

**Resolution 10-14**  
of the  
**San Mateo County Harbor District**  
to  
**Amend the District's March 2002 Business Plan for the  
Department (now Division) of Boating and Waterways to Add  
APPENDIX C – Purchase of Office Building in El Granada, San  
Mateo County, APN 047-204-120**

**Whereas**, the Board of Harbor Commissioners ("Board") had prepared a District Business Plan and submitted it to the Department (now Division) of Boating and Waterways ("Division") as required support for a consolidated loan agreement with the Division; and,

**Whereas**, in 2014, subsequent to the provision and acceptance of the Business Plan, the Board decided to purchase a three-story office building in the unincorporated community of El Granada, San Mateo County, APN 047-204-120; and,

**Whereas**, the Board has determined that the Business Plan needs to be amended to include reference to the building purchase.

**Therefore, be it resolved** that the Board of Harbor Commissioners hereby amends its March 2002 Business Plan to include an APPENDIX C – Purchase of Office Building in El Granada, APN 047-204-120, attached and incorporated by reference herein.

**Be it further resolved** that the Board of Harbor Commissioners authorizes the General Manager to forward this Resolution and APPENDIX C to the Division of Boating and Waterways for acceptance and written acknowledgment.

Approved this 7th day of May, 2014 at a regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For: Bernardo, Brennan, Holsinger, Parravano, Tucker

Against: None

Absent: None


Abstaining: None

Attested

**BOARD OF HARBOR COMMISSIONERS**



Debbie Nixon  
Deputy Secretary



Robert Bernardo  
President

**SAN MATEO COUNTY HARBOR DISTRICT  
BUSINESS PLAN**

**APPENDIX C – PURCHASE OF OFFICE BUILDING IN EL GRANADA, SAN MATEO  
COUNTY, APN 047-204-120**

**A. Purpose and Intended Use**

On April 2, 2014, the Board of Harbor Commissioners of the San Mateo County Harbor District decided to purchase a three story office building in El Granada, San Mateo County, APN 047-204-120. The District intends to relocate its Administration Office, now in rented quarters in the City of South San Francisco, to this building in its coastside location. At the time the District moved its administrative functions out of very crowded shared space with the Pillar Point Harbor Patrol, the Board had determined that administration should eventually return to coastside in the District's own rent-free accommodations.

The building has 6,574 sq. ft. on an 11,000 sq. ft. parcel. The District would lease two of the floors (one is currently occupied) and use one floor for its own use. The rental income would go toward amortizing the purchase cost.

**B. Purchase Cost**

Purchase cost is \$1,800,000. The District will pay this price in a single lump sum payment, thereby avoiding financing costs. The District will not use funds from its restricted collateral reserve account. Purchase funds will come from other capital reserves.

**C. Revenues**

The building currently has one tenant, paying \$3,000 per month rent. The District has identified a tenant for one of the vacant floors, who is likely to occupy and pay \$2,400 per month. The \$5,400 per month total rent revenue

will be available for recouping purchase price and defraying maintenance costs.

#### **D. Maintenance Cost**

Building maintenance costs have not been determined at this time. However, rental revenues will be allocated to these costs as needed.

#### **E. Debt Service**

The impact of this purchase on the District's ability to retire its remaining DBW loan balance of \$7,163,662.04 on schedule is negligible. The District is actually on schedule to retire this loan balance one year earlier (2018) than its DBW amortization schedule (see attachment). After the District's next debt service payment for 2014, the District's loan balance will be reduced to \$6,099,665.65.

The District also anticipates increased revenues from present and new leases, institution of paid vehicle parking at Pillar Point Harbor, ordinance code amendments to provide for new fees and charges for harbor services to Pillar Point outer harbor anchor-outs, and rate and fee increases pegged at least to inflationary measures.

Moreover, in May 2014 the District will commence work on its comprehensive strategic business plan for the District and its constituent harbors. A primary component of this planning activity will be identification leading to development of new and enhanced sources of revenues to the District.

San Mateo County Harbor District Settlement Agreement Amendment#1, Amortization Schedule

<u>Compound period</u>	Monthly
Nominal Annual Rate	4.500%
Effective Annual Rate	4.594%
Periodic Rate	0.375%
Daily Rate	0.01233%

Event	Start Date	Amount	Number	End Date
1 Loan	12/31/2008	17,784,252.68	1	
2 Payment	12/31/2008	2,400,000.00	1	
3 Payment	9/10/2009	3,660,000.00	1	
4 Payment	12/31/2009	1,407,373.85	1	
5 Payment	12/31/2009	1,393,093.77	10 Annual	12/31/2019

AMORTIZATION SCHEDULE - Normal Amortization

	date	payment	Interest	Principal	Principal Bal	Month	No of Days	Interest	Principal
loan	12/31/08				17,784,252.68			4.500%	10,972,397.77
2008 Totals	1 12/31/08	2,400,000.00	-	2,400,000.00	15,384,252.68	Jan-10	31	41,935.60	11,014,333.37
		2,400,000.00		2,400,000.00	15,384,252.68	Feb-10	28	38,022.08	11,052,355.45
					15,384,252.68	Mar-10	31	42,241.19	11,094,596.65
	2 09/10/09	3,660,000.00		3,660,000.00	11,724,252.68	Apr-10	30	41,034.81	11,135,631.46
2009 Interest	12/31/08 - 9/10/09		487,174.19		11,724,252.68	May-10	31	42,559.47	11,178,190.93
2009 Interest	9/11/2009-12/31/09		168,344.75		11,724,252.68	Jun-10	30	41,343.99	11,219,534.92
2009 Totals	3 12/31/09	1,407,373.85	655,518.94	751,854.91	10,972,397.77			<u>247,137.15</u>	
		5,067,373.85		4,411,854.91	10,972,397.77	Interest Exp		<u>247,137.15</u>	
					10,972,397.77				
2010 Totals	4 12/31/10	1,393,093.77	504,070.03	889,023.74	10,083,374.03	Jul-10	31	42,880.14	11,262,415.06
		1,393,093.77	<b>504,070.03</b>	889,023.74	<b>10,083,374.03</b>	Aug-10	31	43,044.02	11,305,459.09
					10,083,374.03	Sep-10	30	41,814.71	11,347,273.80
2011 Totals	5 12/31/11	1,393,093.77	463,228.44	929,865.33	9,153,508.70	Oct-10	31	43,368.35	11,390,642.14
		1,393,093.77	463,228.44	929,865.33	9,153,508.70	Nov-10	30	42,129.77	11,432,771.92
					9,153,508.70	Dec-10	31	43,695.11	11,476,467.03
2012 Totals	6 12/31/12	1,393,093.77	420,510.59	972,583.18	8,180,925.52			<u>256,932.11</u>	
		1,393,093.77	420,510.59	972,583.18	8,180,925.52	Accr Int Exp		<u>256,932.88</u>	
					8,180,925.52				
2013 Totals	7 12/31/13	1,393,093.77	375,830.29	1,017,263.48	7,163,662.04			504,069.26	
		1,393,093.77	375,830.29	1,017,263.48	<b>7,163,662.04</b>	Tot Int Exp '10		<b>504,070.03</b>	
					7,163,662.04				
2014 Totals	8 12/31/14	1,393,093.77	329,097.38	1,063,996.39	6,099,665.65	12/31/10 principal payment			(889,023.74)
		1,393,093.77	329,097.38	1,063,996.39	6,099,665.65	12/31/10 principal balance			<b>10,083,374.03</b>
					6,099,665.65				
2015 Totals	9 12/31/15	1,393,093.77	280,217.57	1,112,876.20	4,986,789.45				
		1,393,093.77	280,217.57	1,112,876.20	4,986,789.45				
					4,986,789.45				
2016 Totals	10 12/31/16	1,393,093.77	229,092.23	1,164,001.54	3,822,787.91				
		1,393,093.77	229,092.23	1,164,001.54	3,822,787.91				
					3,822,787.91				
2017 Totals	11 12/31/17	1,393,093.77	175,618.21	1,217,475.56	2,605,312.35				
		1,393,093.77	175,618.21	1,217,475.56	2,605,312.35				
					2,605,312.35				
2018 Totals	12 12/31/18	1,393,093.77	119,687.59	1,273,406.18	1,331,906.17				
		1,393,093.77	119,687.59	1,273,406.18	1,331,906.17				
					1,331,906.17				
2019 Totals	13 12/31/19	1,393,093.77	61,187.60	1,331,906.17	-				
		1,393,093.77	61,187.60	1,331,906.17	-				
<b>Grand Totals</b>		<b>21,398,311.55</b>	<b>3,614,058.87</b>	<b>17,784,252.68</b>					

Last interest amount increased by 0.06 due to rounding