



County of San Mateo

Inter-Departmental Correspondence

Department: PARKS

File #: 18-834

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: 4/5th

To: Honorable Board of Supervisors

From: Peggy Jensen, Interim Parks Director

Subject: Acceptance of a California Division of Boating and Waterways Surrendered and Abandoned Vessel Exchange grant to assist in the disposal of derelict vessels at the Coyote Point Marina

RECOMMENDATION:

Adopt resolutions authorizing:

- A) The Parks Director, or her designee, to accept \$135,000 in grant funding from the California Division of Boating and Waterways' Surrendered and Abandoned Vessel Exchange grant program to assist in the disposal of derelict vessels at the Coyote Point Marina; and
- B) An Appropriation Transfer Request in the amount of \$135,000 from unanticipated revenue to corresponding appropriations in services and supplies.

BACKGROUND:

The Coyote Point Marina ("Marina") offers 545 wet slips for private boats, 38 dry storage spaces for boat trailers, a launch ramp, a full service fuel dock, and a waste pump out station. The fee schedule for facilities and services at the Marina is considered market rate and was last updated on January 1, 2018.

As operator of the Marina, the Parks Department has been working to resolve an on-going matter involving abandoned vessels. There are currently 15 vessels in various stages of the lien process and the majority are derelict and unlikely to sell at auction. In an effort to resolve this matter, the Department submitted an application to the California Division of Boating and Waterways' Surrendered and Abandoned Vessel Exchange ("SAVE") grant program. The SAVE program has two objectives: 1) the abatement of abandoned vessels ("Abatement Program") and 2) the prevention of vessels being abandoned ("Prevention Program").

The Abatement Program provides funding for the removal, storage, and disposal of abandoned vessels, wrecked or dismantled vessels, and any other partially submerged objects that pose a substantial hazard to the navigation of navigable waterways.

The Prevention Program provides an easy and free alternative for boat owners who desire to surrender unwanted vessels. This program aims to eliminate the expensive, difficult, and time consuming adjudication and removal process that abandoned vessels often require.

DISCUSSION:

Currently, there are 15 derelict vessels at the Marina that will likely need to be disposed of in the near future. With an estimated disposal cost of \$5,000 per vessel, the Department has secured \$75,000 in grant funding for their disposal.

Further, there are Marina tenants that are in arrears on their slip fees and who will likely default. This is expected to create additional abandoned vessels at the Marina. The Department is launching a new initiative to lien and sell boats more quickly upon default rather than allowing the boats to sit idle in the harbor for an extended period of time; however, there will still be boats that do not sell at auction. The Department estimates that over the next two years, five vessels will be abandoned and unable to sell at auction. With an estimated disposal cost of \$5,000 per vessel, the Department has secured an additional \$25,000 in grant funding for the disposal of these vessels.

Lastly, the Department is working with tenants who are paying their slip fees but whose vessels have fallen into disrepair. SAVE allows for the Department to offer vessel disposal services to Marina tenants who wish to dispose of their degraded vessels before they become a hazard. Having this program in place may allow the Department to avoid the lien process altogether. The Department anticipates that 10 vessels meeting these criteria will be surrendered over the next two years. With an estimated disposal cost of \$5,000 per vessel, the Department has secured an additional \$50,000 in grant funding for future vessel disposal activities.

As required by SAVE program guidelines, the grant funds must be used by the expiration of the respective grant cycle, which concludes September 30, 2020. The Department will also need to provide a ten percent local match for all SAVE funds received.

As the Department has calculated a total need of \$150,000 in disposal costs, it will receive \$135,000 in grant funding and provide a local match of \$15,000. The Marina is an enterprise fund, and therefore, the local match will be provided by the Coyote Point Marina Enterprise Fund.

County Counsel has reviewed and approved of the resolutions as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of an Environmentally Conscious community by ensuring derelict vessels don't become a hazard to the San Francisco Bay or Coyote Point Marina.

FISCAL IMPACT:

The term of the grant will begin once an agreement with the California Division of Boating and Waterways is fully executed and expire on September 30, 2020. The amount of the grant for the two-year term is \$135,000. Approval of the Appropriation Transfer Request will appropriate funds in the amount of \$135,000, which would allow funds to be transferred from the California Division of Boating and Waterways' Surrendered and Abandoned Vessel Exchange program to the Coyote Point Marina. The Coyote Point Marina is an enterprise fund, therefore there is no impact to the General Fund.