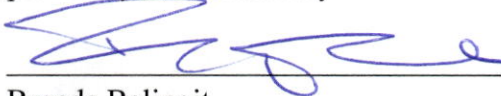


The 2025 – 2026 Contra Costa County Civil Grand Jury

Martinez: Developing a Vibrant and Sustainable Waterfront

Report 2609
June 08, 2026

Approved by the Grand Jury



Brenda Balingit
GRAND JURY FOREPERSON

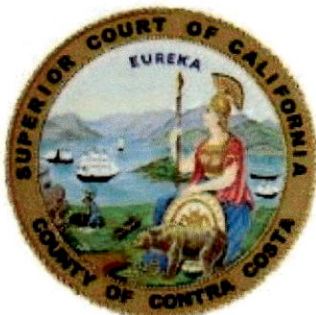
6/9/26
Date

Accepted for Filing



Hon. Terri Mockler
JUDGE OF THE SUPERIOR COURT

6/8/26
Date



SUMMARY

The City of Martinez includes 67 acres of land along the southern shore of the Carquinez Strait. Beginning in the 1960s, the City developed a marina at the waterfront, providing boat slips, piers, and commercial development to support public enjoyment. Over the years, due to budgetary constraints, the City deferred necessary maintenance of the marina.

The marina facilities exhibit substantial deterioration. The deterioration extends to a crumbling sea wall and rotted docks. Dredging will be required in the next year, and future sea level rise is a threat requiring mitigation. The marina has experienced serious flooding in the past. The City acknowledges the assessment of experts who have evaluated the marina and concluded that repair and restoration will not remedy the situation. Substantial investment will be required to perform all the necessary work.

The marina must borrow from the City's General Fund to operate and maintain its facilities. The marina independently does not generate sufficient revenue. City officials estimate that the annual subsidy required by the marina to maintain operations is \$650,000. At this level of financial subsidy, the City will be challenged to support its core services and might have to draw upon its reserves.

The City Council's vision is to develop a "vibrant and sustainable waterfront." The Council recognizes that it does not have the financial resources to achieve its vision and must seek a development partner that can fund both the creation of landside attractions for tourism and the long-delayed rehabilitation of the entire marina infrastructure.

Martinez seeks a public-private partnership, an arrangement between a government entity and a private business. The City Council has voted to explore such a partnership with Tucker Sadler, a firm with experience in the development of marinas. To fully assess the options for a partnership, the two parties have entered an Exclusive Negotiating Agreement (ENA). An ENA is a framework for the city and the developer to negotiate only with each other for the development of a proposed project.

Either party may exit the negotiation at any time during its two-year term without penalty. Meanwhile, Martinez must continue to subsidize marina operations at significant cost to its General Fund. If the parties are unable to reach an agreement for development of the marina, Martinez will be obligated to continue the subsidy, threatening its financial position. Martinez should consider identifying an alternative in case the Tucker Sadler partnership does not come to fruition. One option would be closing the marina. However, that would not be without costs: steps to mitigate periodic flooding and longer-term sea-level rise would still be required.

BACKGROUND

Martinez is located on the Carquinez Strait, a navigable shipping lane between inland California and the San Francisco Bay. Originally a ferry terminal and commercial fishing location, the waterfront was developed in the 1960s for varied uses including boat docks, a marina, a fishing pier, an amphitheater, a clubhouse, a restaurant, a bait shop, and other marine-related uses. From

the 1960s forward, in addition to the marina, the shoreline has had a wide variety of public uses, including sports fields, picnic areas, and public gathering areas.

Figure 1. The Martinez Waterfront Area



In 2014, the State granted Martinez four parcels of sovereign tidelands and submerged lands known as Trust Lands. These waterfront lands are entrusted to Martinez to be used for public access, recreation, commercial activities, and environmental stewardship. The Trust Lands and the marina together are the subject of Martinez’s proposed project.

A July 16, 2025, staff report for the City Council, titled “Martinez Marina and Waterfront Revitalization” acknowledged:

[T]he marina currently faces dire and deteriorating conditions that demand significant intervention. Constructed in the 1960s the marina has far exceeded its useful life. Years of deferred maintenance and limited reinvestment have accelerated its decline, resulting in critical maintenance needs that far exceed the City’s budgetary capacity, and rendering repair and restoration of the existing infrastructure infeasible.

As described in an independent engineering report commissioned by the City, there has been substantial deterioration of marina structures, and the sea wall does not protect the shoreline or

low-lying adjacent properties. These factors, along with environmental events, such as sea level rise, king tides, and flooding, have impacted the usefulness and safety of the marina.

Martinez has an ambitious vision for the revitalization and redevelopment of its marina and waterfront but lacks financial resources for ongoing repairs and capital investments to the marina and waterfront. The City is negotiating with a potential development partner but does not have an alternative plan to keep the marina operational and mitigate the effects of sea level rise if current negotiations do not result in a development plan.

The Grand Jury's investigation highlights the existing conditions of the waterfront and marina, the participants in the redevelopment process, and the need for an alternative solution if the current process fails to produce an actionable development plan.

METHODOLOGY

The Grand Jury utilized these sources to conduct its investigation:

- Interviews with subject matter experts
- Financial documents, including actual and projected budgets for the City of Martinez
- Examinations of federal and state documents pertaining to sea level
- An independent engineering report commissioned by the City that examined marina conditions
- Reports from the City of Martinez and its potential partners regarding the proposed vision and model for the marina
- Public documents from local officials and experts
- Site visits and observations
- City of Martinez Waterfront and Marina Master Plan dated July 16, 2025

CONFLICT OF INTEREST DISCLAIMER

Grand Juror Edi Birsan recused himself due to a possible conflict of interest and did not participate in the investigation, preparation, or approval of this report.

DISCUSSION

The City of Martinez occupies 13.6 square miles in the north-central area of Contra Costa County. The northern limit of the City is a waterfront that abuts the eastern end of the Carquinez Strait. The 2020 census counted 37,287 residents living in Martinez. For the 2025-2026 budget cycle, the City projected revenues of \$37.7 million against expenditures of \$38.5 million, with a projected deficit of approximately \$800,000.

The marina and waterfront comprise 67.3 acres of land along the southern shore of the Carquinez Strait. Originally a ferry terminal and commercial fishing location, these lands were developed in the 1960s for varied uses including boat docks, marina, a fishing pier, amphitheater, restaurant, bait shop, and other marine uses.

To the west of the waterfront and marina is Radke Martinez Regional Shoreline Park. Totalling 343 acres, the area is part of the East Bay Regional Park District and features marshland restoration, trails, birdwatching areas, and other recreation. East of the waterfront and marina are picnic areas and sport fields. The waterfront area is separated from downtown Martinez’s retail establishments by grade-level railroad tracks.

Current Condition of the Marina and Waterfront

City staff and outside consultants reported advanced deterioration of the marina’s structures that cannot be fully addressed by repair or restoration and will ultimately require replacement.

The City obtained a thorough assessment of the marina’s condition by the engineering firm Anchor QEA in January 2023. The assessment included an in-depth study of three components of the marina—dredging, the breakwater, and docks—and resulted in a detailed report.



Source: Grand Jury investigation photography

Dredging. Dredging involves the excavation of sediment from the bottom of waterways. This sediment—often referred to as silt—naturally accumulates over time from the deposition of fine material carried downstream by rivers. The accumulated sediment from the San Joaquin and Sacramento Rivers restricts the navigable depth of the marina, rendering some boat slips unusable. The location of the Martinez marina, adjacent to the narrowing of Carquinez Strait, tends to exacerbate this problem.

The U.S. Army Corps of Engineers recommends dredging of navigable waterways every three to five years. The marina was partially dredged in 2022 with the removal of 37,249 cubic yards of material. This did not restore full use of the marina basin and those areas not dredged remain heavily sedimented.

Breakwater. Breakwaters partly absorb and deflect the energy of waves that otherwise would impact shore-based structures such as docks and piers. The Martinez marina is surrounded by breakwaters save for one open section to permit the passage of watercraft. The Anchor QEA assessment found a range of damage to structures that resulted from compromised breakwaters. The damage included missing and broken sheet piles (vertical components of a retaining wall) and dock damage from waves. Damage to the breakwater also accelerates the deposit of sediment.

Seawall. The seawall sits directly on the shoreline, acting as a hard water barrier between land and water to protect the shoreline from waves. The Anchor QEA assessment determined the most serious concern for the seawall was the overtopping of its eastern wall during tides exceeding four feet. The overtopping would result in shoreline erosion and dock damage.

Docks. The Anchor QEA study further assessed the condition of the docks. It reported dry rot, broken deck boards, and uneven walking surfaces. The study concluded that the marina exhibited deterioration so significant that only replacement, not repair, was feasible.

Flooding and Sea-Level Rise

The Martinez waterfront is subject to flooding, with low-lying areas and structures being partly or wholly inundated. The City noted sea level rise affects the waterfront, “resulting in frequent flooding of the parking areas throughout the year.”

Several expert bodies have documented the potential for sea level rise in the San Francisco Bay, including the Carquinez Strait, which Martinez abuts.

- The National Oceanic and Atmospheric Administration has noted flood risk for the Martinez waterfront area.
- The U.S. Army Corps of Engineers has noted the same flood risk.
- The National Climate Assessment has recorded the risk of flooding to the area that would result from sea level rise.

According to the 2022 Federal Sea Level Rise Technical Report, issued by the Interagency Sea Level Rise and Coastal Flood Hazard and Tool Task Force, a multi-agency federal effort, sea level scenarios for California span the range of future sea level rise. Estimates for San Francisco Bay show sea level rise of 6 to 10 inches by 2050 and 12 to 37 inches by 2100.

Martinez Strategic Plan

The Martinez City Council recognizes the value of the marina and waterfront in providing both recreational opportunities and conservation areas for the public. The development of the marina in the 1960s and development of the Radke Martinez Regional Shoreline in conjunction with the East Bay Regional Park District furthered the area’s utilization.

Vision for the Marina and Waterfront

On September 3, 2025, the City Council adopted a four-year strategic plan. One section of the plan discusses development of the marina and waterfront. The vision of the City Council is to develop a “vibrant and sustainable waterfront and marina.” The area is to be transformed into a modern, well-maintained destination supporting recreation, community gathering, and tourism. Essential to the plan is to “prioritize revenue-generating strategies that reduce reliance on General Fund loans.” The revenue to be generated from the project is described as “essential to the City’s future.” The City of Martinez stated in the strategic plan that its vision of revitalizing the marina cannot be met with current financial resources.



Source: City of Martinez website, “Waterfront and Marina,” conceptual illustration of vision

The Marina’s Deterioration Threatens the City’s Budget

Expenses resulting from ongoing operation of the marina pose a threat to the City’s finances.

- **Loans.** The staff report to the City Council dated December 17, 2025, states that the “status quo at the Marina is financially unsustainable.” Ongoing operation of the marina has been supported by loans drawn from General Fund reserves. Since the 2021-2022 fiscal year, the City has provided more than \$2 million to support marina operations.

- **Ongoing subsidies.** City staff project that the difference between revenues and expenditures will require annual subsidies (which are being treated as loans) to the marina of \$650,000. The subsidies place growing pressure on the City’s financial position. “Simply put,” the same staff report states, “the City cannot continue subsidizing the Marina at this scale without compromising core services.”
- **Effects on future budget reserves.** The Martinez City Manager, in a July 16, 2025, report to the City Council, stated, “If this trend continues, the City is expected to fall below its reserve targets by 2027, and below its minimum reserve level by 2032.”
- **Deferred maintenance costs.**
 - The Anchor QEA study estimated that the cost of replacing one of the seven sections of the seawall alone will be \$7 million to \$9 million. Martinez does not have funds designated for this purpose.
 - The study indicated replacement of the entire marina is estimated to cost \$14 million to \$17 million. Martinez does not have funds designated for this purpose.
 - The last partial dredging of the marina took place in 2022. The U.S. Army Corps of Engineers advise dredging every three to five years. Using the outside limit, the marina should be dredged no later than 2027. Using U.S. Army Corps of Engineers estimates, repeating the partial dredging effort from 2022 would now cost between \$930,000 and \$1.8 million. Martinez does not have funds designated for this purpose.

The City has sought external funding to address the challenges of the marina. It received one federal grant for \$2.5 million to rehabilitate the fishing pier in 2023. The City has been unsuccessful in obtaining additional grants.

The Trust Lands

In September 2014, the Governor signed SB 1424 designating the City of Martinez as the trustee of sovereign tide and submerged lands in the Marina. The legislation mandated that Martinez create a Trust Land Use Plan (TLUP) setting forth any permissible future development, subject to the approval of the California State Lands Commission.

In 2024, the TLUP was approved by the City Council and adopted by the State Lands Commission.

In March 2026, the City amended the 2024 TLUP to include “hotels, restaurants, visitor-serving establishments, and parking facilities.” Based on State restrictions, the Trust does not allow any private residential housing. Therefore, the Trust Lands can only be used for public access, recreation, environmental education, and commercial use in support of revitalizing the Martinez waterfront.

Until August 2024, Almar Marina Management had operated the marina under a long-term contract with the City. At that time, Almar supplied the City with a 60-day notice to terminate the contract. The departure of the marina’s operator prompted Martinez, using TLUP as its

guide, to approach several marina developers and operators to assess their interest in either taking over or partnering on revitalization efforts.

According to a February 25, 2026, report from the San Francisco Bay Conservation and Development Commission (BCDC), most firms the City approached declined interest due to TLUP's limiting "small-scale retail" opportunities.

One company, Safe Harbor Marinas, which manages 138 marinas in the United States, expressed interest but stated it needed more commercial development to make the project feasible. According to BCDC, Safe Harbor Marinas found that the Martinez marina would need landside development, such as commercial use, as well as in-water development for long-term success. Its revitalization idea included the Trust Lands. As mentioned above, the Trust Lands are leased to Martinez by the State, meaning that permission from the State is needed to develop the Trust Lands.

The City was unable to find a partner for the proposed development. However, Safe Harbor Marinas introduced the City to Tucker Sadler, an architectural design, planning, and land development firm. Tucker Sadler's 60 years of experience includes marina-oriented public-private partnerships.

Exclusive Negotiating Agreement

Martinez City Council and staff agree they have found a potential partner for redevelopment of the marina and waterfront. On December 17, 2025, the City entered into an Exclusive Negotiating Agreement (ENA) with Tucker Sadler.

The ENA covers two years, from December 17, 2025, to December 17, 2027. During this time, the parties will collaboratively determine if they can agree to the terms and scope of a development project. The ENA calls for conceptual design of the waterfront and marina.

This is an initial step to determine if a public-private partnership will work. The ENA states what the requirements are for the necessary studies, project design, and public outreach. Both parties are expected to act in good faith but either party may terminate negotiations at any time without consequence.

If negotiations are successful, the City and Tucker Sadler will enter into a Development Agreement. The Agreement would include the specific project terms, public benefits, and long-term commitments. If negotiations do not result in a Development Agreement, Martinez will remain responsible for maintaining the waterfront and marina.

Public-Private Partnerships

A development agreement between Martinez and Tucker Sadler would be an example of a public-private partnership. A public-private partnership is an arrangement between a government entity and a private business. The government works with the private entity to deliver a public service or public infrastructure. Both groups share responsibilities, goals, and expertise. There is always a formal contract explaining the details of which party is responsible for which duties since the contract can last 10 years or more.

There are public-private partnerships that create infrastructure, such as roadways, bridges, parking lots, and schools. The focus for Martinez is the waterfront and marina. Public-private partnerships reflect the specific assets and resources needed for a new development project. The partnerships can be complex agreements. Private partners may not start earning revenue until a project is complete and operational.

Risks and Challenges of Public-Private Partnerships

During the investigation of the development of the Martinez marina and waterfront, the Grand Jury learned about multiple examples of public-private partnerships with negative or positive outcomes. The examples below have different development infrastructure requirements from Martinez but are shared to demonstrate potential risks and challenges.

Chicago Parking Meters. Not all public-private partnerships turn out well for the public entity. In 2008, the City of Chicago leased out its entire system of 36,000 parking meters to a private entity for 75 years in exchange for a one-time up-front payment of \$1.15 billion. Following the execution of the agreement, Chicago’s Inspector General issued a report that concluded the City had leased the meters for nearly \$1 billion less than their actual estimated value. The leasing entity recouped its entire \$1.15 billion investment in approximately 15 years and will likely earn billions more in profit over the remaining 60 years of the contract. In addition to underestimating the revenue value of the meters, the agreement obligates Chicago to compensate the leasing entity for any parking meters taken out of service for such things as construction projects, special events, or the installation of bike lanes or bus lanes. Further, as stated in a 2025 “GovFacts” report by the U.S. Department of Commerce, “[T]he lack of transparency and independent analysis of the project will likely lead to multi-generational consequences.”

Presidio Parkway. The Presidio Parkway project in San Francisco is an example of a successful public-private partnership. In 2009, a public-private partnership between the California Department of Transportation (Caltrans), San Francisco County Transportation Authority (SFCTA), and Golden Link Concessionaire sponsored San Francisco’s Presidio Parkway. The Presidio Parkway is a 1.6-mile span of Highway 101, formerly known as Doyle Drive, which links the Golden Gate Bridge with the northern and western sides of San Francisco.

Doyle Drive, built in 1937, was aging and determined to be seismically unsafe. Early in the 1970s, Caltrans began planning to update the infrastructure. By 1993, a task force had been formed to consider new designs for Doyle Drive. By 1996, the SFCTA was able to complete its study on necessary requirements, such as adding a center divider to eliminate head-on collisions. From 2000 to 2009, environmental studies, impact reports, and community input were gathered and used to modify designs. After federal, state, local, and private funding came through, construction began in 2009. Transparent goals, stable funding sources, and strong public leadership were all key factors to success, according to SFCTA.

Failure to Reach a Development Agreement

The Martinez City Council and staff are aware of the risks in the proposed public-private partnership. Negotiations conducted under an ENA do not guarantee a final development agreement. If negotiations do not result in an agreement, Martinez will remain responsible for

maintaining the waterfront and marina and addressing the associated costs of maintenance and repair. The City has acknowledged that if the Tucker Sadler partnership fails to materialize, and if there are no other options available, it may need to close the waterfront area. Closing the waterfront area still does not address issues such as flooding and sea level rise.

The City needs to consider an alternative funding plan for the repair, redevelopment, and/or rehabilitation of the marina and waterfront as a Plan B to the ENA with Tucker Sadler.

FINDINGS

F1. Martinez has 67.3 acres of waterfront property along the Carquinez Strait, including parcels deeded in 2014 by the State Lands Trust.

F2. The Martinez City Council seeks to develop what it describes as a “vibrant and sustainable Waterfront and Marina” per its four-year Strategic Plan.

F3. Martinez’s Strategic Plan includes waterfront and marina public spaces including recreational, boating, and wetlands components.

F4. A January 2023 engineering study by Anchor QEA commissioned by Martinez revealed that the marina seawall, docks, and pilings have deteriorated and require repair, rehabilitation, and/or replacement.

F5. Martinez currently lacks funds from ongoing City revenues for repair, rehabilitation, and/or replacement of the waterfront, seawall, marina docks, and pilings.

F6. The marina was partially dredged last in 2022.

F7. Dredging of the marina every 3 to 5 years is required to provide enough waterway depth for boats to access docks.

F8. Martinez currently lacks funds for dredging silt deposited along its waterfront and the marina.

F9. Martinez’s shoreline is subject to a projected sea level rise of 6 to 10 inches by 2050, as determined by a 2022 Federal Sea Level Rise Technical report.

F10. The projected rise in sea level will require the building of a higher seawall to prevent flooding of the marina parking lot and surrounding low-lying areas

F11. Martinez currently lacks funds for construction of a higher seawall.

F12. Martinez cannot continue subsidizing the marina at the current scale without compromising the City’s core services.

F13. Martinez projects the difference between revenues and expenditures will require the City to continue to loan the marina \$650,000 annually for its maintenance and operation.

F14. Martinez has determined that a public-private partnership is the solution to create a vibrant and sustainable waterfront and marina.

F15. Martinez has entered into an Exclusive Negotiating Agreement (ENA) with Tucker Sadler, a firm that has experience in developing waterfronts and marinas.

F16. The purpose of the ENA is to create a framework for the City and the developer to negotiate only with each other for the development of the proposed project.

F17. Martinez City Council and staff acknowledge the risks involved in a public-private partnership.

F18. If Martinez is unable to negotiate and execute a development agreement with Tucker Sadler, there is no identified mechanism to fund the repair, rehabilitation, or continued operation of the marina and waterfront.

RECOMMENDATION

R1. By February 1, 2027, the Martinez City Council should consider developing an alternative funding plan that ensures the repair, redevelopment, and/or rehabilitation of the marina and waterfront without interfering with the current ENA or potential development agreement.

REQUEST FOR RESPONSES

Pursuant to California Penal Code Section 933(b) et seq. and California Penal Code Section 933.05, the 2025-2026 Contra Costa County Civil Grand Jury requests responses from the following governing bodies:

Responding Agency	Findings	Recommendations
City Council for the City of Martinez, California	F1-F18	R1

These responses must be provided in the format and by the date set forth in the cover letter that accompanies this report. An electronic copy of these responses in the form of a Word document should be sent by email to: ctaadmin@contracosta.courts.ca.gov and a hard (paper) copy should be sent to:

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