MEMORANDUM

TO: Community Investment and Infrastructure Commission

FROM: Tiffany Bohee, Executive Director

SUBJECT: Approving a Revised Schedule of Berth License Fees at the South Beach Harbor and Amending Its Rules and Regulations to Establish a Fee for Licensees’ Second Parking Permit, Rincon Point South Beach Redevelopment Project Area

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure, as the Successor Agency to the Redevelopment Agency, ("OCII" or "Successor Agency") has significant assets and liabilities related to the South Beach Harbor area, which OCII leases from the Port of San Francisco. The former Redevelopment Agency paid for South Beach Harbor ("Harbor") improvements with state loans and bond financing in the amount $31.9M, a portion of which is still outstanding. Under the bond covenants, OCII must ensure that tax revenues and all income and receipts arising from the Harbor are sufficient to meet, among other things, Harbor expenses and bond repayments.

Outside of modest cost of living adjustments, the former Redevelopment Agency last increased the Harbor’s berth license fees in 2000. The 700-berth Harbor is fully occupied with a waiting list of over 1,300. Given the high quality of the facilities and the favorable location, the rates should reflect the market for comparable marinas in the Bay Area. A recent independent appraisal has determined that the Harbor berth fees are significantly below the market for other comparable marinas.

Under the proposed resolution before the OCII Commission, the Harbor’s berth license fees would increase by 22% over a three year period and would include future adjustments based on increases in the Consumer Price Index (CPI) (see Attachment A). Additionally, the Harbor’s Rules and Regulations would be amended to establish a $600 annual fee for boaters requesting a second parking space, but would continue to provide one free parking space to licensees.

Staff recommends that the Commission authorize, effective April 1, 2013, the proposed increases in berth license fees at the South Beach Harbor, an annual fee for boaters requesting a second parking place, and the adjustment of fees in the future based on CPI increases.
BACKGROUND

South Beach Harbor is a full service marina, consisting of 700 slips with one 640' and one 580' cement recreational and commercial Guest Dock, Pier 40 Maritime Center and South Beach Park. Located between Pier 40 and AT&T Park, one-half mile south of the Bay Bridge on The Embarcadero, the Harbor enjoys access to great sailing and spectacular views of the City skyline. Public transportation, a multitude of dining options, and all the other attractions of San Francisco are easily accessed from the Harbor's location making it the premier marina in San Francisco Bay. The Harbor is also home to the Bay Area Association of Disabled Sailors, (BAADS) an all-volunteer, non-profit charitable organization whose mission is to “[p]rovide access to sailing for all persons with disabilities, their families, and friends and interested others in the San Francisco Bay Area.”

The Agency built the Harbor in 1986 on property leased from the Port of San Francisco under Port Lease No. L-10892 (see Attachment B). The lease provided for the development and ongoing operations of the harbor facilities for a term of 66 years, but subject to termination upon completion of the redevelopment project. The Agency financed the marina through $23.9 million in revenue bonds and an $8 million California Department of Boating and Waterways loan. In 2006, the Agency completed an additional $10 million improvement program, which included a harbor services building, a new commercial guest dock, expansion of the park, completion of the waterfront promenade, disabled access throughout the Harbor, and facilities for disabled and youth sailing programs.

The San Francisco Bay Conservation and Development Commission (BCDC) permit for the original construction of the marina, issued on March 16, 1984, includes requirements for improvements to the south apron for public access which is currently gated, a walk way on the breakwater, and public restrooms in the Pier 40 shed by December 31, 2017. In 2004, this uncompleted work was estimated at $6.2 million. A new estimate has not been developed but it would be significantly higher than the 2004 estimate.

South Beach Harbor Development and Outstanding Obligations

The Successor Agency has four long term debt obligations for the Harbor that it assumed from the former Redevelopment Agency. As shown below, the current balance is $12.6 million, which includes three loans provided by the State of California's Department of Boating and Waterways (Cal Boating), and the repayment of the 1986 Harbor Bonds.
Table 1: Terms of South Beach Harbor Obligations

<table>
<thead>
<tr>
<th>Original Amount</th>
<th>Description of Debt</th>
<th>Interest Rate</th>
<th>Current Outstanding</th>
<th>Term</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400,000</td>
<td>Small Craft Harbor</td>
<td>4.50%</td>
<td>$354,835</td>
<td>50 yrs</td>
<td>August 1, 2036</td>
</tr>
<tr>
<td>Loan #86-12-100</td>
<td></td>
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</tr>
<tr>
<td>$3,100,000</td>
<td>Small Craft Harbor</td>
<td>4.50%</td>
<td>$3,001,599</td>
<td>50 yrs</td>
<td>August 1, 2035</td>
</tr>
<tr>
<td>Loan #84-21-78</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4,500,000</td>
<td>Small Craft Harbor</td>
<td>4.50%</td>
<td>$4,125,853</td>
<td>50 yrs</td>
<td>August 1, 2034</td>
</tr>
<tr>
<td>Loan #83-21-193</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$6,300,000</td>
<td>South Beach Harbor</td>
<td>3.50%</td>
<td>$5,100,000</td>
<td>4 yrs 10 mos</td>
<td>December 1, 2016</td>
</tr>
<tr>
<td>Refunding Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Balance</td>
<td></td>
<td></td>
<td>$12,582,287</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The former Redevelopment Agency obtained all of the financing for the Harbor improvements between 1983 and 1986. The source of repayment for all four of the Harbor obligations is limited to revenues and tax increment generated by the Harbor.1 The bonds are secured by a first lien on all net revenues of the Harbor. Payment of the Cal Boating loans is subordinate to the South Beach Harbor Bonds. Currently, the bonds bear an interest rate of 3.5% per annum and are set to amortize and be fully repaid by December 1, 2016, the original final maturity date. The original principal amount was $23.9 million. The Agency has repaid $18.2 million of that original amount. As of June 1, 2012, $5.7 million is outstanding.

The current South Beach Harbor bonds are “Variable Rate Demand Refunding Bonds” first issued on December 17, 1986.

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1 Tax increment from the South Beach Harbor is property tax collected on the boats and leaseholds of the slips, which is “unsecured” tax rolls. Unless these revenues were specifically requested by the SFRDA, they were collected and distributed to the various entities receiving distributions of collected property tax (CCSF, BART, BAARQ, SFUSD, SF Community College). This increment is pledged to the bonds along with operating revenues should these funds be required to pay debt service on the bonds. The 2007, value of this increment was approximately $248K.
Pursuant to the terms of the bond covenants:

the Agency shall, at all times while any of the Bonds remain Outstanding, fix, prescribe and collect license fees and other charges in connection with the [South Beach Harbor] so as to yield Revenues for the then immediately ensuing Fiscal Year at least sufficient . . . to pay . . . “(1) All Port Rent and Operating Expenses for the Project; (2) The average interest . . . on and principal or redemption price of the Bond . . . ; (3) All Payments required for compliance with the terms of [the bond] Indenture . . . ; and (4) All payments to meet any other obligations of the Agency which are charges, liens or encumbrances upon, or payable from, the Revenues.

Section 6.05 (a) of the Indenture of Trust between the Redevelopment Agency and Trustee (Dec. 1, 1986). In addition, the net revenues generated by the South Beach Harbor are required to be no less than 1.3 times the annual debt service on the bonds. Principal and interest on the bonds is payable semi-annually every June 1st and December 1st, while principal and interest on the three Cal Boating loans is payable annually every August 1st. Annual principal and interest payments for all four debt instruments total approximately $1.9 million for the next four years.

Current Role of the Port of San Francisco

As mentioned above, the former Redevelopment Agency had a long-term ground lease with the Port of San Francisco (“Port”) for the South Beach Harbor area (and for other parcels in the Rincon Point-South Beach Redevelopment Project Area). On February 1, 2012, state law dissolved redevelopment agencies and under the terms of Assembly Bill No. X 126 (AB 26), the cities and counties that originally created redevelopment agencies became the successor agencies. At the request of the City, the Port began preparations to operate the Harbor effective July 1, 2012 and assumed that the ground leases with the former Redevelopment Agency would terminate. In late June 2012, the California Legislature amended AB 26 and established that successor agencies were separate public entities from cities or counties. Cal. Health & Safety Code § 34173 (g) (providing that the liabilities of the former redevelopment agency shall not be transferred to the city or county and that the assets shall not become assets of the city or county). The leases between the Port Commission and the Successor Agency thus remained in effect and did not terminate. Nonetheless, the Port assumed the functional management of the Harbor. Although the ground leases provide for their termination upon completion of the Rincon/South Beach Project area and transfer of assets to the Port, the Harbor is not yet complete because it is encumbered with debt obligations, as describe below.²

² Port and OCII staff have been negotiating a Memorandum of Agreement (MOA) to terminate the leases, with the exception of South Beach Harbor and designate the Port as the management operator for South Beach Harbor through FY 2016-17. Thereafter, the lease would terminate and the Port would own and operate the South Beach Harbor. Staff are still negotiating the MOA, which is subject to change and final approval by the OCII Commission and possibly the Oversight Board and the Department of Finance.
In May 2012, the Port, through the City’s Real Estate Division, contracted with David Tattersall & Co., a California State certified General Real Estate Appraiser, to estimate the market rental values of the marina berths located at the South Beach Harbor. Tattersall & Co. compared the Harbor to numerous public and privately managed marinas in San Francisco Bay. This independent appraisal verified the Redevelopment Agency staff’s previous analysis that rates were significantly below market. The appraisal concluded that the Harbor’s rates are between 24% and 42% below comparable marinas.

Assuming that the Harbor would transfer to the Port on July 1, 2012, Port staff sought to raise berth license fees at the Port Commission. At the June 12, 2012 Port Commission meeting, members of the South Beach Harbor and South Beach Yacht Club asked to work with Port staff to discuss a number of issues including fee increases, parking and capital planning. Port staff held a series of meetings with members of the newly formed Advocates for South Beach Harbor (ASBH) to look at the issues and explore ways to make the harbor self-sufficient and to keep it as San Francisco’s premier destination marina.

Over a series of town hall meetings and community outreach, Port staff explored various options for balancing revenues and expenses. There were numerous discussions regarding the methodology of the David Tattersall survey (see Attachment C). Harbor users were also concerned about the transfer to the Port, particularly in light of the financial realities, the ongoing parking conflicts and the maintenance of high quality operations.

**Proposal to Increase Fees**

Based on discussions with stakeholders and consideration of several different scenarios for setting fees, Port staff devised the following proposals to address revenue stability and ensure continued operations at the level enjoyed to date at South Beach Harbor.

**BERTH LICENSE FEES:** After a series of town hall meetings and community outreach, Port staff proposed, and Successor Agency staff concurs with, a 22% berth license fee increase spread over a three year period. In addition to the 22% increase, adjustments in the fees based on increases in the annual CPI (Bay Area Consumer Price Index) would occur on or after the first of January of each subsequent year.

The table below illustrates the proposed fees (before CPI) per respective slip size phased in over the next three years for existing berth licensees (who are defined as those holding a Harbor berth license as of March 31, 2013). Boaters who obtain a berth license after March 31, 2013 will be subject to a fee incorporating the full 22 percent increase, which is reflected in the fee schedule for January 2015 below.
<table>
<thead>
<tr>
<th>Slip Size</th>
<th>April 1, 2013*</th>
<th>January 1, 2014*</th>
<th>January 2015**</th>
</tr>
</thead>
<tbody>
<tr>
<td>26'</td>
<td>$235.99</td>
<td>$253.13</td>
<td>$272.06</td>
</tr>
<tr>
<td>30'</td>
<td>$276.21</td>
<td>$296.26</td>
<td>$318.42</td>
</tr>
<tr>
<td>34'</td>
<td>$336.53</td>
<td>$360.96</td>
<td>$387.96</td>
</tr>
<tr>
<td>38'</td>
<td>$416.96</td>
<td>$447.23</td>
<td>$480.68</td>
</tr>
<tr>
<td>42'</td>
<td>$479.39</td>
<td>$514.20</td>
<td>$552.66</td>
</tr>
<tr>
<td>46'</td>
<td>$580.99</td>
<td>$623.17</td>
<td>$669.78</td>
</tr>
<tr>
<td>50'</td>
<td>$647.66</td>
<td>$694.68</td>
<td>$746.64</td>
</tr>
<tr>
<td>60'</td>
<td>$838.15</td>
<td>$898.99</td>
<td>$966.24</td>
</tr>
</tbody>
</table>

* These fees are subject to adjustments for CPI increases on January 1, 2014 and January 1, 2015.

** For new berth licensees after March 31, 2013, the January 1, 2015 fee would be applied immediately upon start of the license.

PARKING LOT MANAGEMENT: Currently, parking is impacted by the Harbor’s proximity to downtown, the growing South Beach community and events at AT&T ballpark. Boaters, during busy periods or ballgames, are frustrated to find no or limited parking availability. The Harbor has two parking areas: the first is a surface lot on Pier 40 consisting of approximately 38 spaces, and the second is the gated 167 space parking lot adjacent to the South Beach Harbor Office and South Beach Yacht Club. Under the current Harbor Rules and Regulations, a berth licensee may receive “up to two [parking] permits . . . per License” without charge. Section 27 B, available at [http://www.southbeachharbor.com/regulations.html](http://www.southbeachharbor.com/regulations.html). With nearly 700 berths, this equates to 1,400 parking passes for 205 physical parking spaces. To better manage the parking operations, Port staff has proposed the following revisions to the Parking Regulations in the Harbor’s Rules and Regulations:

- Each slip holder will be able to procure one parking pass for the gated lot (adjacent to the Harbor Services Building) as a part of their berthing fees. Port staff has proposed that a second pass be available for purchase by slip holders or registered partners for an annual fee of $600. Port staff further proposed that day passes for crews or visitors will be sold by the harbor staff for $10.00 per day.

These new pricing and lot realignment proposals should result in better management and utilization particularly during ballgames and special events. Port staff has proposed to work with the South Beach Harbor Association and the South Beach Yacht Club to monitor the performance of the parking lot operations with the goal of prioritizing and maintaining access for slip holders.

**Rationale for Fee Increases**

At this time, South Beach Harbor fees are considerably below market. In light of the substantial completion of the Rincon Point-South Beach Redevelopment Project and the Harbor, the pricing
strategy for the Harbor should be at or near the top of the market for similar marinas on the Bay. In addition, a number of other reasons justify an increase in license fees at this time:

- Apart from modest CPI adjustments, license fees have been increased only once in 27 years.
- All utilities are included in the Harbor license fees (except for side tie berths which have no utilities).
- The Agency’s bond and loan documents require a periodic review of pricing and adjustment of rates to market to protect the interests of the lenders and bondholders.
- The Harbor must increase revenues to continue to cover operations and to fully service the outstanding debt on the Harbor.
- As the Harbor ages, additional funds will be necessary for maintenance and upkeep of the Harbor and Park facilities.
- The 1984 permit for the Harbor’s construction requires public access improvements by December 31, 2017 which currently are unfunded.
- The Port negotiated all of the proposals included herein through extensive outreach with the boaters at the South Beach Harbor.

CONCLUSION

Agency and Port staff proposes fee increases effective April 1, 2013. Staff estimates that the increase in fees will generate approximately $800,000 in additional revenue each year. In addition, adjustments based on the CPI are proposed to be effective January 1 of each year.

Port staff has held numerous town hall meetings to review the proposed rate increases. Through these meetings, a consensus has been reached to increase the berth license fees and make changes to the parking regulations. The Port has informed slip holders of the proposed increases in berth license fees through the South Beach Harbor Newsletter and through individual mailings in September 2012. The Port also will provide written 30 day notice of the fee increases to each berth licensee after the OCII Commission has approved the increase.

(Originated by Leo Levenson, Deputy Director for Finance and Administration)

Tiffany Bohae
Executive Director

Attachment A: South Beach Harbor Rates Increase
Attachment B: Approving Berthing Application Fees, Berth License Fees, and Rules and Regulations Governing the Operation of the South Beach Harbor
Attachment C: David Tattersall Survey
South Beach Harbor Rates Increase
Based on 22% Berthing Rates Increase Spread Over Three Years Effective April 1, 2013

Schedule of Monthly Rates for Berth License Fees and Parking Fees for existing South Beach Harbor Licensees effective April 1, 2013, subject to future applicable CPI adjustments (licensees whose licenses begin on or after April 1, 2013 will be subject immediately to the January 1, 2015 fee):

<table>
<thead>
<tr>
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<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>20</td>
<td>$8.58</td>
<td>$223.00</td>
<td>$9.08</td>
<td>$9.74</td>
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<tr>
<td>30</td>
<td>200</td>
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</tr>
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<td>198</td>
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<tr>
<td>42</td>
<td>89</td>
<td>$10.79</td>
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<td>$11.41</td>
<td>$12.24</td>
<td>$13.16</td>
<td>$479.39</td>
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</tr>
<tr>
<td>46</td>
<td>42</td>
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<td>35</td>
<td>$12.24</td>
<td>$612.00</td>
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<td>$647.66</td>
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<tr>
<td>60</td>
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<td>$13.20</td>
<td>$792.00</td>
<td>$13.97</td>
<td>$14.98</td>
<td>$16.10</td>
<td>$838.15</td>
<td>$898.99</td>
<td>$966.24</td>
</tr>
</tbody>
</table>

1 CPI is not reflected in 2014 and 2015 rates. Changes to this fee schedule may be adjusted annually to reflect adjustments in the Consumer Price Index, as determined by the Executive Director of the Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), with prior notice as provided for in berth license agreements.

2 This fee applies to existing berth licensees who have a license in good standing on March 31, 2013.

3 For new berth licensees who start their licenses on or after April 1, 2013, the January 1, 2015 berth license fee would be applied immediately.
RESOLUTION NO. 202-85
(Adopted July 2, 1985)

APPROVING BERTH APPLICATION FEES, BERTH LICENSE FEES, AND RULES AND REGULATIONS GOVERNING THE OPERATION OF THE SOUTH BEACH HARBOR, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO MODIFY SAID RULES AND REGULATIONS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

WHEREAS; the Redevelopment Agency of the City and County of San Francisco is engaged in the construction of a small boat harbor to be known as the South Beach Harbor and located within the Rincon Point South Beach Redevelopment Project Area; and

WHEREAS, it is necessary to establish application and berth license fees in order to pay the cost of building and operating the South Beach Harbor; and

WHEREAS, it is necessary to establish rules and regulations for the orderly management and operation of the South Beach Harbor; now, therefore, be it

RESOLVED, by the Redevelopment Agency of the City and County of San Francisco, that application and berth license fees as contained in the document titled "Fee Schedules and Procedures for Berth Application and Assignment" dated June 26, 1985, and the rules and regulations set forth in "Rules and Regulations for the South Beach Harbor", both of which documents are lodged with the Agency General Counsel, be, and they hereby are, approved; and, be it further

RESOLVED, that the Executive Director of the Agency is hereby authorized to modify any provision of said "Rules and Regulations for the South Beach Harbor" other than those contained in the above-mentioned documents.

APPROVED AS TO FORM:

[Signature]
Leo E. Borregaard
Agency General Counsel
RESOLUTION NO. 185-2000
Adopted October 10, 2000

APPROVING REVISED BERTH LICENSE FEES
FOR SOUTH BEACH HARBOR;
RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco has operated South Beach Harbor since November 1986 and berth license fees have not been increased since that time.

2. Loan and bond documents require a periodic review of pricing to protect the interests of the lenders and bondholders.

3. Based on a review of rental rates charged by comparable marinas in the Bay Area as well as the general increase in costs of operations at the Harbor, it is appropriate and necessary to increase berth license fees at South Beach Harbor for longer term recreational boaters, transient boaters and charter operators.

4. A schedule of proposed berth license fees to be effective December 1, 2000 has been outlined in the Commission memorandum dated September 15, 2000 and, for Recreational Boaters, is also attached to this resolution as Attachment “A”.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The revised berth license fees for Recreational Boaters shown in Attachment “A”, which is attached and incorporated as part of this resolution, are approved and shall take effect December 1, 2000.

2. The revised berth license fees for Commercial/Charter Operator Vessels of $2 per foot per day or per round trip arrival/departure, whichever is greater, are also approved and shall take effect December 1, 2000.

3. The Executive Director is authorized to periodically adjust berth license fees in the future based upon a review of comparable rates charged by other marinas and docking facilities in the Bay Area but in no case greater than the cumulative increase in the Consumer Price Index-All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose area.

APPROVED AS TO FORM:

Bertha A. Ontiveros
Agency General Counsel
APPRAISAL CONSULTING REPORT

South Beach Marina,
San Francisco, California

PREPARED FOR

City and County of San Francisco

MAY 2012
1205025
May 8, 2012

Mr. John Updike,
Acting Director of Property
City and County of San Francisco,
25 Van Ness Avenue, Suite 400
San Francisco, California 94102

Re: SFPort-South Beach Harbor Appraisal

Dear Mr. Updike:

Pursuant to your request and authorization, this submission is an appraisal consulting
report, to estimate the Market Rental Value range of the marina berths located at the
South Beach Marina, Pier 40A, The Embarcadero, San Francisco, California.

For USPAP compliance, this report is made to comply with Standard Rules 4 and 5 of the
2012 USPAP with respect to the development and reporting of an appraisal consulting
assignment.

Scope of Assignment:

The scope of this assignment includes research and verification of marina slip rental
rates, market trends and facilities at competitive Bay Area marinas with analysis of the
rates and estimate of the range of the market rental rates for the subject marina slips.

Intended Use/User:

The intended user of this consulting assignment is the City and County of San Francisco
and the intended use is for use establishing market supported rental rates for the marina
slips.

Date of Value: April 27, 2012

Definition of Market Rental Value:

The rental income that a property would most probably command in the open market;
indicated by the current rents paid and asked for comparable space as of the date of the
appraisal.
Summary of Subject Facilities:

The subject property was developed in the mid 1980s and provides a total of 676 marina slips/berths. The marina is located along the Embarcadero waterfront of San Francisco with an easterly aspect. The location, south of the Oakland-Bay Bridge provides immediate proximity to AT&T Park, and the restaurants, residences and tech aspects of the South of Market district.

The marina is collocated at Pier 40 and is protected by a concrete seawall across its eastern boundary and titled to protect the southern boundary. Baffles have been placed beneath Pier 40 to reduce swells from the north. Tidal swells are kept to a minimum even though the marina has immediate access to open bay water. With such immediate access to open Bay water, sedimentation is kept to a minimum (there is a small sand bar identified at one corner of the Pier 40 entrance) and the mean lower low tide depth is reported to be 15 feet. Thus the marina can comfortably berth all but the largest private vessels from a depth perspective.

Being located on the Bay provides immediate access and greatest utility. This contrasts to many marinas in the Bay area where boaters have to sail/motor considerable distances to access open (not channel/speed restricted) waters.

The marina has 2 entrances, one from the north entering past the end of Pier 40 which is approximately 100 feet wide and the other from the south, approximately 85 feet wide, entering from adjacent to what is now unofficially known as McCovey Cove. The prevailing wind is from the west and blows generally off-shore thus keeping wind generated waves and weather vaning to a minimum within the marina.

The marina fingers are secured by concrete pilings which support concrete on steel frame fingers and slips with plastic floatation and wood trim. The fingers which are double loaded slips were built by the premier marina builder, Bellingham out of Washington. Double loaded slips berth 2 boats between 2 fingers in contrast to single loaded slips where 2 fingers serve each boat.

Facilities at the marina include key card protected bathrooms and showers, dock lockers, 2 pump out stations (free to tenants), water and electricity supplied to each slip. Unlike most other marinas, electricity is not sub-metered and is included in the slip rental. A record over the past year of the electrical sub-meter that services all of the slips shows average electricity use of $0.54/lineal foot/month. The marina allows no live aboards.

Upland access to the marina is provided from a permit parking lot at Pier 40 and a second permit and gated parking lot at 2nd Street, adjacent the AT&T Park.

Slip sizes range from 26 feet to 60 feet with all inclusive rental rates ranging from $8.58 to $13.20 per lineal foot per month.
The advantages and disadvantages of this marina may be summarized as follows:

Advantages:
- San Francisco waterfront location
- Proximity to AT&T Park
- Immediate Bay access
- Well protected harbor from sea swells and weather
- Superior quality facilities
- Good parking
- All inclusive rental rate

Disadvantages:
- Located south of the Bay Bridge
- Double loaded slips.
- No fuel facilities-nearest fuel is Gas House Cove

Market Survey:

The market survey of marina facilities was conducted by telephone between April 30 and May 7, 2012.

Marinas selected for the survey were considered the upper tier marinas based upon the extent and quality of the facilities and location. Several lesser quality marinas were not considered.

Table 1 provides a summary of the marinas surveyed detailing the facilities, occupancy and rental rates, broken down by County location.

San Francisco County: two marinas were considered competitive with the subject:

San Francisco Marina- this is a 670 slip marina located along the north waterfront of San Francisco collocated with the St Francis and Golden Gate Yacht Clubs. This is a prime location offering immediate access to the best sailing conditions in the Bay and the most scenic marinas in the Bay. The marina is split between the west and east harbors. The west harbor is undergoing renovation with new concrete pilings and slips. The east harbor is impacted by hazardous soil conditions and the cost of mitigating the soil hazards prohibit marina renovation.
### MARINA RENT SURVEY

**TABLE 2**

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>BILW Feet</th>
<th>Berths</th>
<th>Type</th>
<th>Age</th>
<th>Vac.,%</th>
<th>Fr</th>
<th>Sh</th>
<th>Po</th>
<th>Fu</th>
<th>Wa</th>
<th>El</th>
<th>Plug Ratios</th>
<th>No. by Length</th>
<th>Berth Rates-$/Lw/Ft/Mo</th>
<th>End Side</th>
<th>Pick up</th>
<th>Drop off</th>
<th>Commercial</th>
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<td>1</td>
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<td>Post</td>
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## Marina Rent Survey

### Locations

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<th>Age</th>
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<th>Sh</th>
<th>Po</th>
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<th>Pkg Rates</th>
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</tbody>
</table>

### Additional Information

- **End/Side**: 
  - Pick up: 24/26
  - Drop off: 28

- **Other Notes**:
  - Hudson Yacht Club, boat shop
  - Vacancy in 30-40 foot range
  - Seasonal demand in small sizes

### Prices

- **Rates**
  - Monthly: $9.28
  - Weekly: $3.52
  - Daily: $0.67

- **Utilities**
  - Water: $0.60
  - Electric: $0.60

- **Contact Information**
  - 510-523-3328

### Company

- David Tattersall Company
South Beach Marina, San Francisco, Ca.

The west harbor has 8 foot at MLLW and contains 385 double loaded slips. The largest number of slips is 30 foot (107) and 40 foot (104). The marina offers permit parking which is subject to event restrictions, restrooms, showers, free pump out facilities, gas and diesel fuel, water and sub-metered electricity.

The marina is city owned and rates are based less on market conditions and more on a cost recovery formula. Currently, rates range from $8.32 to $10.52 per lineal foot. The occupancy is 100% although there are some vacancies in the older deteriorated east harbor which also suffers from a 3 foot MLLW. The waiting list is 200 persons long and a $75 annual waiting list fee is charged. Commercial use rates are $3.45 per foot and $1.35 per passenger for pick and drop off combined.

Following renovation, rates in the west harbor are expected to increase between 25% and 40%, subject to Board of Supervisors' approval. Using a mid-point escalation of 30%, rates could increase to a range of $10.81 to $13.68. Based upon this survey, higher market rates could be obtained.

Compared to the subject, higher rates would be anticipated to reflect the mark to market pricing at the subject (not cost recovery) and the inclusive electricity rate.

**Pier 39**- this is a 300 slip marina located along the north waterfront of San Francisco collocated with the Pier 39 retail/restaurant/aquarium tourist attractions. This is a prime location offering immediate access to the best sailing conditions in the Bay. The marina is split between the west and east harbors located on either side of Pier 39.

The west harbor locates the larger slips and several fingers which have been tethered together to create a platform for the year round resident seal population, now cited as the number 1 tourist attraction draw at the pier. The west harbor is subject to more tidal surges. The east harbor is protected behind a sea wall and is entered from the land side south entrance. The east harbor is less impacted by tidal surges.

The marina has a 9 foot at MLLW. The marina is built on older wood single loaded docks of lesser quality. Tenants are offered reduced parking rates of $4 for 12 hours at the Pier's multi story garage. Other facilities include restrooms, showers, free pump out facilities, water and sub-metered electricity.

The Pier and marina is master leased from the Port under a 60 year master lease agreement. The marina slips are sub-leased for 50 year terms and are further sub-leased to the marina occupants/tenants on a month to month basis.

Currently, rates range from $10.33 to $11.04 per lineal foot. The occupancy is 97%. Commercial use fees are $75 pick-up/drop off combined fee for up to 50 feet and $125 for over 50 feet.
There is no ‘per passenger’ fee but there is a limit of 10 pick-ups per annum per operator.

Compared to the subject, higher rates would be anticipated to reflect the superior quality of the subject, ease of access, superior parking and the inclusive electricity rate.

Marin County: five marinas were considered competitive with the subject:

**Sausalito Yacht Harbor**- this is a 564 slip marina located at the entrance to Sausalito Harbor and the waterfront. This is a prime location offering immediate access to the best sailing conditions in the Bay. The location affords immediate access to central Sausalito,

The marina has a depth of 12 feet at MLLW. The marina fingers and slips are wood framed and board and the slips are single loaded. The marina no parking except City parking lots and meters. Facilities are limited to rest rooms only. There are no showers, pump out facilities or fuel. Each slip has water and sub-metered electricity.

Repeated attempts to contact the marina failed so no information is available regarding rental rates. This marina is in an inferior location and is of inferior quality.

**Pelican Yacht Harbor**- this is a 90 slip marina located adjacent to Sausalito Yacht Harbor. This is a prime location offering immediate access to the best sailing conditions in the Bay. The location affords immediate access to central Sausalito,

The marina has a depth of 12 feet at MLLW. The marina fingers and slips were fully renovated in the 2000 are wood framed and board and the slips are single loaded. The marina has limited permit parking. Facilities include rest rooms, showers and pump out facilities. There is no fuel. Each slip has water and sub-metered electricity.

The marina is currently 97% occupied with the only vacancies being for 30 foot slips. There is a waiting list for larger slip lengths. Slip rental rates range from $15.00 to $16.42 per lineal foot per month.

The subject has a superior location and superior facilities should support a higher rental rate.

**Schoonmaker Point Marina**- this is a 161 slip marina located in the Marinship district of Sausalito. This is located further up the channel toward Richardson Bay and requires additional motoring to access open water.

The marina has a depth of 12 feet at MLLW. The marina fingers and slips are constructed on concrete piles and platforms and are single loaded. The marina shared parking with the Liberty Ship office buildings and is limited to one parking pass per slip. Facilities include rest rooms, showers and free pump out facilities.
South Beach Marina, San Francisco, Ca.

There is no fuel service at the marina. Each slip has water and sub-metered electricity.

The marina is currently 98% occupied. Slip rates range from $14.75 to $17.17 per lineal foot per month. There are no commercial operations at the marina however guest berth rental rates range from $1.25 per foot per day up to 70 feet, to $3.00 per foot per day up to 150 feet. Additional charges are made for shore power ranging from $3.00 per day for 30 amp up to $150 per day for 200 amp, 3 phase.

The subject has a superior location and superior facilities should support a higher rental rate.

Marina Plaza Harbor- this is a 103 slip marina still further north up the Sausalito channel. This is located further up the channel toward Richardson Bay and requires additional motoring to access open water.

The marina has a depth of 8 feet at MLLW. The marina fingers and slips are constructed on concrete piles and platforms and are single loaded. The marina shares plentiful permit parking with the Marina Plaza office buildings and is free. Facilities include rest rooms and free pump out facilities. There is no fuel. Each slip has water and sub-metered electricity.

The marina is currently 98% occupied. Most requests for slips is in the 40 foot size. Slip rates range from $11.55 to $15.75 per lineal foot per month.

The subject has a superior location and superior facilities should support a higher rental rate.

Clipper Yacht Harbor- this is a 660 slip marina north of the Marinship district of Sausalito. This is located further up the channel toward Richardson Bay and requires additional motoring to access open water.

The marina has a depth of 8 feet at MLLW. The marina fingers and slips are constructed on concrete piles and platforms and are single loaded. The marina has plentiful permit parking. Facilities include rest rooms, showers, free pump out facilities and gas/diesel fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently 90% occupied. Most vacancies are in the 30-40 foot range. The occupancy is seasonal. Slip rates range from $9.38 to $17.55 per lineal foot per month. There is no commercial operator rate however guest berth rates are $25 per night with a charge for electricity at $3.00 per night for 30 amp up to $10 per night for 50 amp.

The subject has a superior location and superior facilities should support a higher rental rate.
Alameda County

Three marinas were surveyed in Alameda County:

**Emeryville City Marina** - this is a 381 slip marina located on the waterfront of Emeryville. The location affords immediate and direct access to open Bay waters. There are few other synergistic uses within the same location. The marina is reported to be very seasonal.

The marina has a depth of 8 feet at MLLW. The marina fingers and slips were replaced in 2011 by Bellingham of Washington at a cost of $32,967 per slip. The fingers are constructed on concrete piles and platforms and are single loaded. The marina has plentiful free parking. Facilities include rest rooms, showers, free pump out facilities and gas/diesel fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently 94% occupied. Vacancies are spread throughout all size ranges. The occupancy is seasonal. Slip rates range from $9.60 to $12.08 per lineal foot per month. Commercial use is limited to berthed charter fishing boats which pay the regular slip rental rate.

The subject has a superior location and superior facilities should support a higher rental rate.

**Ballena Island Marina** - this is a 499 slip marina located on the south waterfront of Alameda Island. The location affords immediate and direct access to open Bay waters, south of the Bay Bridge. There are few other synergistic uses within the same location. The marina is reported to be very seasonal.

The marina has a depth of 9 feet at MLLW. The marina fingers and slips are 30 years old. The fingers are constructed on concrete piles and wood platforms and are single loaded. The marina has plentiful free parking. Facilities include rest rooms, showers, free pump out facilities and gas/diesel fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently 60% occupied. Vacancies are primarily in the smaller sizes of less than 30 feet. The occupancy is seasonal. Slip rates range from $9.07 to $12.82 per lineal foot per month.

The subject has a superior location and superior facilities should support a higher rental rate.

**Jack London Marina** - this is a 550 slip marina located on the north waterfront of Oakland Harbor at Jack London Square. The location is some distance up the Oakland estuary and requires considerable motoring to open Bay waters. There are several attractions close by including the retail and restaurants of Jack London Square.
South Beach Marina, San Francisco, Ca.

The marina has a depth of 13 feet at MLLW. The marina fingers and slips are constructed on concrete piles and concrete platforms and are double loaded. The marina has shared parking at Jack London Square. Facilities include rest rooms, showers, free pump out facilities and gas/diesel fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently reporting “some” vacancies and no specific figure was available. Slip rates range from $9.73 to $14.71 per lineal foot per month. The subject has a superior location and superior facilities should support a higher rental rate.

Contra Costa County:

Two marinas were surveyed in Contra Costa County.

**Berkeley Marina**- this is a 1,100 slip marina located on the east waterfront of Berkeley. The location has direct access to open Bay waters. The location is exposed to all weather. There are no synergistic uses within the immediate environs.

The marina has a depth of 8 feet at MLLW. The marina fingers and slips are a mix of concrete piles and concrete and wood platforms and are double loaded. The marina has plentiful free parking. Facilities include rest rooms, showers, free pump out facilities and gas/diesel fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently reporting a 13% vacancy primarily in the 25 to 29 foot range. Most demand is in the 30 to 50 foot range. Slip rates were set in July 2011 and range from $8.69 to $10.97 per lineal foot per month.

The subject has a superior location and superior facilities should support a higher rental rate.

**Marina Bay Harbor**- this is a 850 slip marina located on the south waterfront of Richmond. The location has direct access to open Bay waters. The location is exposed to all weather. There are no synergistic uses within the immediate environs.

The marina has a depth of 18 feet at MLLW. The marina fingers and slips are concrete piles and concrete platforms and are single loaded. The marina has plentiful free parking. Facilities include rest rooms, showers, free pump out facilities. There are no fuel facilities. Each slip has water and sub-metered electricity.

The marina is currently reporting a 98% occupancy. Slip rates range from $8.23 to $9.87 per lineal foot per month.

The subject has a superior location and superior facilities should support a higher rental rate.
**SOUTH BEACH HARBOR**

**RENTAL ANALYSIS**

**SUMMARY OF MARKET RENTAL RATES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Berth Rates-$/LinFt/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24/26</td>
</tr>
<tr>
<td>Low</td>
<td>8.23</td>
</tr>
<tr>
<td>High</td>
<td>11.55</td>
</tr>
<tr>
<td>Mean</td>
<td>9.26</td>
</tr>
<tr>
<td>Subject</td>
<td>8.58</td>
</tr>
<tr>
<td>Relative to high</td>
<td>-25.71%</td>
</tr>
</tbody>
</table>

**SUBJECT SLIP ELECTRICITY USE**

<table>
<thead>
<tr>
<th>Slip Size</th>
<th>26</th>
<th>30</th>
<th>34</th>
<th>38</th>
<th>42</th>
<th>46</th>
<th>50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Slips</td>
<td>20</td>
<td>520</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>198</td>
<td></td>
<td>6,732</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>92</td>
<td></td>
<td>3,496</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>89</td>
<td></td>
<td>3,738</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td></td>
<td>1,932</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>1,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total lineal footage = 24,168

2011 Electricity usage = $157,535

$/Ft/tpa = $6.52

$/Ft/mo = $0.54

**ESTIMATED MARKET RENTAL VALUES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Berth Rates-$/LinFt/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24/26</td>
</tr>
<tr>
<td>Market High</td>
<td>11.55</td>
</tr>
<tr>
<td>Electric Adj</td>
<td>0.54</td>
</tr>
<tr>
<td>Market Rate</td>
<td>12.09</td>
</tr>
<tr>
<td>% Increase</td>
<td>40.91%</td>
</tr>
</tbody>
</table>
Marina Rental Rate Analysis

The subject marina is considered the premier marina in the San Francisco Bay, perhaps only second to the west harbor of San Francisco Marina. This opinion is supported by the extremely high demand location offering unparallel access to the city and the open Bay and superior facilities. As such, the slip rental rates should reflect the highest rates in the Bay area for public marinas.

The range of slip rates offered by the upper tier of Bay area marinas compared to the subject's current rental rates are summarized on Table 2. Note that the highest rate noted for the 34/36 foot class appears inconsistent with the rest of the data. This high rate of $15.29/LF appears to be an outlier. The next highest rate for this class at $15.00/LF is used for this analysis.

The subject should support rates at the highest end of the range noted. Currently, the subject rates appear to be between 24% and 42% below the high end of the range. The features of the subject include electricity in the rate. The electricity use of the marina slips during 2011 was reported at $157,535. Divided by the total estimated length of the marina slips (24,168 feet), the monthly electricity rate equates to $0.54 per lineal foot per month as summarized on Table 3.

The market supported rates for the subject including electricity are thus summarized on Table 4 and provide a market rental rate range for the subject from $12.09 to $18.09 per lineal foot per month.

These market adjusted rates call for sizable increases and reflect how much below market the current rates are. However, such sizable increases will likely have to be phased in over time. The primary competition is generally reporting high levels of occupancy so there are few competitive alternatives available and this may limit the attrition of tenants in the face of large rental increases.

The waiting list for slips at the subject is reported to be for all boat lengths. In addition, during the renovation of the west harbor at the San Francisco Marina, available boat slips will be at a premium. At completion, the slip rental rate at the San Francisco Marina is expected to increase between 25% and 40%.

The depth of the market for San Francisco based quality moorings in high identity locations is such that the significant rental increase to 'market' should not have a significant impact on occupancy.
There are very few examples of commercial rental charges for passenger services and those cited generally reflect a fixed charge per pick-up and drop-off combination based either on a fixed fee ($75-$125), a per foot fee ($1.25-$3.45) or a combination of per foot fee and per passenger fee, as in the case of San Francisco Marina ($3.45 per foot plus $1.35 per passenger). A lower commercial rate is likely supported at the subject given the proximity of San Francisco Marina to the fishing grounds and site seeing locals.

**Conclusion**

In conclusion, the subject rental rates are clearly below market. The high level of occupancy in well located, good quality marinas with limited inventory in San Francisco provides a market depth that should sustain a significant rental mark to market increase at the subject. The **concluded market rental rates for the subject slips range from $12.09 to $18.09 per lineal foot per month.**

This appraisal has been prepared for the exclusive use of the *City and County of San Francisco* and may not be used or relied upon by anyone other than the Client, for any purpose whatsoever, without the express written consent of the appraiser.

The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the Uniform Standards of Professional Appraisal Practice.

Respectfully submitted,

*David Tattersall & Company*

David N. Tattersall, MAI
General Certificate AG002681
CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

I have no present or prospective interest in the property that is the subject of this appraisal report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject matter of this appraisal report or to the parties involved with this assignment.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended user of this appraisal.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

This appraisal report sets forth all of the limiting conditions imposed by the terms of the assignment affecting the analyses, opinions, and conclusions contained in this report.

The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report. I have not previously provided any services on the subject property within the past 3 years.

No one provided significant real property appraisal assistance to the person signing this certification.

As of the date of this report, I, David N. Tattersall, have completed the requirements under the continuing education program of the Appraisal Institute.

David N. Tattersall, MAI
General Certificate AG002681
Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions.

1) The legal description and area dimensions furnished to the appraiser are assumed to be correct. No survey of the boundaries of the property was completed.

2) I assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, except where noted, and the property is appraised as though free and clear, under responsible ownership and competent management.

3) Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

4) No opinion is intended to be expressed on matters, which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

5) The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.

6) The distribution or allocation, if any, of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. Any value estimate provided in the report applies to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

7) The statements of value and all conclusions shall apply as of the date shown herein.

8) I assume no responsibility for economic or physical factors, which may affect the opinions herein stated, which may be present or occur at some date after the date of value.

9) I have inspected, as far as possible, by observation, the land; however, it was impossible to personally inspect conditions beneath the soil; therefore, no representations are made as to these matters unless specifically considered in the appraisal. Further, no opinion is expressed as to the value of sub-surface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

10) This appraisal is predicated on the assumption that the existence of hazardous material, which may or may not be present on or near the property, was not observed by the appraiser, unless otherwise stated. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of asbestos or other potentially hazardous materials may affect the value of the property. The value estimate herein is predicated on the assumption that there is no such
material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or knowledge required to discover them.

11) No engineering survey has been made by us. Except as specifically stated, data relative to size and area was taken from sources considered reliable. Furthermore, no warranty is implied with regard to physical or structural or operational deficiencies, which are not disclosed to the appraiser and noted herein.

12) The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. The appraiser assumes that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. The appraiser assumes that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

13) Information, estimates, and opinions contained in this report are obtained from sources considered reliable and where feasible, has been verified. However, no liability can be assumed for information supplied by others.

14) I reserve the right to make such adjustments to the valuation herein reported, as may be required by the consideration of additional data or more reliable data that may become available.

15) This report shall be used for its intended purpose only and by the parties to whom it is addressed as of the current date of valuation. Possession of this report does not carry with it the right of publication, or duplication. The signatory of this appraisal is an MAI designate of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member or candidate to control the use and distribution of each appraisal signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal was prepared may distribute copies of it is report, in its entirety, to such third parties as may be selected by the party for whom this report was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatories of this report. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions, the identity of the appraiser or firm with which is connected, and any reference to the Appraisal Institute, or the MAI designation.

16) The liability of David Tattersall & Company, its owners and staff is limited to the client only and to the amount of the fee actually paid for services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all assumptions and limiting conditions of the assignment and related discussions. David Tattersall & Company is in no way to be responsible for any
cost incurred to discover or correct any deficiencies of any type present in the property, physically, financially, and/or legally. The client also agrees that in the event of a lawsuit brought by a lender, partner or part owner in any form of ownership or tenancy or by any other party, the client will hold David Tattersall & Company completely harmless from and against any liability, loss, cost of expense incurred or suffered the client in such action, regardless of its outcome.
QUALIFICATIONS OF DAVID N. TATTERSALL, MAI

David N. Tattersall, MAI, is the founding principal of David Tattersall & Company and has over thirty years experience in the field of commercial real estate appraisal, 25 years of which have been focused in the United States.

David has served as the Chair of the West Branch of the San Francisco Bay Area Chapter of the Appraisal Institute in 1993 and 1994 and was actively involved with the merger of the Society of Real Estate Appraisers and the American Institute of Real Estate Appraisers San Francisco West Branch. David’s reputation in the Appraisal community led to his appointment in 1994 as Vice Chair for the Chapter’s Admissions Committee which oversees the quality of work product of candidates seeking the MAI designation.

David has also served as President of the Northern California Chapter of the Royal Institution of Chartered Surveyors, 1996.

Experience

David Tattersall & Company, San Francisco, Ca. President, 1990-present. Appraisal for private and public sector for mortgage lending, acquisitions/dispositions and due diligence, tax appeal, arbitration, expert witness and court testimony. David has testified as expert witness in San Mateo, San Francisco and Santa Clara County Superior Courts, and has also been involved in numerous depositions and arbitrations.

Clifford & Tattersall Inc., San Francisco, Ca: Co-founder/Partner, 1985-1990. Appraisal for both private and public sector clients including assignments for bank lending/OREO properties, FSLIC/FDIC valuation of bank portfolios, right of way, bond underwriting, eminent domain, tax appeal etc.

Hamilton & Associates, San Francisco, Ca: Associate Appraiser, 1979-1985. Assignments included a wide variety of major commercial, industrial and residential real estate located throughout the San Francisco Bay Area, in addition to assignments located in more than 22 states.

Fuller Peiser, London, England: Valuation Surveyor, 1976-1979. Assignments included business asset valuation for institutional and major industrial companies, commercial and industrial valuations, property tax appeals, arbitrations and brokerage, throughout the United Kingdom and northwest Europe. Typical assignments included petro-chemicals, food processing, auto/aero engineering, in addition to associated office premises, medical facilities, and retail units.

Education/Designations

Fellow of the Royal Institution of Chartered Surveyors (FRICS) (Retired)
Appraisal Institute: Member, Appraisal Institute (MAI)
Department of Real Estate, California (Broker ID. 01310840)
Portsmouth Polytechnic: B.Sc. Urban Land Administration. 1976
Continuing education maintained for current certification.