



June 26, 2026

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 Waterfront and Marina

Dear Mr. Plovnick,

The City of Martinez (the "City") would like to request relief from the obligation to transmit a portion of gross revenue from the Martinez Waterfront and Marina as allowed in Assembly Bill ("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 Waterfront and 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 the Marina Enterprise Fund, requiring the City to secure General Fund loans to sustain operations.

Over the past year, the City has worked diligently to stabilize the Waterfront and 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:

Continued General Fund Support

The Marina Enterprise Fund continues to rely heavily on substantial General Fund support to maintain basic operations. The annual revenues generated by the Waterfront and Marina remain significantly below the level necessary to operate the facility in its current condition. Any requirement to remit gross revenue to the State Lands Commission would directly impact the General Fund and impair the City's ability to sustain operations while long-term revitalization efforts are underway. In Fiscal Year ("FY") 2026-2027, the City expects to loan the Marina Fund approximately \$420,000.

Ongoing Storm Damage Recovery

The City is still in the process of resolving the extensive storm damage sustained in December 2024. While the first insurance claim has been submitted and partially processed, multiple components of the damage remain unresolved and additional claims are still pending. These unresolved issues continue to require City resources—both operational and financial—to maintain safety and functionality in the interim.

Waterfront and Marina Revitalization Efforts and Exclusive Negotiation Agreement

In December 2025, the City entered into an Exclusive Negotiating Agreement ("ENA") with Tucker Sadler Architects to lead the comprehensive revitalization of the Waterfront and Marina. The City and development team are now working through the early Exclusive Negotiating stage, including the developer's efforts to secure necessary funding to advance the project into environmental review. This revitalization is expected to be a major citywide catalyst project spanning multiple years of environmental approvals, permitting, and phased construction.

Infrastructure Improvements

During the past year, the City used funding from our Development Incentives and Community Benefit Program to install a kayak launch, repair the public bathroom, and repair the pump out.

Revenue Disruptions and Operational Realities

While the City implemented revenue increases to help offset costs, overall revenues remain insufficient due to the combined effects of deferred maintenance, general operations, environmental constraints, and storm impacts. Vessel turnover, limited berth availability, and ongoing infrastructure challenges continue to reduce the Marina's earning potential.

Given the aforementioned actions the City has taken to address its continuing economic challenges with the Waterfront and 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 Waterfront and Marina's infrastructure and maintenance needs.

The City appreciates your consideration of this matter. Please contact me at mchandler@cityofmartinez.org or Andrea Miller, Interim Finance Director, at amiller@cityofmartinez.org, if you have any questions or wish to discuss this matter. Thank you again for your continued partnership in the Martinez Waterfront and Marina.

Sincerely,



Michael Chandler
City Manager

Cc: Mayor and City Council
Lauren Sugayan, Assistant City Manager
Andrea Miller, Interim Finance Director
Jill Bergman, Community and Economic Development Director
Michael P. Cass, Assistant Community and Economic Development Director