

1 AMENDMENT TO AGREEMENT

2 THIS AGREEMENT is entered into on July 17, 1978, between the California  
3 Department of Navigation and Ocean Development (DEPARTMENT) and the City of  
4 Benicia (APPLICANT).

5 I.

6 DEFINITIONS

7 PREVIOUS AGREEMENT - The agreement between DEPARTMENT and APPLICANT dated  
8 July 12, 1976, and amended on July 18, 1977, and December 5, 1977.

9 EXHIBIT C - The report incorporated herein (Addendum, Benicia Marina, Phase III,  
10 Feasibility Report, dated July 1978) which sets forth the justifica-  
11 tion of a \$1,450,000 loan for the continued development of the  
12 Benicia Marina.

13 II.

14 GENERAL TERMS

15 The parties mutually agree:

16 1. The part of paragraph 1 of the PREVIOUS AGREEMENT as reads by  
17 amendment "THREE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$3,350,000)" be  
18 deleted and the following substituted therefor: "FOUR MILLION EIGHT HUNDRED  
19 THOUSAND DOLLARS (\$4,800,000)".

20 2. The following shall be added to paragraph 12(a) of the PREVIOUS  
21 AGREEMENT:

22 "Payment of principal and interest of the third LOAN INCREMENT  
23 shall be made in equal annual installments as established by  
24 the DEPARTMENT and shall be due and payable on August 1 of each  
year commencing with August 1, 1983".

25 3. Save and except as herein amended, said PREVIOUS AGREEMENT shall  
26 remain in full force and effect.

27 .....

1 STATE OF CALIFORNIA  
2 DEPARTMENT OF NAVIGATION AND  
3 OCEAN DEVELOPMENT

CITY OF BENICIA

4 BY *Margaret Mearns*  
5 Director

BY *John Samuel*

6 *8/21/78*  
7 Date Signed

*August 3, 1978*  
Date Signed

9 I hereby certify that all conditions for exemption set forth in State  
10 Administrative Manual Section 1209 have been complied with and this document  
11 is exempt from review by the Department of Finance.

EXP.	ISSUED	RECEIVED
Department of General Services		
<b>APPROVED</b>		
SEP 22 1978		
<i>David [Signature]</i>		
BY		
Director		

*Margaret Mearns*  
Director

DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

CONTRACT # 8-21-31 with CITY OF BENICIA

APPROPRIATION DATA CH 359/78, Item 210 a F.Y. 1978-79

FUND HARBORS AND WATERCRAFT REVOLVING

Line Item Allotment LOAN

Amount of this estimate	\$ <u>1,450,000</u>
Unencumbered Balance after posting this estimate	\$ <u></u>

I certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

8/16/78  
Date

*Arthur Lee*  
Accounting Officer

# ADDENDUM\*

## BENICIA MARINA

PHASE III

FEASIBILITY REPORT  
JULY, 1978

**\$1,450,000**

Third Increment Loan



Addendum to DNOD\*  
Benicia Marina  
Feasibility Report July, 1976

ADDENDUM  
to  
BENICIA MARINA FEASIBILITY REPORT

Project Description

The proposed site of the marina is located on the northern shoreline of the Carquinez Straits within the city limits of Benicia.

The marina will be a major part of a waterfront development plan which will encompass the entire shoreline of the City of Benicia.

The proposed marina will consist of a small craft harbor with 309 berths, a breakwater, a deepwater entrance channel, parking areas, fuel dock with overnight berthing, sanitary facilities, landscaping and utilities.

Previous Commission Action

The Navigation and Ocean Development Commission consented to the first loan increment of \$500,000 at its meeting held at Eureka, California, on July 9, 1976.

The Commission consented to the second loan increment of \$2,000,000 at its meeting held at Oxnard, California, on July 15, 1977.

In December, 1977, an additional \$850,000 was required to complete the construction of Phase II. These funds were acquired by a categorical fund transfer from another DNOD funded project. The Commission consented to the \$850,000 loan increment at its meeting held at Emeryville, California, on December 2, 1977.

Proposed Funding

The third increment of the loan, amounting to \$1,450,000, is included in the current fiscal year's budget; the balance of the total loan

(\$400,000) will be funded in the 1979-80 Fiscal Year from the Harbors and Watercraft Revolving Fund.

#### Project Progress

A number of old and deteriorated piles along the shoreline within the project site have been removed. This was essential for the design of the harbor entrance as stated in Dr. Krone's report on siltation in the Carquinez Straits. Dredging has been completed at the entrance to the marina basin. The marina basin is now being excavated and completion is expected by October 1978. The sheet pile breakwater at the entrance to the marina is under construction and is expected to be completed by September 1978.

The engineering consultant obtained by the City of Benicia is preparing the final plans and specifications for the Phase III construction.

The City of Benicia has estimated that an additional \$200,000 will be required to complete the Phase II portion of the project. This estimated increase in cost is due to the handling and removal of contaminated materials that were uncovered during the excavation of the basin. Project soils investigations did not reveal that these materials were present on the site.

#### Engineering Analysis

The engineering feasibility of the proposed project at Benicia has not changed from that presented in the department's "Benicia Marina Feasibility Report" dated July, 1976. However, the total department funding for the project will be increased from \$5,000,000 to \$5,200,000.

#### Additional Funding

The City of Benicia will be obtaining additional funds of \$350,000 from the Economic Development Administration (EDA) for this project. These funds will be used for any additional cost overruns which may occur during the construction stages.

## ECONOMIC EVALUATION

The economic feasibility of the project has changed due to the increase in project capital costs from \$5.0 million to \$5.2 million. However, when project benefits (unchanged at \$8,198,960) are divided by costs (increased to \$6,434,200), the economic feasibility of the project is reaffirmed by a benefit-cost ratio of 1.27 to 1.00.

## FINANCIAL ANALYSIS

A reexamination of the marina's financial potential is presented in the attached table. This review is necessary for two reasons:

1. The increased capital costs to be covered by an increase of the State's loan necessarily results in higher yearly loan payments; and
2. The covered berths which were once a part of the project have been deleted and the loss of revenues which results must be offset by higher open berth rental rates at the marina.

The revised analysis of financial feasibility presented in the table involves the following assumptions:

1. The Average Length of Berth equals 30 feet.
2. Rate of Berth Occupancy:

15% in 1979-80

40% in 1980-81

75% in 1981-82

100% in 1982-83

(A 100% occupancy rate is assumed since neither guest tie-ups nor end-ties are included in the slip count.)

3. Berth Rental Rates (\$/foot/month) schedule\*:

	\$2.25 in 1979-80
	\$2.50 in 1980-81
	\$2.75 in 1981-82
	\$3.00 in 1982-83
	\$3.25 in 1983-84
	\$3.50 in 1984-85

4. Concessions Income remains at a level unchanged from that last projected.

5. Operation and Administration Costs will amount to about \$400/slip.

6. Loan amounts have been or will be made available as follows:

\$500,000 in 1976-77, \$2,850,000 in 1977-78, \$1,450,000 in 1978-79, and \$400,000 in 1979-80.

Since project revenues are shown to exceed costs, the analysis thus confirms the financial feasibility of the Benicia Marina.

\* The rates shown represent those rates which must be charged by the City of Benicia to meet Navigation and Ocean Development Commission criteria of competitiveness and loan repayment; these rates shall be adjusted annually in accordance with changes in the Consumer Price Index.





1 "The repayment of principal and interest of the first FIVE HUNDRED  
2 THOUSAND DOLLARS (\$500,000) of the loan shall be made in FORTY-THREE  
3 (43) approximately equal annual installments as established by  
4 the DEPARTMENT and shall be due and payable on the first day of  
5 August of each year beginning with August 1, 1983.

6 "The repayment of principal and interest on that portion of the loan  
7 over \$500,000 but less than \$3,350,000 and equaling TWO MILLION  
8 EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$2,850,000) shall be made  
9 in FORTY-THREE (43) approximately equal annual installments as  
10 established by the DEPARTMENT; repayment of this portion shall  
11 be due and payable on the first day of August of each year  
12 beginning with August 1, 1984.

13 "The repayment of principal and interest on that portion of the  
14 loan over \$3,350,000 but less than \$4,800,000 and equaling ONE -  
15 MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$1,450,000) shall  
16 be made in FORTY-THREE (43) approximately equal annual installments  
17 as established by the DEPARTMENT; repayment of this portion  
18 shall be due and payable on the first day of August of each  
19 year beginning with August 1, 1985.

20 "The repayment of principal and interest on that portion of  
21 the loan in excess of FOUR MILLION EIGHT HUNDRED THOUSAND  
22 DOLLARS (\$4,800,000) shall be made in TWENTY-SEVEN (27) approximately  
23 equal annual installments as established by the DEPARTMENT;  
24 repayment of this portion shall be due and payable on the  
25 first day of August of each year beginning with August 1, 1986."

26 4. The following paragraph shall be added to the PREVIOUS AGREEMENT:

27 "36. The APPLICANT shall review berthing charges of other public and  
privately owned boating facilities in the general area, serving the  
same boating public, and shall then set rates at comparable levels  
for comparable facilities and services; however, the rates for the  
rental of berths within the project area described by this contract  
shall not be less than \$3.50 per foot of boat or berth length  
(whichever is longer) per month. The APPLICANT shall adjust such  
rates as necessary to keep them at comparable levels with other  
public and privately owned boating facilities in the general area;  
however, such adjustments shall be made no less than once each year  
and shall not be less than the equivalent percentage change (over the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

preceding year) in the United States Bureau of Labor Statistics' Consumer Price Index for the United States, or such other index as selected by the DEPARTMENT".  
5. The part of paragraph 17 of the PREVIOUS AGREEMENT as reads "May 1, 1980" shall be deleted and "May 1, 1981" shall be substituted instead.  
6. Save and except as herein amended, the PREVIOUS AGREEMENT shall remain in full force and effect.

STATE OF CALIFORNIA

DEPARTMENT OF BOATING AND WATERWAYS

CITY OF BENICIA

BY *Wesley W. Murrain*  
Director

BY *Wanda R. O'Brien*

7-9-80  
Date Signed

June 30, 1980  
Date Signed

I hereby certify that all conditions for exemption set forth in State Administrative Manual Section 1209 have been complied with and this document is exempt from review by the Department of Finance.

*Wesley W. Murrain*  
Director

DEPARTMENT OF BOATING AND WATERWAYS

CONTRACT # 9-21-187 with City of Benicia

APPROPRIATION DATA CH 259/79, Item 223(a) F.Y. 1979-80

FUND HARBORS AND WATERCRAFT REVOLVING FUND

Line Item Allotment Loan

Amount of this estimate \$ 400,000.00  
Unencumbered Balance after posting this estimate \$                     

I certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.  
*William J. Lee*