



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Sausalito Yacht Harbor Bulkhead Project

RECOMMENDATION:

That the City Council of the City of Sausalito provide specific staff direction on proceeding with the Sausalito Yacht Harbor Bulkhead replacement

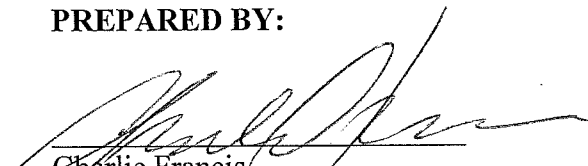
The City entered into a Lease Agreement with Sausalito Yacht Harbor in 1992 for the lease of certain City owned submerged tidelands. There is also a 1975 Settlement Agreement which deals with the use of certain property by Madden/Sausalito Yacht Harbor. Under the terms of the Lease the City is responsible for maintenance of the existing Bulkhead. A recent inspection indicated that there is an urgent need to replace the Bulkhead. There are deteriorated and severely rotten timber piles. Erosion of the artificial fill is occurring, and this continuing failure of the bulkhead is threatening the viability of the current land uses. Current land uses consist of revenue generating leases to the City: Sausalito Yacht Harbor (~\$130 thousand per year), Spinnaker Restaurant (~\$340 thousand per year), and the Sausalito Yacht Club (~\$80 thousand per year). On top of lease revenues, there are substantial Sales Tax Revenues to the City from the Spinnaker Restaurant and the Sausalito Yacht Club. I.e., there could also be substantial negative economic impact to the City as well as any third party liability resulting from a failure of the bulkhead,.

Replacement cost of the Bulkhead is estimated at approximately \$5 million.

In order to determine the optimum method of addressing the replacement of the Bulkhead, the City Council directed staff to examine Financing Options along with the Fair Market Value of the lease with SYH.

The purpose of tonight's meeting will be for staff to present a power point presentation and recommendation to the City Council regarding the results of the analyses and to receive direction from the City Council for proceeding.

PREPARED BY:


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REVIEWED BY:

Mary Wagner
City Attorney

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SUBMITTED BY:



Adam Politzer
City Manager

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