

Marina Boss Goes on the Record

Q&A With Mark Sandoval

This interview was conducted via email, with Mark Sandoval responding to questions posed by the BOA board of directors.

Question: What is your estimate of when the rebuild of Basin 4 in the Alamitos Bay Marina will start?

Answer: I am still holding out hope that we will start the rebuild of ABM in mid- to late-2010.

Q: What is preventing the rebuild from starting?

A: Rebuilding the marina is a multi-phased endeavor. The first is to identify the design and the cost of the rebuild. The second is to obtain permits for the rebuild from the various regulatory agencies. The third is to identify and secure funding for the rebuild.

We are working on all three simultaneously, since they are all related. We cannot determine the funding needs until we develop a conceptual plan. We cannot complete the permitting until we have a conceptual plan and a good deal of engineering to determine how the rebuild will take place from an environmental perspective.

With regard to the conceptual plan, we developed and have been working with a conceptual plan for about four years. This plan was used to prepare a bid package and obtain costs for the project. It also enabled us to begin the engineering process, since we bid the project at about a 25% stage, meaning the company that we will use to complete the project completes about 75% of the design and engineering.

With regard to the identification of a contractor, we went through a bid process, and received two bids. We chose the company with the lowest bid, but the project was still estimated to cost about \$88 million.

Of the \$88 million, we have secured about \$22 million in loan funds from the California Department of Boating and Waterways, leaving us about \$66 million short. We received authorization to obtain a revenue bond for the differential, but the current economic condition could not be worse for trying to obtain bond funding.

With regards to permitting, we will need to complete an Environmental Impact Report (EIR), get it certified by the City's Planning Commission (which may then be appealed to the City Council) and finally obtain a California Coastal Commission Development Permit.

The Draft EIR is nearly complete, and I believe will be reviewed and complete by the end of August 2009. There will then be a response period, so I anticipate it will be to the Planning Commission by November. I anticipate it will be appealed because the rowing community is opposing the design, so I anticipate the appeal will be heard by City Council in December or January. It takes about three to four months to get onto a Coastal Commission agenda, so I am hoping for a Coastal Commission hearing is July or August 2010, and a Development Permit shortly thereafter.

Once we have the Coastal Development Permit, if we have figured out the funding, we can be constructing by the end of 2010. Bond financing can happen relatively quickly, but the key challenge is currently the condition of the national economy, and by extension, the City's economy.

Q: Once the Basin 4 rebuild starts, when do you expect it to be completed?

A: The contractor has determined that the project will take 4 _ to 5 years to complete once construction starts.

Q. What is your best estimate of when the remainder of the ABM rebuild will start?

A: Basin 4 should take less than a year, so Basin 1, the second phase, should start within a year of the start of Basin 4.

Q. From your expected start date, when do you expect the entire ABM rebuild to be finished?

A: Basin 4, 2011; Basin 1: 2012; Basins 2 and 3:2015, Basins 5, 6 and 7:2015

Q. Considering the present state of the California economy, how do you expect the ABM rebuild to be funded?

A: I have answered that above. The Department of Boating and Waterways loan program is being decimated by raids on the fund by the State government. As a result, the only alternatives are to borrow from another area of the City (which is unlikely) or to obtain bond financing.

Q: Has the recession affected ABM rebuild plans? Are projections that showed there is higher demand for slips for large, expensive yachts still valid?

A: Yes, I believe so. We have a number of large-vessel customers who are ready to purchase larger vessels if we had larger slips, and we also have a waiting list for the larger slips.

My personal philosophy is that a marina design should not only anticipate the demand for the future, but also develop a marina that affords the most flexibility.

We need to develop this marina for the next 40 years or so. If we are wrong, then we will still have the capability to put smaller vessels in larger slips. If we design a marina for the next four decades where we build slips that are too small, we will have much more unproductive water space because it will be impossible to fit larger vessels in the smaller slips.

Q. We've heard that it will cost \$4 million to \$5 million to dispose of mercury-contaminated silt in Basin 1. Boaters didn't put that hazardous waste there. What action is the city taking to determine who is responsible for it, and to recover the costs of disposing of the waste?

A: I have had discussions with every agency and consultant that I can think of, as well as my own staff members who pre-date me by decades, and no one has an inkling of an idea as to where this came from.

What we do know is that it occurs only in the silt that has accumulated AFTER the marina was originally built, which rules out any activity prior to the mid-1950s.

On a positive note, I am working towards a potential solution that will cost a fraction of the \$5 million. It is to use the 25,000 cubic meters of contaminated silt for landfill in a Port of Long Beach project. It will be a timing challenge, but one worthy of managing to save millions on the disposal.

Q. Why were the slips, and their revenue, ripped out of Basin 2 when it was obvious that the rebuild start was going to be delayed?

A: The fingers that were stripped were all 20-foot fingers. We moved all of the vessels on those docks to other parts of the marina so we could vacate those docks and create long docks, which will be used for storing displaced vessels during the rebuild.

The reason we have so many 20-foot vacancies is because we are eliminating so many in the rebuild. To be specific, we had 445 20-foot slips in the marina. We have 186 filled with permanent customers. We will have only 165 20-foot slips after the rebuild, so at this point, we have 21 more 20-foot customers than we will have 20-foot slips. As a result, we are holding 20-foot slips open instead of permanently renting them and creating a larger differential.

We do, however, rent all of the slips we are holding open on a temporary basis. At the present time, we are generating about \$700,000 a year on the temporary slip rental program, which does help to keep the slips fees a little lower.

Q. Since slip fees are now based on costs, will the slip holders now have to pick up the lost revenue from slips that were removed?

A: Yes, a slip that does not have a permanent or temporary vessel will mean the remainder of the vessels will need to generate more of the revenue. Our alternative is that we rent all of the slips we have today, and when we rebuild, all of the vessels that

exceed the available number of slips will need to be put in a larger slip, resulting in lost revenue potential at that time.

Q. Why isn't the vacant dockage in Basin 2 being used as transit, or temporary, dockage? I've talked to a boater who said that he called for a transit slip and was told there were none available.

A: As I discussed above – they are. I would need to know the specifics of this case, but there is no way we would turn away someone willing to rent on a month-to-month, no-guarantee basis if we have a slip available and being held for the rebuild.

Maintenance

Q. You have stated that it would be desirable for your department to have full control of marina maintenance. What are your most challenging issues regarding maintenance? What changes would you make were that function to be under your management?

A: The biggest challenge I have had over the years regarding marina maintenance is that there is a perception, and probably an expectation, that maintenance in the marinas is my responsibility. I do not see it as providing quality customer service to tell a customer that maintenance is not my responsibility.

Since we have about a 1% monthly turnover in the marina, there were always new customers coming into the system expecting that maintenance was under the marina manager, because that is the way it is in most every other marina system.

That said, I will say that communication between the maintenance group and me has been excellent over the years, and they have been very responsive to every issue I brought forward.

My personal issue is that I am a hands-on manager, and normally know what is going on in the marinas, and it was difficult to ask all the maintenance supervisors to communicate with me everything their crews were doing – that would be asking them to report to two bosses, which is counter-productive.

I will admit that one frustration I had was that one recent maintenance manager was the exact opposite of me, with regards to “hands-on,” and didn't get out much to see the marinas. I will say that the new manager, Ramon Arevalo, is very much hands-on, and I believe we will see positive changes as a result.

With regard to changes, I believe Ramon is making a number of the changes that I would have made with maintenance. He is working to understand the issues, particularly in ABM, and will bring a positive change.

The biggest change I would expect if I had maintenance under me would be better communication between myself, my Harbormasters, and the on-dock maintenance staff.

Q. As we wait for the ABM rebuild to start, the existing gangways and fingers are deteriorating, and Maintenance is doing an admirable job in replacement. What is your estimate of the cost of such maintenance while we wait and during construction?

A: Our maintenance costs have not changed for a number of years. The biggest change is that with the new docks in the Downtown Marinas, and the deteriorating docks in ABM, we have shifted much more resources over to ABM to address the issues. We do not separate our maintenance costs by marina, but I guarantee that the lion's share of the effort is in ABM.

Q: I am an ABM slip holder and it seems that every time the area between Schooner or Later and the first restroom to the south fills with debris by the suction pumps, the slip holders have to call for a cleanup.

I have noticed that if it is the Long Beach city employees that do the cleanup it is done right and when the cleanup is done by the "contracted help" it's a poor job at best, done by one of the workers while the others play ball in the parking lot.

As a slip holder it should not be my job to report where cleanups are needed. Isn't that part of what my monthly slip fees are for?

A: This has always been a challenge to maintain. We have in the past tried to use a contract with an organization for the mentally challenged to handle this task. However, we agree that this is not working. We have recently identified some funding to hire a part-time individual to concentrate on floating debris in the marinas, and I believe this situation will improve significantly in the future.

Marine Bureau Policies

Q: In past summers, the empty 25-foot to 30-foot slips have always filled to capacity with temporary tenants. This summer they have remained empty. Is this the result of a change of policy in renting the slips?

A: No, there has been no change in policy. The difference this year is that we are continuing to hold more slips open because more are vacating and we have yet to reach the point of equilibrium between the number of customers we have in a slip size and the number of slips we will have in that size after the rebuild.

This is an issue that I am constantly evaluating, because it is a balancing act. If I become convinced that the rebuild is more than a year or so away, we may re-address the issue and start filling more of our "held" slips with permanent customers.

Q: In the ABM Marina Rebuild Plan, the number of small-boat slips has been cut by roughly 75%. Historically, small boats (and their available slips) have been the way most of the public is introduced into boating. From there, those sailors then slowly begin moving up to larger and larger yachts, which you have made accommodations for in the rebuild. What plan, if any, does the City of Long Beach--as a waterfront city--have to encourage the introduction into boating?"

A: I do not know how you are defining "small boats," but the 75 percent you quote is inaccurate, however it is measured. If you look at just 20-foot slips, we are eliminating

63%. If you look at 20-foot and 25-foot slips, we are eliminating 50%, if you combine 20-, 25- and 30-foot slips, we are eliminating 47%, and if you combine 20-, 25-, 30- and 35-foot slips, we are eliminating 34%. There is no slip size, or combination of sizes, where we will see a 75% decrease in slip inventory.

The way I look at it is how much of the marina will be comprised of “small” slips. In our current plan, roughly 25% of the marina will be slips 25-foot and smaller, about 40% of the marina will be slips 30-foot and smaller and almost 60% of the marina will be comprised of slips 35-feet and under.

Knowing that, I hope it is viewed that we are not selling out to the larger vessels, and maintaining a small vessel marina culture in ABM, even though over the past decade or so, we have seen the most intense unmet demand for the 40-, 45-, and 50-foot size slips. Another way to look at it is that our average slip length is going from 31.2 feet to 35.7 feet, a 4.5-foot average increase in slip length.

Regarding what we do, or attempt to do, to generate interest in boating, one thing we do is wholeheartedly support junior sailing programs. I believe that the desire for boating is developed at a very early age, and we have a number of instructional programs in Long Beach. We do all we can to support those programs.

In addition, I believe that many large boat power-boaters are first introduced to boating in a smaller vessel that is normally launched. In Long Beach, we maintain six launch ramps, and work to keep the launch fee reasonable, which in turn develops boaters who may become marina customers in the future.

Q. The original slip fee plan was to accumulate, when feasible, about 10% of slip fees for replacement construction 30 to 40 years down the pike so that we will not need financing for a rebuild at that time. The current surplus is projected to be much larger than that.

Can you assure us that the accumulation of surplus funds will be there when needed, and not used for current operations or current construction?

A: Two years ago, the marina fund balance was actually in the red, or a deficit position. It was not until last year that we ended the year with some funds in the bank. We will, however, end this year with funds accumulated in our fund balance, and have the budgeted the same for next year. The strategy is to accumulate funds to support the rebuild, which we are doing. These funds will either be used for the rebuild itself or support a bond issue. In any event, they will be used for marina purposes.

The accumulated funds should not be used for operations because I do not believe that we need additional operating resources in the marina operations, with the possible exception of maintenance, if we see major failures.

In fact, I have requested that the operating departments, including ourselves, to really tighten the belts and have targeted a savings of \$500,000 against our budget in the upcoming year, which will be added to the rebuild funds.

Finally, regarding my “assurance,” I am a City employee, employed at the will of the City. I do not have ultimate control over the marina funds, but make recommendations, which are always supported by my director. Although it is my intention to be around for many more years, and see this rebuild through, I cannot give assurance that I will be here. That said, I will assure that if I am, I will continue to fight for the integrity of the marina operation as an independent enterprise, and that funds that are generated in the marina are used for marina purposes.

Q: Would you publish a complete listing of marina regulations on your website, with update notifications published in the Marina Reader whenever additions, deletions, or modifications are implemented?

A: This is already in place.

Q: We have heard permittees say that because you are not a boater that you have no basis for understanding boat owner issues and are not sensitive to boaters' concerns. Is this a valid complaint?

A: I have been a boater all my life. I have operated boats since I was about 11, and have owned two boats myself, for most of my adult life. Admittedly, these were lake/river boats, but I would say that it was enough to gain a good understanding of the dynamics of boating, and the needs of boating customers in general.

The biggest challenges I have faced was understanding marina development. I believe the Long Beach Marinas are the largest singly run marina system west of Chicago. We are in the middle of an entire system rebuild, which happens once every four to five decades, and as you can imagine is a huge endeavor. No one really knows how to do this perfectly, so much of what we are doing with the rebuilds is learned, at least from my perspective, and that has little to do with actual "boating."

I have belonged to two marina associations for over a decade, and have garnered enough respect within those organizations to be asked on the Board of Directors for both of these associations, the Marina Recreation Association and the California Association of Harbor Masters and Port Captains.

Our advice has been sought by other public marinas from Dana Point to Marina Del Rey, because over the past 15 years, we have (I believe) done things right, including a marina rebuild, the development of fair policies and fair fees, and (most importantly) maintaining a good working relationship with our boat owner's association, which is not the case in some other public marinas.

Q: A concern for some boat owners has been the way the lists for new permits, slip transfers and liveaboard permits have been maintained by the Marine Bureau. In the interest of openness, would you update these lists each month and post them in front of each marina office.

A: We do update these lists at least monthly. I know that there has been some rumors of foul play, but can assure you that the integrity of our lists is one of my most serious demands. At any time, anyone on the list can call or come to the office and be told where they are on the list, and get any questions or concerns addressed.

However, posting them publicly is very sensitive. If we posted a list with names, our concern is that aggressive or desperate individuals on a list would contact those ahead of him, and attempt to coerce, cajole or pressure others ahead of him. I can't imagine that anyone on the list would actually want us to do that, but I am open for a dialogue on this issue.

Q: How has the management of the Long Beach marinas changed in the time that you have been in charge?

A: The biggest change has been with management. Many of you may remember the late Doug Parsons. He was appointed as Marina Superintendent about six months before I was appointed Marina Manager. Although Doug and I eventually worked well together, he was always somewhat resentful because he believed he was going to be manager, and the City moved this “non-marina” manager above him.

In the first five years or so, I did learn a lot from Doug, and I will always value that. However, our management styles were very different. He liked to run things with an iron fist, and seemed to believe that our customers were always trying to pull something over on us (which some probably were!). In addition, it seemed that the marina culture seemed to be “let’s tell our customers why they cannot have what they want.”

My approach is “let’s try our hardest to figure out a way to accommodate our customer’s requests, and if we need to say no, then at least have a rational reason why we need to say no.” I have made many rule changes over the past decade that were in place for many decades, and seemed illogical to me and caused concern with our customers.

After Doug died, I did not replace him, because I did not need two marina managers in the same marina. I decentralized much of the decision-making, empowering the Harbormasters (Supervisors) to make most of the decisions. That challenged them, in turn, to attempt to manage their individual marinas in a manner that I managed, with the “can-do” attitude.

So I guess, in a nutshell, I would say (and I hope I would get customer agreement) that the biggest change during my watch was to create a more customer friendly management team.

Other Issues

Q: Some ABM boat owners are concerned about the growing crowds on Sundays due to the Farmer’s Market and other activities. Concerns about cleanliness, noise and misbehavior by visitors have all been voiced. How do you feel about the presence of the Farmer’s Market in the marina parking lot on Sundays?

A: Obviously, I was worried when the City agreed to accommodate a farmer’s market in the marina parking lot. The first year, it was staged on the road leading to the fuel dock, but that was a disaster. It was then moved to its current location. There were growing pains, but we forced changes on the operator, such as the porta-potties, the hiring of a guard to secure the marina restrooms, and ensuring that Marine Patrol was vigilant is controlling the boatowner restricted parking.

I am a little surprised that this is an issue at this time because I have not received complaints, especially in recent years. I go to the market frequently, and always see available parking, and make sure the guard is doing his job. I always had the feeling that

many of the marina customers go to the market, and enjoy the market, but maybe I am mistaken.

If the market is truly something that the marina customers want to see eliminated, it is news to me, but something I can address. If there are operational changes that can be made, we have an opportunity to make them.

Q: There is an alarm in the Basin 4 restroom that is always going off. It is a piercing sound, clearly audible in my boat. A few weeks ago it was going all Saturday afternoon and night until the restroom crew came on Sunday and reset it.

According to the restroom crewperson, the alarm has nothing to do with the restrooms. It is triggered by something in the waste oil cage behind the refuse bin in the parking lot, and apparently signals that the storage container is too full.

The crewperson said that the alarm supposedly also triggers a telephone message to the company that monitors the waste oil.

Whatever it does or does not do, the one thing it really does is ruin the marina experience for all who hear it, and for no purpose. No one who hears it can anything about it. There is no sign anywhere informing anyone what to do if they hear the alarm. Obviously, whoever is supposed to monitoring the system is not doing so.

At a minimum, the alarm sounder at the restroom should be silenced or at least greatly muted so that it alerts the restroom crew when they open their storage room (where the alarm and reset button are located) but does not disturb boat owners.

Can you do anything about this problem?

A: This is the first I have heard of this issue. I have learned that this alarm was to notify us that the oil dump was getting full, so as to avoid an overspill. These dumps have been abandoned, and will be removed them in the near future.

Apparently, until the tank is removed, the alarm must stay intact and active. We are making signs to indicate what needs to be done if the alarm goes off. Our maintenance crew can respond and shut off the alarm when it goes off, and is available 24-hours a day.