



CITY OF

NEWPORT BEACH

City Council Staff Report

November 14, 2017
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Adopt Resolution 2017-72 for Acceptance of Grant Funding for the
Surrendered and Abandoned Vessel Exchange (SAVE) Program
from the Division of Boating and Waterways

ABSTRACT:

Staff applied for and has been awarded grant funding from the State of California's Division of Boating and Waterways to remove abandoned and nuisance vessels from the waters of Newport Harbor. The funding provided by the grant supplements existing City funds dedicated towards the removal of abandoned or surrendered nuisance vessels in Newport Harbor.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Adopt Resolution No. 2017-72, *A Resolution of the City Council of the City of Newport Beach, California, Accepting a Grant from the State of California Department of Parks and Recreation Division of Boating and Waterways for the Surrendered and Abandoned Vessel Exchange Program*; and
- c) Approve Budget Amendment No. 18BA-014 recognizing \$125,000 in grant revenue from the California Division of Boating and Waterways (13501-431385-18H11) and appropriating \$125,000.00 to Account No. 13501-980000-18H11 (Abandoned Watercraft Abatement).

FUNDING REQUIREMENTS:

The Budget Amendment records and appropriates \$125,000.00 in additional revenue from the State Department of Boating and Waterways and \$125,000.00 in increased expenditure appropriations. The revenue will be posted to Contributions Account No. 13501-431385-18H11, and services will be expensed to the Abandoned Watercraft Abatement account in the Public Works Department, 13501-980000-18H11.

DISCUSSION:

Newport Harbor is one of the largest small-craft recreational harbors on the California Coastline, and is a welcome port to many boaters as they cruise the Pacific or tour local waters. The City encourages public access to the water and offers slips and vacant moorings available for rent to both locals and visitors. With approximately 1,220 public moorings, the harbor also serves as home for a variety of permitted vessels.

While the majority of boaters and mooring permittees properly use the harbor, occasionally issues such as vessel abandonment, illegal berthing and derelict vessels do occur. As a result of this, some vessels may face citations, impoundment, or subsequent legal action (such as liens, junking, and demolition.)

Left alone, such vessels may pose as harmful water hazards, and can be prone to discharges of oils, gas, sewage or other fluids, become platforms for wildlife to overrun, or worst yet take on water and sink in the harbor. Occasional City inheritance of these derelict and abandoned vessels results in disposal related costs for the City, and as such, requires funding for proper disposal.

Considering that the process results in a necessary expenditure of public funds, City staff is continuously exploring alternate mechanisms to reduce costs, obtain grant funding, and improve the effectiveness of the abandoned vessel remediation in Newport Harbor.

The Surrendered and Abandoned Vessel Exchange (SAVE) grant is a combination of state grant funds for the Abandoned Watercraft Abatement Fund (AWAF) and the Vessel Turn-In Program (VTIP), and is administered by the State of California's Department of Parks and Recreation's Division of Boating and Waterways.

The AWAF is a reimbursement grant created in 1997 to provide state funding for the abatement, removal, storage and disposal of abandoned vessels, wrecked or dismantled vessels that pose a substantial hazard to navigation from navigable waterways or adjacent public property, or private property (with the landowner's consent) per Harbors and Navigation Code (HNC) Section 525.

The VTIP grant was created by the State in 2010 as a proactive solution to prevent abandoned vessels before they happen. By providing an easy and free alternative for boat owners to surrender an unwanted vessel to a participating agency in lieu of abandonment, it helps eliminate the expensive, difficult and time-consuming adjudication and removal process that abandoned vessels require.

In Fiscal Year (FY) 2014-2015, Harbor Resources applied for, and successfully obtained SAVE grants for both AWAF and VTIP funding totaling \$125,700.00. In Fiscal Year (FY) 2014-2015, Harbor Resources applied for, and successfully obtained SAVE grants for both AWAF and VTIP funding totaling \$125,700.00. In September 2016, an amendment was executed to extend the grant term to 10/1/2017.

In April 2017, Harbor Resources staff submitted a new application for the next available round of SAVE grant funding. On August 2017, the State provided notice of award for a grant amount of \$125,000.00.

This grant will supplement current Capital Improvement Program (CIP) funds for abandoned vessel abatement and will allow the City to expeditiously process and demolish vessels, and ultimately recoup the costs up to \$125,000.00. This grant reimburses the City for removing abandoned and surrendered vessels while the City provides a 10 percent contribution with in-kind services, staffing, and other impound and disposal fees.

As required for grant acceptance, an adopted resolution must be submitted to the Division accepting the grant and authorizing the execution of the grant agreement.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Resolution No. 2017-72
Attachment B – Budget Amendment