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DATE: October 6, 2010  
TO: Harbor Board of Directors  
FROM: Department of Public Works, Harbor and Beaches Division  
SUBJECT: **ADOPTION OF A RESOLUTION SETTING SLIP RENT AND MISCELLANEOUS FEES FOR THE OCEANSIDE HARBOR**

**SYNOPSIS**

Staff recommends that the City Council and the Harbor Board of Directors adopt a resolution setting fees in the City of Oceanside Harbor, specifically, the Oceanside Harbor Slip Rental Fee Schedule, and the Oceanside Harbor Miscellaneous Fee Schedule, including increases to certain fees.

**BACKGROUND**

In 2009, staff began a Harbor Financial Planning Study to project the Harbor District's revenues and expenditures for the next twenty years. Staff identified that over that period, unless rates are raised, the District's operating budget will have a cumulative \$3.4 million shortfall and the Capital Improvement Program will have a \$21.3 million shortfall.

The Harbor has four principal revenue sources; (1) investment revenue; (2) slip rental-related fees (including permanent slips, live-aboard fees, guest fees and miscellaneous charges); (3) harbor leases; and (4) parking revenue. Of these, slip rental-related revenue accounts for 70 percent of revenue. It is likely that there will be minimal if any increase in investment and parking revenue. Revenue from leases, based on receipt of percentage rent, could increase over time and present policy is to adjust the slip rates with the Consumer Price Index every two years.

From 2005 to 2009, total overall harbor revenue has ranged between \$5.4 million to \$5.9 million annually, while expenditures have been between \$5.4 million and \$5.9 million annually. In three of the past five years, there have been shortfalls of between \$90,000 and \$230,000.

Projections show that without revenue enhancement, there is a strong possibility that revenues will lag expenditures. Before the funding of capital costs there is a positive balance of \$2.5 million in the Harbor Fund at the end of the period, but that is solely due to the initial \$5.9 million reserve that is drawn upon to fund operating deficits (please see Attachment 1, Table 1) . Without the reserve, true cash flow is negative \$3.4 million (cumulative) over the next twenty years.

## Capital Improvement Program

The Harbor has ten restroom/service buildings, thirty-two boat docks, twelve parking lots, an administration/police office building, one and one half miles of sidewalk and rip-rap (large rocks that line the water), a boat launching ramp and the related utilities and site furnishings. The majority of the original Harbor assets, built in the early 1960s, were replaced in the 1980-90s. Staff is now planning the next remodel and replacement schedule. Staff surveyed and measured each asset and, using current construction costs, estimated the useful service life of the assets and the cost of the work. The projected cost for Harbor capital improvements from 2010 to 2030 is \$23,761,000.

The only source of funding for Harbor capital improvements is revenue that is generated by operations; therefore, without enhanced revenue it is not possible to fund capital improvements. The essential requirement is an approach that generates the equivalent of \$780,000 per year, escalating at 2.5 percent for twenty years (Attachment 1, Table A-5).

The Harbor Financial Strategy Plan is Attachment 1.

### **ANALYSIS**

#### A) Slip Rental Fee Schedule

The District desires to balance a market-competitive fee-based marina operation with a financially sound operational organization. Since the revised fee schedule adopted by the Oceanside Harbor District Board of Directors seven years ago, the only increases have been minimal, based on the published San Diego Area Consumer Price Index (CPI) every two years in January. Upon reevaluation of the competitive market and fiscal sustainability, the District is recommending fee increases.

Staff's recommendation is to implement a tiered slip fee structure.

- All slip permits, including live-aboard boaters (LAB), issued on or before December 31, 2010, will continue to be charged the current rate.
- All slip permits, including live-aboard boaters (LAB), issued on or after January 1, 2011, will be charged a rate equivalent to the average of the non-hotel, non-yacht club marinas in Dana Point Harbor, Mission Bay and San Diego Bay. Depending on the length of the slip, that rate will be between \$13.50 and \$17.30 per linear foot. The LAB fee is an additional \$5 per foot of whichever is greater, the boat or the slip, added to the slip fee. The slip-rental fee increase will be 33 percent to 53 percent and the additional LAB fee is a 90 percent increase.
- The same group of marinas will be surveyed in October of each even-numbered year and rates will be adjusted every two years with the adjusted rates going into effect on January 1 of odd-numbered years. Only new slip permittees, those who receive permits on or after January 1 of odd-numbered years, will be charged the adjusted rate.

- All slip rates and miscellaneous fees will be adjusted on even-numbered years based on the CPI.
- Periodically, the District will reevaluate the slip fee and miscellaneous fee schedules to determine whether any further adjustment is necessary.
- The commercial fishing rate has been removed. The number of commercial permits issued has dwindled to less than one per year.

A recent local area harbor survey, Attachment 2, shows that the proposed Oceanside Harbor fees will maintain market-competitive fees in Southern California. Currently, Oceanside's slip fee is thirteenth out of the seventeen surveyed area marinas.

The slip occupancy rate in Oceanside Harbor has remained at 100 percent occupancy since the 2003 report and has maintained a waiting list of over 150 names. Currently 181 names remain on the waiting list indicating that there is a high demand for slips. Raising the fees by the proposed amounts is not expected to significantly reduce this demand. The current wait time for a slip is three to ten years, depending on the length of the slip desired.

#### B) Miscellaneous Fee Schedule

The Miscellaneous Fee Schedule contains fees such as vessel transfer fees, dock storage and dinghy rack fees, waiting list fees, etc. These fees were last adjusted by the Board of Directors in June 2003. The increases reflect increases in the staff time to administer the tasks.

Two new fees have been added to the schedule. The first is an Oceanside Police Department administrative cost recovery fee of \$165 that will be charged to the owner of a vessel that is impounded by the Police Department. This is the same amount that is charged to impounded vehicles in the City. Only boats that are required to be registered or documented are charged this fee. Dinghies and other small boats are not affected.

The second new fee is a metered-water fee for the boat launch ramp wash-down and recreational vehicle dump site. The water meter servicing this area used 785,000 gallons of water in the past twelve months at a cost to the City of \$2,616. In addition, staff feels that if water use at this site is reduced, the runoff that is washed into the storm drain system and ultimately into the harbor waters will be reduced. The 25-cent-for-five-minutes fee will pay for the water and maintenance of the coin meters.

Attachment 3 shows the current and recommended adjustments in the Miscellaneous Fee Schedule.

**FISCAL IMPACT**

The current and proposed slip rates are shown in the table below.

BOAT LENGTH	29' and under	29'1" – 37'	37'1" – 46'	46'1" and over	COMMERCIAL
CURRENT (per LF)	\$10.10	\$11.30	\$11.30	\$11.30	\$8.60
PROPOSED (per LF)	13.50	15.00	15.80	17.30	discontinued

The proposed fee increases are expected to generate additional revenue as listed in the table below.

PROJECTED INCREASED REVENUE FROM SLIP FEES,  
LIVE-ABOARD & MISCELLANEOUS FEES

FISCAL YEAR	AMOUNT	FISCAL YEAR	AMOUNT
FY 10/11	\$352,000	FY 20/21	\$1,635,000
FY 11/12	509,000	FY 21/22	1,695,000
FY 12/13	669,000	FY 22/23	1,826,000
FY 13/14	799,000	FY 23/24	1,875,000
FY 14/15	946,000	FY 24/25	2,006,000
FY 15/16	1,052,000	FY 25/26	2,046,000
FY 16/17	1,189,000	FY 26/27	2,177,000
FY 17/18	1,276,000	FY 27/28	2,211,000
FY 18/19	1,413,000	FY 28/29	2,343,000
FY 19/20	1,485,000	FY 29/30	2,371,000

The increases in revenue assume that 10 percent of the available slips will be issued new permits each year, which is the average of the past five years.

Projections show that the tiered slip fee structure will generate sufficient revenue to fund operating costs and all of the identified capital requirements without impacting existing boaters. In addition, the Harbor Reserve fund will have funds for emergency storm repairs to the breakwaters and docks or other unexpected expenses.

**COMMISSION OR COMMITTEE REPORT**

At their May 27, 2010, meeting, the Harbor and Beaches Advisory Committee voted unanimously in favor of adopting a tiered slip-rental rate structure and updating the Miscellaneous Fee Schedule.

**CITY ATTORNEY’S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

Staff recommends that the City Council and the Harbor Board of Directors adopt a resolution setting fees in the City of Oceanside Harbor, specifically, the Oceanside Harbor Slip Rental Fee Schedule, and the Oceanside Harbor Miscellaneous Fee Schedule, including increases to certain fees.

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Attachments:

Attachment 1: Harbor Financial Strategy Plan

Attachment 2: Marina Slip Fee Survey

Attachment 3: Miscellaneous Fee Schedule

Attachment 4: Resolution

# ATTACHMENT 1

**City of Oceanside  
Oceanside Harbor District**

**Financial Strategy Plan**

*Prepared by:*

**Keyser Marston Associates, Inc.**

**August 2010**

**City of Oceanside  
Oceanside Harbor District**

**Financial Strategy**

**August 2010**

***Prepared by:***

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## **INTRODUCTION**

This evaluation has been prepared by Keyser Marston Associates, Inc. (KMA) at the request of the Harbor & Beaches Division of the City of Oceanside.

The purpose of the report has been to assist the Division in identifying an approach to meeting Oceanside Harbor District (DISTRCT) funding requirements over the next 20 years. These requirements include the need to raise additional revenue to meet operating costs as well as fund a capital program for the DISTRCT totaling \$23.8 million.

### ***Background/Oceanside Harbor***

Oceanside is San Diego County's northernmost harbor, situated 37 miles north of San Diego and 83 miles south of Los Angeles. The Harbor includes Harbor Village, a collection of specialty shops and restaurants; a sport fishing center; small commercial fishing fleet and watersports rentals; and a marina with approximately 900 slips available for recreational boaters and guest slips. The Oceanside Marina Suites, situated on a peninsula surrounded by the ocean and the Harbor, is owned by the DISTRCT and operated by an independent management company. Marina Del Mar is a resort condominium located on land at the Harbor and is a land lease tenant of the Harbor.

The DISTRCT is an Enterprise Fund. Therefore, General Fund revenues are not available to fund operating costs or capital improvements. Since operating expenses and capital must be funded from operating revenues, it is necessary to consider the overall revenue/expense performance of the DISTRCT in projecting the ability to fund capital needs.

The DISTRCT has maintained a reserve of about \$9 million in the Harbor Fund, of which about \$3.1 million is set-aside for emergency repairs to docks and the breakwater; the balance of the reserve may be used to fund capital requirements and to cover operating deficits.

Revenues and operating expenses for the DISTRCT have been in the range of \$5.2 million to \$5.9 million annually in recent years.

### ***Approach***

The approach to this assignment has included the following elements:

- Review of operating results for the Harbor since FY 2005-06, as well as provisions of the major operating agreements and leases that are in place at the Harbor;
- Identification of assumptions for future operations (revenue and expense) based on discussion with Harbor and City staff.

- Identification, in consultation with Harbor staff and Harbor and Beaches Advisory Committee, of alternative approaches to fund the capital requirements that were identified by Harbor staff;
- Financial modeling of Harbor operations for a 20-year period, with identification of amounts that would be available to fund capital needs after operational expenses have been met. The situations modeled included the following:
  - (1) “Do Nothing” Scenario – identification of funding parameters if present rates and practices continue into the future.
  - (2) Alternative Scenarios – identification of funding parameters with new approaches to fund Harbor operations and capital; the review of alternative scenarios focused on slip and related revenues and resulted in identification of a recommended approach to achieve operational and financial objectives without impacting existing boaters.
- Identification of the fiscal impact of the Harbor on the General Fund of the City of Oceanside as a separate exercise (not directly related to funding issues).

## SUMMARY

The following are the key conclusions and recommendations of the study effort, with details provided in the Appendix:

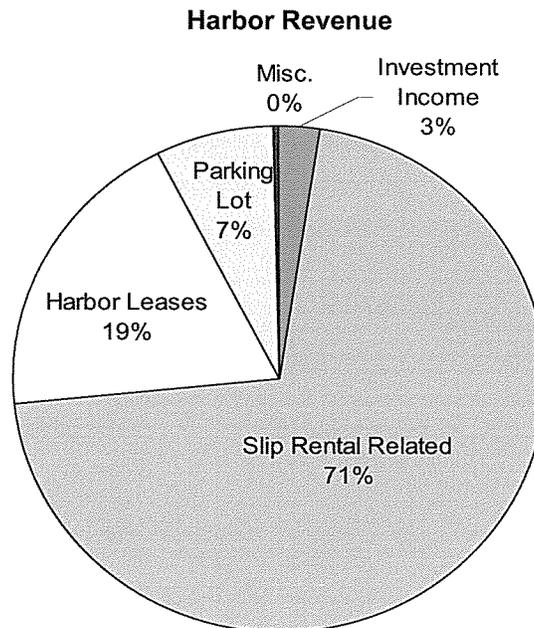
### **Overall Conclusion**

As described below, the study process identified an approach that will generate sufficient revenue to fund operating costs and all of the identified capital requirements without impacting existing boaters.

### **Harbor Operations/Baseline**

#### *Revenue*

Revenue to the Harbor Fund is derived from four principal sources: (1) investment revenue; (2) slip rental-related (including liveaboard fees, guest fees and miscellaneous charges; (3) harbor leases; (4) parking lot revenue. As indicated in the chart directly below, derived from anticipated results for FY 2009-2010, the dominant source of revenue at the Harbor is slip-related income, which accounts for more than 70% of revenue.

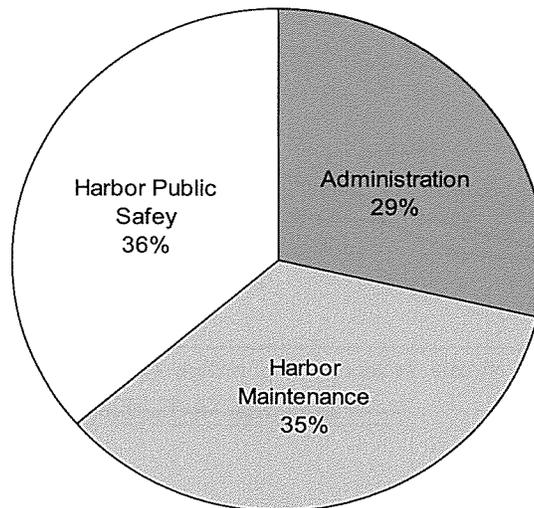


Of the major revenue sources, it appears likely that there will be minimal if any increase in investment income and parking lot revenue (unless increased parking fees are implemented). Revenue from harbor leases, based on receipt of percentage rent, could increase over time, and present policy is to apply a CPI adjustment every two years to slip rates.

## Expenditures

Expenditures of the Harbor Fund include administration (including the slip rental program and debt management), maintenance, and public safety, all of which are susceptible to some inflationary increase over time. The projections assume that the Harbor will continue to be operated at a high level of maintenance and service to the public.

**Harbor Expenditures**



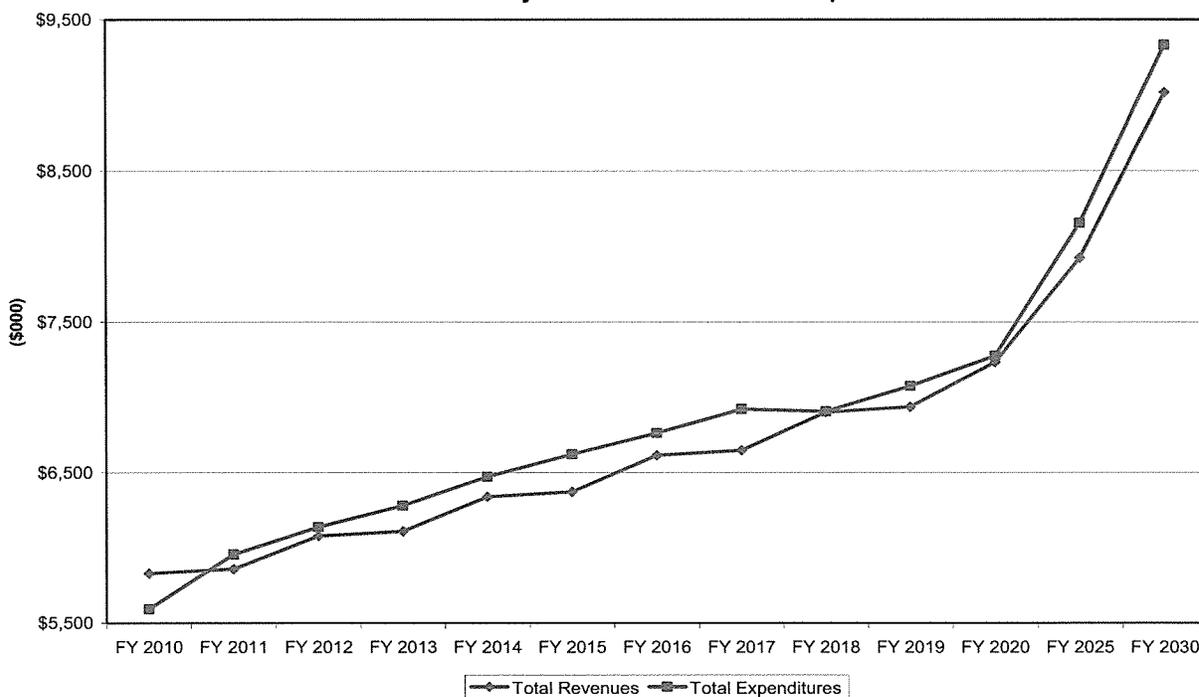
## Revenues and Expenditures

The accompanying Table 1 shows Harbor Fund revenue and expenditures from 2005-2009 and projected results from 2010 through 2030 based on continuation of current practices. As indicated, for the past five years, revenue has been in a range of \$5.2 million to \$5.8 million annually; expenditures have been in a range of \$5.4 million to \$5.9 million annually. In three of the last five years there has been a shortfall in revenues of between \$90,000 and \$230,000, necessitating a withdrawal of funds from the reserve to cover operating deficits.

As shown on Table 1, we estimate that without revenue enhancement there is strong possibility that revenues will lag expenditures. Before the funding of capital costs there is a positive balance of \$2.5 million in the Harbor Fund at the end of the period, but that is solely due to the initial \$5.9 million reserve that is drawn down to fund operating deficits; absent the reserve, true cash flow is negative \$3.4 million (cumulative) over the next 20 years.

The only source of funding for capital programs for the Harbor is revenue that is generated by operations; therefore, without enhanced revenue it will not be possible to fund capital programs. The essential requirement is for an approach that generates the equivalent of \$780,000 per year, escalating at 2.5% per year for 30 years (see Table A-5).

### Oceanside Harbor Projected Revenues and Expenditures



### Capital Program

Harbor staff has identified a 20-year Capital Improvement Program (CIP) for the Harbor whose cost is estimated at \$19.5 million (\$2010) and at \$23.8 million in actual costs when programs are implemented.

Elements in the program are shown on Table 2 and include funding the aquatics center, utility infrastructure (force main – sewer line replacement), reconstruction of restrooms, dock replacement, rip rap reconstruction, and other items. Cost estimates by Harbor staff are based on City experience in comparable projects.

The accompanying graphic shows the proposed phasing of the capital improvements, which are timed to reflect requirements for near-term improvements (aquatic center) and the renovation or replacement of facilities as they reach the end of their serviceable lives.

Table 1

**OCEANSIDE HARBOR DISTRICT  
Harbor Fund**

**Summary of Revenue and Expenditures  
(000's)**

	<b>PAST/PRESENT</b>					<b>PROJECTED</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009 (Est.)</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>Revenue</b>										
Investment Income	\$230	\$380	\$290	\$188	\$150	\$120	\$120	\$120	\$120	\$120
Slip Rental Related	\$3,626	\$3,742	\$3,827	\$3,895	\$4,100	\$4,100	\$4,489	\$5,179	\$5,676	\$6,552
Harbor Leases	\$1,001	\$1,148	\$1,118	\$1,067	\$1,118	\$1,180	\$1,332	\$1,503	\$1,697	\$1,916
Parking Lot	\$334	\$386	\$353	\$327	\$410	\$410	\$410	\$410	\$410	\$410
Misc.	\$35	\$30	\$26	\$17	\$20	\$20	\$20	\$20	\$20	\$20
Total	\$5,226	\$5,686	\$5,614	\$5,494	\$5,798	\$5,830	\$6,371	\$7,232	\$7,923	\$9,018
<b>Expenditures</b>										
Administration	\$1,992	\$2,297	\$1,759	\$1,602	\$1,686	\$1,864	\$2,080	\$2,085	\$2,214	\$2,525
Harbor Maintenance	\$1,728	\$1,853	\$1,895	\$2,130	\$2,052	\$2,150	\$2,481	\$2,862	\$3,304	\$3,815
Harbor Public Safety	\$1,656	\$1,705	\$1,787	\$1,993	\$2,149	\$1,579	\$2,060	\$2,327	\$2,635	\$2,991
Total	\$5,376	\$5,855	\$5,441	\$5,725	\$5,887	\$5,593	\$6,621	\$7,274	\$8,153	\$9,331
Net Operating Income Reserve	-\$150	-\$169	\$173	-\$231	-\$89	\$237	-\$250	-\$42	-\$230	-\$313
Available to Fund Capital Cumulative						\$6,102	\$5,392	\$4,783	\$3,926	\$2,469

Note:

2009-2010 estimates based on results through April 30, 2010.

Reserve is Beginning Fund Balance for year of \$8,965,000 less hold-back of \$3,100,000 to fund emergency repairs to dock systems, breakwater, etc. Expenditures for Harbor Public Safety for 2010 are off-set by \$250,000 grant that is not projected to be recurring.

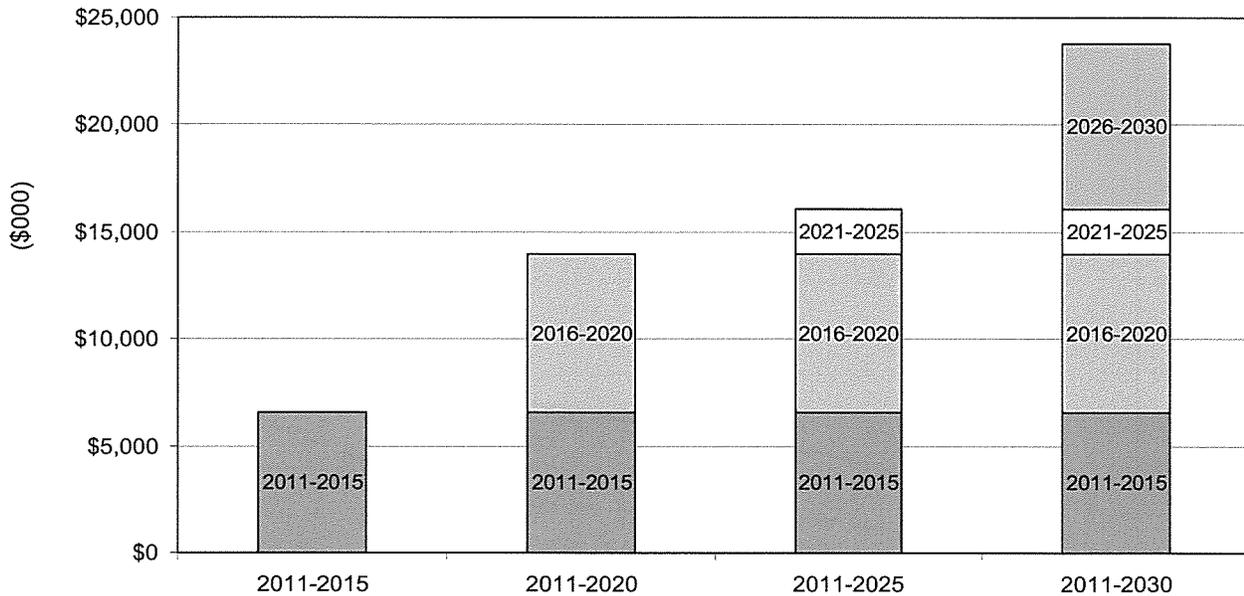
Table 2

**OCEANSIDE HARBOR DISTRICT**  
**Harbor Fund**
**20-Year CIP**

<u>Year</u>	<u>Project Name</u>	<u>Location</u>	<u>Cost</u> <u>2009</u> <u>(000's)</u>	<u>Escalation</u> <u>@ 2.5%/Yr.</u>	<u>Escalated</u> <u>Cost</u>	<u>Yearly</u> <u>Total</u>	<u>Year</u>
2010-11	FORCE MAIN (SEWER) LINE REPLACEMENT	300 HARBOR DR S	\$300	0	\$300	\$300	2010-11
2011-12	LOT 11B RESTROOM	1374 NORTH PACIFIC	\$668	2.50%	\$685		2011-12
2011-12	AQUATICS CENTER	1300 NORTH PACIFIC	\$4,200	2.50%	\$4,305	\$4,990	2011-12
2012-13	FORCE MAIN (SEWER) LINE REPLACEMENT	200 HARBOR DR S	\$300	5.00%	\$315		2012-13
2012-13	SIDEWALK & RETAINING WALL	300 BLK. OF HARBOR DR. S.	\$200	5.00%	\$210	\$525	2012-13
2013-14	SB2 RESTROOM DESIGN	240 HARBOR DR. S.	\$99	7.50%	\$106	\$106	2013-14
2014-15	SB2 RESTROOM BUILD	240 HARBOR DR. S.	\$495	10.00%	\$545		2014-15
2014-15	SB8 RESTROOM DESIGN	1400 HARBOR DR N	\$83	10.00%	\$91	\$635	2014-15
2015-16	PLAYGROUND EQUIPMENT REPLACEMENT	1400 NORTH PACIFIC	\$75	12.50%	\$84		2015-16
2015-16	SB8 RESTROOM BUILD	1400 HARBOR DR N	\$413	12.50%	\$464	\$548	2015-16
2016-17	GANGWAY REPLACEMENT (10)	VARIOUS DOCKS	\$170	15.00%	\$196		2016-17
2016-17	Y DOCK RIP RAP DESIGN	1400 BLK OF HARBOR DR N	\$95	15.00%	\$109	\$305	2016-17
2017-18	ELECTRICAL PEDESTAL REPLACEMENT (15)	VARIOUS LOCATIONS	\$150	17.50%	\$176		2017-18
2017-18	LAUNCH RAMP DOCK REPLACEMENT	1300 NORTH PACIFIC	\$175	17.50%	\$206	\$382	2017-18
2018-19	Y DOCK RIP RAP BUILD	1400 BLK OF HARBOR DR N	\$4,620	20.00%	\$5,544		2018-19
2018-19	J DOCK REPLACEMENT DESIGN	2000 BLK OF HARBOR DR N	\$80	20.00%	\$96	\$5,640	2018-19
2019-20	J DOCK REPLACEMENT	2000 BLK OF HARBOR DR N	\$400	22.50%	\$490		2019-20
2019-20	F-DOCK RESTROOM DESIGN	1925 HARBOR DR N	\$36	22.50%	\$44	\$534	2019-20
2020-21	F-DOCK RESTROOM BUILD	1925 HARBOR DR N	\$180	25.00%	\$225		2020-21
2020-21	SB4 RESTROOM DESIGN	1304 NORTH PACIFIC	\$90	25.00%	\$113	\$338	2020-21
2021-22	SB4 RESTROOM BUILD	1304 NORTH PACIFIC	\$450	27.50%	\$574		2021-22
2021-22	GANGWAY REPLACEMENT (10)	VARIOUS DOCKS	\$150	27.50%	\$191	\$765	2021-22
2022-23	LOT 10 CABANA REPLACEMENT	1200 NORTH PACIFIC	\$125	30.00%	\$163		2022-23
2022-23	SB9 RESTROOM DESIGN	1351 HARBOR DR N	\$66	30.00%	\$86	\$248	2022-23
2023-24	LOT 11 CABANA REPLACEMENT	1350 NORTH PACIFIC	\$90	32.50%	\$119		2023-24
2023-24	SB9 RESTROOM BUILD	1351 HARBOR DR N	\$330	32.50%	\$437	\$557	2023-24
2024-25	ELECTRICAL PEDESTAL REPLACEMENT (15)	VARIOUS DOCKS	\$90	35.00%	\$122		2024-25
2024-25	SB7 RESTROOM DESIGN	1620 HARBOR DR N	\$55	35.00%	\$74	\$196	2024-25
2025-26	SB7 RESTROOM BUILD	1620 HARBOR DR N	\$275	37.50%	\$378		2025-26
2025-26	SB5 RESTROOM DESIGN	1950 HARBOR DR N	\$39	37.50%	\$53	\$431	2025-26
2026-27	SB1 RESTROOM DESIGN	315 HARBOR DR S	\$33	40.00%	\$46		2026-27
2026-27	SB5 RESTROOM BUILD	1950 HARBOR DR N	\$193	40.00%	\$270	\$316	2026-27
2027-28	SB6 RESTROOM DESIGN	1850 HARBOR DR N	\$83	42.50%	\$118		2027-28
2027-28	SB1 RESTROOM BUILD	315 HARBOR DR S	\$163	42.50%	\$232	\$349	2027-28
2028-29	J DOCK RIP RAP DESIGN	2000 BLK OF HARBOR DR N	\$500	45.00%	\$725		2028-29
2028-29	SB6 RESTROOM BUILD	1850 HARBOR DR N	\$413	45.00%	\$598	\$1,323	2028-29
2029-30	GANGWAY REPLACEMENT (5)	VARIOUS DOCKS	\$75	47.50%	\$111		2028-30
2029-30	J DOCK RIP RAP BUILD	2000 BLK OF HARBOR DR N	\$3,500	47.50%	\$5,163	\$5,273	2029-30
Note:			Total	\$19,456		\$23,761	\$23,761

Rip Rap:\$1520 per cubic meter  
Design: 20% of build cost.

### Capital Program/Projected Annual Expenditures



#### Identified Approach

The study process resulted in identification of an approach that appears capable of providing for the operation of the Harbor and the funding of all identified capital needs over the next 20 years, without increasing slip rates for existing boaters (apart from the present biannual CPI adjustment).

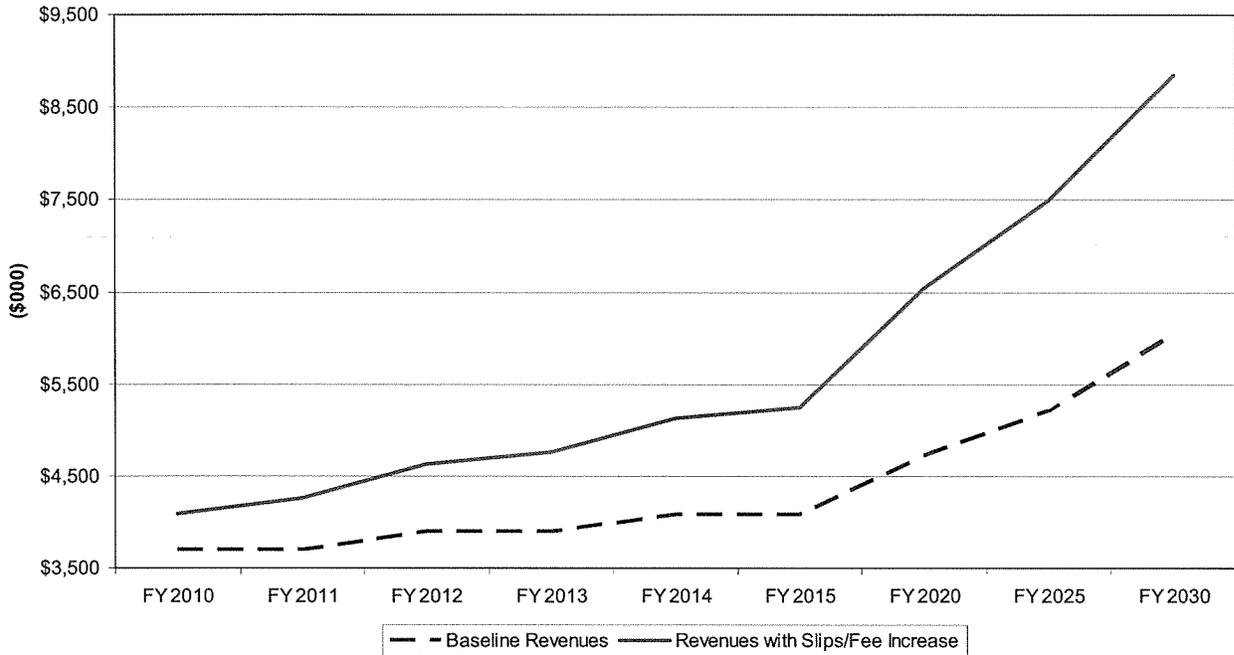
The approach is to increase slip rates to market rate *only* upon transfer of the slip to another owner. In this way, over time, rates at the Harbor are adjusted upward, with consequent generation of higher revenue. ***This approach does not impact existing slip renters in the Harbor.***

The rates for slips that are brought to market rate would range from \$13.80/lineal foot for 26' slips to \$18.60/lineal foot for 51' slips. These rates are justified by recent market surveys by Harbor staff of non-hotel marinas in southern California.

The turnover rate is estimated at about 11% per year, which is consistent with recent trends at the Harbor. Most of the turnover would result from sale of boats rather than new boaters entering the Harbor from the waiting list. With this rate of turnover, there is a relatively rapid ramp-up of rates to market levels.

The graphic below shows the increase in annual revenues from slips and liveboards resulting from the approach noted above versus current practice. The revenue enhancement initially is about \$350,000 per year; by the tenth year, it is approximately \$1,800,000 per year; by the twentieth year, it is approximately \$2,800,000 per year.

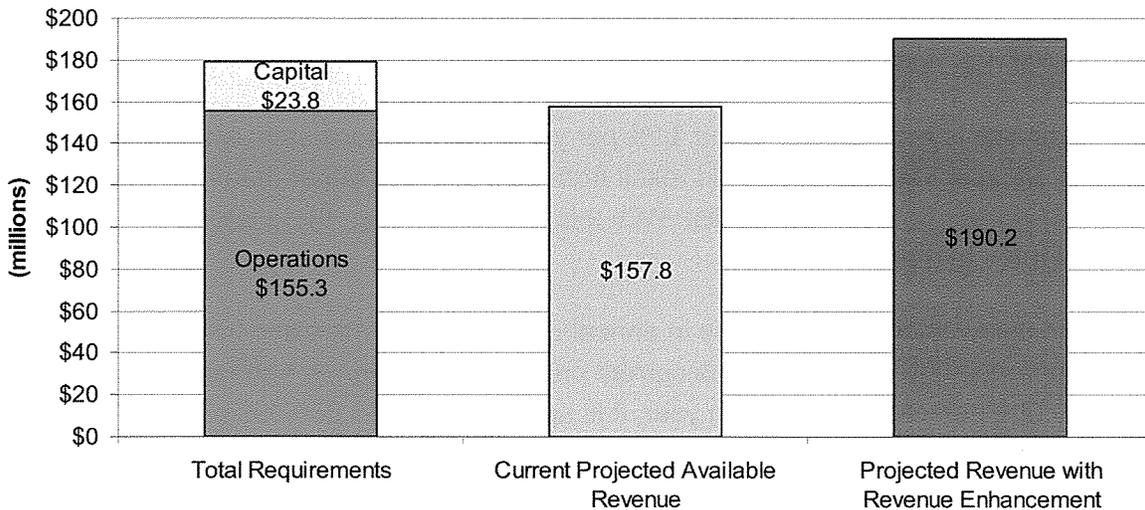
### Increase in Annual Revenues from Slips/Liveboards



### Impact of Identified Approach

As noted below, the anticipated revenue requirement to fund operations over the next 20 years is \$155.3 million. The revenue requirement to fund the identified capital program is \$23.8 million, for a total requirement of \$179.1 million. Projected revenue, if nothing is done to enhance revenue, is \$157.8 million, leaving a shortfall of \$21.3 million; therefore, about 10% of the capital program could be funded. The projected approach would yield \$32.4 million in additional revenue, and would therefore be sufficient to fund both potential operating deficits and capital requirements.

### Projected 20 Year Revenue



The recommended approach includes the adjustment of slip rates to market upon turnover and increases in miscellaneous fees such as visiting boat fees and transfer fees that will minimally impact boaters: As shown in Table A-3, with the recommended approach, the fee increases could yield about \$190,000 annually, and would include an increase in \$2.80 per lineal foot for liveaboards (\$110,000 annual revenue increase), and increased fees for visiting boaters (\$30,000 in annual revenue increase), and other fees.

Since the results noted above are based on long-term projections, it could be anticipated that actual results will vary from those in this report due to factors that cannot be anticipated; therefore, actual performance should be monitored during the term to continually assess whether funding targets are capable of being met.

### ***Alternative Approaches***

These are possible alternatives to the approach noted above:

*Slip rates for existing boaters could be increased.* We tested two possibilities: (1) increase slip rates \$1/lineal foot with an annual CPI; (2) increase slip rates \$.50 per lineal foot for each of five years, with no interim CPI and an annual CPI thereafter. These approaches yielded \$11.4 million to \$14.8 million over 20 years, compared to the \$32.4 million yielded in the recommended approach; the two alternative approaches would, of course, directly impact existing boaters.

*Commercial leases could be renegotiated.* This approach is not feasible because the major leases are fixed for long terms (cannot be renegotiated) and the lease terms are at market rates.

*Additional properties could be developed at the Harbor to yield more revenue.* This approach is not feasible because there are no development sites at the Harbor and none of the major existing uses is a candidate for tear-down and redevelopment to more profitable use with higher revenue to the Harbor.

### ***Fiscal Impact of the Harbor On the City of Oceanside General Fund***

The Harbor is a notable fiscal asset to the City of Oceanside. Review of budget materials and input from City staff indicate that expenditures from the General Fund of \$930,000 annually are required to provide services to the Harbor compared to revenues to the General Fund of \$2.5 million annually from the Harbor operations; therefore, the Harbor yields a net surplus to the General Fund of \$1.6 million annually. (Details are shown in Table A-7). The approach to revenue enhancement noted in this report will not affect the positive revenue balance to the City resulting from operations at the Harbor.

**CITY OF OCEANSIDE  
HARBOR FUND  
CAPITAL PROGRAM  
SUMMARY**

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**Without Revenue Enhancement**

Harbor Operating Revenues/2010-2030	\$157,760,000
Harbor Operating Expenses/2010-2030	<u>\$155,290,000</u>
Potential Operating Shortfall	\$2,470,000
Available for Capital Program	\$0

**Capital Program Cost** \$23,760,000

**Required to Fund Potential Operating Shortfall  
& Capital Program** \$21,290,000

**Revenue From Higher Slip Rates/  
Existing Boaters**

	Low	\$11,350,000
	High	\$14,770,000
% of Requirements	Low	53.3%
	High	69.4%

**Revenue From Higher Slip Rates + Fee Increase  
To Market Upon Transfers (Only)** \$32,400,000

% of Requirements 152.2%

## **APPENDIX TABLES**

**OCEANSIDE HARBOR ANALYSIS**  
**GUIDE TO STATISTICAL TABLES**

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<b>Table</b>	<b>Description</b>
A-1	Shows detail of future revenue projections without revenue enhancement.
A-2	Shows detail of future operating expense projections.
A-3	Shows increased revenue potential from slips: (1) If rates were increased \$1.00/LF with CPI every year; (2) If rates were increased \$0.50/LF for each of the next five years without CPI adjustment until the sixth year. Also shows increased potential revenue from miscellaneous fee increases.
A-4	Shows increased revenue if slip rates are adjusted when slips transfer, at rates equal to the average (by slip length) in non-hotel marinas.
A-5	Shows Harbor operating cash flow with capital program with different possibilities: (1) no change from present policy re. slip rates; (2) situations with changes noted in Tables A-3 and A-4.
A-6	Shows detail of increased revenue, as back-up to Table A-5.
A-7	Shows fiscal benefit of Harbor to City of Oceanside General Fund - not directly related to any other analytical conclusions.

Table A-1

OCEANSIDE HARBOR DISTRICT

Harbor Fund

Revenue Detail/"Base Case" (No Change From Present Policy/Practice)

	2005-06		2006-07		2007-08		2008-09		2009-2010		Basis for Projection													
	(Estimate)	(Detail Shown For Larger Items)	\$230	\$380	\$290	\$188	\$3,706	\$59	\$150	Flat	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2025	FY 2030	
Investment Income																								
Slip Rental Related																								
Slip Rentals																								
Liveboard Fees																								
Guest Fees																								
Other																								
Subtotal																								
Harbor Leases																								
Marina Towers																								
Joe's Crab Shack																								
Harbor Village																								
Marina Del Mar																								
Vacation International																								
Oceanside Marina Suites																								
Jolly Roger																								
Marine Centre																								
Monterey Bay Cannery																								
Harbor Fuel																								
Helgrens Sports Fishing																								
Yacht Club																								
Yearley Sailboats																								
Nautical Bean																								
Breakwater Yachts																								
Boat Rental America																								
Marine Surveyors																								
Bait Company																								
Azure Seas																								
Subtotal																								
Parking Lot																								
Misc.																								
TOTAL REVENUE																								

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Table A-2  
OCEANSIDE HARBOR DISTRICT  
Harbor Fund  
Expenditure Projection/Baseline  
(000's)

	2008-09	2009-2010	Basis For Projection												
			FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2025	FY 2030
Administration	\$1,602	\$1,686													
Harbor Maintenance	\$2,130	\$2,052													
Harbor Public Safety	\$1,993	\$2,149													
Total	\$5,725	\$5,887													
Detail(2008-09 & 2009-10)															
Administration															
Permanent Employees	\$320	\$316	\$302	\$311	\$320	\$330	\$340	\$350	\$361	\$371	\$383	\$394	\$406	\$471	\$545
Other/Employment-Related	\$89	\$160	\$191	\$197	\$203	\$209	\$215	\$221	\$228	\$235	\$242	\$249	\$257	\$298	\$345
Professional Fees/Other	\$145	\$69	\$152	\$157	\$161	\$166	\$171	\$176	\$181	\$187	\$193	\$198	\$204	\$237	\$275
Service Charges															
Management Info. Services	\$84	\$88	\$53	\$54	\$55	\$55	\$56	\$57	\$58	\$59	\$60	\$61	\$62	\$66	\$71
Garage Maintenance/Replacement			\$22	\$22	\$23	\$23	\$23	\$24	\$24	\$24	\$25	\$25	\$26	\$28	\$30
Lifeguards	\$230	\$238	\$238	\$242	\$245	\$249	\$253	\$256	\$260	\$264	\$268	\$272	\$276	\$298	\$321
Property Management			\$38	\$39	\$39	\$40	\$40	\$41	\$42	\$42	\$43	\$43	\$44	\$48	\$51
Tidelands Lease	\$399	\$386	\$386	\$367	\$413	\$415	\$464	\$467	\$519	\$522	\$578	\$582	\$611	\$680	\$790
General Administration/Other	\$42	\$48	\$67	\$68	\$69	\$70	\$71	\$72	\$73	\$74	\$75	\$77	\$78	\$84	\$90
PERS Unfunded DS	\$15	\$16	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$7
PERS Unfunded DS	\$160	\$411	\$411	\$411	\$411	\$411	\$411	\$411	\$347	\$347	\$116	\$116	\$116	\$0	\$0
Debt Service/DBW Loan	\$1,484	\$1,732	\$1,864	\$1,871	\$1,943	\$1,972	\$2,049	\$2,080	\$2,098	\$2,131	\$1,987	\$2,022	\$2,085	\$2,214	\$2,525
Subtotal			\$589	\$607	\$625	\$644	\$663	\$683	\$703	\$724	\$746	\$769	\$792	\$918	\$1,064
Harbor Maintenance			\$343	\$353	\$364	\$375	\$386	\$398	\$410	\$422	\$435	\$448	\$461	\$534	\$619
Permanent Employees	\$607	\$656													
Other/Employment-Related	\$275	\$324													
Buildings & Facilities	\$270	\$0													
Marine Float System	\$326	\$0													
Repair/Maintenance	\$0	\$583													
Electric, Water, Gas	\$299	\$313													
Other Capital Improvements/Inf.	\$64	\$150													
Service Charges															
Management Info. Services	\$56	\$59													
Garage	\$27	\$28													
PERS Unfunded DS	\$619	\$619													
General Administration	\$88	\$97													
Subtotal	\$2,012	\$2,210	\$2,150	\$2,213	\$2,277	\$2,343	\$2,411	\$2,481	\$2,553	\$2,627	\$2,703	\$2,782	\$2,862	\$3,304	\$3,815
Public Safety															
Permanent Employees	\$854	\$865	\$919	\$947	\$975	\$1,004	\$1,034	\$1,065	\$1,097	\$1,130	\$1,164	\$1,199	\$1,235	\$1,432	\$1,660
Other/Employment-Related	\$619	\$619	\$437	\$450	\$464	\$478	\$492	\$507	\$522	\$537	\$554	\$570	\$587	\$681	\$789
Professional Services	\$0	\$48	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$8	\$9
Security Contract Services	\$41	\$0													
Service Charges															
Management Info. Services	\$47	\$49	\$20	\$20	\$21	\$21	\$21	\$22	\$22	\$22	\$23	\$23	\$23	\$25	\$27
Garage	\$32	\$34	\$45	\$46	\$46	\$47	\$48	\$48	\$49	\$50	\$51	\$51	\$52	\$56	\$61
General Administration	\$149	\$142	\$122	\$124	\$126	\$128	\$129	\$131	\$133	\$135	\$137	\$139	\$142	\$153	\$164
PERS Unfund DS	\$76	\$79	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63
Maintenance and Operations/Other	\$282	\$439	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218
Less Adjustments (Grants, Etc.)															
Subtotal	\$2,100	\$2,218	\$1,579	\$1,873	\$1,918	\$1,964	\$2,011	\$2,060	\$2,111	\$2,162	\$2,216	\$2,271	\$2,327	\$2,635	\$2,991
TOTAL	\$5,596	\$6,160	\$5,593	\$5,956	\$6,137	\$6,279	\$6,471	\$6,621	\$6,761	\$6,920	\$6,906	\$7,074	\$7,274	\$8,153	\$9,331

Note:  
Tidelands lease payments reduced by \$60,000/yr. to reflect cessation of Marina Towers land lease; % rate increases per lease.

Table A-3

## OCEANSIDE HARBOR DISTRICT

## Harbor Fund

Slip Sizes and Rates	26	34	43	51	End/ Side	Comm.	Total
<b>Slip Rentals/Present</b>							
#	343	289	107	24	100	24	887
Current Rate/LF	\$9.60	\$10.80	\$10.80	\$10.80	\$10.80	\$8.60	
Cost Per Slip/Mo.	\$249.60	\$367.20	\$464.40	\$550.80	\$401.39	\$247.59	
Income/Mo.	<u>\$85,613</u>	<u>\$106,121</u>	<u>\$49,691</u>	<u>\$13,219</u>	<u>\$40,139</u>	<u>\$5,942</u>	
Per Year	\$1,027,354	\$1,273,450	\$596,290	\$158,630	\$481,666	\$71,306	\$3,608,695
						Other	<u>\$97,305</u>
							\$3,706,000

**Increased Fee Revenue/Applies to All (See Below)** \$190,400

<b>Approach - 1</b>							
Increase Rates \$1/LF							
#	343	289	107	24	100	24	887
Rate/LF	\$10.60	\$11.80	\$11.80	\$11.80	\$11.80	\$9.60	
Cost Per Slip/Mo.	\$275.60	\$401.20	\$507.40	\$601.80	\$438.55	\$276.48	
Income/Mo.	<u>\$94,531</u>	<u>\$115,947</u>	<u>\$54,292</u>	<u>\$14,443</u>	<u>\$43,855</u>	<u>\$6,636</u>	
Per Year	\$1,134,370	\$1,391,362	\$651,502	\$173,318	\$526,265	\$79,626	\$3,956,442
						Other	\$102,170
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,249,012

<b>Approach - 2</b>							
Increase Rates \$0.50 Per Lineal Foot							
For Each of Five Years With No CPI In Interim							
<u>Year 1</u>							
#	343	289	107	24	100	24	887
Rate/LF	\$10.10	\$11.30	\$11.30	\$11.30	\$11.30	\$9.10	
Cost Per Slip/Mo.	\$262.60	\$384.20	\$485.90	\$576.30	\$419.97	\$262.08	
Income/Mo.	<u>\$90,072</u>	<u>\$111,034</u>	<u>\$51,991</u>	<u>\$13,831</u>	<u>\$41,997</u>	<u>\$6,290</u>	
Per Year	\$1,080,862	\$1,332,406	\$623,896	\$165,974	\$503,965	\$75,479	\$3,782,582
						Other	\$107,279
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,080,260
<u>Year 2</u>							
Slips	\$1,134,370	\$1,391,362	\$651,502	\$173,318	\$526,265	\$79,626	\$3,956,442
						Other	\$112,643
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,259,485
<u>Year 3</u>							
Slips	\$1,187,878	\$1,450,318	\$679,108	\$180,662	\$548,564	\$83,773	\$4,130,303
						Other	\$118,275
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,438,978
<u>Year 4</u>							
Slips	\$1,241,386	\$1,509,274	\$706,714	\$188,006	\$570,863	\$87,921	\$4,304,163
						Other	\$124,189
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,618,752
<u>Year 5</u>							
Slips	\$1,294,894	\$1,568,230	\$734,320	\$195,350	\$593,163	\$92,068	\$4,478,024
						Other	\$130,398
Plus Additional Fee Revenue							<u>\$190,400</u>
							\$4,798,822

<b>Proposed Fee Schedule</b>			<b>Estimated Change/ Revenue</b>
	<b>Current</b>	<b>Proposed</b>	
Live-Aboard Fees	\$2.20	\$5.00	\$110,000
Visiting Boat Fees Per Foot Per Day	\$1.00	\$1.20	\$30,000
Key Deposit	\$30.00	\$50.00	\$6,000
Boat Inspection	\$10.00	\$25.00	\$4,500
Transfer Fee Per Foot	\$16.50	\$25.00	\$20,000
Slip Waiting List (Initial Fee)	\$75.00	\$100.00	\$1,500
Slip Waiting List (Annual Renewal)	\$75.00	\$50.00	-\$4,000
Dinghy Rack - Slip Renter Per Month	\$4.00	\$7.50	\$10,000
Dinghy Rack - Non-Slip Renter - Six Months	\$66.00	\$100.00	\$1,000
Storage Lock Per Month	\$16.50	\$25.00	\$10,000
Miscellaneous Fees			<u>\$1,400</u>
			\$190,400

## Note:

Per staff, total lineal footage of slips is assumed at 28,400 feet.  
Additional revenue is gross (excludes additional Tidelands lease payment).

Table A-4

OCEANSIDE HARBOR DISTRICT  
Harbor Fund

Assume Current Rental Rate Structure But Add New Tier For Turnovers

	<u>26</u>	<u>34</u>	<u>43</u>	<u>51</u>	<u>End/ Side</u>	<u>Comm.</u>	<u>Total</u>
<b>Slip Rentals/2009-10</b>							
#	343	289	107	24	100	24	887
Current Rate/LF	\$9.60	\$10.80	\$10.80	\$10.80	\$10.80	\$8.60	
Cost Per Slip/Mo.	\$249.60	\$367.20	\$464.40	\$550.80	\$401.39	\$247.59	
Income/Mo.	\$85,613	\$106,121	\$49,691	\$13,219	\$40,139	\$5,942	
Per Year	\$1,027,354	\$1,273,450	\$596,290	\$158,630	\$481,666	\$71,306	\$3,608,695
						Other	\$97,305
							\$3,706,000

<u>(\$000's)</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2020</u>	<u>FY 2025</u>	<u>FY 2030</u>
<b>Slips</b>									
Projected Revenue/"As Is" (CPI Every Two Yrs.)	\$3,703	\$3,703	\$3,889	\$3,889	\$4,083	\$4,083	\$4,727	\$5,211	\$6,033
# Slips	887	887	887	887	887	887	887	887	887
Rent Per Slip/Yr. With Escalation Every 2 Yrs.	4.18	4.18	4.38	4.38	4.60	4.60	5.33	5.88	6.80
# Turnovers/Yr. <sup>1</sup>	100	89	79	70	62	55	30	17	9
Cum. Turnovers	100	189	268	338	400	455	650	757	815
# Slips/"As Is" (Not Adjusted to Market)	787	698	619	549	487	432	237	130	72
Projected Revenue	\$3,286	\$2,915	\$2,715	\$2,408	\$2,242	\$1,989	\$1,264	\$765	\$486
Rent/Turnover Slips Per Year <sup>3</sup>	6.11	6.11	6.42	6.42	6.74	6.74	7.80	8.60	9.96
# Turnover Slips (Adjusted to Market)	100	189	268	338	400	455	650	757	815
Projected Revenue/Turnover Slips	\$611	\$1,155	\$1,719	\$2,168	\$2,695	\$3,066	\$5,070	\$6,510	\$8,121
Total Revenue/Slips	\$3,897	\$4,070	\$4,434	\$4,576	\$4,938	\$5,055	\$6,334	\$7,275	\$8,608
Increased Revenue/Slips	\$194	\$366	\$545	\$688	\$855	\$972	\$1,608	\$2,064	\$2,575

Weighted Rate Based on Other Non-Hotel Marinas <sup>4</sup>								
	Feb-09	<u>26</u>	<u>34</u>	<u>43</u>	<u>51</u>	<u>End/ Side</u>	<u>Comm.</u> <sup>2</sup>	<u>Total</u>
# Slips		343	289	107	24	100	24	887
%		38.7%	32.6%	16.0%	2.7%	11.3%	2.7%	100.0%
Rate/Average/Other Non-Hotel Marinas		13.82	14.54	16.40	18.85	18.61	<b>10.60</b>	
Weighted		\$5.34	\$4.74	\$2.62	\$0.51	\$2.10	\$0.29	\$15.91
							# LF	28,400
							Revenue/Yr.	\$5,423
							Per Slip	\$6.11

Note:

<sup>1</sup> These are turnovers from original pool of 887; does not include subsequent turnovers of slips.

<sup>2</sup> \$10.60 rate assumed hypothetically for commercial slips.

<sup>3</sup> See below/weighted average based on survey of non-hotel marinas.

<sup>4</sup> Weighted rate includes slight adjustment for "other" slip income (see above).

Table A-5

## OCEANSIDE HARBOR DISTRICT

## Harbor Fund

Ability to Fund Capital Program/Alternative Scenarios  
(000's)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2020</u>	<u>FY 2025</u>	<u>FY 2030</u>	<u>Total</u>
<b>Capital Funding Shortfall</b>										
Available From Reserves	\$5,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,865
Projected Revenue	\$5,830	\$5,859	\$6,078	\$6,108	\$6,339	\$6,371	\$7,232	\$7,923	\$9,018	\$151,890
Projected Expense	<u>\$5,593</u>	<u>\$5,956</u>	<u>\$6,137</u>	<u>\$6,279</u>	<u>\$6,471</u>	<u>\$6,621</u>	<u>\$7,274</u>	<u>\$8,153</u>	<u>\$9,331</u>	<u>\$155,286</u>
Balance	\$6,102	-\$98	-\$59	-\$170	-\$132	-\$250	-\$42	-\$230	-\$313	\$2,469
Cumulative	\$6,102	\$6,004	\$5,945	\$5,775	\$5,643	\$5,392	\$4,783	\$3,926	\$2,469	
Capital Program	\$300	\$4,990	\$525	\$106	\$635	\$548	\$338	\$431	\$0	\$23,761
Annual Balance/(Shortfall)	\$5,802	-\$5,087	-\$584	-\$277	-\$767	-\$799	-\$379	-\$661	-\$313	<b>-\$21,292</b>
Cumulative	\$5,802	\$714	\$130	-\$147	-\$914	-\$1,713	-\$9,520	-\$12,574	<b>-\$21,292</b>	
<b>Additional Revenue Stream Required</b>										
Required to Eliminate Shortfall	\$783	\$803	\$823	\$844	\$865	\$886	\$1,003	\$1,134	\$1,284	\$21,292
Annual Balance/(Shortfall)	\$6,585	-\$4,284	\$239	\$567	\$97	\$87	\$623	\$473	\$971	<b>\$0</b>
Cumulative	\$6,585	\$2,300	\$2,539	\$3,106	\$3,203	\$3,291	\$258	\$2,607	<b>\$0</b>	
Total Available/Yr.	\$6,885	\$705	\$764	\$673	\$733	\$636	\$961	\$904	\$971	\$23,761
Cumulative Available	\$6,885	\$7,590	\$8,354	\$9,027	\$9,760	\$10,396	\$14,561	\$19,106	\$23,761	
Current \$10.80 Rate	\$12.42									
<b>Approach 1 (\$1.00/LF Increase + Annual CPI)</b>										
Available From Reserves	\$5,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,865
Projected Revenue	\$6,236	\$6,355	\$6,495	\$6,620	\$6,768	\$6,899	\$7,725	\$8,579	\$9,631	\$163,244
Projected Expense	<u>\$5,593</u>	<u>\$5,956</u>	<u>\$6,137</u>	<u>\$6,279</u>	<u>\$6,471</u>	<u>\$6,621</u>	<u>\$7,274</u>	<u>\$8,153</u>	<u>\$9,331</u>	<u>\$155,286</u>
Balance	\$6,507	\$399	\$358	\$341	\$297	\$278	\$451	\$425	\$300	\$13,823
Cumulative	\$6,507	\$6,906	\$7,264	\$7,606	\$7,903	\$8,181	\$10,078	\$12,153	\$13,823	
Capital Program	\$300	\$4,990	\$525	\$106	\$635	\$548	\$338	\$431	\$0	\$23,761
Annual Balance/(Shortfall)	\$6,207	-\$4,591	-\$167	\$235	-\$338	-\$271	\$113	-\$6	\$300	<b>-\$9,938</b>
Cumulative	\$6,207	\$1,616	\$1,450	\$1,684	\$1,347	\$1,076	-\$4,226	-\$4,346	<b>-\$9,938</b>	
<b>Approach 2 (\$.50/LF Increase For Each of Five Years + Annual CPI Thereafter)</b>										
Available From Reserves	\$5,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,865
Projected Revenue	\$6,175	\$6,368	\$6,579	\$6,773	\$6,924	\$7,058	\$7,904	\$8,781	\$9,860	\$166,662
Projected Expense	<u>\$5,593</u>	<u>\$5,956</u>	<u>\$6,137</u>	<u>\$6,279</u>	<u>\$6,471</u>	<u>\$6,621</u>	<u>\$7,274</u>	<u>\$8,153</u>	<u>\$9,331</u>	<u>\$155,286</u>
Balance	\$6,446	\$411	\$442	\$494	\$453	\$437	\$630	\$628	\$530	\$17,240
Cumulative	\$6,446	\$6,857	\$7,299	\$7,793	\$8,246	\$8,684	\$11,435	\$14,477	\$17,240	
Capital Program	\$300	\$4,990	\$525	\$106	\$635	\$548	\$338	\$431	\$0	\$23,761
Annual Balance/(Shortfall)	\$6,146	-\$4,579	-\$83	\$388	-\$182	-\$111	\$293	\$197	\$530	<b>-\$6,520</b>
Cumulative	\$6,146	\$1,568	\$1,485	\$1,872	\$1,690	\$1,579	-\$2,868	-\$2,023	<b>-\$6,520</b>	
<b>Approach 3 (CPI Every Two Years As At Present Plus Slip Rates To Market At Transfer)</b>										
Available From Reserves	\$5,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,865
Projected Revenue	\$6,182	\$6,368	\$6,748	\$6,907	\$7,285	\$7,423	\$8,868	\$9,969	\$11,543	\$184,291
Projected Expense	<u>\$5,593</u>	<u>\$5,956</u>	<u>\$6,137</u>	<u>\$6,279</u>	<u>\$6,471</u>	<u>\$6,621</u>	<u>\$7,274</u>	<u>\$8,153</u>	<u>\$9,331</u>	<u>\$0</u>
Balance	\$6,453	\$412	\$610	\$628	\$814	\$802	\$1,594	\$1,816	\$2,212	\$34,869
Cumulative	\$6,453	\$6,865	\$7,475	\$8,104	\$8,918	\$9,719	\$16,109	\$24,699	\$34,869	
Capital Program	\$300	\$4,990	\$525	\$106	\$635	\$548	\$338	\$431	\$0	\$23,761
Annual Balance/(Shortfall)	\$6,153	-\$4,578	\$85	\$522	\$178	\$253	\$1,256	\$1,385	\$2,212	<b>\$11,109</b>
Cumulative	\$6,153	\$1,575	\$1,661	\$2,183	\$2,361	\$2,614	\$1,805	\$8,200	<b>\$11,109</b>	

Table A-6

OCEANSIDE HARBOR DISTRICT

Harbor Fund

Detail/Revenue Increase From Slips & Fees

(000's)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2020</u>	<u>FY 2025</u>	<u>FY 2030</u>
<b>Detail/Revenue Increase From Slips &amp; Fees (See Table 5)<sup>1</sup></b>									
<b>Approach 1</b>									
Projected Scenario									
Slips	\$3,956	\$4,055	\$4,157	\$4,261	\$4,367	\$4,476	\$5,065	\$5,730	\$6,483
Fees	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$209</u>	<u>\$209</u>	<u>\$230</u>
Less Base (Table 2)	\$4,147	\$4,246	\$4,347	\$4,451	\$4,558	\$4,667	\$5,274	\$5,940	\$6,713
Increase/Revenue <sup>2</sup>	-\$3,703	-\$3,703	-\$3,889	-\$3,889	-\$4,083	-\$4,083	-\$4,727	-\$5,211	-\$6,033
Cumulative	\$406	\$496	\$417	\$512	\$429	\$528	\$493	\$656	\$613
	\$406	\$902	\$1,319	\$1,831	\$2,260	\$2,789	\$5,294	\$8,228	\$11,354
<b>Approach 2</b>									
Projected Scenario									
Slips	\$3,890	\$4,069	\$4,249	\$4,428	\$4,539	\$4,653	\$5,264	\$5,956	\$6,738
Fees	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$209</u>	<u>\$209</u>	<u>\$230</u>
Less Base (Table 2)	\$4,080	\$4,259	\$4,439	\$4,619	\$4,729	\$4,843	\$5,473	\$6,165	\$6,969
Increase/Revenue <sup>2</sup>	-\$3,703	-\$3,703	-\$3,889	-\$3,889	-\$4,083	-\$4,083	-\$4,727	-\$5,211	-\$6,033
Cumulative	\$345	\$509	\$501	\$664	\$585	\$688	\$672	\$859	\$843
	\$345	\$854	\$1,354	\$2,019	\$2,604	\$3,291	\$6,652	\$10,551	\$14,772
<b>Approach 3</b>									
Projected Scenario									
Slips	\$3,897	\$4,070	\$4,434	\$4,576	\$4,938	\$5,055	\$6,334	\$7,275	\$8,608
Fees	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$190</u>	<u>\$209</u>	<u>\$209</u>	<u>\$230</u>
Less Base (Table 2)	\$4,088	\$4,260	\$4,624	\$4,767	\$5,128	\$5,246	\$6,544	\$7,485	\$8,838
Increase/Revenue <sup>2</sup>	-\$3,703	-\$3,703	-\$3,889	-\$3,889	-\$4,083	-\$4,083	-\$4,727	-\$5,211	-\$6,033
Cumulative	\$352	\$509	\$669	\$799	\$946	\$1,052	\$1,635	\$2,046	\$2,525
	\$352	\$861	\$1,530	\$2,329	\$3,275	\$4,327	\$11,326	\$20,774	\$32,401

Note:

<sup>1</sup> Increases in revenue are reduced to reflect Tidelands lease payments.

Table A-7

**OCEANSIDE HARBOR DISTRICT**

**Harbor Fund**

**City Costs/Revenues**

(000's)

**City Expenditures**<sup>1</sup>

IT Services	\$147
Radio	\$6
Fleet Vehicles	\$35
Parking Enforcement	\$193 <sup>2</sup>
Operations & Administration	<u>\$547</u> <sup>3</sup>
Total	\$928

**City Revenues**

Paid to City To Reimburse Services	\$928 <sup>4</sup>
Transient Occupancy Tax	\$465 <sup>5</sup>
Sales Tax	\$240 <sup>6</sup>
Parking Citations	\$124
General Fund Harbor Parking	\$207
Possessory Interest Tax	\$181 <sup>7</sup>
Tidelands Lease	<u>\$386</u> <sup>8</sup>
Total	\$2,531

**Balance/Yr.** \$1,603

Notes

<sup>1</sup> Services provided to the Harbor.

<sup>2</sup> Includes solid waste/recycling and parking lot maintenance.

<sup>3</sup> Includes Police, Human Resources, Workers Comp., Finance, Engineering, Planning, Building, Code Enforcement, Water, Parking Enforcement, Wastewater, Special Events, Fire Protection, Property Management, City Attorney, Public Works, Training, Lifeguarding

<sup>4</sup> Budgeted by Harbor District.

<sup>5</sup> Marina del Mar, Marina Suites and Trendwest.

<sup>6</sup> Shops and restaurants in the Harbor.

<sup>7</sup> Personal property tax paid by boaters on boats moored in the Harbor.

<sup>8</sup> Based on % of gross revenues.

**ATTACHMENT 2****July 1, 2010 Slip Rental Rate Survey****Non-hotel, non-yacht club marinas in Dana Point Harbor, Mission Bay & San Diego Bay**

<b>Marina</b>	<b>26 Foot</b>	<b>34 Foot</b>	<b>43 Foot</b>	<b>51 Foot</b>	<b>Live-Aboard (LAB)</b>
Dana Point Marina	\$13.35	\$18.30	\$16.90	\$18.90	\$139.00 to \$432.00
Dana West Marina	14.35	18.30	16.90	18.90	\$100 + 50 for 2nd person
Campland on the Bay	11.50				n/a
Dana Marina M.B.	10.50	13.00	17.00	17.00	n/a
Dana Landing	9.50	9.50	10.00	10.50	n/a
Marina Village	11.25	13.00	14.50	15.50	n/a
Driscoll Mission Bay	10.50	11.00	12.00	12.00	n/a
Seaforth Marina	11.50	12.30			n/a
Sea World Marina	10.00	10.00	10.00	10.00	n/a
Sun Harbor Marina	16.75	16.75	16.75	20.00	\$225 + 175 for 2nd person
Sunroad Resort Marina	15.00	18.50	19.00	22.00	500.00
Cabrillo Isle Marina	18.70	20.30	23.25	25.50	345.00
Chula Vista Marina	12.50	13.00	14.00	14.75	350.00
Harbor Island West Marina	15.40	16.25	17.00	17.50	250.00
Pier 32 Marina	13.10	13.90	15.30	16.10	300.00
Shelter Cove Marina	16.00	16.50	17.50	22.50	\$250 + 100 for 2nd person
Shelter Island Marina	19.25	19.80	17.65	19.00	350.00
<b>Average</b>	<b>\$13.48</b>	<b>\$15.03</b>	<b>\$15.85</b>	<b>\$17.34</b>	<b>\$280.00</b>

\* LAB average was taken by averaging the lowest rate at each marina.

Marinas with Live-Aboards section marked n/a are Mission Bay marinas. Live-abouts are not allowed in Mission Bay.

**ATTACHMENT 3**

<b>Oceanside Harbor Miscellaneous Fee Schedule</b>		
<b>Item</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Visiting Boater Fees Per Foot Per Day	\$1.00	\$1.20
Key Deposit	30.00	60.00
Boat Inspection	10.00	25.00
Transfer Fee Per Foot	16.50	25.00
Transfer Fee (repossession) per foot	85.00	100.00
Slip Waiting List (Initial Fee)	75.00	100.00
Slip Waiting List (Annual Renewal)	75.00	50.00
Slip Waiting List, Live-Aboard (One-time Fee)	85.00	100.00
Dinghy Rack - Slip Renter Per Month	4.00	10.00
Dinghy Rack - Non-Slip Renter Per 6-Months	66.00	120.00
Storage Locker Per Month	16.50	25.00
Hotel Pass	22.00	30.00
Slip Change	42.50	50.00
Sublease Fee (3-month period)	42.00	50.00
Returned check	25.00	25.00
Electrical adapter deposit	100.00	100.00
Launch Ramp water	0.00	.25/ 5-min
Maintenance Worker per hour	32.00	35.00
Police Officer per hour (non-emergency)	50.00	50.00
Harbor District Vessel (per hour/one hour minimum)	100.00	100.00
Harbor District Vehicle (per hour/one hour minimum)	33.00	33.00
Miscellaneous Equipment (pumps, power tools, etc.) (per hour/one hour minimum)	10.00	10.00
Impounded vessel storage fee	per foot transient vessel fee	per foot transient vessel fee
Impounded dinghies and sabots storage fee	2.00	\$5/day
Impounded miscellaneous items storage fee	0.00	\$2/day
OPD impound cost recovery administrative fee (applies to vessels that are required to be registered or documented)	0.00	165.00

1 RESOLUTION NO. \_\_\_\_\_

2 A RESOLUTION OF THE OCEANSIDE HARBOR  
3 DISTRICT BOARD OF DIRECTORS AMENDING THE  
4 OCEANSIDE HARBOR SLIP RENTAL FEE SCHEDULE  
5 AND THE OCEANSIDE HARBOR MISCELLANEOUS FEE  
6 SCHEDULE

7 WHEREAS, the Oceanside Harbor District Board of Directors (Board) has reviewed slip  
8 rental fees and fees assessed for various activities and services provided in the District; and

9 WHEREAS, the Board desires to adjust rental fees for berthing and the fees identified in  
10 Attachment 3 to the October 6, 2010 staff report in order to recover costs and to maintain a  
11 balance with a market competitive fee-based marina operation with a financially sound  
12 operational organization; and

13 WHEREAS, the Board conducted a duly noticed public hearing on October 6, 2010;

14 NOW, THEREFORE, BE IT RESOLVED by the Oceanside Harbor District Board of  
15 Directors that the following schedule of fees imposed by the Oceanside Harbor District are  
16 hereby approved and all prior fees inconsistent with this schedule are superseded:

17 A. GENERAL PROVISIONS.

18 1. Rental Fees for Berthing. Berthing fees for slip rental permits issued on or  
19 after January 1, 2011 (due and payable on the first day of each month)  
20 shall be at the rate per linear foot of the vessel's hull length or the slip  
21 length, whichever is greater, at the following rate:

- 22 a. 29' and under - \$13.50 per foot per month
- 23 b. 29' 1" to 37' - \$15.00 per foot per month
- 24 c. 37' 1" to 46' - \$15.80 per foot per month
- 25 d. 46' 1" and over - \$17.30 per foot per month
- 26 e. Liveaboard fee - (additional) \$5.00 per foot per month

27 2. Upon approval of the Harbor District, slip permittees who sell their vessel  
28 have the privilege of transferring their slip along with that vessel to the  
new owner(s). Upon any transfer, a new permit is created and all

1 applicable slip fee rates apply. A fee of \$25.00 per linear foot of the  
2 vessel or slip, whichever is greater, shall be charged to the buyer prior to  
3 any slip transfer except as otherwise provided in Resolution 86-03 or any  
4 amendments thereto. A transfer fee of \$100.00 per linear foot of the vessel  
5 or slip, whichever is larger, shall be charged to the lien holder of a  
6 repossessed vessel prior to any slip transfer. A slip renter who sells their  
7 vessel and wishes to retain their slip may do so provided they purchase  
8 another vessel within ninety days.

9 B. FEE SCHEDULE.

10 1. Permanent Vessel Slips Waiting List. To be placed on the waiting list for  
11 a permanent slip in Oceanside Harbor, a \$100.00 non-refundable fee must  
12 be paid to the Harbor District. This is a calendar year waiting list,  
13 renewable each year in January with a \$50.00 fee to retain your position on  
14 the list. If the applicant wishes to be placed on more than one list, they  
15 must pay a fee for each list they wish to be on.

16 2. Liveaboard Status Waiting List.

17 a. To be placed and remain on the liveaboard waiting list, applicant  
18 must be a current, permanent slip renter and remit a \$100.00 non-  
19 refundable one time fee. Permittee's vessel must meet criteria to  
20 liveaboard as defined in Harbor Resolution No. 86-13. Slip  
21 reassignment may be required to accept liveaboard status. Failure  
22 to accept relocation will cause removal from the waiting list.

23 b. In addition to the regular slip rental fees, an individual with  
24 liveaboard status shall pay an additional per foot charge.

25 3. Transient Vessel Rates.

26 a. Any transient vessel which requires a double space, such as a  
27 multi-hull craft, shall be required to pay the existing transient rate  
28 for two slips.

- 1                   b.     The transient vessel daily rate shall be \$1.20 per linear foot.  
2                   c.     The following areas are hereby designated as transient mooring  
3                         facilities:

- 4                         I)     Jolly Roger (JR) Dock  
5                         II)    Harbor Village (HV) Dock  
6                         III)   Transient (TR) Dock  
7                         IV)   Dolphin Dock and Coast Guard Dock

- 8                   d.     District reserves the right to use temporarily unoccupied slips  
9                         other than those set forth above for transient vessels if needed, to  
10                        accommodate visiting vessels. However, the owners of transient  
11                        vessels shall agree to move their vessel to another slip or to the  
12                        transient dock any time the permanent renter returns to their slip.

13           4.     Hotel Passes.

14                   A flat rate of \$30.00 shall be charged for each hotel pass period regardless  
15                   of vessel or slip size.

- 16           5.     Key Deposits. There will be a \$60.00 deposit for each dock or restroom  
17                   key issued. This deposit will be refunded upon return of said key and key  
18                   deposit receipt. If receipt and key are not returned, deposit will be  
19                   forfeited.

20           6.     Dinghy Rack and Storage Locker Fees.

- 21                   a.     Dinghy racks for Slip Permittees: \$10.00 per month  
22                   b.     Dinghy racks for Non-Slip Permittees: \$120.00 per six-month period  
23                   c.     Storage lockers: \$25.00 per month (rented to slip permittees only)

- 24           7.     Delinquent Fees. Rental fees (including fees for slips, liveaboard permits,  
25                   lockers and dingy racks) are due on the first day of each month. If rental  
26                   fees are not received on or before the fifteenth (15<sup>th</sup>) of each month, a late  
27                   charge equal to ten percent (10%) of the amount due shall be added to the  
28                   outstanding balance; payable by permittee to compensate the District for

1 additional administrative, regulatory, clerical and investigative costs  
2 incurred by the District for the delinquency.

3 8. Subleasing. With prior approval of the Harbor District, slip permittees  
4 may sublease their slips for limited periods when their vessels are  
5 temporarily away from their slips. Slip permittees will pay \$50.00 for  
6 each three-month period or fraction thereof. If a slip permittee does not  
7 receive approval from the Harbor District prior to allowing another to  
8 occupy their slip, the sublease fee charged to the slip permittee will be  
9 doubled.

10 9. Police and Maintenance Services.

11 a. Non-Emergency Services: For the purposes of this section, the  
12 term “non-emergency” shall refer to any situation which is not  
13 life-threatening. Fees for non-emergency services performed by  
14 either the Maintenance or Police personnel will be charged on an  
15 hourly basis. The minimum charge will be one hour of labor plus  
16 cost of materials.

17 b. The charges for labor are as follows:

18 I) Maintenance labor is \$35.00 per person, per hour.

19 II) Police labor is \$50.00 per person, per hour.

20 c. The charges for equipment are as follows:

21 I) Harbor District Vessels: \$100.00 per hour/one hour  
22 minimum

23 II) Harbor District Vehicles: \$33.00 per hour/one hour  
24 minimum

25 III) Miscellaneous Equipment (pumps, power tools, etc.): \$10.00  
26 per hour/one hour minimum

27 10. Vessel Inspections. A fee of \$25.00 will be charged for each vessel  
28 inspection performed.

1 11. Impounded Items. In addition to the police and maintenance service fees  
2 required to impound an item, the following storage fees will be charged for  
3 each impounded item:

- 4 a. Vessels: storage fees equal to transient vessel fees
- 5 b. Dinghies and sabots: storage fees of \$5.00 per day
- 6 c. Miscellaneous items: storage fee of \$2.00 per day
- 7 d. A cost recovery administrative fee will be charged prior to the  
8 release of an impounded or stored vessel. This fee will be  
9 \$165.00. This only applies to vessels that are required to be  
10 registered or documented.

11 12. Miscellaneous Fees.

- 12 a. A fee of \$25.00 will be charged for any account which has a  
13 check returned by the bank.
- 14 b. Any permittee desiring to change slips after their first slip change,  
15 which is free, shall be charged a fee of \$50.00.
- 16 c. Any transient boater desiring to use a Harbor District-owned  
17 electrical plug adapter shall pay a \$100.00 deposit. This deposit  
18 will be refunded upon return of the adapter in good working  
19 condition and the receipt.
- 20 d. Water at Boat Wash Rack – RV Dump Station: \$0.25 for three  
21 minutes.

22 13. Date and Formula for Implementation.

23 The Master Fee Resolution shall be effective January 1, 2011.

24 All new slip permits and new liveaboard assignments effective on or after  
25 January 1, 2011 will be charged the amounts set forth in Section A of  
26 General Provisions #1 - Rental Fees for Berthing.

27 In October of each even numbered year, the District will survey the  
28 non-hotel non-yacht club marinas in San Diego Bay, Mission Bay and

1 Dana Point Harbor. Oceanside Harbor rates will be the average rate of this  
2 survey with the adjusted rates going into effect on January 1 of odd  
3 numbered years. Only new slip permits and new liveaboard assignments  
4 will be charged the adjusted rate. Any fee adjustment shall be rounded to  
5 the nearest tenth of a dollar.

6 Slip and liveaboard rates for permits and/or liveaboard status issued on or  
7 before December 31, 2010 will continue to be charged the current rates.

8 All slip rates, transient slip rates, live-aboard slip fees, transfer fees and all  
9 other fees will be adjusted based on the San Diego Area Consumer Price  
10 Index, every other year thereafter, beginning January 2012.

11 The adjustment shall be for the period subsequent to the previous  
12 adjustment. Slip rents shall not be decreased. Any fee adjustment shall be  
13 rounded to the nearest tenth of a dollar. In such case as the overall slip  
14 occupancy falls below 90%, no slip rate adjustment shall be effective until  
15 90% occupancy is attained.

16 The District will reserve the right to make future adjustments as  
17 appropriate.

18 PASSED AND ADOPTED by the Board of Directors of the Harbor District of the City  
19 of Oceanside, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2010, by the following  
20 vote:

21 AYES:

22 NAYS:

23 ABSENT:

24 ABSTAIN:

25 \_\_\_\_\_  
26 PRESIDENT, HARBOR BOARD OF DIRECTORS

27 ATTEST:

27 APPROVED AS TO FORM:

28 \_\_\_\_\_  
City Clerk

28   
Harbor Attorney