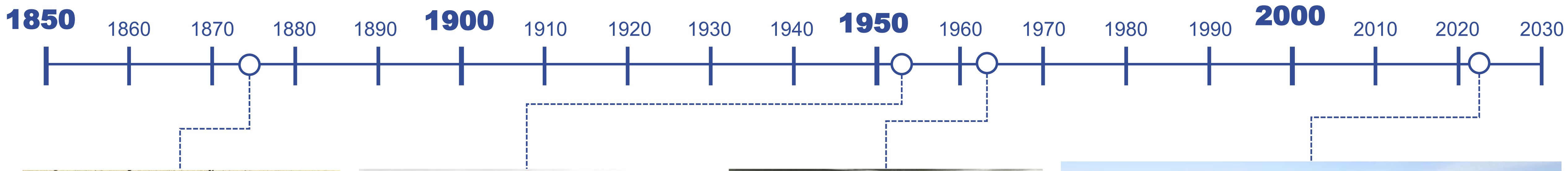
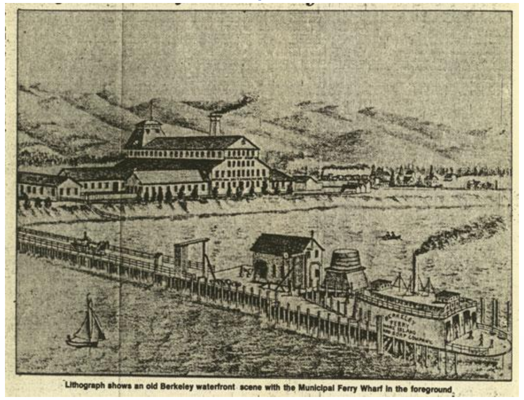
Berkeley Waterfront Overview

September 2026

Summary

1. Waterfront overview
2. Marina Fund history and background
3. Current factors affecting Marina Fund:
    - Structural deficit
    - Unfunded infrastructure
    - Occupancy
    - Leases / Doubletree
    - Budget reductions in FY27-28
    - Revenue increases: slips, leases, parking, recreation programs
4. Additional balancing measures needed

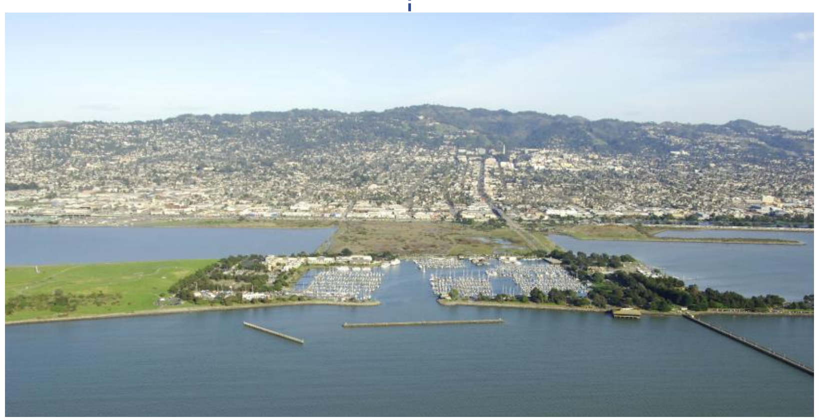




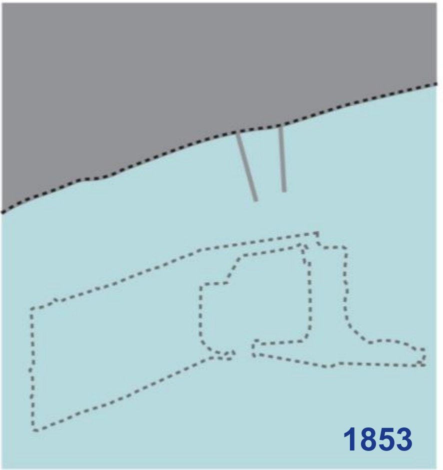
Ferry Wharf

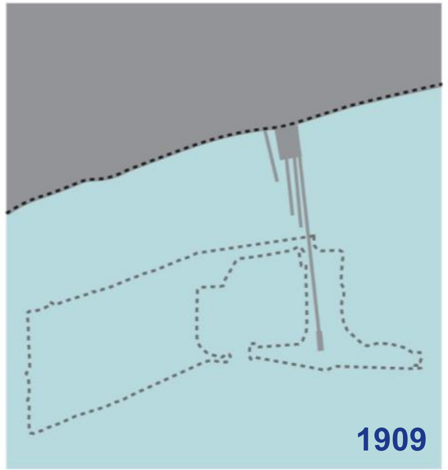
Pier & Docks

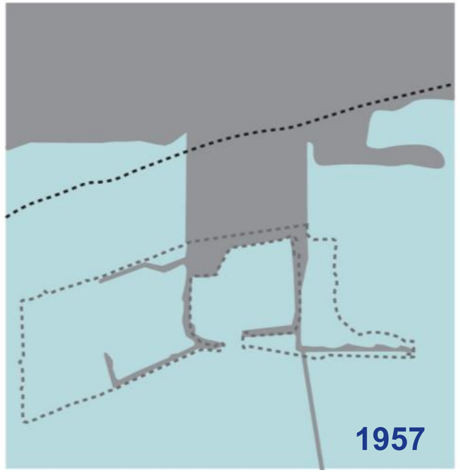
Pier, Marina & Landfill

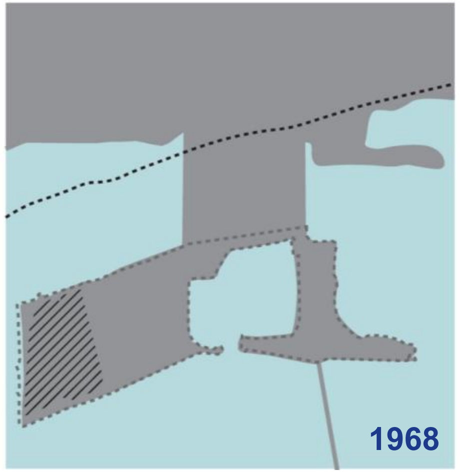


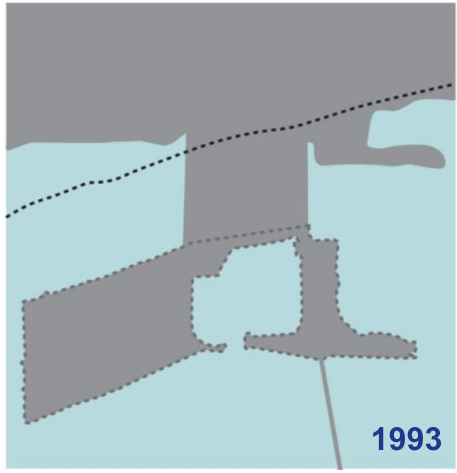
Pier, Marina, Parks & Recreation, Commercial Uses











Historic Overview | Constructed Land & Evolving Uses

Berkeley Waterfront

Economics of the Waterfront | Marina Fund

OPERATING REVENUES

- Berth Rental Fees
- Commercial Leases

Marina Fund

OPERATING EXPENSES

- Marina Operations
- Lease Administration
- Recreation Programs
- Maintenance
- Utilities
- Security
- Capital

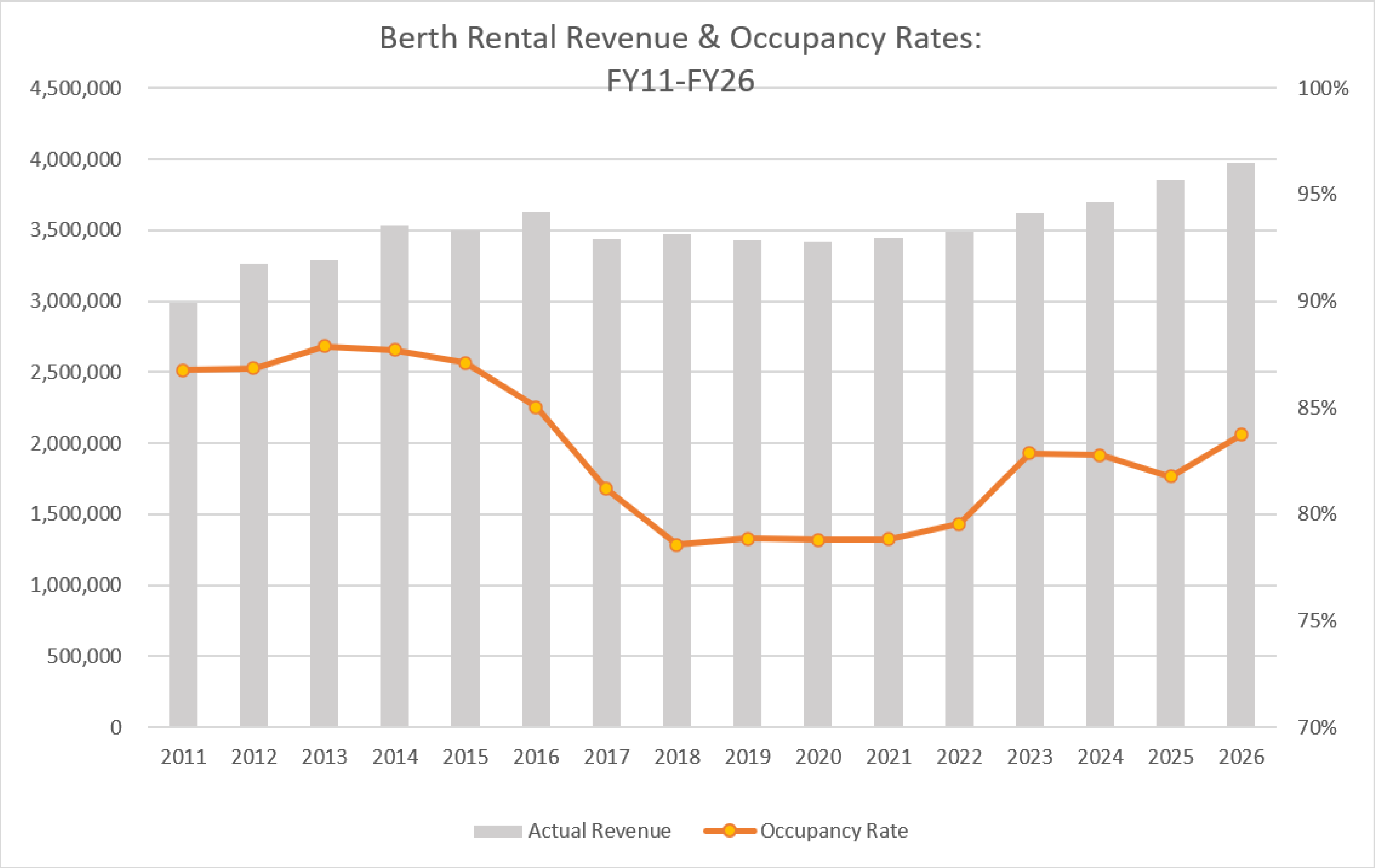
- Marina Fund established in 1964 to receive a $1.8M State loan to build the Waterfront.
- Revenue from slips and hotel/restaurant leases was expected to cover the costs of debt service, maintenance and operations of the entire Waterfront.

Marina Fund | Structural Deficit

Structural deficit for last 25+ years, driven by:

- Post-2000 and 2008 economic downturns:
  - ➢ Users pull boats out of the water.
  - ➢ Restaurant and hotel revenue decrease.
- Safety issues 2015-2019 led to berther exodus / Hs Lordships closing
- Aging infrastructure + no capital reserves => $163M in unfunded needs
- COVID-19: major hit to hotel/restaurant revenue

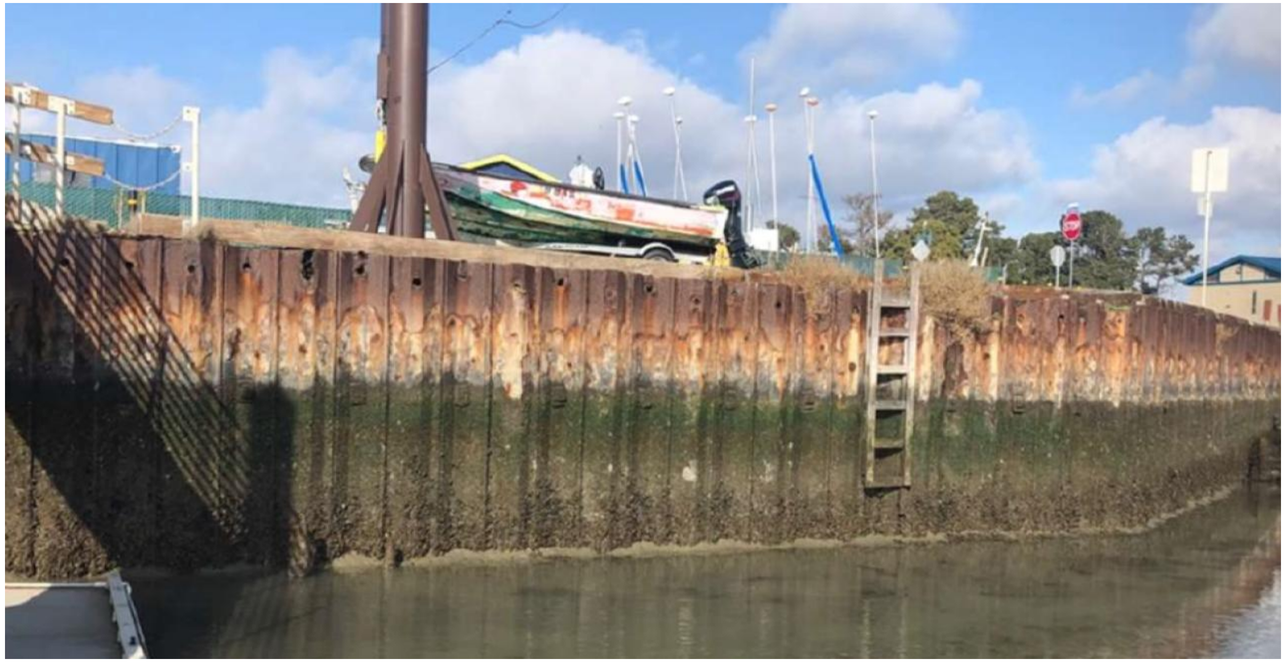
Marina Revenue | Safety Impacts on Berth Occupancy

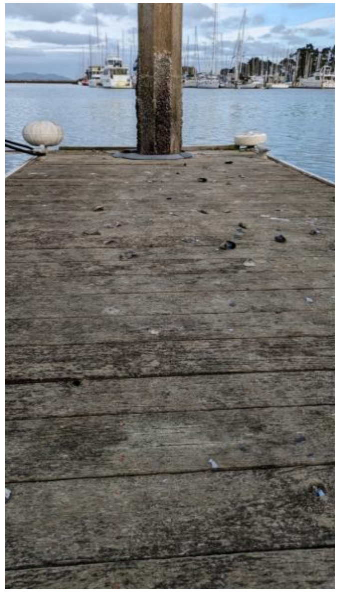


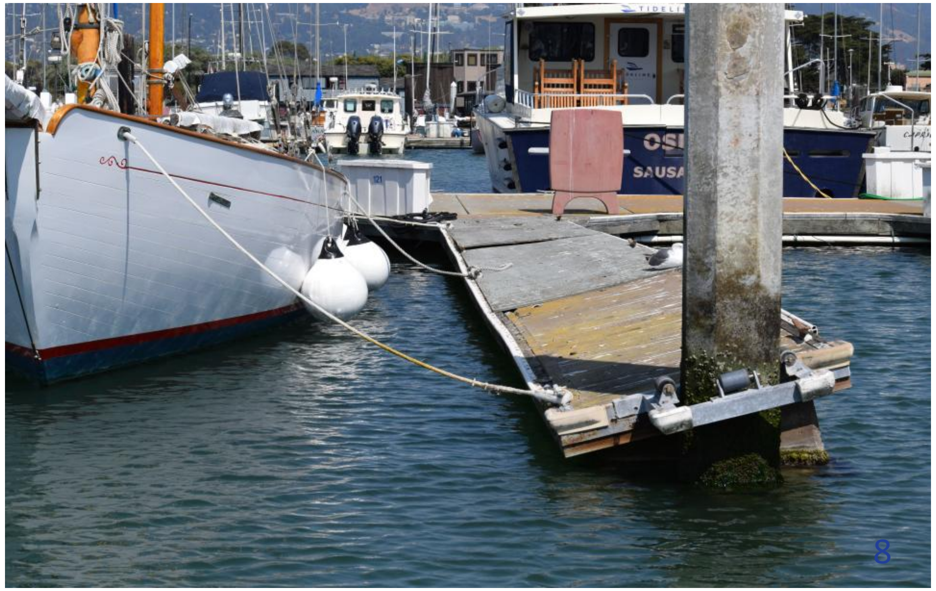
Aging Infrastructure | Unfunded Capital Needs

Unfunded Infrastructure Costs

$33,385,000	Inner Harbor / Docks
$17,290,000	Parking Lots
$15,700,000	Streets
$55,432,500	Shorelines/Pathways/Pier
$20,230,000	Dredging and Seawall
<u>$10,810,500</u>	<u>City buildings</u>
$163,344,000	**Total unfunded needs**







Marina Fund | General Fund and Parks Tax Support

Financial Support to the Marina Fund since 2021

- FY22: $1.4M in ARPA funds
- FY23: $1.15M in ARPA funds
- FY24: $800k in cost shifts to other funds / $5.5M from Workers Compensation Fund for capital projects
- FY25: $850k in reduced indirect costs and Workers Compensation Fund holiday; cost shifts to other funds; capital projects funded by General Fund
- FY26: $1.4M in General Fund transfer, $360k in reduced indirect costs and Workers Compensation holiday; capital projects funded by General Fund

Parks Tax Fund: cost shifts off the Marina Fund since July 2025

- FY26: Parks Tax Measure Y goes into effect.
  - Shifts $1.579M in Waterfront park and landscape costs off Marina Fund to Parks Tax.

Doubletree | Bay Area Hotel Market Conditions

- Bay Area hotel market continues to be slowest in country to recover from COVID.
- Some improvement since last year (Bay Area was at 70% of 2019 levels last year; is now at 80%)

Local Hotel Market	RevPAR*		
	2025	2026	2027
Oakland	+0.6%	+3.9%	+1.8%
San Francisco	+8.2%	+7.9%	+1.9%

**Revenue per Available Room for mid-priced hotels. Calculated as occupancy x average daily room rate.*

	Twelve Months Ending 2/28/2026			Full Year 12/31/2019	
TOP 25 MARKETS	RevPAR		RevPAR % of 2019	12 Mo RevPAR	
Atlanta - GA USA	$	78.46	100.4%	$	78.15
Boston - MA USA	$	167.41	114.5%	$	146.20
Chicago - IL USA	$	114.17	114.7%	$	99.56
Dallas - TX USA	$	82.82	113.1%	$	73.25
Denver - CO USA	$	99.20	100.5%	$	98.68
Detroit - MI USA	$	73.50	106.3%	$	69.12
Houston - TX USA	$	71.38	112.4%	$	63.50
Las Vegas - NV USA	$	148.32	129.7%	$	114.33
Los Angeles - CA USA	$	141.01	103.5%	$	136.23
Miami - FL USA	$	169.40	123.0%	$	137.69
Minneapolis - MN USA	$	80.95	98.9%	$	81.86
Nashville - TN USA	$	115.28	106.3%	$	108.43
New Orleans - LA USA	$	96.22	94.6%	$	101.69
New York - NY USA	$	282.50	132.2%	$	213.62
Oahu Island - HI USA	$	222.22	110.6%	$	200.89
Orange County - CA USA	$	153.53	119.8%	$	128.11
Orlando - FL USA	$	146.73	115.7%	$	126.82
Philadelphia - PA USA	$	98.14	103.1%	$	95.19
Phoenix - AZ USA	$	117.33	126.1%	$	93.07
Saint Louis - MO USA	$	79.73	117.5%	$	67.87
San Diego - CA USA	$	155.04	121.9%	$	127.22
San Francisco/San Mateo - CA U	**$**	**162.95**	**80.2%**	**$**	**203.10**
Seattle - WA USA	$	124.50	105.6%	$	117.86
Tampa Bay - FL USA	$	119.11	127.7%	$	93.28
Washington - DC USA	$	120.33	105.6%	$	113.91

Lease Revenue | Doubletree Hotel

- DoubleTree is the largest single contributor to the Marina Fund, expected to cover 15% of waterfront expenses (~$1.2M/year in revenue)
- DoubleTree's deteriorating financial condition:
  - In 2019 the DT Hotel brought in $1.4M of lease revenue to the MF. In 2025 the DT Hotel paid $1.17M of lease revenue.
  - Every year since 2020 the hotel has generated a deficit.
  - Loan went into special servicing in 2025, with lender controlling expenditures.
  - Hotel stopped paying regular rent in March 2025.
  - Hotel paid their full balance in Sept. 2025: $964,680.
  - Have has not paid rent since Dec, 2025 and currently owes approx. $890k (9 months of base rent, 3 quarters % rent).
- Future payments uncertain.
- Staff assumed 30% of revenue, $420K/year for FY27 & FY28 budget.

Marina Fund | New Fee Revenue in FY27 & FY28

Council has authorized multiple fee increases and new fees to cover costs to operate the Waterfront:

- New Marina fees ($250k/yr): in Jan 2026, Council adopted fee increases for slip rentals, liveaboard/houseboats, electricity surcharge, slipholder parking passes, and launch ramp.
- New Recreation fees ($100k/yr): in Jan 2026, Council adopted fee increases for recreation programs. New revenue from afterschool programs, summer and school break camps, and birthday packages.
- New parking fees (budgeted at $150k in FY27 and $185k in FY28)*: in Jun 2025, Council adopted fees for hourly parking in 3 Waterfront lots.
- New Adventure Playground fees (budgeted at $75k in FY27 and $100k in FY28)^: in Jun 2025, Council adopted fees for entry to Adventure Playground.

*BCDC Permit for fee-based parking has yet to be approved.

^Installation of fee collection apparatus is scheduled for Oct 2026. FY27 revenue now projected to be $40k.

Marina Fund | New Lease Revenue in FY27 and FY28

Of the 13 leases and licenses at the Waterfront, staff are updating 10. These changes are estimated to raise $90k/year.

Tenant	Lease Status / Notes
BPD / Traffic Bureau	Expires in 2027
Patpatia & Associates	New lease approved by Council in May 2026
International Child Rescue Institute	New lease approved by Council in July 2026
Leventhal Kline/Third Plateau	In holdover, no increase since 2015
Cal Sailing Club	In holdover, no increase since 2019
Cal Adventures	In holdover, no increase since 2015
BRCC (Dragonboat club)	Needs agreement
Roaming Bean Coffee	New license approved by Council in June 2026
Bait Shop	Expired at end of 2025, in holdover
Hana Japan	Expires in May 2026

Marina Fund | Adopted Reductions in FY27 & FY28

- Existing structural deficit + Doubletree revenue loss → balancing measures needed in FY27 & FY28 to continue to operate the Waterfront.
- No General Fund available to bail out the Marina Fund, as the City had to close a $30M budget deficit.
- Resulted in significant reductions in the Marina Fund:
  - Personnel reductions
  - Non-personnel reductions

Marina Fund Adjustments	FY 27	FY 28
Assistant Civil Engineer 60%	(140,574.00)	(143,442.00)
Waterfront Manager 85%	(246,066.00)	(253,361.00)
Senior Marina Assistant	150,729.00	154,584.00
Cost shift 5% Deputy Director to Parks Tax	(16,687.00)	(17,020.74)
Reduce Minor Maintenance	(100,000.00)	(100,000.00)
Reduce Security, Marketing, Supplies	(81,000.00)	(81,000.00)
Total	**(433,598.00)**	**(440,239.74)**

Marina Fund | Less Revenue than Planned in FY27

- **No Hotel Revenue:**
  - FY27 and FY28 Marina Fund budget assumed Doubletree would pay at least 35% of rent.
  - Doubletree has paid zero. Future payments uncertain.
  - Potential loss of planned hotel revenue is **$840k** through FY28.
- **No Parking Revenue:**
  - For the first time in its history, BCDC required that parking fees be permitted.
  - BCDC has rejected the City's initial permit request.
  - The City is now required to seek a "major permit" from BCDC.
  - Potential loss of parking revenue is **$335k** through FY28.
- **With these reduced revenues, Marina Fund can no longer sustain operations through FY28 without new revenue and additional reductions.**

Marina Fund | Forecast through this budget cycle

Updated to reflect projected loss of parking and Doubletree revenue.

Marina Fund	2026 Actual	2027 Projected	2028 Projected
Starting balance	1,246,371	1,523,963	500,008
Revenue	8,673,012	6,364,360	6,534,799
Leases	*2,164,222*	*1,047,260*	*994,745*
Berthers	*3,971,848*	*4,166,475*	*4,333,134*
Other	*2,536,941**	*1,150,626*	*1,206,920*
Expenditures	8,395,420	7,388,315	7,580,393
Operating Surplus/(Loss)	277,592	(1,023,955)	(1,045,594)
Ending balance	1,523,963	500,008	(545,586)
Reserve Rate	18%	8%	(8%)

*Includes $1.4M in General Fund subsidy to the Marina Fund.

Marina Fund | Possible Balancing Measures

- With revenue coming in lower than projected, we will not be able to make it through FY28 without additional balancing measures.
- Target: **$1.045M** needed in reductions or new revenue
  Amount = $545k projected fund deficit + $500k (only 7%) reserve
- How to close this gap?
- Measures being considered:
  - General Fund reductions, to create space to shift all Recreation costs off Marina Fund.
  - Further maintenance and capital reductions
  - Further reductions of Waterfront staff
  - Further reductions of monitors and security
  - Fee increases
  - Increase rent from existing tenants (Cal Sailing and Cal Adventures in lease negotiations now)


berkeley
waterfront

Miller, Roger

From: rachel bradley <rachelbradleywood@hotmail.com>
Sent: Tuesday, September 8, 2026 2:26 PM
To: Miller, Roger; Councilmember Brent Blackaby
Cc: All Council
Subject: Comment for PRW meeting Sept. 9 2026; Problems at the Marina

Dear Parks, Recreation and Waterfront Commission and Berkeley City Council,

I am disturbed to hear that the Parks department is now suggesting that the lack of rent payment by the DoubleTree Hotel needs to be compensated by passage of the paid parking plan in three south lots at the waterfront. The city should maintain the marina without resorting to additional charges to the wide segment of the public that use the marina now, on a daily basis. Every time I go there to walk (with or without my dog) and birdwatch, I am reminded of how many people from all backgrounds visit the marina, and what a terrific community resource it is, especially for folks on limited budgets who may not have other safe places to exercise. Access infrastructure needs to be supported by the city without imposing paywalls that will exclude significant segments of our community. This is an essential point of equity for our city and its citizens.

Thank yu,
Rachel Bradley

Miller, Roger

From: Camille Antinori <camilleantinori@gmail.com>
Sent: Tuesday, September 8, 2026 2:36 PM
To: Miller, Roger; Bartlett, Ben; Ben Nash; Allan Abshez; Leigh Stewart; Ferris, Scott; BMASP; Allison Granzella
Subject: Communication to be included for Sept. 9, 2026 PRW Commission meeting: Waterfront

Dear Mr. Miller,

Please include this note as a communication to ORW commissioners for the September 9, Parks Recreation and Waterfront Commission meeting. Thank you, Camille Antinori

For comment on Item 9 on marina fees update:

#1) Could the public get an update on the **Marina Boulevard Shoreline Resiliency and Public Access Improvement project?** Image below. The project has received funding and is in the design phase. Marina Boulevard is one of areas vulnerable to sea level rise and is expected to flood by 2050 without adaptation plans. Currently, reports indicate there are 150 free parking spaces in this lot and that it serves as a parking option for both the ferry parking demand management plan and for the **paid parking proposal** in the south cove lots. The latter is currently under review by BCDC for impacts on equitable public access to the coastline. Could the Commission inquire as to number of parking spaces expected to remain along Marina Boulevard after the project is finished?

For general public comment:

#2) Safe Routes to Transit and Bay Trail Program (SR2TBT)

Parks staff will be presenting for city council consent on September 15 a new grant proposal for $25 m for part of Berkeley's share of the ferry project costs. At the August 31 Agenda and Rules Committee meeting, the consent calendar item included:

From: City Manager Recommendation: Adopt a Resolution authorizing the City Manager or his designee to submit a grant application to the Metropolitan Transportation Commission's Regional Measure 3 Safe Routes to Transit and Bay Trail Program (SR2TBT) for up to $25,000,000 for construction of portions of the landside elements of the Berkeley Water Transportation Pier-Ferry Project. Financial Implications: $25,000,000 (Revenue)

There is no report attached. Could this commission request and discuss a breakdown in how the funds will be allocated, including utility infrastructure for potential electric ferries, the ferry plaza, parking lots designated for ferry parking, and bike lanes? Regarding the bike lanes, we note that a bike path paralleling University Avenue to the waterfront and to Adventure Playground already exists. Extensions of the Bay Trail have often been funded as standalone projects, as was the extension in the South Cove. The city's option agreement with TSA holdings for 199 Seawall also stipulates that the tenant will fund extension of the Bay Trail in the south waterfront. Therefore, we would like the PRW Commission to ask whether this ferry funding could be instead directed to other waterfront infrastructure assets in immediate need of repair like the hoist and seawall in the south basin that serves the general public now.