



San Mateo County Harbor District

Board of Harbor Commissioners

James Tucker, Presid
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William Holsinger, Commissio

Peter Grenell, General Mana

December 12, 2012

Barry Nagel
City Manager
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

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STEVE
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RETURN ORIGINAL TO ME
THX!
JH

Ref: Pursuant to the Agreement of March 25, 2011 between the City of South San Francisco and the San Mateo County Harbor District, payment to the District in the amount of \$2,000,000.00 toward cost of design, engineering, permitting and construction of up to two docks at Oyster Point Marina/Park.

Dear City Manager Nagel:

Pursuant to section 6.1 of the Agreement between the City of South San Francisco and the San Mateo County Harbor District of March 25, 2011, the District requests payment by the City in the amount of \$2,000,000.00 toward the cost of design, engineering, permitting and construction of Dock 8 (guest dock) and Dock 11 at Oyster Point Marina/Park.

Enclosed please find further documentation required by the City/District Agreement section 6.1. The City has previously received and approved the District's Capital Improvement and Management Plans as required by Agreement section 6.2. The District's contractor, Bellingham Marine Services, Inc. (contract enclosed), will begin construction within the next few weeks and anticipates completion in mid-2013.

Contact me, of course, if you have questions or require further information.



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James Tucker, Pres
Leo Padreddi, Vice Pres
Robert Bernardo, Treas
Pietro Parravano, Secy
William Holsinger, Commiss

Peter Grenell, General Manager

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Grenell".

Peter Grenell
General Manager

Cc: Board of Harbor Commissioners

Encl: Excerpt from March 25, 2011 Agreement between City and District.
Contract Agreement between District and Bellingham Marine Services, Inc.
BCDC permit No. 1977.001.17 amended 2012.
Regional Water quality Control Board Water Quality Certification.

Effective Date total \$10,083,374.03, Agency will provide the District an annual amount not to exceed the amount of minimum rent (as defined in the King Leases), including inflation adjustments set forth in the King Leases, that District is already entitled to under the King Leases ("**King Lease Rent**") commencing after termination of the King Leases and continuing until the DBW debt service is retired which the parties agree is not later than December 31, 2019. Agency will prorate any funds provided to DBW if the King Leases are terminated during a portion of a year. For purposes of example only if the King Leases were terminated on February 28, 2011, the annual payment due to the District for minimum rent would equal \$211,656, which is the same amount Developer presently pays for lease payments.

Section 6 Marina Operations.

6.1 Dock Improvements. City (with funding provided by the Agency) or Agency will commit and pay funds for design, engineering, permitting and construction of: (1) up to two new docks at the Harbor District operated harbor adjacent to the Marina Property in an amount not to exceed Two Million Dollars (\$2,000,000.00) with payment to be made within three years of the Effective Date, provided that District (i) satisfies the District's obligation in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the new dock or docks have been obtained, and (iii) District provides evidence of and commits to commence and complete construction of the dock or docks within 18 months of the time the City/Agency provides the funds; and (2) wave attenuators as required pursuant to the agreement between the Army Corps of Engineers and the District in an amount not to exceed six hundred thousand dollars (\$600,000) within one year of the Effective Date, provided that District (i) satisfies the District's obligations in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the attenuators have been obtained, and (iii) District provides evidence of and commits to have the contractor commence and complete construction of the attenuators within 24 months of the time the City/Agency provides the funds.

6.2 District Capital Improvement and Management Plans for Harbor Operations. Prior to the Agency's obligation to pay funds for dock improvements as set forth in Section 6.1, District will provide the Agency and City with a draft capital improvement plan showing the new dock or docks and a management plan to increase berth occupancy and direct revenue, both of which documents shall be subject to review and approval by the City, which such approval shall not be unreasonably withheld.

6.3 Government Approvals. District is solely responsible for any permits, approvals and government entitlements required for dock improvements. Upon written request from the District, the City will waive fees for permits, approvals, and other entitlements required for dock improvements.

Section 7 District Office Space.

7.1 Temporary Office Space. Upon City's receipt of Developer's request for conveyance of the property, the City and District will meet to discuss the District's temporary office space needs. The City will endeavor to provide six (6) months notice to the District of actual conveyance. Upon actual conveyance of property and receipt of a written request from the District and assuming the Redevelopment Agency retains its current land holdings, City/Agency will lease to District up to approximately 3,600 square feet of temporary office space in a property owned by the City/Agency until the earlier of termination of the JPA or at such time as the Permanent Office Space is available for occupancy. The rental rate for the temporary office lease space shall be one dollar per year. District shall take the leased space in its "as-is" condition and shall be responsible for all costs associated with obtaining permits for and constructing tenant