



Legislation Text

File #: 2019-0160, Version: 1

DATE: May 14, 2019

SUBJECT:

RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC, FOR FULL SERVICE IMPOUNDED VESSEL SERVICES, GRANTING INDEMNIFICATION TO MARINE GROUP BOAT WORKS, LLC. NO ADDITIONAL FUNDING WILL BE REQUIRED IN THE CURRENT FISCAL YEAR. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.

EXECUTIVE SUMMARY:

The Marine Group Boat Works facility is located in Chula Vista directly adjacent to the District's vessel storage yard at 891 G Street. The District needs to remove impounded vessels from the current storage yard to allow construction of the Chula Vista Bayfront and Sweetwater Path projects to proceed.

A three (3) year agreement, 50-2017RH, is currently in place with Marine Group Boat Works, LLC (Marine Group) for Full Service Impounded Vessel Services which originated on July 1, 2017 at an amount not to exceed \$600,000 (Attachment A) and was amended on February 12, 2019 increasing to an amount not to exceed \$1,529,400 (Attachments B). The Impounded Vessel agreement with Marine Group, which expires June 30, 2020, is used to provide impound services for vessels that have been abandoned or impounded by Harbor Police. Services include acceptance of towed vessels, inventory reports, storage, vessel haul out, vessel transportation, the lien sale process, title acquisition processes, and vessel demolition; collectively, these services are referred to as the 'vessel process' and ultimately result in the sale or demolition of each vessel.

In providing services under this agreement, Marine Group Boat Works relies on information and direction provided by District staff. Marine Group Boat Works has requested the agreement be amended to include the District indemnifying Marine Group Boat Works to reflect its reliance on information and direction from the District.

Staff is requesting authorization of Amendment No. 2 (Attachment C) to the agreement with Marine Group Boat Works, LLC, granting indemnification to Marine Group Boat Works to facilitate removal of impounded vessels from the District storage yard.

RECOMMENDATION:

Adopt a resolution authorizing Amendment No. 2 to the Agreement with Marine Group Boat Works, LLC, for Full Service Impounded Vessel Services, granting indemnification to Marine Group Boat

Works, LLC.

FISCAL IMPACT:

There is no fiscal impact at this time related to the proposed Board action.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.

DISCUSSION:

Marine Group Boat Works, LLC currently provides full service impounded vessel services under agreement 50-2017RH, as amended. On July 1, 2017, the District entered into a three-year agreement at an amount not to exceed \$600,000 (Attachment A). The agreement was amended on February 12, 2019 to increase the maximum amount payable to a new total of \$1,529,400 and to add a new location in National City where vessel services will be performed in the future (Attachment B).

The District has historically contracted out for these services to process vessels that have been impounded by Harbor Police. This is a specialized service that requires waterside storage, the ability to accept vessels at any time, vessel lifts, heavy equipment, knowledge of applicable laws, and a thorough understanding of environmental regulations to support proper storage and disposal of vessels. The agreement supports the duty of Harbor Police to remove navigational and environmental hazards from the bay.

The Service Provider, Marine Group Boat Works, has requested an amendment adding indemnification to their agreement to effectuate continued and optimized vessel handling services.

The District needs to remove impounded vessels from the current storage yard to allow construction of the Chula Vista Bayfront and Sweetwater Path projects to proceed.

Staff requests authorization of Amendment No. 2 (Attachment C) to the agreement with Marine Group Boat Works, LLC, granting indemnification to Marine Group Boat Works to facilitate removal of impounded vessels from the District storage yard. Additionally, to further facilitate successful clearance of the existing yard and allow for redevelopment to proceed, other alternatives are also being evaluated. Additional agreements for vessel transport services may be presented for Board consideration at a later date.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved the proposed amendment as to form and legality.

Environmental Review:

The proposed Board action to amend the agreement with Marine Group Boat Works for full service impounded vessel services and to relocate the District temporary vessel storage yard is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities) and Sections 3.a. (6) of the District's Guidelines for Compliance with CEQA because the project in question proposes continued impounded vessel services. A CEQA Exemption was previously issued for this project on April 11, 2017 however, based on the change in project location, the District determined it to be necessary to revise the CEQA Exemption for the project. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). Pursuant to Section 15378(c) of the State CEQA Guidelines, the term "project" refers to the activity being approved, which may be subject to several discretionary approvals of governmental agencies, and does not mean each separate governmental approval. No further action under CEQA is required.

In addition, the proposed Board action complies with Section 87 of the Port Act, which allows for the establishment, improvement, and conduct of small boat harbors, marinas, aquatic playgrounds, and similar recreational facilities, and for the construction, reconstruction, repair, maintenance, and operation of all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses, including, but not limited to, snack bars, cafes, restaurants, motels, launching ramps, and hoists, storage sheds, boat repair facilities with cranes and marine ways, administration buildings, public restrooms, bait and tackle shops, chandleries, boat sales establishments, service stations and fuel docks, yacht club buildings, parking areas, roadways, pedestrian ways, and landscaped areas. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

Finally, the proposed Board action is considered "excluded development" pursuant to Sections 8.a. (9) (Existing Facilities) of the District's Coastal Development Permit Regulations. A "Coastal Act Categorical Determination of Exclusion" was previously issued for this project on April 11, 2017 however, a revised "Coastal Act Categorical Determination of Exclusion" is required to identify the change in location for the project.

Equal Opportunity Program:

Due to limited known sub opportunities, no SBE goal was established for this agreement.

PREPARED BY:

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Business Manager, General Services

Attachment(s):

Attachment A:	Agreement 50-2017RH with Marine Group Boat Works LLC
Attachment B:	Amendment 1 to Agreement 50-2017RH
Attachment C:	Amendment No. 2 to Agreement 50-2017RH