



CITY OF MARTINEZ

525 Henrietta Street, Martinez, CA 94553-2394

(925) 372-3500

June 25, 2025

Mr. Jeffrey Plovnick
Granted Lands Specialist
Land Management Division
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 Mr. Plovnick:

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 transmit 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. The City experienced a significant and unanticipated operational shift that placed considerable strain on Marina finances, requiring the City to secure a General Fund loan to sustain operations.

Over the past year, the City has worked diligently to stabilize the Marina, invest in infrastructure, and plan for long-term sustainability. This included applying for multiple grant opportunities and entering into a new management agreement that has already produced visible improvements in operations and amenities. Despite these efforts, several unforeseen circumstances impacted both revenues and expenditures.

Key factors include:

- **Transition in Management:** On August 22, 2024, the City assumed direct management of the Marina following a 60-day notice from the previous operator, Almar (now SunTex). This sudden change required the City to incur unplanned costs to temporarily contract management services.

- **New Professional Operator:** On January 1, 2025, the City entered into a new management agreement with F3 Marina. While the transition brought professional expertise and facility improvements—including dock repairs, painting, and enhanced boater amenities—it also resulted in a 25% increase in operating costs compared to the previous operator.
- **Revenue Disruptions:** The management transition period led to a drop in revenue as several vessels left the Marina, were removed for environmental or legal reasons, or were surrendered during the lien process.
- **Storm Damage:** In December 2024, a major storm caused substantial damage to Marina infrastructure. While an insurance claim was submitted, the City was responsible for a \$25,000 deductible, adding to the financial burden.
- **General Fund Loan:** To maintain operations and begin addressing long-term needs, the City authorized a \$419,902 loan from the General Fund to the Marina Enterprise Fund during the past fiscal year.

Given the aforementioned actions the City of Martinez has taken to address its continuing economic challenges with the Marina, 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 jdu@cityofmartinez.org 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 Development Department