

Berkeley Waterfront Decay or Rebirth?

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Parks & Waterfront Commission

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City Council Budget & Finance Committee

1960s – 1990s

New Infrastructure

- Low maintenance costs
- Budget surpluses
- Waterfront -> cash cow

1990s -2018

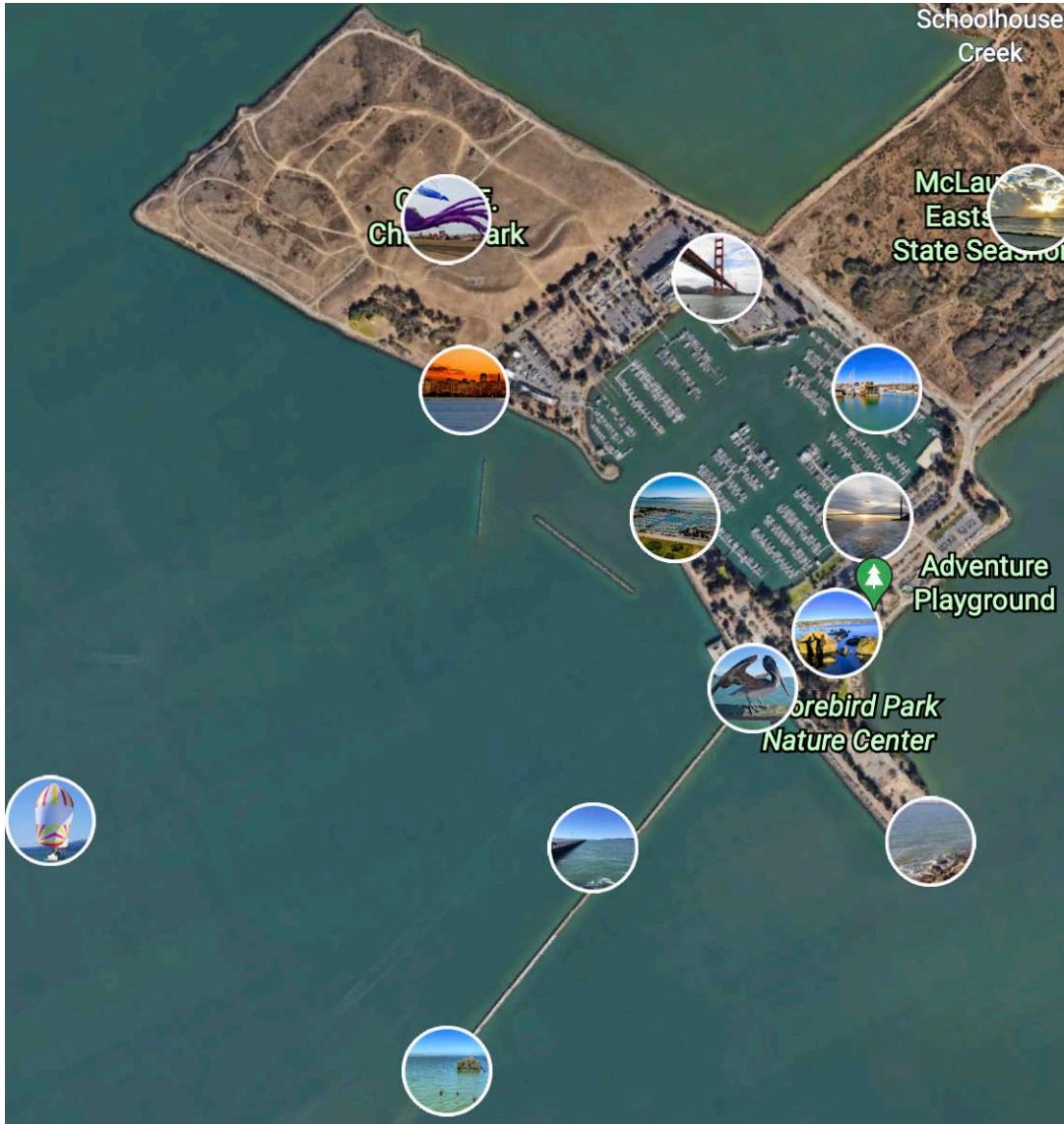
Uses expanded

- new parks & open spaces
- New recreation opportunities
- Budgets strained

Infrastructure failing

- No reserve fund

2019 – **Pandemic** -> Tipping Point



Old Infrastructure



Closed Pier



Failed piling

Low Tides – No Boat Launching Dredging Needed



Is the Marina Fund(MF) Treated Fairly?

Unfunded CIP

- Many depts utilize GO bonds – MF typically hasn't been included
 - No impact on operating budgets
- Waterfront has no Reserve Fund
 - State loans → higher interest rate + matching funds → drain on operating budget

Paving & Potholes

- Citywide – Public Works
- Waterfront area – Marina Fund
- Some of the worst streets are in the Waterfront area
 - PCI = 31 University Ave (Seawall Dr to Marina Blvd)
 - PCI = 13 University Ave (Marina Blvd – West Front Rd)
- FY22 - Road Reconstruction - \$6.2 M
 - Double Tree – \$2.5M
 - CA Gas Tax - \$1 M
 - Measures B, BB, T1 - \$2.6M

Is Current Practice Fair?

Maintenance (roads, parking lots, sidewalks, bike paths)

- East of I80 – Public Works (\$140M)
 - Except in Parks – Parks Tax (\$14M)
- West of I80 – Marina Fund (\$5.8M)

Public Spaces - Refuse collection & disposal

- East of I80 - Zero Waste picks up trash gratis
 - Except in Parks - \$600K
- West of I80 – Marina staff collect trash + \$230K disposal
- Emeryville picks up trash from their marina & parks for free

PRINCIPLE – All Public Spaces in Berkeley should be treated equitably

- Marina public spaces should receive the same free services that public spaces East of I80 receive

Do Events Generate Revenue?



2019 Dept	July 4th	Kite Festival
Police Overtime	\$64K	\$50K
Public Works	\$18K	\$4K
Fireworks	\$33K	
Non-personnel	\$28K	\$32K
Revenue	\$23K	\$52K

With high BPD overtime charges

- difficult to generate new revenue

Berkeley Waterfront

1913 - State granted land in trust to City

“Public Trust Revenue” is “any revenue generated from trust assets”.

1. Revenue generated within the City’s granted lands restricted to lands located within the City’s grant.

1980s(?) – Loophole created

1. Exempted - sales tax, TOT(hotel tax), and other special taxes
 - a) not considered Public Trust revenue and
 - b) not required to be spent on the City’s granted lands.

It is within the City’s discretion to allocate TOT funds to the Waterfront

1. FYs18-20: all taxes generated at Waterfront contributed ~\$11 M to GF
2. Now: Waterfront needs help from the GF

P&W Request is a Compromise

Request

- TOT revenue allocated to MF
- other taxes remain with the GF

A. Marina fund (\$5.8M)

1. Transient Occupancy Tax (TOT)

B. General Fund (\$205M)

1. Property taxes,
2. Utility User Tax
3. Business license
4. Sales Tax
5. Parking space rental tax
6. Franchise fees

Amplifying Effect: TOT revenues of \$1-3M

- small decrease in the GF: 0.5% – 1.5%
- large impact on MF: 17% - 52%



THE END