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**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

ROBERT P. THOMAS
DIRECTOR

G. ERLING LINGGI
ASSISTANT DIRECTOR

WALTER S. UEDA
DEPUTY DIRECTOR

May 17, 1989
89-05-26

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SUITE 400
SACRAMENTO, CA
95814-2977

916-449-5200

DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

Budget & Finance Committee
Sacramento, California

Honorable Members in Session

Subject: State Department of Boating & Waterways \$500,000 loan
for Sacramento Marina Expansion

SUMMARY

This report requests authorization to apply to the State of California Department of Boating & Waterways, for an additional loan of \$500,000 at 4.7% interest rate over 30 years for the final phase development of the Sacramento Marina Expansion project.

BACKGROUND INFORMATION

On June 6, 1984, the City Council approved the Feasibility Study and Master Plan for Miller Park and authorized the City Manager to submit a loan application in the amount of \$5,650,000 to the State Department of Boating & Waterways for the marina expansion. (See Attachment A for site plan) At the July 1985 Boating & Waterways Commission meeting, the Commission approved the City of Sacramento's loan request in the amount of \$2 million for Phase I of the project. This phase basically included excavation of material to form the new marina basin. Terms of the loan contract were for 30 years at 7.9% interest. However, with interest rates dropping in the private sector, the Commission, at their March 1987 meeting, agreed to lower interest rates on all outstanding Department of Boating & Waterways loans of 7.9% to 6% effective August 1, 1988. Therefore, the City's Phase I loan of \$2 million was reduced from 7.9% to 6% annually. This provides an annual debt service savings of approximately \$40,900.

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The Phase II loan of \$3 million, Phase III loan of \$1.650 million and the Phase IV loan of \$1 million were all approved by the State Department of Boating and Waterways at 4.7% interest over a 30 year period. Phase II included construction and installation of the floatation system and covered berths that were completed in July 1988.

The contract for Phase III and IV will be awarded in May 1989 and will include the Marina Administration Building and associated work as well as parking, landscaping, site lighting and off site parking.

Due to the limited funding remaining for Phases III & IV a number of deductive bid alternatives were identified within the bid package. These were items that could possibly be funded at a later date and not have a negative impact on the overall expansion project. Those items included a marina basin water circulation system (flushing system), redwood view decks on the west side of the marina and concrete pedestrian walkways around the marina. With the exception of the water circulation system, all of the deductive items will be awarded. (Attachment B provides a breakdown of actual and estimated costs) In order for the water circulation system to be funded, staff is recommending that an additional loan of \$500,000 be requested from the State Department of Boating & Waterways. This loan can be acquired at 4.7% interest over a 30 year period with an annual debt payment of approximately \$35,000. (Attachment C projects our ability to pay back the loans and the effect on the marina's fund balance)

A breakdown of the funding and year requested follows:

Phase I (1985-86)	-	\$2,000,000	@ 6.0% interest
Phase II (1986-87)	-	\$3,000,000	@ 4.7% interest
Phase III (1987-88)	-	\$1,650,000	@ 4.7% interest
Phase IV (1988-89)	-	\$1,000,000	@ 4.7% interest
Phase V (1989-90)	-	\$ 500,000	@ 4.7% interest

FINANCIAL DATA

The total amount of \$8,150,000 of the Sacramento Marina Expansion loan will be repaid over 5 staggered 30-year terms ending fiscal year 2019-20. Annual debt service on the loans is estimated as follows:

<u>Loan</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Payment Begins</u>
Phase I	\$2,000,000	6.0%	\$168,000	1989-90
Phase II	\$3,000,000	4.7%	\$210,000	1990-91
Phase III	\$1,650,000	4.7%	\$117,000	1991-92
Phase IV	\$1,000,000	4.7%	\$ 71,000	1992-93
Phase V	\$ 500,000	4.7%	\$ 35,000	1993-94
			<u>\$601,000</u>	

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The Budget Office has provided assistance in determining the appropriate fee increase schedule and cash flow necessary to meet the debt obligations.

POLICY MATTERS

This report continues the policy of the use of debt to finance major long term Capital projects. The annual debt service cost will be paid over the life of the project by the users benefiting from the new facility.

MBE/WBE

No impact.

RECOMMENDATION

It is recommended that the Budget & Finance Committee review this report and refer it to the full City Council. Further, it is recommended that Council, by resolution:

1. Authorize the Department of Parks and Community Services to request an additional \$500,000 loan from the State of California's Department of Boating & Waterways for the completion of Phase V of the Sacramento Marina Expansion project.
2. Authorize the City Manager and City Clerk to execute all documents necessary to apply for and receive loan agreements from the State of California, Department of Boating and Waterways.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Recommendation Approved:



Jack R. Crist
Deputy City Manager

Contact Person:

KEN HARRIS, RECREATION SUPERINTENDENT
449-2031

June 7, 1989
All Districts

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE DEPARTMENT OF
PARKS AND COMMUNITY SERVICES TO REQUEST
AN ADDITIONAL \$500,000 LOAN FROM STATE
DEPARTMENT OF BOATING AND WATERWAYS

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

1. That the Department of Parks and Community Services is hereby authorized to request a \$500,000 loan from the State of California, Department of Boating and Waterways, for the completion of Phase V of the Sacramento Boat Harbor Expansion project.

2. That the City Manager and City Clerk are hereby authorized to execute all documents necessary to apply for and receive loan agreements from the State of California, Department of Boating and Waterways.

MAYOR

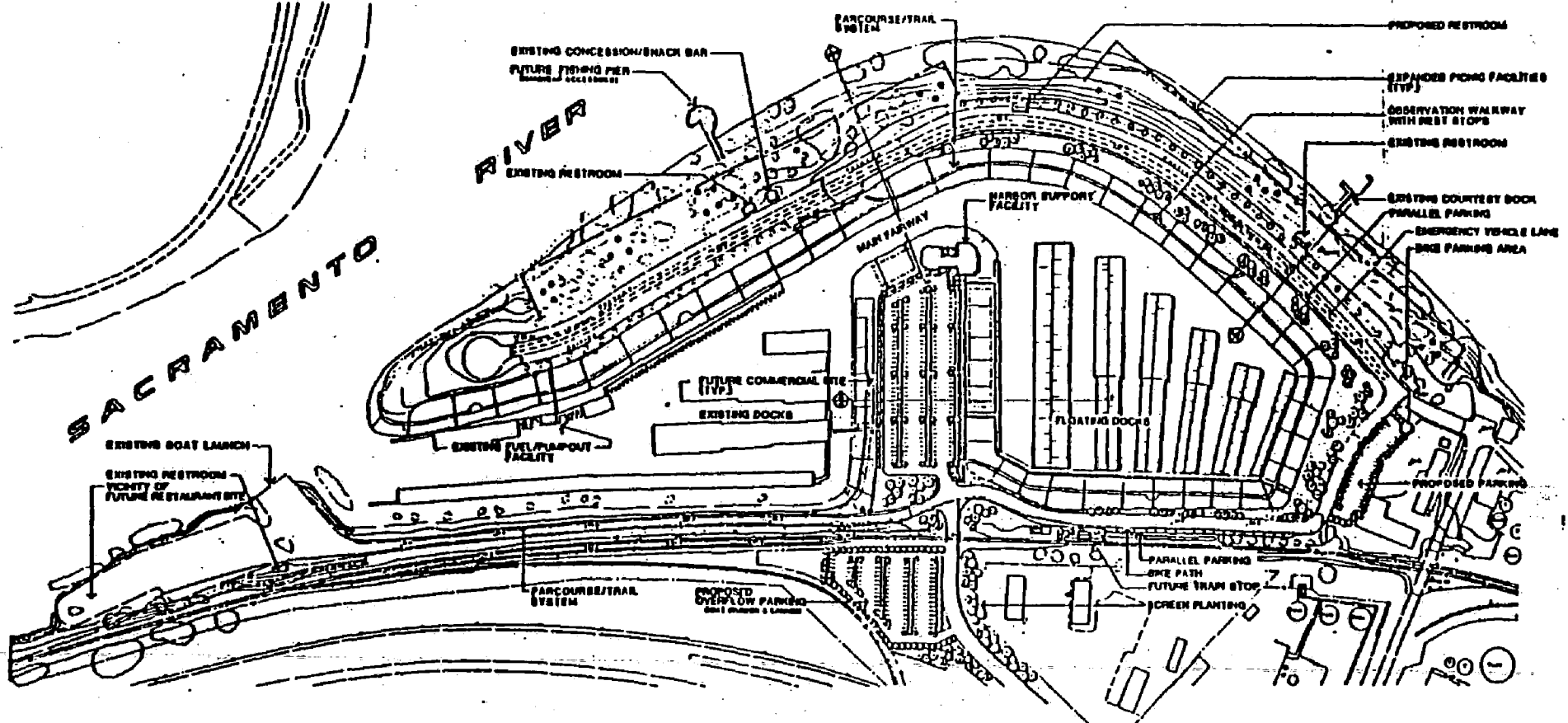
ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



SACRAMENTO BOAT HARBOR EXPANSION PROJECT
 CITY OF SACRAMENTO DEPARTMENT OF PARKS AND COMMUNITY SERVICES

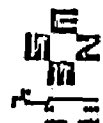
WINZLER AND KELLY
 ENGINEERS

ROBERT LAROCCA & ASSOCIATES
 LANDSCAPE ARCHITECTS

NEW BERTHS PERMANENT	number	length
	38	40'
	30	38'
	90	30'
	124	25'
	382	

EXISTING	308
FUTURE TOTAL	671
PARKING PROPOSED:	
CORE AREA	162
OVERFLOW	83
NORTH SIDE	87
PARALLEL	70
EXISTING	193
TOTAL:	690 SPACES

MASTER PLAN
 for
 MILLER PARK



Master Plan For Miller Park

Figure 12

SACRAMENTO BOAT HARBOR EXPANSION PROJECT

City of Sacramento, Dept. of Parks and Community Services

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Sacramento Boat Harbor Expansion at Miller Park

btestal6

15-May-89

			CONTRACT I	FINANCES	SOURCE
Contractor Base Bid			\$2,880,683		
Slope Protection			\$273,999		
TOTAL			\$3,154,682	\$1,032,000	Landfill
Contingencies	5.18%		163,545	\$2,000,000	Calboating
Consultants Design	2.12%		66,840	\$3,000,000	Calboating
City Costs - Design	2.27%	4.38% Design	71,474		
Consultants Construction	1.38%		43,500		
City Costs - Construction	2.44%	3.82% C A	77,019		
			=====		
			\$3,577,061		
CONTRACT II					
TOTAL BID			\$3,336,150	\$1,652,000	Calboating
Contingencies	4.35%		\$145,115	\$182,000	CalBoating Grant
Consultants Design	7.81%		224,999	\$313,000	Boat Harbor Fund
City Costs - Design	4.41%	12.22% Design	127,024	\$266,700	Boat Harbor Fund
Consultants Construction	3.91%		130,500		
City Costs - Construction	4.00%	7.91% C A	133,426		
			=====		
			\$4,097,214		
CONTRACT III					
TOTAL BID			\$610,000		
Contingencies	10.47%		\$63,893		
Consultants Design	6.96%		42,427		
City Costs - Design	3.06%	10.01% Design	18,655		
Consultants Construction	0.00%		0		
City Costs - Construction	10.87%	10.87% C A	66,289		
			=====		
			\$801,263		
CONTRACT IV					
TOTAL Sch A and Sch B BID (Without Harbor Flushing)			\$1,063,884	\$1,000,000	Calboating
Contingencies	10.00%		\$106,400	\$317,300	
Consultants Design	4.77%		50,734		
City Costs - Des*	4.20%	8.97% Design	44,710		
Consultants Construction	0.00%		0		
City Costs - Construction	4.44%	4.44% C A	47,280		
			=====		
			\$1,313,008		
SUMMARY					
CONSTRUCTION			7,890,717	\$7,652,000	Calboating Loans
SLOPE PROTECTION			273,999	\$182,000	CalBoating Grant
Contingencies	a 5.87%		478,953	\$1,032,000	Landfill
Consultants Design	a 4.72%		385,000	\$897,000	Harbor Fund
City Costs - Design	a 3.21%	7.92%	261,862	=====	
Consultants Construction	2.13%		174,000	\$9,763,000	TOTAL PROJECT FUND
City Costs - Construction	3.97%	6.10%	324,014		
TOTAL PROJECT EXPENSES			\$9,788,545		
PROJECT SHORTFALL			(\$25,545)		

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SUMMARY

CONSTRUCTION		7,428,183	7,890,717	TOTAL OF ALL BIDS WERE	6.2% OVER ESTIMATE <<<<
SLOPE PROTECTION			273,999		
CONTINGENCIES	3	5.87%	478,953	\$7,652,000	Calboating Loan
CONSULTANTS	3	6.85%	559,000	\$182,000	CalBoating Gran
CITY COSTS	3	7.18%	585,877	\$1,032,000	Landfill
				\$0	Low Ridder Comp
				\$897,000	Harbar Fund
TOTAL PROJECT EXPENSES			=====	=====	
			\$9,788,546	\$9,763,000	TOTAL PROJECT F
	PROJECT SHORTFALL		(\$25,546)		

Boat Harbor Fund (\$000)	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Fund Balance	\$6	\$254	\$268	\$198	\$61	\$34	\$44	\$101	\$206	\$364	\$561	\$801
Slip Fees - Existing Open	3.30	3.43	3.72	4.03	4.34	4.64	4.94	5.23	5.55	5.83	6.12	6.42
Existing Covered	5.10	5.30	5.75	6.23	6.71	7.17	7.63	8.09	8.57	9.00	9.45	9.93
New Open	4.50	4.68	5.08	5.50	5.92	6.32	6.73	7.14	7.57	7.94	8.34	8.76
New Covered	5.65	5.88	6.38	6.90	7.44	7.94	8.45	8.96	9.50	9.97	10.47	11.00
Average	5.09	5.30	5.75	6.22	6.71	7.16	7.62	8.08	8.57	8.99	9.44	9.92
Percent Increase	.00%	4.00%	8.50%	8.25%	7.75%	6.75%	6.50%	6.00%	6.00%	5.00%	5.00%	5.00%
Revenues												
Interest	90	90	75	75	55	55	50	50	50	50	50	50
User Fees												
Existing	370	385	418	452	487	520	554	587	622	653	686	720
New	523	544	590	639	688	735	783	830	879	923	969	1,018
Oil & Gas	200	229	240	252	265	278	292	306	322	338	355	373
Other	21	22	23	24	25	26	27	29	30	32	33	35
Total Current Resources	1,204	1,270	1,346	1,442	1,520	1,614	1,705	1,802	1,903	1,996	2,093	2,195
Current Requirements												
Employee Services	205	214	225	236	248	260	273	287	301	316	332	349
Other Services & Supplies	399	494	519	545	572	600	630	662	695	730	766	805
Equipment	4	4	4	5	5	5	5	6	6	6	7	7
Expansion Operating	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service	14	168	378	494	563	598	598	598	598	598	598	598
Debt Accrual	154	193	106	63	23	0	0	0	0	0	0	0
Transfers Out	31	33	34	36	38	40	42	44	46	48	50	53
Subtotal Cur. Operations	807	1,106	1,266	1,378	1,448	1,503	1,549	1,596	1,646	1,698	1,753	1,811
Capital Improvements:												
Dredging	10	25	25	25	25	25	25	25	25	25	25	25
Dock Replacement	0	75	75	75	75	75	75	75	75	75	75	75
Marina	300	0	0	0	0	0	0	0	0	0	0	0
Other	64	0	0	0	0	0	0	0	0	0	0	0
Subtotal CIP	374	100	100	100	100	100	100	100	100	100	100	100
Total Current Requirements	1,181	1,206	1,366	1,478	1,548	1,603	1,649	1,696	1,746	1,798	1,853	1,911
Total Current Surplus	23	64	(20)	(36)	(28)	10	57	106	157	198	240	284
Other Fund Sources (Uses)	225	(50)	(50)	(100)	0	0	0	0	0	0	0	0
Ending Fund Balance (Deficit)	\$254	\$268	\$198	\$61	\$34	\$44	\$101	\$206	\$364	\$561	\$801	\$1,086

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