



## **STAFF REPORT**

**TO:** Board of Commissioners

**FROM:** Andrea Lueker, Harbor Manager  
Chris Munson, Facilities Manager  
Robiy Ellison, Facilities Supervisor

**DATE:** October 14, 2020

**SUBJECT:** **Proposed Budget Transfer for New Gear Storage Facility**

### **Recommendation / Proposed Motion**

- Recommendation: Approve allocating an additional \$160,000 to Harbor Terrace Gear Storage Capital Project budget line item and decreasing unspecified reserves in an equal amount; authorize Harbor Manager or designee to approve contracts for stated improvements.
- Motion: Move to approve staff's recommendation.

### **Policy Implications**

Harbor Commission approves expenditures over \$5,000 that have not been included in the approved budget.

### **District Major Objective/Goal**

Objective 2: Maintain and enhance a boater friendly atmosphere at Port San Luis for both commercial and recreational boaters.

### **Fiscal Implications / Budget Status**

The FY 2020/21 budget expense included \$95,000 for gear storage, funded by a \$60,000 Grant from the Joint Cable Fisheries Liaison Committee and \$35,000 Specified Reserve use (Facilities Reserve). Currently \$16,942 has been allocated for the move back expense and fence rental through December, leaving \$78,058 remaining for improvements. The budget adjustment would decrease the Harbor District's Unspecified Reserve by \$160,000.

**Alternatives Considered**

- Paving the entire lot with asphalt or decomposed granite.
- Utilizing the revenue smoothing clause in the lease which allows the District an advance of up to \$300,000 of future revenue at 0% interest.
- Purchasing new sea trains or reconditioning the existing ones

**Background**

To date, the District has incurred expenses in the amount of \$28,358 (\$7,589 for 2018/19 and \$20,769 for 2019/20) for moving the sea trains twice; transporting and disposing gear; a legal settlement; and renting fence. The 2020/21 Gear Storage Budget of \$95,000 includes concrete, drainage, lighting, security, and other improvements. After allocating for the move-back expense and fencing through December, \$78,058 of the budget remains.

**Remaining Items**

Concrete (Lot 9-Gear Storage)	\$91,797
Base (Lot 9)	\$55,081
Asphalt Paving (Lot 9)	\$39,000
Electric Gate & Keypad	\$10,300
Redwood PM Overhead	\$16,930
Utilities and Lighting (Estimate)	\$25,000
SUBTOTAL	\$238,108
<b>TOTAL (Remaining Items)</b>	<b>\$238,108</b>

Available Funds	\$78,058
Remaining Items	(\$238,108)
<b>Budget Shortfall</b>	<b>(\$160,050)</b>

The current budget includes other improvements for Harbor Terrace under separate Capital Improvement items. However, those funds will have been used for paving the other two lots with recycled asphalt, project management, inspections, plan review, lumber storage, and other improvements.

Improvements done on the Harbor Terrace site are done via Redwood Construction (a partner of Red Tail Acquisitions) by subcontractors. Improvements to the Harbor Use areas will be billed to the Harbor District.

## **Discussion**

Gear storage is an important facility for the commercial fishing industry of Port San Luis and is an asset to the Harbor District. Since the facility will likely be in place for the next 50 years or more, it is important to minimize ongoing maintenance costs and disruptive improvements after occupation.

Improvements made now, such as paving and establishing utilities will save on future costs. Concrete is to be installed in the gear storage areas. Since asphalt needs to be resealed every 5 years, this will prevent patrons from having to move their gear out at these times. The driveway will be asphalt, which will be durable enough for forklift use and will be easier to reseal as needed. Decomposed granite was considered, but rain and erosion were a problem with the past gear storage area. At times, some portions were inaccessible and unusable.

Other improvements include security lighting, a trash enclosure, water, an electric gate and keypad, and conduit for future electricity and security if needed.

Staff presented the improvements to the Gear Storage Ad-hoc Committee. The committee members were supportive of the improvements and directed staff to seek additional ways to reduce costs. Redwood construction was able to secure multiple bids which drove down these costs. The original quote for concrete was about \$110,000 more than reflected in this staff report, and there were additional savings for other improvements.

Staff also considered seeking additional funds to purchase new sea trains or reconditioning the existing ones, but those costs have not been included in this adjustment. If the Board desires their consideration, it can be put on the agenda for the October 27<sup>th</sup> regular meeting. The proposed items in this staff report are time sensitive and require immediate discussion in time to issue contracts for the imminent construction. For reference, sea trains in good condition and painted are about \$3,800. The old ones may be sold at surplus for \$1,500-2,500. To purchase 21 units, it would cost about \$80,000. Surplus value for the old sea trains is estimated at \$30,000.

The Avila Parking Lot will also need repairs due to the damage from the sea trains. Repairs to the lot can be done with the existing budget of \$24,000 for parking lot maintenance, but the seal coat for the entire lot will likely need to be postponed again without additional funding.

## **Conclusion**

Providing additional funds for the Gear Storage area will provide patrons and the commercial fishing industry with a quality facility. The improvements will offer better usability and security. They will also decrease future maintenance costs and disruptions.

Attachment(s): 1. Redwood Construction Proposal  
2. Gear Storage Site Plan