



## CITY COUNCIL AGENDA REPORT

**Meeting Date:** May 4, 2023

**From:** Carolina Yuen, Finance Director

**Subject:** Review of Marina Enterprise Fund, Sierra Point Lighting and Landscaping District and Park Planning and Development Funds

### **Community Goal/Result**

Safe Community  
Community Building  
Ecological Sustainability  
Fiscally Prudent  
Economic Development

### **Purpose**

To review how the Marina Enterprise Fund, Sierra Point Lighting & Landscaping District and Park Planning and Development Funds are funded and what expenses are covered.

### **Recommendation**

Informational only. No recommendation is made.

### **Background**

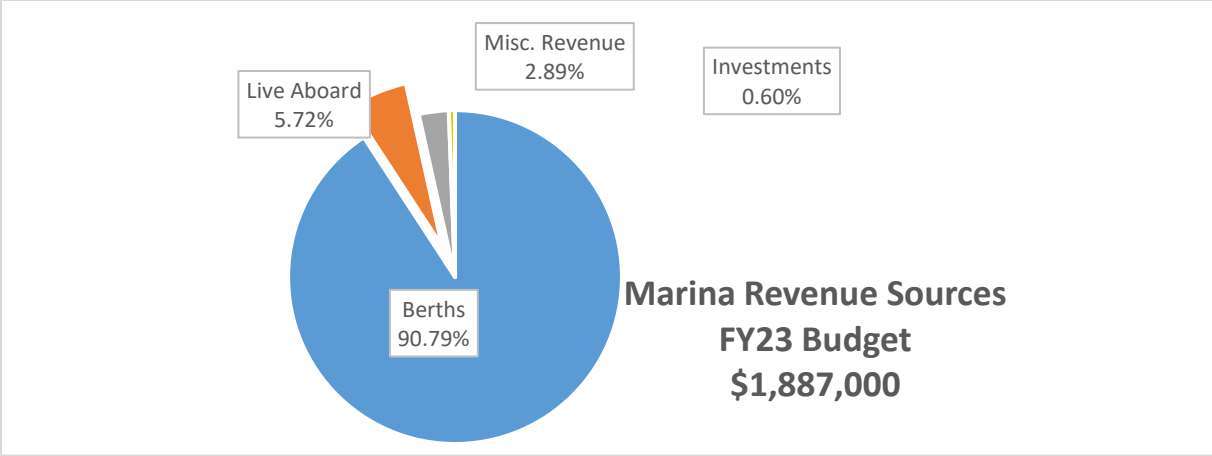
#### **Marina Fund**

The Marina was completed in 1983 with a 270' guest dock and can house 580 boats ranging in size from 30 feet to 100 feet.

Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The Marina Fund is an enterprise fund which reports business-type activities similar to a private business enterprise. The intent of the City is that the cost of providing goods and services of the enterprise be financed primarily through user charges. The Marina Fund also houses its own capital improvement expenditures and debt service commitments.

Revenue Sources:

- Berth Rentals
- Live-Aboards
- Miscellaneous Revenue
- Investment Related



Expenses and programs – The FY232 budgeted expenses for Marina operations are:

|                           | <u>Budget</u>       |
|---------------------------|---------------------|
| Salaries and Benefits     | \$ 740,824          |
| Supplies and Services     | 384,845             |
| Administrative Fee        | 180,000             |
| Debt Service              | 483,035             |
| Motor Vehicle Replacement | 16,158              |
| <b>MARINA Total:</b>      | <b>\$ 1,804,862</b> |

In June 2015, the Brisbane Guadalupe Valley Municipal Improvement District Financing Authority and the City entered into an installment sale agreement in the amount of \$4.2 million which paid for the dredging of the Marina. The repayments are payable and secured by a pledge of the net revenues of the Marina Fund as defined under the agreement, which must be equal to at least 125% of the current annual debt service requirements.

Other capital improvements and repairs have been funded by either operating revenues, state grants or transfers from the general fund.

**Sierra Point Lighting & Landscaping District**

In 1983, The Brisbane City Council determined to form an assessment district for the purpose of constructing, installing, maintaining and servicing the following facilities within said district:

1. Public landscaping, including trees, shrubs, grass, other vegetation, and irrigation facilities.

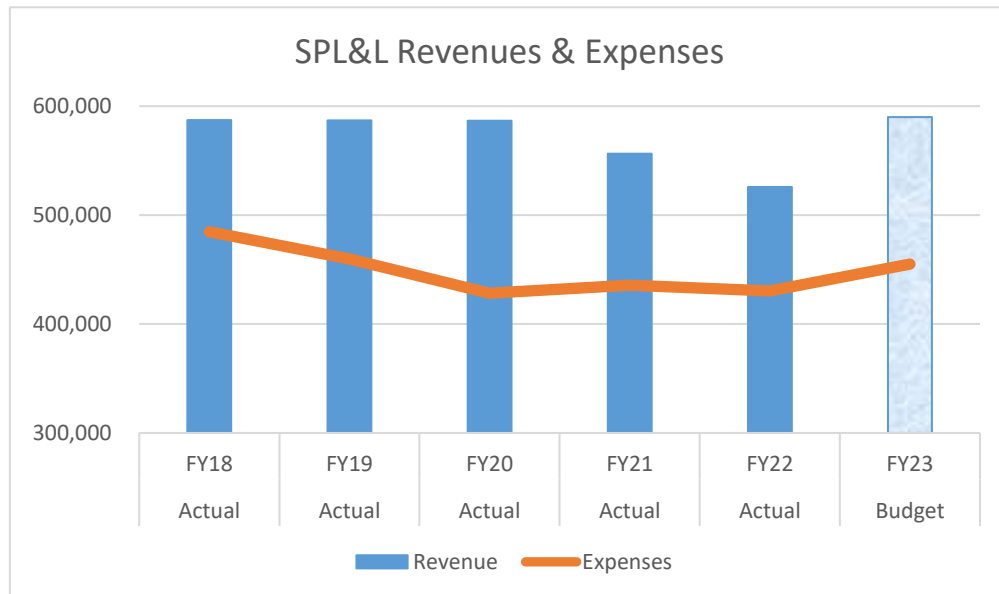
2. Public lighting facilities, including standards, poles, and electric current or energy.

The proposed district was designated the “Sierra Point Landscaping and Lighting District.”

Assessments are levied annually to cover the routine maintenance provided within the district, along with non-annual projects. The Public Works department provides engineering and maintenance for the assessment district. The amount received in excess of the annual costs is used to reimburse the City for unfunded expenses incurred in previous years. Reports are prepared annually to detail the assessment charges and the estimated district expenses covering each fiscal year.

Method of Assessment Spread - The amounts assessed against the parcels of property to pay the costs and expenses of the work and improvements are based on the estimated benefits to be derived by the various properties within the assessment district. Construction and maintenance costs are segregated by zone, and then spread to the parcels within each zone in proportion to the area of the benefited parcels within the zone. Incidental expenses are spread proportionately to the area of benefited parcels within the assessment district.

Assessments and corresponding expenses for the last five years and current budget are as follows:



Any overage of revenue over expenses are carried in Fund Balance and normally used towards projects that may span over several budget years or capital improvement projects.

**Park Development Fund**

The Successor Agency of the Redevelopment Agency of the City of Brisbane (Successor Agency) owns certain undeveloped property located at the eastern end of the Sierra Point Parkway,

commonly known as 400 Sierra Point Parkway in the City (Leased Property), consisting of approximately 3.4 acres. The City and the predecessor of developer, Sierra Point LLC, entered into a Ground Lease Agreement in March 1984 for what is known as Parcel R, to build a restaurant and other facilities. The developer provided funds in the approximate amount of \$2 million dollars to help build the Marina as part of the agreement. In June 2012, the Sierra Point LLC entered into a Development Agreement concerning the property commonly known as 3000-3500 Marina Boulevard, consisting of 8.87 acres. In 2017, the development agreement was restructured so that in exchange for the developer to repurpose its development plan in 3000-3500 Marina Boulevard to a life science development, the developer would terminate its interest in Leased Property to the Successor Agency and pay \$300,000 to the City to be used for site preparation to be developed for public purposes. Also, part of the agreement, each time the City issues a building permit for development of the property, the developer will pay \$.50 times the square footage of the building permit value to the City also to be used towards developing the Leased Property.

In 2017, the City entered into a development agreement with Healthpeak where the developer agreed to pay \$1.5 million towards improvements for public use in Sierra Point.

These deposits and any future agreed-upon deposits make up the Park Development Fund. Funds have been expended to cover consulting costs for Sierra Point Parcel evaluations and most recently those related to the preparation of Sierra Point Open Space and Park Master Plan, and improvements of the Marina picnic area and Marina backflow devices for incoming tides.

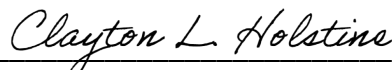
### **Fiscal Impact**

There is no fiscal impact as this report is informational only.

### **Attachment – Map of Sierra Point**



Carolina Yuen, Finance Director



Clay Holstine, City Manager

