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**DEPARTMENT OF PARKS
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May 11, 1988

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MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

Budget & Finance Committee
Sacramento, California

Honorable Members in Session

SUBJECT: Sacramento Boat Harbor Proposed Fee Increase

SUMMARY

This report provides information on the Sacramento Boat Harbor enterprise operations and the Sacramento Boat Harbor expansion. The report also recommends an average berth license fee increase of approximately 10% for the existing harbor basin and a 5.5% fee increase for the expanded basin effective July 1, 1988.

BACKGROUND INFORMATION

The Sacramento Boat Harbor was constructed by a private developer in 1958 and operated under a concession agreement until June 1, 1977. At that time the City of Sacramento, Department of Parks and Community Services took over the operation of the then 289 slip marina.

The City, through the Boat Harbor Enterprise Fund, has expended over \$727,000 in capital improvement projects since taking over the operation in 1977.

In May 1984, the City Council approved the Sacramento Boat Harbor Expansion Feasibility Study and Miller Park Master Plan. The Council has also authorized the Department of Parks and Community Services to apply to the State of California Department of Boating and Waterways for \$7,650,000 in loans to undertake the harbor expansion. To date, \$6,650,000 has been received for the project. The remaining \$1,000,000 is scheduled for July 1988.

As part of the terms and conditions of the loan contract, the City is required to: (1) have an average annual berth rate of \$5.35 per foot per month beginning July 1, 1989; (2) each year conduct a survey of berthing charges which prevail in the same market area and establish berthing rates which are reasonable and not exorbitant (see Exhibit A); and (3) make every effort to develop a reserve fund of \$500,000 by the end of F.Y. 1992-93.

These conditions and an annual debt service payment of \$605,162 will require that the Sacramento Boat Harbor be competitive with the surrounding market area and maintain a minimum occupancy rate of approximately 90% annually.

Given these conditions and the fact that the harbor offers new, top-quality berths, in addition to a harbor master's office facilities with boater's meeting room, staff is proposing that a fee increase of approximately 10% be established for the south basin and an increase of approximately 5.5% be established for the north basin.

The Budget Office has provided assistance in determining the appropriate fee increase schedule and cash flow necessary to meet the upcoming debt obligations. Exhibit B provides a fee schedule and cash flow chart.

The proposed fees per foot, per month are listed below:

<u>South Basin</u>	<u>Existing</u>	<u>Proposed</u>
Covered berths	\$4.65	\$5.10
Open berths	3.00	3.30
<u>North Basin</u>		
Covered berths	\$5.35	\$5.65
Open berths	4.25	4.50

These fee increases have been presented to the Boat Harbor Advisory Council.

Harbor Expansion Update

A timeline and brief description of the work to be performed during each phase is listed below:

Phase I began in August of 1985 and was completed in July 1987. The main items in this contract were the excavation of the north harbor basin, relocation of some south basin docks and the installation of shore-side utilities.

Phase II began in July of 1987 and will be completed in June of 1988. The main item of this contract was the fabrication and installation of new docks.

Phase III is scheduled to begin in July of 1988 and be completed in April 1989. The main items of this contract are the harbor administration building, parking and partial landscaping.

Phase IV will begin October 1988 and be completed in June of 1989. The major items in this contract will include roadway realignment/parking, lighting, harbor flushing system, landscaping and view decks.

FINANCIAL DATA

The proposed average berth fee increase and the opening of the expanded harbor basin will generate approximately \$443,600 in new revenue for the Boat Harbor Fund for F.Y. 1988/89.

Total projected revenue to the Boat Harbor for F.Y. 88/89 is \$1,162,203 and has been included in the proposed F.Y. 88/89 City budget. This revenue will offset projected total operating and CIP costs of \$1,073,512. Net income for 1988/89 is estimated at \$88,691 (see Exhibit B for more detail).

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve this report and refer it to full City Council for action. Further, this report recommends that City Council approve, by resolution, an increase in Boat Harbor berth license fees to be effective July 1, 1988.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



JACK R. CRIST
Deputy City Manager

May 24, 1988
District No. 1

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION AMENDING FEES AND CHARGES FOR
VARIOUS PARKS AND COMMUNITY SERVICES
RELATED LICENSES, PERMITS, SERVICES
AND FACILITIES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That fees and charges for various City licenses, permits, services and facilities are hereby amended to reflect the Parks and Community Services (Boat Harbor) related fees and charges as set forth below:

Berth license fees for the Sacramento Boat Harbor shall be effective July 1, 1988 as follows:

South Basin

Covered berths	\$5.10 per ft.
Open berths	3.30 per ft.

North Basin

Covered berths	\$5.65 per ft.
Open berths	4.50 per ft.

2. That the City of Sacramento Fees and Charges Report (Page 61a) is hereby amended to reflect the Parks and Community Services related fees and charges as set forth above.

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MAYOR

ATTEST:

.....
CITY CLERK

CITY OF SACRAMENTO
Department of Parks and Community Services - EXHIBIT A

MARINA RATE COMPARISON
April 1988

COVERED BERTHS:

<u>NAME OF MARINA</u>	<u>LOCATION</u>	<u>NUMBER OF SLIPS</u>	<u>RATE PER FOOT</u>
River View	Sacramento	50 - (82)	\$6.50
River Bank	Sacramento	99 - (158)	\$6.00
Delta Bay Club	Isleton	225 - (266)	\$5.50
Cliffs	Freeport	73 - (105)	\$5.50
Freeport	Freeport	140 - (200)	\$5.50
<u>Sacto. Boat Harbor -</u>			
<u>North Basin</u>	Sacramento	178 - (553)	\$5.35
Oxbow	Isleton	420 - (420)	\$5.30
Spindrift	Isleton	150 - (180)	\$5.00
Delta	Rio Vista	245 - (275)	\$4.75
<u>Sacto. Boat Harbor -</u>			
<u>South Basin</u>	Sacramento	226 - (553)	\$4.65
Outrigger	Rio Vista	75 - (100)	\$4.50
B & W	Isleton	72 - (108)	\$4.50
Perry's	Isleton	122 - (126)	\$4.50

OPEN BERTHS:

River View	Sacramento	32	\$5.00
Freeport	Freeport	60	\$5.00
B & W	Isleton	36	\$4.75
River Bank	Sacramento	59	\$4.66
Delta Bay Club	Isleton	41	\$4.50
Cliffs	Freeport	32	\$4.50
Sherwood	Sacramento	65	\$4.25
<u>Sacto. Boat Harbor -</u>			
<u>North Basin</u>	Sacramento	106	\$4.25
Perry's	Isleton	4	\$4.10
Outrigger	Rio Vista	25	\$4.00
Spindrift	Isleton	30	\$4.00
River Galley	Sacramento	2000'	\$4.00
Four Seasons	Sacramento	70	\$4.00
Delta	Rio Vista	30	\$3.70
<u>Sacto. Boat Harbor -</u>			
<u>South Basin</u>	Sacramento	43	\$3.00

NOTE: Number in parenthesis represents the total number of slips for each marina.

DOCUMENT: SURVEY

BOAT HARBOR FINANCIAL HISTORY & PROJECTIONS	ACTUAL 1985-86	ACTUAL 1986-87	MID-YEAR 1987-88	PROJECTED 1988-89	PROJECTED 1989-90	PROJECTED 1990-91	PROJECTED 1991-92	PROJECTED 1992-93	PROJECTED 1993-94
Average Increase in Slip Fees:									
Old Marina Berths	13.40%	8.34%	9.90%	9.71%	15.98%	7.60%	4.02%	5.54%	5.08%
New Marina Berths				5.76%	7.50%	5.61%	3.52%	4.57%	4.07%
Average Marina-Wide Berth Rate (per foot/month)	\$3.60	\$3.97	\$4.75	\$5.10	\$5.36	\$5.71	\$5.93	\$6.22	\$6.50
REVENUES									
Slip Fees (existing berths)	\$288,491	\$312,558	\$319,400	\$350,400	\$406,400	\$437,300	\$454,900	\$480,100	\$504,500
Gas & Oil Concessions	143,645	128,223	166,000	225,000	236,250	248,063	260,466	273,489	287,163
Slip Fees (new berths)	0	0	55,300	467,900	532,600	562,500	582,300	608,900	633,700
Interest/Dividend Income	46,849	69,312	80,000	97,903	117,200	128,465	138,677	128,038	120,465
Other Miscellaneous Income	26,877	1,078,498	183,000	21,000	22,000	23,000	24,000	26,000	28,000
Total Revenues	505,862	1,588,591	803,700	1,162,203	1,314,450	1,399,328	1,460,343	1,516,527	1,573,828
EXPENSES									
Employee Services	163,353	175,001	181,662	212,107	221,652	231,626	242,049	252,942	264,324
Other Services and Supplies	202,820	285,718	360,963	438,253	460,166	483,174	507,333	532,699	559,334
Equipment	2,449	0	7,847	3,985	0	0	0	0	0
Debt Service Payments	13,539	13,534	14,302	14,302	178,645	405,034	529,699	605,162	605,162
Operating Transfers Out (In)	0	0	28,200	30,865	32,254	33,705	35,222	36,807	38,463
Capital Improvement Projects	251,653	2,782,135	1,885,000	1,374,000	250,000	100,000	100,000	100,000	100,000
Loan Proceeds	(2,000,000)	(3,000,000)	(1,652,000)	(1,000,000)	0	0	0	0	0
Total Expenses	(1,366,186)	256,388	825,974	1,073,512	1,142,716	1,253,539	1,414,303	1,527,610	1,567,284
NET INCOME (LOSS)	1,872,048	1,332,203	(22,274)	88,691	171,734	145,788	46,040	(11,083)	6,545
Increase in Restricted Assets	0	0	(150,000)	(50,000)	(50,000)	(50,000)	(100,000)	(30,000)	0
Prior Ending Fund Balance	87,450	147,750	178,426	6,152	44,843	166,577	262,365	208,404	167,321
Adjustments for Encumbrances/Carryovers	(1,811,748)	(1,301,527)	0	0	0	0	0	0	0