## CITY OF MARTINEZ



525 Henrietta Street, Martinez, CA 94553-2394

June 27, 2024

Ms. Sheri Pemberton Chief, External Affairs/Legislative Liaison California State Lands Commission 100 Howe Avenue, Suite 100 South Sacramento, CA 95825-8202

## RE: Request for relief from obligation to transmit gross revenue from Martinez Marina

Dear Ms. Pemberton:

The City of Martinez would like to request relief from the obligation to transmit a portion of gross revenue from the Martinez Marina as allowed in AB 1686, and as authorized under Section 7(d)(2), which states:

In recognition of the deteriorated conditions at the marina commencing January 1, 2024, and until June 30, 2029, the commission may, at its discretion, relieve the trustee of its obligation to transit the gross revenues as specified in paragraph (1) so that the trustee can take action to address those conditions, including the dredging of sediment to restore adequate depth for launching, berthing, and safe navigation at the marina.

As has been well documented, the Martinez Marina has struggled to be fiscally stable for decades, primarily due to the significant amount of silt that flows downstream and through its breakwater since its construction in 1960. Significant silting requires costly dredging to maintain adequate channel depth to the boat launch and channel facing slips. The City most recently completed a dredge in December 2022, at a total cost of \$971,288 to dredge 37,799 cubic yards of silt. Even with routine dredging every 4-5 years, during periods of low tide, boats are often impacted by the silt, which affects the Marina's ability to retain and attract customers for boat slips rentals.

The City continues to make significant investments to maintain the Marina's infrastructure and develop solutions. Over the past year, the City has incurred the following to not only maintain operations but plan for the future:

- \$495,000 for development of the Waterfront Marina Trust Lands Use Plan, a successful 18-month process culminating in the Plan's adoption by the City Council on March 6, 2024 (and later the State Lands Commission on June 7, 2024);
- \$250,000 for the Seawall Replacement and Breakwater Repair Project Design and Permitting;
- \$166,875 for design and inspection services for the fishing pier renovation;
- \$75,000 for environmental and permitting for the fishing pier renovation;
- \$59,500 for repairs to the entrance to Dock B in the Marina; and
- \$50,000 as supplemental funding for Almar's contract management of the Marina to augment the depleted operating account fund balance.

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Given the aforementioned actions the City of Martinez has taken to address its continuing economic challenges with the Marina, including those related to dredging, we request relief from the obligation to transmit a portion of the gross revenues generated by the land grant pursuant to Section 7(d)(2) of AB 1686. The retained revenue generated from the granted lands will be placed into the Marina Service Enterprise Fund and used to address the Marina's infrastructure and maintenance needs.

The City appreciates your consideration of this matter. Please contact me or June Du, Finance Director, at <a href="mailto:jdu@cityofmartinez.org">jdu@cityofmartinez.org</a> if you have any questions or wish to discuss this matter. Thank you again for your continued partnership in the Martinez Marina.

Sincerely,

Michael Chandler

City Manager

Cc: Finance Department

Community and Economic Development Department