The Berkeley Waterfront is a beloved recreational area in a striking and unique geographical setting that offers clean air, spectacular sunsets and open space to over 200,000 diverse visitors per year from Berkeley, the Bay Area and beyond. Many of the recreational activities have zero cost. It is critical that the City find a way to operate this wonderful public asset for generations to come by making improvements to the infrastructure, to safety and aesthetics, and to funding mechanisms that make it all possible.

The feedback gained at this Worksession will be paired with the public feedback received in the focus group meetings, workshops, and online questionnaire, and will guide the project team's efforts as we prepare for the upcoming milestones. Notable upcoming dates include the second round of large community workshops for both projects; Pier/Ferry Study– June, 2021; BMASP– Aug/Sept, 2021. In December of 2021, staff plan to bring a preferred pier/ferry concept before the Council and WETA Board for approval. That concept, if approved, would be worked into the BMASP process as we work toward completion in 2023.

Finally, community members are encouraged take advantage of the Community Questionnaire<sup>25</sup>, which provides an unconstrained forum for additional feedback, as well as the input opportunities at upcoming meetings.

### CONTACT PERSON

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### Attachments:

- 1 – Waterfront Map
- 2 – Map of Identified Waterfront Restrictions

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<sup>25</sup> Community Questionnaire: <https://www.surveymonkey.com/r/7ZCG3HS>





