



## CITY COUNCIL AGENDA REPORT

DATE: 10/21/2014

AGENDA OF: 10/28/2014

DEPARTMENT: Economic Development

SUBJECT: Santa Cruz Wharf Master Plan and Engineering Report - Acceptance and Authorization to Conduct Environmental Review (ED/PK/PL)

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**RECOMMENDATION:** Motion accepting the Santa Cruz Wharf Master Plan and Engineering Report, directing staff to proceed with environmental review, and authorizing the City Manager to execute all documents and take any other administrative actions necessary to complete the environmental review.

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**BACKGROUND:** In March 2012 the U.S. Department of Commerce, Economic Development Administration (“EDA”) released a Notice of Funding Available under the FY 2012 Disaster Relief Opportunity Congressional Appropriation Act. Through this funding EDA awarded grants in regions throughout the United States that experienced economic impacts as a result of federally declared natural disasters between October 1, 2010 and September 30, 2011. The impacts from the March 11, 2011 tsunami qualified Santa Cruz for potential assistance through this funding.

On June 12, 2012 the City Council authorized the City Manager to apply for a \$500,000 grant under the NOFA, and on June 28, 2012 authorized an increase in the grant application to \$850,000 and identified \$170,000 from the Parks and Recreation Facilities Tax Fund as the required local match. The application requested funding for the preparation of a Santa Cruz Wharf Master Plan focusing on identification of economic development opportunities for the Wharf, establishment of design and development standards for existing and new buildings, re-visioning of public spaces, enhancement of recreational use and public access, integration of educational and scientific resources and assets, evaluation and recommendations related to public safety, and the identification and preparation of studies and permits necessary to implement the recommendations, initiatives, and best practices resultant from the Wharf Master Plan.

The City’s grant application also requested funding for an Engineering Report encompassing a comprehensive engineering inspection and structural evaluation of the Wharf’s pilings, support structures, and decking; an evaluation of the existing boat landings, roadways, pedestrian walkways, and parking areas; analysis of sewer, refuse handling, lighting, and fire suppression systems; identification and evaluation of mitigation measures designed to reduce environmental impacts related to climate change and severe seismic and weather events; an evaluation of the potential for a new landing capable of handling research and passenger vessels; and the

preparation of plans and specifications for the correction of identified structural deficiencies and recommended improvements to the Wharf's infrastructure and systems.

On July 26, 2012 EDA notified the City that its grant application was selected for continued processing, and on September 11, 2012 the City Council adopted Resolution No. NS-28,450 authorizing the City Manager to accept the EDA grant if awarded and appropriating \$170,000 for the required local match.

On September 27, 2012 EDA notified the City that the application was approved and the grant agreement was executed by the City Manager on October 1, 2012.

On January 24, 2013 staff issued a Request for Qualifications ("RFQ") for the Santa Cruz Wharf Master Plan and Engineering Report. The RFQ identified a set of comprehensive and detailed work products and solicited teams of marine engineers, architects, planners, and other associated professionals to present statements of qualifications ("SOQ").

Five highly qualified teams responded to the RFQ, and in accordance with the selection criteria established in the RFQ, staff ranked the teams and invited the top two teams to interview and present cost proposals.

Based on the SOQs, interviews, and cost proposals ROMA Design Group ("ROMA") was selected to lead the Wharf Master Plan and Engineering Report effort. The City Council awarded the contract to ROMA on May 28, 2013 and work was begun on the project in July 2013.

The Wharf Master Plan scope of work was divided into four parts: 1) an extensive early public engagement process through a series of meetings with Wharf tenants, neighbors, businesses, civic groups, educational and scientific organizations, recreational and marine oriented interests and other stakeholders in the community as well as the Coastal Commission staff and city departments; 2) incorporation of preliminary observations and findings into a draft format; 3) milestone meetings with the public and City departments in which findings, potentials, and recommendations are presented for additional input and comment; and 4) Planning Commission, Parks and Recreation Commission, and City Council briefings culminating in a final presentation to the City Council.

ROMA's co-consultant charged with responsibility for the Engineering Report was Moffat & Nichols, a firm with prior experience with the Santa Cruz Wharf. Underwater inspection of the approximately 4,400 Wharf pilings and evaluation of the Wharf deck and supporting structures commenced in August 2013, and additional structural analysis was provided by local firm Mesiti- Miller Engineering.

**DISCUSSION:** Master Plan: The need for a comprehensive master plan for the Wharf dates back to 1998 when the Beach and South of Laurel Plan was prepared. During that time, a community planning process was undertaken and Wharf-related issues and objectives were identified, including the need to prepare design and development standards related to remodeling of existing buildings and construction of new ones. The Coastal Commission has also historically encouraged the City to update its regulatory and permitting framework to guide and facilitate improvement and development of the Wharf. The Wharf Master Plan is intended to create a basis for policy and design guidance, investment decisions, and improvement programs.

The Wharf Master Plan process involved two parallel and inter-related tracks, which began with a review of existing conditions and available information and meetings with stakeholders, tenants, neighbors and community-wide interests, to gain a better understanding of issues of concern and to develop approaches to help achieve community objectives. At the same time, the engineering component undertook underwater and above grade surveys of the structural conditions of the Wharf, including the pilings, the substructure, and paving to determine its structural integrity, the need for repair and replacement, environmental adequacy, and general longevity. The two efforts were coordinated and information regularly exchanged so that the findings of one would inform the other. The results are documented in the Santa Cruz Master Plan Report and in the companion Engineering Report available online at [www.cityofsantacruz.com/wharfmasterplan](http://www.cityofsantacruz.com/wharfmasterplan), the main branch of the Santa Cruz Public Library, and the City Clerk's office. In addition, an abridged version of the Wharf Master Plan and the Engineering Report can be found online at <http://cityofsantacruz.com/home/showdocument?id=39522>.

The Wharf Master Plan recognizes that the Wharf serves a number of roles within the City - as a visual landmark of historic significance, a recreational and open space resource, and as a real estate asset that contributes to the economy of Santa Cruz and the Beach Area. Three complimentary and inter-related strategies were formulated through the master planning effort.

The first strategy calls for the expansion of the perimeter of the Wharf for public access, recreation, fishing, and boating. Planned improvements are intended to strengthen the Wharf's relationship to the Monterey Bay National Marine Sanctuary and the scenic and environmental qualities it offers. This strategy will enhance the Wharf as a recreational resource and provide opportunities to engage in a variety of coastal experiences, thus contributing to the quality of life in the city. In addition, the lateral expansion of the Wharf will broaden its appeal, help create additional off-season visitation, and will create a basis for updating the image and identity of the Wharf. Public access expansion will result in new branding opportunities and, most importantly, will become one of the most effective ways to improve the economic vitality of the Wharf's commercial uses and the viability of the Wharf as a real estate asset for the City.

The second strategy is aimed at enhancing the existing public realm on the Wharf. This includes the areas currently devoted to vehicular circulation and parking as well as the three key, but underutilized, public spaces: at the point where the Wharf widens to the west to accommodate commercial uses, at the change in direction of the line of commercial buildings, and at the bayward end. This strategy includes the reorganization of the parking areas for greater efficiency and effectiveness, to reduce pedestrian/vehicular conflicts, and to create a more attractive and inviting arrival experience. For the key underutilized public spaces, the strategy is aimed at expanding the opportunity for publicly-oriented activities and creating physical spaces that give structure and orientation to the visitor experience, expressing the unique locational characteristics of the Wharf, and adding a more diverse and varied dimension to its venues and offerings.

The third strategy calls for improving the diversity, density and appeal of the commercial uses within the existing area devoted to these uses. It also calls for the improvement of the commercial buildings, the storefronts and adjacent sidewalks and the enhancement of the quality of the pedestrian experience. As changes are made, improvements can be undertaken that enhance curb appeal, the pedestrian experience, and the diversity, size, type and mix of commercial uses.

The following Wharf policies have been developed consistent with the above strategies; they support the Wharf as a unique environmental and human-based resource within the Coastal Zone, and call for its sustainable and prudent use for current and future generations. These policies also recognize the Wharf's importance as a visual and historic landmark; its potential as a significant recreational and open space resource, and as an attractive commercial and recreational destination that contributes to the quality of life and economic vitality of the City and the Beach Area.

Policy 1. Maintain and restore the characteristics that distinguish the Wharf as a unique physical and cultural landmark dating to its period of historic significance, when its role was closely related to the Monterey Bay and maritime and commercial fishing activities.

Policy 2. Strengthen the Wharf to increase its resiliency to extreme weather conditions, seismic events, and sea level rise.

Policy 3. Expand the perimeter of the Wharf to create more significant opportunities for public access, fishing, boating and linear recreational activities that will orient the visitor to the Monterey Bay and engage the waterfront environment.

Policy 4. Provide public-oriented activities and spaces that give structure and orientation to the visitor experience, express the unique characteristics of the Wharf, and provide a more diverse and varied dimension to its venues and offerings.

Policy 5. Provide for an increase in the number, diversity, seasonality and appeal of events and make the educational, scientific, historic, environmental and cultural dimensions of the Wharf an integral and meaningful part of the visitor experience.

Policy 6. Increase the efficiency of the Wharf's vehicular circulation and parking systems in order to improve the arrival experience, but do not expand the Wharf for these purposes.

Policy 7. Improve the diversity, density and appeal of the commercial uses on the Wharf, but do not add to the existing footprint of the Wharf to accommodate these improvements.

Policy 8. Improve the appearance of the commercial buildings, the attractiveness of the storefronts and adjacent sidewalk and the quality of the pedestrian experience.

Policy 9. Improve public services and facilities and enhance a sense of safety, security, comfort and convenience on the Wharf.

Policy 10. Implement proactive management, leasing, and marketing for the Wharf.

Engineering Report: The Santa Cruz Wharf was constructed in 1914 and at 2,750 ft. long is the longest timber pier in the United States and one of the five longest in the world. Additions to the Wharf have been made over time and its half-mile length now consists of 183 bents (rows of piles running east-west) and over 4,400 piles. The basic timber structure and decking that support the Wharf are essential to its continued existence and performance.

The Engineering Report includes methods for increasing the resiliency of the Wharf, identifies improvements related to the pavement and underlying substrate, and documents the structural requirements for proposals coming out of the Wharf Master Plan. The following 11 sections of the Engineering Report address major components and systems of the Wharf, and recommend methods and solutions to usher the Wharf into its next 100 years.

1. Piling Survey – Piles are the most critical structural element of the Wharf as they transmit all loads to the supporting seafloor. The 4,400 piles are in good condition overall. Less than 5% (approximately 182) need replacement, although a portion of them are under existing buildings, which creates access issues. These are more easily replaced, however, only when components of the Wharf Master Plan are implemented or when existing leases terminate.
2. General Structural Evaluation - the condition of the Wharf structure above the pilings is generally good due to the quality of the original construction and the comprehensive and continuous maintenance performed by the Wharf staff. There are structural elements of the Wharf framing (stringers, decking, and caps) that require near-term replacement or enhancement however.
3. Roadways and Parking – the asphalt pavement of the Wharf’s roadway and parking areas are significantly cracked and deteriorated. Installing new asphalt with a structural plywood underlayment over the existing deck boards to minimize reflective cracking is recommended.
4. Walkways and Public Common Areas – the walkways and common areas are in fair to good condition and have sufficient capacity to support imposed pedestrian loads. The South Commons does exhibit reflective cracking from wave and wind-induced flexing of the Wharf, and would benefit from the plywood underlayment method proposed for the roadway. In addition, significant deterioration of the structures supporting the walkways was observed at the front of the commercial structures and will need correction.
5. Sanitary Sewage System – the existing sewer mains are well within their capacity and currently carry about 50% of the total flow rate that they could. The Engineering Report recommends a more frequent schedule of inspections of the system as well as replacement of certain of the hangers that suspend the piping from the underside of the Wharf.
6. Fire Warning and Suppression Systems – the Wharf is protected by a fire suppression system along its full length that includes hydrants, sprinklers (full coverage in buildings and partial coverage on the substructure), access ports, and a zoned fire alarm system. The existing suppression and alarm systems are in overall good condition. Additions to the system will need to be made as elements of the Wharf Master Plan are implemented. The Engineering Report does call for the extension of the under deck fire suppression system at the Public Landing No. 1 and Santa Cruz Boat Rental locations.
7. Wharf Structure Supporting Buildings – the Wharf has adequate structural capacity to support one and two story buildings, including those proposed in the Wharf Master Plan.
8. Existing Landings and Docks – all landings are functional and their fixed decks or platforms should be replaced with more resilient fiberglass decking when possible.

9. Potential for New Landing – the existing piles and Wharf structure are adequate to support the construction of a landing to accommodate vessels of 200 tons or less. Such a landing would provide transient mooring for whale watching, bay cruises, ecotourism and educational and scientific research vessels. This landing will also serve as a means of emergency egress from the Wharf.

10. Environmental Impacts – the elevation of the main deck of the Wharf is 23 feet above mean lower low water (the arithmetic mean of the lower low water heights of each tidal day observed over a specific multi-year cycle) and sufficient to keep the deck above all but the most infrequent, highest waves. Additional piles added to the east and west sides of the Wharf (as proposed in the Wharf Master Plan for the East Promenade and West Walkway) will increase its ability to withstand waves and other lateral forces. The Engineering Report reviews multiple environmental conditions and forces and their potential impact on the Wharf.

11. Permits and Studies – National Environmental Policy Act (“NEPA”) will be required for federal funds involved with any implementation of the proposals contained in the Wharf Master Plan. A project specific Individual Permit from the U.S. Army Corps of Engineers will be required, and the project will also need to comply with the California Environmental Quality Act (“CEQA”). The US Army Corps of Engineers has stepped forward to take the lead as the federal agency for the preparation of an Environmental Impact Statement and the City will be the local lead agency for the preparation of the Environmental Impact Report. It is anticipated that future permitting on the Wharf will be regulated by a Coastal Development Permit and a Coastal Commission Public Works Permit that will include all of the improvements and projects proposed in the Wharf Master Plan. Once the environmental documents have been circulated and certification achieved, the regulatory documents can be adopted by the City and Coastal Commission.

With the assistance of Congressman Sam Farr, staff has already convened an interagency meeting with officials from all of the state and federal agencies with a regulatory or permitting interest. Staff from the local office of the California Coastal Commission attended that meeting and were supportive of all elements of the Wharf Master Plan. A follow up meeting at the U.S. Army Corps of Engineers headquarters in San Francisco is scheduled for November 12, 2014.

Following acceptance of the Wharf Master Plan and certification and adoption of the environmental review, staff will return to the City Council seeking prioritization for implementation of the components of the Wharf Master Plan and authorization to secure funding.

**FISCAL IMPACT:** The Wharf was originally constructed as a public enterprise by the City and it has been maintained and developed through the efforts of the public and private sectors. As described more fully in the Wharf Master Plan, in order to achieve the potential of the Wharf and extend its longevity into the future, public reinvestment will be required. A preliminary budget estimate prepared for the public improvements follows (all numbers are rounded):

East Promenade:	\$11,900,000 to \$14,300,000
West Walkway/Access:	\$2,500,000 to \$3,000,000
Small Boat Landing:	\$2,900,000 to \$3,500,000

South Landing:	\$1,000,000 to \$1,200,000
Gateway Entrance/ Pay Stations:	\$1,200,000 to \$1,400,000
Open Water Swim Facility	\$245,000 to \$294,000
Gateway Building:	\$810,000 to \$972,000
Landmark Building:	\$2,100,000 to \$2,520,000
Events Pavilion:	\$1,240,000 to \$1,488,000
 Total:	 \$24,000,000 to \$29,000,000

There are additional costs related to the repair and maintenance of existing conditions on the Wharf discovered during the engineering evaluation. Preliminary budgetary repair estimates are as follows [note that the estimated costs provided for piles include the replacement of those under the Miramar and the Dolphin restaurants that are the highest priority for the near term (1-5 years), but are not reflective of the more costly approach necessary to place new buildings at those locations that would replace piles for the longer term (25-40 years)]:

Piles:	\$1,000,000 to \$1,500,000
Deck Sub-structures:	\$750,000 to \$1,100,000
Miscellaneous: (sewer, fire protection, landings)	\$200,000 to \$300,000
Paving:	\$7,200,000 to \$8,600,000
 Total:	 \$9,150,000 to \$11,500,000

Implementation of the Wharf Master Plan will require funding from many sectors. The EDA's planning grant for the Wharf Master Plan was key in the formulation of the Wharf Master Plan, and EDA's future involvement will be critical in addressing the role that the Wharf can play in job creation and economic development. The State Coastal Conservancy will have an interest in achieving the public access aspects, and other state agencies such as the Wildlife Conservation Board and the Department of Boating and Waterways will be interested in realizing the fishing and boating improvements. State funding for public works through agencies such as the California Financing Coordinating Committee should also be pursued when available. In addition, because of the location of the Wharf within the Coastal Zone and the significant role it can play in meeting a number of state-wide goals, consideration should be given to sponsoring special legislation that would allow for the state's share of sales tax proceeds from this area to be reinvested in the Wharf.

Local sources of funding will also be needed. In the tradition of the City bond that originally paid for the construction of the Wharf, a new local bond that repositions the Wharf for the next 100 years would be a worthy consideration. This bond could be focused on public access, recreational and open space improvements including swimming, boating, jogging, fishing, bicycling and making the scenic qualities of the Monterey Bay more accessible to all groups. The City, through the former Redevelopment Agency, also has bond proceeds earmarked for the Wharf capital improvements from the 2011 bond issue that is currently frozen due to the dissolution of redevelopment agencies in 2012. Staff is actively working with legislators on future legislation which would allow for the use of the currently frozen bonds.

Not all of the proposed improvements will be realized all at once. Many of the components will have multiple phases and priority will most likely be given to those elements which can be the most transformative in nature and give the greatest value for the investment made. From that standpoint, the implementation of the East Promenade – in part or in whole – is a key element along with the boating improvements that will do the most to realize positive change. At the same time several components can be pursued simultaneously through multiple sources of funding. It is also important to be proactive and opportunistic in order to be in position to quickly take advantage of grants and public funds that may become available for a very specific functional need. For example, the relocation of the parking gates and the implementation of the pay-on-foot system would be an excellent choice for transportation and/or parking related funding sources. One of the critical aspects to gaining funding on an opportunistic basis is to have the specific components of the Wharf Master Plan environmentally cleared, adopted, permitted, and ready to move to implementation.

The Wharf Master Plan not only identifies public improvement projects to realize the economic development potential and community vision for the Wharf, but it also establishes guidance for the mix of uses, the size and configuration of commercial development, and standards for design and development. Much of the funding for commercial development and for tenant improvements will come from private sources, however a combination of public and private sources might be used for improvements to the foundation and shell of buildings – either through lease incentives allowing for the amortization of the investment made by the private sector or through the use of a public financing mechanism that could partially be repaid through ground or building lease revenues.

There are also private funding sources that can be considered, nurtured, and pursued for public improvements. Many communities today have effectively tapped into the philanthropic realm for funding public improvement projects. There are a number of foundations whose mission is to promote environmental, recreational and educational themes, especially when associated with such an important natural setting such as the Monterey Bay National Marine Sanctuary. The Landmark Building, the Pavilion and the Gateway Building can provide opportunities for corporate participation with respect to naming rights.

The Wharf was originally built to provide for the economic development of the City and region. Over the years it has transformed itself a number of times but it has always contributed to the economic vitality of the area. Today, it is 100 years old. The implementation of the Wharf Master Plan will help to reposition the Wharf to better respond to the dynamic qualities of the marketplace, the unique characteristics of its setting, and broader community objectives. The



Wharf will thus realize its full potential as a dynamic economic engine and iconic public space for the City and the region well into the future.

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The Santa Cruz Master Plan Report and the companion Engineering Report are available online at [www.cityofsantacruz.com/wharfmasterplan](http://www.cityofsantacruz.com/wharfmasterplan), at the main branch of the Santa Cruz Public Library, and at the City Clerk's office. In addition, an abridged version of the Wharf Master Plan and the Engineering Report can be found online at <http://cityofsantacruz.com/home/showdocument?id=39522>.

ATTACHMENTS:

None.