



September 2, 2026

Contra Costa Civil Grand Jury
P.O. Box 431
Martinez, CA 94553

To the Authors of the Contra Costa County Civil Grand Jury Report,

The City Council of the City of Martinez (the “City”) appreciates the work of the 2025–2026 Contra Costa County Civil Grand Jury and welcomes the opportunity to respond to Report No. 2609, “Martinez: Developing a Vibrant and Sustainable Waterfront.” The City acknowledges the significant challenges and opportunities identified in the report and remains committed to responsibly stewarding the marina and waterfront in alignment with the City’s Strategic Plan, State and Local Law, State Lands Trust requirements, and community expectations.

Response to Specific Items Invited for the City Council of Martinez

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

Response: Agree. Martinez’s stewardship of these 67.3 acres is both a legal responsibility and a generational opportunity. The State’s 2014 action placed these waterfront Trust Lands under Martinez’s care with the expectation that they be managed to serve public access, recreation, and environmental benefit. The City approaches this responsibility seriously. The current revitalization effort is designed to honor those obligations by transforming long-underfunded public assets into a safe, accessible, and financially sustainable waterfront that reflects the community’s long-term interests.

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

Response: Agree. The City Council’s commitment to creating a ‘vibrant and sustainable Waterfront and Marina’ is not simply an aspirational line in the Strategic Plan — it is the foundation guiding every major waterfront action taken over the past two years. The City Council has intentionally paired this vision with concrete steps, including the approval of the Exclusive Negotiating Agreement (“ENA”) with Tucker Sadler Architects, a firm with demonstrated experience in large-scale waterfront and mixed-use design and development in other communities such as Chula Vista and San Diego. The ENA includes provisions to address the waterfront and marina challenges through a structured process

which provides a path toward long-term public access, modernized infrastructure, and reduced reliance on General Fund subsidies.

F3. The Strategic Plan includes waterfront public spaces for recreation, boating, and wetlands.

Response: Agree. The Trust Land Use Plan's emphasis on recreation, boating, wetlands, and public-serving uses reflects Martinez's long-standing commitment to balancing ecological stewardship with community access. These elements are core to the waterfront's identity and are foundational to the revitalization effort. By modernizing public spaces, improving access, and integrating environmental enhancements, the City aims to restore the waterfront as a regional asset while protecting sensitive shoreline and wetlands areas for future generations. The proposed revitalization not only advances the Strategic Plan — it provides the pathway to finally deliver on it.

F4. The January 2023 engineering study found significant deterioration requiring repair or replacement.

Response: Agree. The City acknowledges the findings of the 2023 Anchor QEA engineering study, which confirmed that the marina's core infrastructure has exceeded its useful life and requires full replacement rather than piecemeal repairs. While the marina is maintained in a condition that is safe for current users, the report made clear that the deterioration is systemic and long-standing, reflecting decades of deferred maintenance. The City's current leadership is pursuing a comprehensive revitalization approach rather than continuing the cycle of short-term fixes. A modernized marina and seawall is essential to meeting public safety obligations, protecting the shoreline for today and in the face of rising sea-level, and creating a facility that can operate sustainably without recurring General Fund subsidies.

F5. Martinez lacks ongoing City revenue sufficient to fund needed marina repairs or replacement.

Response: Agree. The City agrees Martinez does not have sufficient ongoing revenue capacity to fund the significant repair, rehabilitation, or replacement needs of the marina and waterfront. The Marina Enterprise Fund has operated at a deficit for many years, requiring substantial General Fund loans to maintain basic operations as well as periodic draws on previously strong reserves for planning, permitting, repairs, maintenance, and interim management. These financial realities underscore that slip fees and other marina revenues are not adequate to support aging infrastructure.

This is why the City is pursuing a privately financed, self-sustaining revitalization strategy — the only realistic path to modernize the marina, improve public facilities, and remove long-term pressure on City finances.

F6. The marina was partially dredged in 2022.

Response: Agree. Partial dredging in 2022 was necessary to maintain navigability, at a total cost of almost \$1 million, all coming from the City's General Fund. While effective in the short term, dredging does not resolve the underlying issues contributing to sedimentation. The revitalization process offers an opportunity to evaluate long-term solutions that reduce dredging frequency and cost.

F7. Dredging every 3–5 years is required to ensure waterway access.

Response: Partially Disagree. Periodic dredging is needed, but a 3–5-year interval is not a regulatory requirement. Dredging demands in Martinez reflect its aging marina layout, breakwater condition, and unique siltation dynamics. Modernizing these elements would help reduce the frequency and scope of ongoing dredging needs and costs.

F8. Martinez lacks funds for dredging.

Response: Agree. The City agrees it does not currently have the funds to perform additional dredging. Past dredging relied almost exclusively on strong General Fund reserve, which has become more limited. Without redesigning the marina's configuration, dredging will continue to be financially challenging.

F9. Martinez's shoreline is subject to projected sea level rise of 6–10 inches by 2050.

Response: Agree. The City agrees with the sea-level rise projections cited and is already experiencing early tidal flooding impacts at the waterfront. New state law requires Martinez to begin preparing a shoreline adaptation plan, which the City intends to complete in partnership with Contra Costa County and East Bay Regional Park District. In addition, any future waterfront project must be approved by the Bay Conservation and Development Commission, whose standards require that all designs fully account for projected sea-level rise. These processes will ensure the City's long-term resilience strategy is grounded in best practices and coordinated with regional partners.

F10. Sea level rise will require a higher seawall.

Response: Partially Disagree. The City agrees that sea level rise must be fully addressed in any future waterfront improvements. However, it is not yet clear that

a taller seawall is the appropriate or most effective solution. The revitalization process will involve detailed engineering analysis, updated hydraulic modeling, and evaluation of multiple shoreline-protection strategies — including structural, hybrid, and nature-based approaches. The City's goal is to identify a solution that provides long-term resilience, protects public access, and aligns with regional standards, rather than assuming one specific intervention, such as raising the seawall, is the best or only option.

F11. Martinez lacks funds for seawall construction.

Response: Agree. The City agrees it does not have the funds needed to construct a new seawall or comparable shoreline-protection infrastructure. Modernizing the seawall is a major capital investment far beyond the capacity of the General Fund or the Marina Enterprise Fund, which has operated at a deficit for years and relies on substantial subsidies to remain functional. This is precisely why the City is pursuing a revitalization strategy designed to be privately financed and self-sustaining. Further, the City is also concurrently pursuing regional, state, and federal grants, as well as a federal Opportunity Zone designation, to potentially fund the necessary infrastructure improvements, such as the seawall.

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

Response: Agree. The City agrees it cannot continue subsidizing the marina at its current scale without compromising core services. The Marina Enterprise Fund has operated at a deficit for many years, requiring ongoing General Fund loans to sustain operations. At the same time, the City's ten-year financial forecast shows persistent General Fund structural deficits, indicating that continued subsidies to the marina would create additional long-term fiscal challenges. These conditions reinforce the need for a self-sustaining operating model.

F13. The marina will require an annual subsidy of approximately \$650,000.

Response: Partially Agree. The annual budgeted subsidy varies each fiscal year and covers utilities, repairs and maintenance, State loans and the annual cost of a third-party management company (by F3 Marinas). Fortunately, the actual cost of the subsidy is anticipated to be lower than the original projection of \$650,000, due to the positive results of boat slip fee increases, which began in January 2026, and will increase another 20 percent in January 2027, marking the first substantial slip fee increases in approximately 20 years. Additionally, the City established a Development Incentive and Community Development Program in 2024 to create a new revenue stream to fund minor repairs to the waterfront and implementation of the Trust Land Use Plan, slightly reducing the General Fund subsidy. Since 2024, this program has generated \$74,019 and an additional

approximately \$150,000 is expected within the next year. Regardless, the Marina Enterprise Fund still operates at a significant deficit and cannot repay the General Fund loans needed to maintain operations.

F14. The City has determined a public-private partnership is the solution.

Response: Agree. The City agrees a public-private partnership (“PPP”) is the most viable path to achieving a revitalized, financially sustainable waterfront. Beyond addressing long-standing infrastructure needs, a modernized waterfront has the potential to generate new ongoing revenues — including Transient Occupancy Tax and other visitor-serving revenue streams — that are not possible under the marina’s current configuration. A PPP structure allows the City to responsibly evaluate these opportunities while ensuring the project remains privately financed and self-sustaining.

F15. Martinez has entered an ENA with Tucker Sadler.

Response: Agree. The City agrees it has entered into an Exclusive Negotiating Agreement with Tucker Sadler Architects, a firm with significant experience in waterfront and marina planning and development. The ENA allows the City and the developer to explore the feasibility of a privately financed, self-sustaining revitalization project and to evaluate modern design, engineering, and operational approaches that could address long-standing infrastructure challenges at the waterfront. Tucker Sadler Architect’s background in complex coastal redevelopment provides the City with the expertise needed to assess options thoroughly during this negotiation period.

F16. The ENA provides a framework for exclusive negotiations.

Response: Agree. The City agrees the purpose of the Exclusive Negotiating Agreement is to establish a structured framework in which the City and Tucker Sadler Architects negotiate solely with one another. This framework ensures that both parties can focus their technical, financial, and planning work on a single coordinated concept, evaluate feasibility in a disciplined and transparent way, and determine whether and how a privately-financed, self-sustaining revitalization project is achievable.

F17. Martinez acknowledges risks in a public-private partnership.

Response: Agree. The City agrees public-private partnerships involve risks, and it has approached the ENA with that understanding. The City is evaluating feasibility through structured analysis, public engagement, and coordination with regional and state partners. This work ensures that the City is assessing both opportunities and risks in a disciplined and transparent manner as it determines whether a privately financed, self-sustaining waterfront revitalization project is achievable.

F18. If Martinez cannot reach a development agreement, there is no identified mechanism to fund future operations.

Response: Partially Disagree. The City agrees the current marina configuration has no viable long-term funding mechanism. However, even if negotiations with Tucker Sadler Architects do not result in a development agreement and an approved revitalization project, the City's Strategic Plan still directs Martinez to pursue a public-private partnership model, as it remains the only viable long-term approach to modernizing the waterfront and reducing reliance on City subsidies. In the near term, the City would evaluate additional alternative paths — such as managed retreat or a reduction in marina operations — to address ongoing fiscal deficits while continuing to seek a partner capable of delivering a self-sustaining revitalization project.

General Responses to Report Conclusions and Recommendations

In addition to responses to the findings and recommendations that were requested of the City, below are additional comments on the conclusions of the report.

R1. By February 1, 2027, the 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 ENA.

Response: This will be implemented. The City agrees contingency planning is necessary. Staff are actively assessing options — including design alternatives, managed retreat considerations, and partnership approaches with the State Lands Commission, Bay Conservation and Development Commission ("BCDC"), and regional partners. In addition, new state law requires all shoreline jurisdictions, including Martinez, to prepare a shoreline adaptation plan by 2034. This mandate will require the City to evaluate what mitigation and adaptation steps may be needed to address sea level rise, working closely with regional partners. While the State has provided time to complete this work, the City understands that planning for long-term shoreline resilience must proceed in parallel with the ENA.

Conclusion

The City thanks the Contra Costa County Civil Grand Jury for its detailed review. The City acknowledges the serious challenges facing the marina and waterfront and is committed to advancing responsible, sustainable, and community-serving solutions.

Sincerely,



Michael Candler
City Manager, City of Martinez

CC: Mayor and City Council
Lauren Sugayan, Assistant City Manager
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