



**Date:** December 10, 2014  
**To:** Patrick H. West, City Manager *T.M.*  
**From:** George Chapjian, Director, Parks, Recreation and Marine *G.C.*  
**For:** Honorable Mayor and Members of the City Council  
**Subject:** **Alamitos Bay Rebuild - \$16.9 Million Boating and Waterways Loan**

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In our ongoing effort to ensure an expeditious completion of the Alamitos Bay Marina (ABM) Rebuild with a minimum cost risk, the Department of Parks, Recreation and Marine (PRM) worked with the California State Division of Boating and Waterways (DBW) for reconsideration of additional loan funding for the ABM Rebuild, a loan that DBW had previously denied due to lack of available loan funds.

As a result of newly available funding and a well-timed request from PRM, DBW recommended a \$16.9 million loan. On November 6, 2014 the Boating and Waterways Commission authorized the loan as recommended by DBW.

As you are aware, on August 19, 2014, City Council authorized \$10.9 million in funding for the demolition, dredging, and the installation of new concrete docks and pilings for the first four docks located in Basin 2. The additional \$16.9 million from DBW will allow us to complete the remaining six docks in Basin 2, including timely dredging.

The ABM Rebuild financing plan approved by the City Council provided for issuance of Marina funded bonds and additional funding from Tidelands (up to \$15.1 million). That financing plan presented to the City Council is still intended to be put into place pending a confirmation by the City Council of the additional funding. One adjustment to the plan presented to City Council in April 2014 is that the bond issue, expected by June 2015, will not only provide new money to complete the ABM Rebuild, but is now expected to include funds to repay any outstanding DBW loans including any of the \$16.9 million borrowed for Basin 2. This change is being made because a detailed analysis indicated that the repayment of the DBW loans with new bond proceeds will be less expensive than keeping the loans outstanding. Because the Tidelands Capital program is expected to be reviewed by the City Council as a result of a lower than expected price of oil, there appears to be a potential that the \$15.1 million intended to be available from Tidelands for the ABM Rebuild may not be available. Should that occur, the Department will attempt to secure additional funding for the Rebuild through DBW.

The DBW loan is expected to be presented to the City Council for approval in January 2015.

For further information regarding this matter, I can be reached at 562-570- 3170.

GC:EH:JG/vhd

CC: Tom Modica, Assistant City Manager  
John Gross, Director, Financial Management  
Elvira Hallinan, Manager, Marine Bureau