

COASTAL CONSERVANCY

Staff Recommendation
September 22, 2011

MARINA BAY SHORELINE TRAIL – REPAYMENT PROVISIONS

Project No. 88-018
Project Manager: Amy Hutzal

RECOMMENDED ACTION: Modification of the repayment provisions of a previously authorized grant to the City of Richmond for construction of a shoreline trail along Marina Bay.

LOCATION: City of Richmond’s Marina Bay Area, Contra Costa County

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: [July 22, 1988 Staff Recommendation](#)

Exhibit 2: [June 19, 1992 Staff Recommendation](#)

Exhibit 3: [October 20, 2010 Letter to City of Richmond](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31400-31405 of the Public Resources Code:

“The State Coastal Conservancy hereby modifies its July 22, 1988 authorization for disbursement of three hundred fifteen thousand dollars (\$315,000) to the City of Richmond for the development of Phase 1 of the Marina Bay Shoreline Trail, by deleting numbered paragraph 3 of that authorization, which required that the City repay to the Conservancy one hundred fifteen thousand dollars (\$115,000) with interest accruing at six and 92/one hundredths percent (6.92%) annually over seven (7) years, and replacing it with the following:

3. The City shall repay to the Conservancy one hundred fifteen thousand dollars (\$115,000), with no accrued interest, by December of 2011.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project remains consistent with the current Project Selection Criteria and Guidelines.

2. The proposed authorization remains consistent with the purposes and objectives of Chapter 9 of Division 21 of the Public Resources Code, regarding a system of public accessways to and along the state’s coastline, including San Francisco Bay.”
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PROJECT SUMMARY:

Conservancy staff requests that the Conservancy modify the repayment provisions for a grant provided to the City of Richmond (the City) for construction of a 5,000 foot shoreline trail and related public access improvements along Marina Bay (the project).

In July of 1988, the Conservancy authorized a grant to the City of up to \$315,000, of which \$115,000 was to be reimbursed, for the construction of Phase I of the project (Exhibit 1). Phase I entailed site preparation for the entire 5,000 foot trail; final construction of 2,500 feet of trail, with landscaping, lighting, and benches; and construction of a three acre trailhead park with restrooms, parking lot, and 500 feet of trail connecting to the proposed shoreline trail. Conservancy funds were used for trail construction components of Phase 1. The Conservancy authorization required repayment of \$115,000 of the \$315,000 grant, with interest accruing at 6.92% annually over seven years.

In June of 1992, the Conservancy authorized an additional grant of \$194,000 to the City for Phase III of the project, which entailed construction of ¼ mile (1,320 feet) of trail, connecting the constructed Phase I and Phase II sections of trail (Exhibit 2). Phase II was funded by the City. This 1992 Conservancy authorization had no repayment provisions.

The grant agreement between the Conservancy and the City, executed August 3, 1988, called for repayment to begin one year from the date of final disbursement and for the City to make seven equal annual payments. The Conservancy made the final disbursement in November of 1994, completed a Project Completion audit, and sent the City a project completion letter. There is no record of any communication between the Conservancy and the City on the repayment provisions until October 20, 2010, when a letter was sent to the City notifying it of its failure to repay the Conservancy. Between October, 2010 and the present, Conservancy and City staff exchanged numerous voice mails and had several conversations regarding the repayment. The City agreed to repay the capital and wired the \$115,000 to the Conservancy in August of 2011.

Conservancy staff recommends that the Conservancy authorize a change to the repayment provisions, waiving the accrual of interest, because the Conservancy did not notify the City of its repayment obligation for almost 23 years and, once notification was made, the City tendered its prompt repayment of the capital to the Conservancy.

PROJECT FINANCING

City of Richmond Repayment to Conservancy	\$115,000
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The original source of funds for the 1988 grant to the City came from a 1986 appropriation to the Conservancy from the California Park and Recreational Facilities Act of 1984 (Proposition 18). Proposition 18 established the State Coastal Conservancy Fund of 1984, which provided for the appropriation of up to \$50 million of Proposition 18 funds to be used for projects that meet the

objectives of Division 21 of the Public Resources Code. Upon Conservancy approval of the modified repayment, the City repayment will be deposited into the State Coastal Conservancy Fund (since the Proposition 18 account is now inactive) and the Conservancy will subsequently expend the repaid funds in a manner consistent with the purposes of Proposition 18.

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION and
CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA &
GUIDELINES:**

The proposed action remains consistent with the project analyzed in Exhibit 1, the Conservancy’s July 22, 1988 Staff Recommendation.

COMPLIANCE WITH CEQA:

The change in the repayment provisions does not have the potential for a direct physical change or a reasonably foreseeable indirect physical change in the environment, and is not considered a project under CEQA.