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## Summary of Coyote Point Marina: A Valuable Asset Deserving Effective Management

### Issue

Does San Mateo County effectively manage Coyote Point Marina to preserve and enhance its recreational potential?

### Summary

The 580-berth Coyote Point Marina (Marina), adjacent to Coyote Point Park, was built in the 1940s and expanded and improved in the 1960s. It is self-funded from monthly berth fees and launch ramp charges, receiving no County general funds. Capital projects are funded by low interest loans from the State Department of Boating and Waterways. The Marina is managed by senior officials of the Parks Department, with day-to-day operations supervised by a senior Park Ranger; operations and maintenance are performed by Park Rangers of lower grade.

The 2006-2007 San Mateo County Civil Grand Jury (Grand Jury) toured the Marina, conducted interviews with representatives of the Parks Department and County Manager, on-site Marina staff and a potential Marina concessionaire, and reviewed publicly available materials on the County website and elsewhere. After investigation, the Grand Jury concluded that:

- The Parks Department operates the Marina more as a park than a marina.
- The Parks Department's shared management structure is cumbersome.
- Occupancy rates at the Marina are unacceptable and continue to fall.
- The Parks Department has no marketing plan or plan to improve Marina amenities to attract berth renters.
- Capital projects are subject to unreasonable delays in implementation.
- Maintenance of docks has been neglected and there is no established maintenance schedule.
- Berth layout of the Marina has not been updated to accommodate the current trend for larger boats.
- Current security systems have not been reassessed for cost and effectiveness.

- Outdated restroom facilities have not been modernized or replaced.
- Private marina operators may provide better management.

The Grand Jury recommends that the Board of Supervisors:

1. Direct the Parks Department to investigate the costs and advantages of private management and report its findings to the Board by December 31, 2007.
2. If private management is not feasible, direct the Parks Department to establish a separate management structure for the Marina that includes:
  - A qualified harbormaster with the authority and responsibility to implement changes on a timely basis;
  - Performance goals designed to increase Marina occupancy and the desirability of the Marina; and
  - Support of Parks Department Planning to meet the capital projects needs of the Marina in a timely manner.

# **Coyote Point Marina: A Valuable Asset Deserving Effective Management**

## **Issue**

Does San Mateo County effectively manage Coyote Point Marina to preserve and enhance its recreational potential?

## **Background**

The Coyote Point Marina (Marina), located east of Highway 101 at Peninsula Avenue in San Mateo adjacent to Coyote Point Park, is a full-service recreational marina consisting of 580 boat berths and supporting infrastructure, and together with the Park forms the Coyote Point Recreation Area.

The Marina was originally built in the 1940s and expanded and improved in the 1960s. There are currently 14 docks with slips ranging from 24 feet to 50 feet. The majority of slips range from 28 feet to 32 feet and are relatively narrow.

Infrastructure at the Marina consists of a temporary Harbormaster's Office,<sup>1</sup> a fuel dock, three launch ramps (one of which is nonoperational), restroom facilities and parking. In addition, a private yacht club leases land from the Marina for its clubhouse facilities.

The Marina is a self-funded enterprise and does not receive County general funds. Revenues are generated from monthly berth fees and launch ramp charges. Capital projects are funded by low interest loans from the State of California Department of Boating and Waterways, which in turn is funded by boaters' fuel taxes.

The Marina is managed by the San Mateo County Parks Department (Parks Department). Planning and executive decision making are shared among four senior Parks Department managers. Day-to-day operations are supervised by a senior Park Ranger (Grade 4) and Marina operations and maintenance are performed by Park Rangers of less senior grade. Billings and collections are handled by the Parks Department. The Marina is charged the cost of one "Fiscal Office Specialist" by the Parks Department to reimburse the County for its management and billings and collections. All on-site staff are directly charged to the Marina budget.

## **Investigation**

The 2006-2007 San Mateo County Civil Grand Jury (Grand Jury) carried out an investigation to determine if the Parks Department's management of the Marina is consistent with preserving and

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<sup>1</sup> There is an existing but unused Harbormaster's Office which may be seismically unsafe.

enhancing recreational boating opportunities. The Grand Jury toured the Marina and conducted interviews with representatives of the Parks Department and the County Manager, on-site Marina staff and a potential Marina concessionaire (a boat broker and fuel dock operator). The Grand Jury reviewed materials publicly available through the County's website, information provided to the Grand Jury by the Parks Department and job qualification criteria for harbormasters in other Bay Area private and public recreational marinas.

## Findings

The Parks Department has developed a detailed master plan for the Coyote Point Recreation Area, including the Marina, which is published on the County website. A Marina Capital Projects Plan that identifies major capital projects, estimates costs and establishes target dates for commencement and completion has been adopted. The Parks Department Superintendents and Senior Planner share responsibility for planning Parks Department capital projects, and the Senior Planner is responsible for all Master Plans. Marina Capital Projects enjoy insufficient priority within Parks Department Planning and are addressed as the Planning staff is available.

The Marina, while generally well maintained, shows its age. The mix of slips reflects boat-buying trends of the 1960's and 1970's when typical recreational boats were under 30 feet in length with relatively narrow beams. The modern trend is for larger recreational boats with greater beams, making many of the existing berths too small for new vessels. Marina restrooms have not been upgraded. Landscaping is minimal.

Security systems at the Marina consist of keyed locks at the dock gates, card key access to the central berm separating the Marina's two basins and night watchmen provided by a private security company at an annual cost of almost \$100,000.

The Marina has no dry storage facilities for boats other than a small yard controlled by Coyote Point Yacht Club. There is no publicly available safe and attractive place to store small keel boats, dinghies, kayaks or other water craft and no launch facilities for them.

The Marina has suffered from inadequate water depth caused by natural silting, and requires regular maintenance dredging. Long overdue and much needed maintenance dredging has recently been completed at a cost of approximately \$1 million. The County must anticipate ongoing dredging costs to maintain adequate depth. The historical failure to maintain adequate depth in the Marina has adversely affected the Marina's reputation among boaters.

The Parks Department suffered significant budget reductions in Fiscal Years 2002-03 and 2003-04, and in response reduced its staff and reassigned management responsibilities within the Department. The Parks Department discontinued the position of harbormaster at the Marina and no longer provides a written job description or list of qualifications for the position.<sup>2</sup> Instead, a Park Ranger 4 with no job-specific training or experience in running the Marina supervises a staff consisting of two lower grade Park Rangers, one of whom meets the qualifications of an

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<sup>2</sup> There is a posted job description for an assistant harbormaster on the County's website.

assistant harbormaster. Parks Department senior management shares responsibility for Master Plan and Capital Projects implementation in the Marina. No Parks Department manager has the skills or training of a harbormaster, nor is there a Marina chief executive responsible for establishing and implementing goals.

The Marina lacks amenities needed to attract tenants. The Marina no longer has a boat charter operator, a broker/dealer for new and used boats, or a fuel dock operator. The Marina staff now operates the fuel dock. A proposed contract for a Marina concessionaire to operate a boat broker/dealer business and the fuel dock has been delayed for almost two years by the County's inability to draft and finalize a rental agreement. Without a broker/dealer, new boats are rarely brought into the Marina and used boats are often moved from the Marina in order to be sold.

The Marina has no established dock maintenance schedule; repairs are made as needed. Dock 29 is reported to be failing and currently nine berths of 45 feet to 50 feet in length have been taken out of service. Lost revenue resulting from the failure of Dock 29 is estimated to be \$3,700 per month. It appears that the balance of Dock 29 will continue to deteriorate, resulting in additional loss of sought-after large boat berths and the accompanying berth revenues. However, plans to repair or replace Dock 29 are years from completion.

Minor dockside repairs (e.g., fixing loose cleats and repairing electrical outlets and leaking hose bibs) are performed by Marina staff, and response times are reported to be excellent. The Marina staff is well liked by the harbor tenants and regularly receives excellent reviews from those tenants who complete satisfaction questionnaires.

According to the Parks Department, the Marina operates at about 83% occupancy rate for usable berths, but the rate is declining. This represents a major reversal in Marina occupancy. According to information supplied by the Parks Department there were 294 potential tenants on the Marina waiting list for Fiscal Year 2001-02, while today there are just four on the waiting list for specific berths.<sup>3</sup> Parks Department representatives acknowledge the vacancy factor but justify it, in part, based on the location of the Marina (under the landing pattern of San Francisco International Airport) and a decline in boating activities. Parks Department management does not view this level of occupancy as a significant problem and justifies it by comparing the Marina to other publicly-run marinas with similar or worse occupancy rates, including Oyster Point (57% occupancy), Brisbane (85% occupancy) and San Leandro (61% occupancy). Current Marina occupancy contrasts unfavorably to South Beach Harbor, a publicly-owned marina in San Francisco, which has a waiting list of four to six years, depending on slip size. Occupancy rates at the Marina will be further challenged by competition from the recently announced plans to develop West Point Marina in Redwood City with 400 slips, dry storage for 300 boats, retail facilities and a complete boatyard for repairs and maintenance.

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<sup>3</sup> It should be noted that these numbers may be skewed by a change in procedure. Previously a prospective tenant could enroll on the waiting list without charge, and the harbormaster was encouraged to sign up prospective tenants. Currently a fee is charged to be enrolled on the waiting list. According to the Parks Department, the current waiting list procedure better measures actual demand for berths. The Parks Department estimates that of the 294 persons on the Fiscal Year 2001-02 waiting list perhaps only 50 were serious tenant prospects.

The Parks Department has neither a marketing plan nor a plan to improve amenities to enhance the desirability of the Marina for current and prospective tenants. No one in the Parks Department's management structure is charged with the responsibility for successfully operating the Marina as a business enterprise.

Slip fees at the Marina are adjusted periodically to cover operating expenses and amortize the loans for capital improvements. Projected Marina revenues for fiscal year 2006-07 were \$1,179,000. Published survey data as of March 2006 supplied by the Parks Department show the average Marina berth rate at \$6.81 per foot per month, compared to Bay Area median berth rates of \$7.33 and public marina average rates of \$6.99.<sup>4</sup> That same survey reports an average occupancy rate among all Bay Area marinas of 88%.

Private marina operators have successfully operated public marinas, either through long-term lease arrangements or management agreements. This option has not been explored by the Parks Department.

## **Conclusions**

### Management

- The Parks Department does not operate the Marina as a business enterprise catering to the needs of its 500 plus monthly tenants. The operating model appears to be that of a county park catering to the occasional day use of park visitors, and the diffuse management structure and lack of direct responsibility for Marina performance exacerbates the lack of enterprise mentality. No one person is responsible for improving the performance of the Marina.
- The shared management responsibility for the Marina is not adequate. The Marina should be treated as the self-funded enterprise that it is, and be managed by a skilled harbormaster acting as its chief executive officer. The CEO should be given the authority to develop and implement maintenance and improvement initiatives, and be judged by his or her success. Management goals should include raising occupancy levels by meeting the needs of existing and potential harbor tenants, including improving infrastructure and amenities.
- Capital projects at the Marina suffer from unreasonable delays caused by the County bureaucracy. Parks Department Planning does not appear to be adequately staffed to process the Marina capital projects authorized under the Master Plan in a timely manner.
- Private marina operators may provide better management at no greater cost to the County, and that management option should be explored.

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<sup>4</sup> Since the publication of the survey data Marina berth rates were reportedly increased to an average of \$7.02 per foot per month

## Operations

- Rigorous maintenance schedules have not been established and implemented to preserve the County's significant capital investment in the Marina. Docks in need of repair should be fixed before they are irreparably damaged. When repairs cannot be performed by Marina staff they should be outsourced.
- Maintenance of Marina amenities must be improved. Restrooms should be regularly painted and faucets and shower fixtures upgraded. Landscaping should reflect pride of County ownership and add to the desirability of the Marina. Parking lots should be regularly swept and maintained.
- Marina staffing levels should be assessed to determine that they are appropriate to meet management goals. If feasible, tenant billing functions should be performed by existing Marina staff to avoid County charges.

## Marina Improvement

- The prefabricated, temporary Marina office was formerly occupied by a boat charter concessionaire and according to the Marina staff it is sufficient for current operations. Its size and location are likely adequate for shared operations with a boat broker/dealer concessionaire. It need not be replaced in the near future.
- The berth layout of the Marina should be changed to meet the needs of current and future tenants, i.e., fewer but larger berths. Funding from California Department of Boating and Waterways should be pursued immediately to achieve this end.
- A dry storage area for small boats and personal watercraft, including appropriate launch facilities, would enhance the Marina and its water-related recreational activities.
- Current security systems should be reassessed for cost and effectiveness. An evaluation should be made of electronic security, including the use of electronic keys for access to the docks and security cameras to reduce the cost of security personnel.
- Restroom facilities are at the end of their useful lives and should be replaced.

## **Recommendations**

The Grand Jury recommends that the Board of Supervisors direct the County Manager to:

1. Instruct the Parks Department to investigate the costs and advantages of private management of the Marina through a long-term lease or operating agreement to insure that the County's investment in the Marina is preserved and enhanced.

2. Report the written findings and conclusions of this investigation to the Board of Supervisors by December 31, 2007.

If the Board of Supervisors concludes that private management of the Marina is not desirable or feasible, the Grand Jury recommends that the Board of Supervisors direct the County Manager to:

3. Reorganize the Parks Department to create a separate management structure for the Marina, headed by a qualified and experienced harbormaster.
4. Instruct the Parks Department to adopt and implement policies and programs to increase the occupancy rate and promote boating activities at the Marina.
5. Provide staff and other support needed to enable Parks Department Planning to meet the capital projects needs of the Marina in a timely manner, and if Parks Department Planning is understaffed, to adjust staffing levels accordingly.





**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

**County Manager's Office**

**DATE:** July 30, 2007

**BOARD MEETING DATE:** August 14, 2007

**SPECIAL NOTICE:** None

**VOTE REQUIRED:** None

**TO:** Honorable Board of Supervisors

**FROM:** John L. Maltbie, County Manager

**SUBJECT:** 2006-07 Grand Jury Response

**RECOMMENDATION:**

Accept this report containing the County's responses to the following 2006-07 Grand Jury reports: Summary of Coyote Point Marina: A Valuable Asset Deserving Effective Management; Health and Human Services Survey on Compliance with Recent Grand Jury Recommendations; and Tower Road Property and Maintenance.

**VISION ALIGNMENT:**

**Commitment:** Responsive, effective and collaborative government.

**Goal 20:** Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

This activity contributes to the goal by ensuring that all Grand Jury findings and recommendations are thoroughly reviewed by the appropriate County departments and that, when appropriate, process improvements are made to improve the quality and efficiency of services provided to the public and other agencies.

**DISCUSSION:**

The County is mandated to respond to the Grand Jury within 90 days from the date that reports are filed with the County Clerk and Elected Officials are mandated to respond within 60 days. To that end, attached are the County's responses to the following Grand Jury reports: Coyote Point Marina: A Valuable

Asset Deserving Effective Management issued May 17, 2007; Health and Human Services Survey on Compliance with Recent Grand Jury Recommendations issued May 22, 2007; and Tower Road Property and Maintenance issued May 24, 2007.

## **Coyote Point Marina: A Valuable Asset Deserving Effective Management**

### **Findings:**

Staff is in general agreement with the Grand Jury's findings; however, there are some minor clarifications that should be noted as follows:

- In the fourth paragraph of the Background, it reads “**Capital projects are funded by low interest loans from the State of California Department of Boating and Waterways, which in turn is funded by boaters’ fuel taxes.**” The majority of capital projects have been funded, and will continue to be funded, directly from Marina funds and not through loans.
- In the fifth paragraph of the Background, it reads “**Day-to-day operations are supervised by a senior Park Ranger (Grade 4) and Marina operations and maintenance are performed by Park Rangers of less senior grade.**” Day-to-day operations are supervised by an Assistant Harbormaster who also participates in the operation and maintenance of the Marina.
- In the fifth paragraph of the Findings, it reads “**Long overdue and much needed maintenance dredging has recently been completed at a cost of approximately \$1 million.**” As part of the Marina’s ongoing program of capital projects, Marina Dredging Phase I was completed in 2003 at a cost of approximately \$1,000,000 and Phase II completed in 2006 for approximately \$600,000.
- In the sixth paragraph of the Findings, it reads “**Instead, a Park Ranger 4 with no job-specific training or experience in running the Marina supervises a staff consisting of two lower grade Park Rangers, one of whom meets the qualifications of an assistant harbormaster.**” The Park Ranger IV supervises three staff, an Assistant Harbormaster and two Park Ranger IIs. The Assistant Harbormaster is not a lower grade Park Ranger, but a staff member specifically hired based on knowledge, skills, and abilities to meet the job specifications and responsibilities of an Assistant Harbormaster.
- In the tenth paragraph of the Findings, it reads “**Parks Department management does not view this level of occupancy as a significant problem and justifies it by comparing the Marina to other publicly-run marinas with similar or worse occupancy rates, including Oyster Point (57% occupancy), Brisbane (85% occupancy) and San Leandro (61% occupancy).**” Parks Department management has stated it does

view this level of occupancy as a significant problem. It is a key performance measure for the Marina, as reported to the Board of Supervisors annually. It also directly affects the economic viability of the Marina and has driven programmatic elements and projects in the Marina aimed at restoring occupancy to historic levels.

**Recommendations:**

**The Board of Supervisors should direct the County Manager to:**

- 1. Instruct the Parks Department to investigate the costs and advantages of private management of the Marina through a long-term lease or operating agreement to insure that the County's investment in the Marina is preserved and enhanced.**

**Response:** Concur. The Parks Department will undertake an investigation into the costs and advantages of private management of the Marina using a long-term lease or operating agreement.

- 2. Report the written findings and conclusions of this investigation to the Board of Supervisors by December 31, 2007.**

**Response:** Concur. The findings will be reported to the Board of Supervisors when the investigation is complete. The findings will be presented at the December 18, 2007 Board of Supervisors meeting.

**If the Board of Supervisors concludes that private management of the Marina is not desirable or feasible, the Grand Jury recommends that the Board of Supervisors direct the County Manager to:**

- 3. Reorganize the Parks Department to create a separate management structure for the Marina, headed by a qualified and experienced harbormaster.**

**Response:** Concur. If it is determined that private management of the Marina is not feasible or desirable, the County Manager's Office will work with the Director of Parks and the Human Resources Department to determine the organizational structure and classifications best suited to meet the business needs of the Marina and County.

- 4. Instruct the Parks Department to adopt and implement policies and programs to increase the occupancy rate and promote boating activities in the Marina.**

**Response:** Concur. As an Enterprise Fund, the Marina receives no General Fund support and must operate on the revenue it generates. Any

decrease in occupancy results in a corresponding decrease in revenue, and thus services.

A number of projects and programs have been completed or are underway to increase occupancy and promote boating including: a revision to advertising material; capital projects to improve visitor amenities and services; a trend analysis to better plan the Marina's facilities and services to meet changing trends in the recreational boating sector and improve Marina occupancy; and active Marina support of various boating and Coyote Point Yacht Club events and activities.

- 5. Provide staff and other support needed to enable Parks Department Planning to meet the capital projects needs of the Marina in a timely manner, and if Parks Department Planning is understaffed, to adjust staffing levels accordingly.**

**Response:** Concur. Marina capital projects are included in the Parks Department planning workload and handled as priorities dictate. In those instances where timeliness, expertise, or workload is an issue, additional planning assistance has been added. For the last several years, this has been accomplished through hiring consultants, utilizing the Department of Public Works, or reallocating other Parks Department staff resources. The Department will continue to supplement Parks planning efforts to meet the capital needs of the Marina, as priorities dictate and funding allows.