



Staff Report

TO: Board of Harbor Commissioners

FROM: Steve McGrath, General Manager

DATE: February 15, 2017

SUBJECT: Oyster Point Marina and Park; Revisions to the Joint Powers Agreement

Recommendation/Motion:

Receive report; provide direction to the Oyster Point Committee and staff to work with the Liaison Committee and City of South San Francisco staff on drafting an updated and longer term agreement, for consideration by this Commission, for operation of the marina and landside facilities at Oyster Point.

Policy Implications:

The District's future at Oyster Point Marina and Park (OPM) is determined by this Commission, in consultation and cooperation with the City of South San Francisco.

Fiscal Implications/Budget Status:

Unknown at this time.

Background:

On November 30, 2016, the City of South San Francisco (SSF) held a Study Session on the Oyster Point development project, and the future of the management of the marina.

Current project:

OPM redevelopment has, in the broadest sense, two parallel tracks, with two different timeframes. The first, the OPD office development, was addressed in the 2011 agreement between SSF and the District. That 'track' is in the final planning stage with ground breaking expected in late summer 2017.

Staff is communicating with SSF and OPD on a regular basis, and will keep this Commission apprised as the project moves forward. Parking and access during Phase IC, which includes the road re-alignment and cap repair, are a primary focus for District

staff. Additional issues regarding roles and responsibilities over the areas subject to construction during Phase 1C also need resolution.

Attached to this report are two presentations; the first is a simple outline of the phasing of Phase 1C, the infrastructure work the development of the first phase of the office development. The second is the conceptual plan for the development of housing around Oyster Cove Marina. These are provided as background information only.

The Future and the Joint Powers Agreement (JPA):

The second track however addresses the marina itself, landside operations, maintenance and management, and the District's role after the development is complete and for the balance of, and beyond, the current term of the JPA.

As stated in a staff report to this Commission on December 7, 2016,

“The current JPA is outdated, has been modified on several occasions, and is unclear at best on District/SSF roles and responsibilities. Revising and restating the agreement between SSF and the District is necessary regardless of any policy determination regarding the nature and term of the relationship between the parties, in order that the District be able to better plan capital projects as may be needed, and as identified in the District's approved five year Capital Improvements Program.”

Revision to and updating of the JPA was anticipated at the time of execution of the 2011 agreement:

Section 8: For twenty-four (24) month following the Effective Date of this Agreement, City and Agency will consult with District regarding potentially extending the term of the JPA, and potentially amending the JPA to address the respective roles of the City and the District in operating the Marina Property; addition to or replacement of existing infrastructure; removal of outdated JPA provisions; the City's and District's respective obligations regarding providing services to the Marina Property, including police, fire and landscaping; potential alternative energy projects at the Oyster Point Marina and/or potential revenue sharing from commercial properties to fund additional capital improvements. This provision does not obligate any Party to agree to any terms that may be discussed.

While these discussions did not occur (no pending development; dissolution of Redevelopment Agencies), the need remains to revise the JPA, whether just for the remaining term, or for an extended period.

The JPA terminates on November 10, 2026. In June of 2016, this Commission adopted a five year Capital Improvements Plan that anticipated approximately \$5.7 million dollars in reinvestment in OPM, primarily in the replacement of Docks 12 through 14. This plan, if implemented, will replace Dock 14 in the fiscal year 2020.

With improved facilities, OPM can reasonably expect increased occupancy and the potential for increased berth rates.

SSF has been working with a consultant, Anchor QEA, and while the report is not finalized, the staff report to SSF Council in December stated that early findings indicate:

- The regional marina market is strong;
- The OPM is in a prime location and is able to well meet market needs;
- There have been improvements to the docks, but more repair is needed;
- The slip sizes should change to accommodate larger boats;
- Regular dredging will be essential to maximizing dock usage;
- There appears to be opportunity to increase marina utilization and slip fees, and increase revenues.

While the District and SSF work through the impacts of the immediate development, (from access and parking impacts during construction to connections between elevated landside facilities and existing docks) it is clear that the existing JPA does not adequately identify maintenance responsibilities. The agreement does not address the change in roles and responsibilities given a reduced land footprint, post construction, for the District.

At a minimum, the Oyster Point Committee (Commissioners Mattusch and Chang Kiraly) will work with District staff and SSF counterparts (through the Oyster Point Liaison Committee) on reviewing the existing JPA, and recommending changes for consideration by both this Commission and SSF City Council. Staff expects that some Commission (and City) action will be required prior to the commencement of Phase IC. Staff additionally recommends that the Oyster Point Liaison Committee's work include consideration of an extension of the JPA beyond the existing term of 2026 in order to justify the investment in new facilities at OPM, and receive the return on investment that a longer term agreement could generate.

Issues for staff and the Committee to consider prior to returning to this Commission include:

Landside responsibilities

- Maintenance facilities
- Parking
- 40,000 sf of 'commercial harbor related uses'
- Tenant facilities
- Green/open space
- Trail

Marina responsibilities

- Capital improvements
- Maintenance
- Slip size and mix
- Liveboards

Staff recommends this Commission consider a revised and longer term JPA that will allow for appropriate planning for these matters, and to direct the Committee and staff to work with SSF on a draft for consideration by this Commission.

The existing JPA and all amendments are located on the District's website at www.smharbor.com (See 'Joint Powers Agreement' tab, under Oyster Point Marina/Park).

The development agreement, specific plan and other documents are also on the District's website, at <http://www.smharbor.com/oysterpoint/opproj.htm>

Attachments:

- [Oyster Point Phase IC Implementation 2017.01.18](#)
- [SSF Oyster Point Planning Application Support Documents for: Update of 2011 Approved Specific Plant 2017.01.30](#)