File No. 120436 Committee Item No. 4
Board Item No. 9

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight **Date** May 31, 2012

Board of Supervisors Meeting **Date** 6/12/12

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Completed by: Alisa Miller **Date** May 24, 2012
Completed by: Alisa Miller **Date** June 5, 2012

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Appropriating $1,039,600 of Fund Balance in the Marina Yacht Harbor Operating Fund to the Recreation and Park Department for the West Harbor Renovation Project in FY2011-2012]

Ordinance appropriating $1,039,600 in fund balance in the Marina Yacht Harbor Operation Fund to the Recreation and Park Department in FY2011-2012 for funding the construction of 36 additional slips as a part of the West Harbor Renovation Project.

Note: Additions are *single-underline italics Times New Roman*; deletions are ~~*strikethrough italics Times New Roman*~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The sources of funding outlined below are herein appropriated to reflect the funding available in Fiscal Year 2011-2012.

SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
2S CRF RPN	*CON2SCRFRPN	99999B	Fund Balance	$1,039,600
Recreation and Park – Special Revenue Funds				
Total SOURCES Appropriation				**$1,039,600**

Section 2. The uses of funding outlined below are herein appropriated in FY 2011-2012 in Subobject 06700 (Buildings, Structures, and Improvement Project-Budget) and reflect the projected uses of funding to support the Recreation and Park Department West Harbor Renovation Project.

USES Appropriation

Fund	Index / Project Code	Subobject	Description	Amount
2S CRF RPA Recreation and Park – Special Revenue Funds	RECYACHTHARB CRPYRP 01	06700	Buildings, Structures, and Improvement Project-Budget	$1,039,600
Total USES Appropriation				**$1,039,600**

Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____

Deputy City Attorney

FUNDS AVAILABLE
Ben Rosenfield, Controller

By: _____

Date: April 30, 2012

Items 3 and 4 Files 12-0436 and 12-0435	Department: Recreation and Park

EXECUTIVE SUMMARY

Legislative Objective

- File 12-0435 would update the Park Code to (a) codify Marina Yacht Harbor fees previously approved by the Board of Supervisors; (b) revise existing fees to increase short term dock fees, add a fee for after hour labor charges, and delete fees for obsolete services; and (c) add new transfer fee provisions.
- File 12-0436 would appropriate $1,039,600 in fund balance of the Marina Yacht Harbor Fund to pay for construction of 36 additional berths as part of the West Harbor Renovation project.

Key Points

- The Board of Supervisors previously authorized the Recreation and Park Department (RPD) to increase Marina Yacht Harbor berthing license fees by the Consumer Price Index (CPI) annually (File 08-1328). Currently, the Park Code lists Marina Yacht Harbor berthing license fees that were in effect in FY 2005-06. The proposed ordinance (File 12-0435) would update the Park Code to codify fees that are in effect in FY 2011-12, and fees for West Harbor berthing licenses that will go into effect once construction of the West Harbor Renovation project is completed in FY 2012-13, as previously approved by the Board of Supervisors in 2008. The proposed ordinance would also revise existing fees to increase short term dock fees, add a fee for after-hours labor charges, and delete fees for obsolete services.
- Currently, the Marina Yacht Harbor allows boat owners to transfer the license for their berth to a new owner when they sell their boat. The proposed ordinance would eliminate this practice, but would allow a boat owner to transfer the berthing license to (1) a spouse or a registered domestic partner, or (2) a new boat purchased by the existing boat owner if the new boat is of comparable size to the previous boat. Upon implementation of the proposed ordinance, existing boat owners will be provided a one-time opportunity to transfer a berthing license upon the sale of the existing owner's boat to a new owner who is currently on the Marina Yacht Harbor wait list. The proposed ordinance would establish new transfer fees to be paid by the existing boat owner upon the one-time transfer.
- RPD is proposing to add 36 berths to the 343 berths included in the current construction of the West Harbor Renovation project, totaling 379 berths. According to Ms. Katherine Petrucione, RPD Director of Finance and Administration, construction of the 36 berths is consistent with RPD's commitment to provide berths for smaller boats of 30 feet or less.

Fiscal Impact

- According to Ms. Petrucione, the Marina Yacht Harbor Fund currently has a balance of $4,243,600. After appropriating $1,039,600 to the West Harbor Renovation Project, the Marina Yacht Harbor Fund will have a remaining fund balance of $3,204,000. The addition of 36 new berths will result in estimated additional annual berthing license fee revenues of $157,000.
- The increased Marina Yacht Harbor berthing license fees codified under File 12-0436 are not new fees and do not result in new revenues. Ms. Petrucione states that increased revenues resulting from increases to existing fees, as authorized by the Park Code, will be included in the FY 2012-13 Marina Yacht Harbor budget.

Recommendation

- Approval of File 12-0435 is a policy matter for the Board of Supervisors.
- Approve the requested supplemental appropriation ordinance (File 12-0346).

MANDATE STATEMENT

Mandate Statement

Charter Section 2.109 requires Board of Supervisors approval by ordinance of rates, fees, and similar charges by City departments.

Administrative Code Section 9.105 requires Board of Supervisors approval for amendments to the Annual Appropriation Ordinance.

DETAILS OF PROPOSED LEGISLATION

File 12-0435

The proposed ordinance would make the following revisions to the Park Code:

Codification of Existing Marina Yacht Harbor Fees

The proposed ordinance would codify Marina Yacht Harbor fees previously approved by the Board of Supervisors in 2008 (File 08-1328).

Currently, the Park Code lists the Marina Yacht Harbor berthing license fees for the West Harbor and the East Harbor that were in effect in FY 2005-06. In accordance with the Park Code, the Recreation and Park Department (RPD) is authorized to increase these fees without further action of the Board of Supervisors as follows:

- For the West Harbor by (a) 20% in FY 2006-07; (b) 4% per year in FY 2007-08 through FY 2009-10; and (c) the Consumer Price Index (CPI) in FY 2010-11 and subsequent years; and
- For the East Harbor by (a) 12% in FY 2006-07 through FY 2008-09; and (c) the CPI in FY 2009-10 and subsequent years.

The proposed ordinance would revise the Park Code in order to codify the existing FY 2011-12 Marina Yacht Harbor berthing license fees, as shown in Table 1 below:

Table 1
FY 2011-12 Marina Yacht Harbor Berthing License Fees

	West Harbor	East Harbor
Berth Length	Fee per Foot Per Month	Fee per Foot Per Month
20 feet	n/a	$8.45
25 feet	$8.32	$8.75
30 feet	$8.44	$8.88
35 feet	$8.44	$8.88
40 feet	$10.24	n/a
45 feet	$10.24	n/a
50 feet	$10.47	n/a
60 feet	$10.47	n/a
70 feet	$10.68	n/a
80 feet	$10.68	n/a
90 feet	$10.68	n/a

The proposed ordinance would also revise the Park Code to include the increase in the West Harbor berthing license fees in FY 2012-13, or upon completion of the West Harbor renovation, whichever occurs later, as previously approved by the Board of Supervisors in 2008 and as shown in Table 2 below.

Table 2
FY 2012-13 West Harbor Berthing License Fees

Berth Length	FY 2011-12 Fee	FY 2012-13 Fee	Increase	Percent Increase
25 feet	$8.32	$11.61	$3.29	39.5%
30 feet	$8.44	$11.77	$3.33	39.5%
35 feet	$8.44	$11.77	$3.33	39.5%
40 feet	$10.24	$14.28	$4.04	39.5%
45 feet	$10.24	$14.28	$4.04	39.5%
50 feet	$10.47	$14.60	$4.13	39.4%
60 feet	$10.47	$14.60	$4.13	39.4%
70 feet	$10.68	$14.91	$4.23	39.6%
80 feet	$10.68	$14.91	$4.23	39.6%
90 feet	$10.68	$14.91	$4.23	39.6%

Park Code Section 12.20, in which RPD is authorized to annually increase Marina Yacht Harbor berthing license fees by the CPI, without further Board of Supervisors action, would continue to apply.

Revisions to Existing Fees

The proposed ordinance would also:

- Increase short term dock fees, which currently range from $0.50 to $1.00 per foot per day depending on the length of the boat, to $1.50 per foot per day for all boats;
- Add a new fee of $100 per hour for Marina Yacht Harbor after-hour labor charges; and
- Delete fees for citation courtesy notices, impound, hydro hoist surcharges, and sewage pump out, which are obsolete according to RPD.

Transfer Fees

Currently, the Marina Yacht Harbor allows boat owners to transfer the license for their berth to a new owner when they sell their boat. The Marina Yacht Harbor charges a fee to the boat seller for the transfer of a berth of (a) $50 per foot for berths less than 35 feet; (b) $75 per foot for berths from 35 feet to 45 feet; and (c) $100 per foot for berths longer than 45 feet.

The proposed ordinance would eliminate the current practice of transferring the berthing license to the new boat owner when an existing berth owner sells his or her boat, with the following exceptions:

- The existing boat owner may transfer the berthing license to a spouse or registered domestic partner; and
- If the existing boat owner purchases a new boat of comparable size to the previous boat, the boat owner may transfer the berthing license to the new boat.

The proposed ordinance provides for an administrative fee of $50 to be paid by the existing boat owner to the Marina Yacht Harbor upon the transfer of the berthing license in the two instances noted above.

Upon implementation of the proposed ordinance, existing boat owners will be provided a one-time opportunity to transfer a berthing license upon the sale of the existing owner's boat to a new owner who is currently on the Marina Yacht Harbor wait list. Under the Marina Yacht Harbor Rules and Regulations, approved by the Recreation and Park Commission on April 19, 2012, for such one-time opportunity, the existing boat owner would pay a fee to the Marina Yacht Harbor for the transfer of the berthing license to a new boat owner of (1) $150 per foot for berths 35 feet and under, (2) $200 per foot for berths 40 and 45 feet, and (3) $325 per foot for berths 50 feet or longer.

Annual Berthing License Renewal

The proposed ordinance clarifies that berthing licenses are for a period of one year and may be renewed if the boat is in compliance with Marina Yacht Harbor rules and regulations, and the boat owner does not owe any fees or charges.

File 12-0436

The proposed ordinance would appropriate $1,039,600 in fund balance of the Marina Yacht Harbor Operation Fund to fund construction of 36 additional berths as part of the West Harbor Renovation Project.

RPD began construction of Marina Yacht Harbor West Harbor renovations in February 2011 with expected completion of the renovations in December 2012. West Harbor renovations consist of:

- Replacement docks and berths to accommodate up to 343 boats;
- Construction of two new breakwaters;
- Maintenance dredging; and
- Upgrades to the Harbormaster's Building and public access improvements.

West Harbor renovation funding sources and project costs are $25,992,280, as shown in Table 3 below.

Table 3
West Harbor Renovation Project Sources and Uses of Funds

Sources	
California Department of Boating and Waterways Loan	$23,495,000
Prior Marina Yacht Harbor Fund Appropriations	1,238,550
Saint Francis Yacht Club Maintenance and Capital Fund	1,145,730
Other (PG&E, Mayor's Office of Disability)	113,000
Total Sources	$25,992,280
Uses	
Construction Contract	$19,813,260
Dredging	602,600
Special Construction	130,700
Sediment Remediation	1,138,530
Subtotal, Construction	21,685,090
Engineering and Permits	3,626,130
Management and Administration	681,060
Total Uses	$25,992,280

RPD is proposing to add 36 berths to the 343 berths included in the current construction of the West Harbor Renovation Project, totaling 379 berths. The additional 36 berths would be located along the breakwater at the entrance to the West Harbor, adjacent to the Golden Gate Yacht Club. According to the Recreation and Park Department's presentation at the City's May 14,

2012 Capital Planning Committee, construction of the 36 berths is consistent RPD's commitment to provide berths for smaller boats of 30 feet or less.

The estimated cost of constructing the 36 berths, to be funded by the requested supplemental appropriation is $1,039,600, as shown in Table 4 below.

Table 4
Requested Appropriation for 36 New Berths in the West Harbor

Design, Engineering and Shop Drawings	$80,000
Fabrication of Dock Assemblies	470,000
Delivery and Installation of Dock Assemblies	202,000
Installation of Utilities	188,000
Contingency (10.6%)	99,600
Total	$1,039,600

FISCAL IMPACT

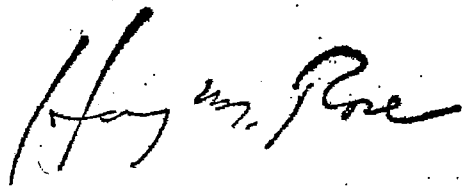
According to Ms. Katherine Petrucione, RPD Director of Finance and Administration, the Marina Yacht Harbor Fund currently has a balance of $4,243,600. After appropriating $1,039,600 to the West Harbor Renovation Project, the Marina Yacht Harbor Fund will have a remaining fund balance of $3,204,000. According to Ms. Petrucione, the addition of 36 new berths will result in estimated additional annual berthing license fee revenues of $157,000.

The increased Marina Yacht Harbor berthing license fees shown in Tables 1 and 2 above are not new fees and do not result in new revenues. According to Ms. Petrucione, increased revenues resulting from increases to existing fees, as authorized by the Park Code, will be included in the FY 2012-13 Marina Yacht Harbor budget.

RECOMMENDATION

Approval of File 12-0435 is a policy matter for the Board of Supervisors.

Approve the requested supplemental appropriation ordinance (File 12-0346).



Harvey M. Rose

cc: Supervisor Farrell
Supervisor Elsbernd
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Chu
Supervisor Cohen
Supervisor Kim
Supervisor Mar
Supervisor Olague
Supervisor Wiener
Clerk of the Board
Cheryl Adams
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