

*Alameda Reuse and Redevelopment Authority*  
Interoffice Memorandum

A-2

January 15, 2008

**TO:** Honorable Chair and Members of the  
Alameda Reuse and Redevelopment Authority

**FROM:** Debra Kurita  
Executive Director

**RE:** Authorize the Expenditure of \$200,000 to Remove a Barge and Ship  
Illegally Moored and Abandoned at the Former Fleet Industrial Supply  
Center

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BACKGROUND

The Faithful is an unregistered 293-foot vessel presently moored and abandoned at the former Fleet Industrial Supply Center (FISC). An abandoned barge has recently moored to the Faithful. Both vessels are illegally moored without a lease or license agreement. The Faithful is completely derelict and has been declared a 'dead ship' by the federal district court of the northern district in 2007, pursuant to other litigation involving the owner and the vessel.

The owner of the Faithful is Al Bouraq Aviation, Inc., a Delaware corporation. Staff attempted to negotiate with the owner's representatives for lease payment and/or removal of the ship, but has been unsuccessful. Given lack of progress in negotiating a lease, the City Attorney's Office researched the legal options pertaining to abandoned vessels within City jurisdiction and discovered that this is a common problem faced by coastal cities along the West Coast.

Under the Harbor and Navigation Code Section 522 and 526, cities within California may remove and dispose of vessels that have been abandoned upon their property for more than 30 days, create a hazard to public safety, interfere with navigation, or pose a threat to adjacent wetlands, sensitive habitat or water quality. As the vessels have been abandoned and pose a potential, but serious, threat to the environment, it is important for the two vessels moored at FISC to be removed. Staff has determined that the most cost-effective and timely solution to remove and dispose of the vessels is to enter into an agreement with Mr. Curt Lind to remove them for a cost of \$200,000. The appropriate notices to remove and dispose of the vessels have been served on the owners of the vessels, and as they have not responded within the statutory time permitted, the vessels are now deemed abandoned as a matter of law.

## DISCUSSION

The Faithful contains approximately 15,000 gallons of oily water from a slow leak and is listing on its right side. A marine survey was commissioned by the City pursuant to notice and removal procedures required by California law for disposal of abandoned vessels. The value of the vessel is \$0. The vessel poses a great threat to the City and to the surrounding environs at Alameda Point if it should sink. Therefore, it is critical that both vessels be removed.

Staff has identified three options for removing the vessels and has received the following offers and proposals through a competitive bidding process:

1. Salvaging the Ship: Abandoned ships can be salvaged and recycled. Staff has received an estimate of \$1 million to salvage the ship. Salvaging is the most expensive option because the vessel needs to be raised onto dry land before the hazardous materials onboard, such as lead-based paint and asbestos, may be removed. The costs here are also increased because of the Faithful's size and condition.
2. Scuttling the Ship: Towing a ship out to sea and sinking it in a designated spot is called scuttling. Ships can be scuttled off the coast of California with approval from the Federal Environmental Protection Agency (EPA) and the Coast Guard. Because much of the Northern California coast is designated a marine sanctuary, ships must be towed to designated spots beyond these protected areas. The single bid we have received to scuttle the Faithful is approximately \$250,000; and the bidder estimated that it would take eight to ten weeks to prepare the vessel for scuttling and to obtain the necessary EPA and Coast Guard approvals.
3. Removing the Ship: Staff has received a proposal from Mr. Curt Lind to remove both vessels for \$200,000, with 48 hours notice, and relocate them to a mooring space he owns in Rio Vista, which is sufficient to accommodate vessels of this size. Mr. Lind works as an independent consultant and equipment broker.

Contracting with Mr. Lind to remove the Faithful and attached barge is the most cost-effective and timely option. If the ARRA Board authorizes \$200,000 for the removal of the vessels, the City Attorney's Office will prepare an agreement with Mr. Lind to remove the vessels and assume responsibility for the ultimate disposition of vessels. Once the vessels are removed, the wharf will be fenced so that there will be no future possibility for vessels to illegally moor at that location.

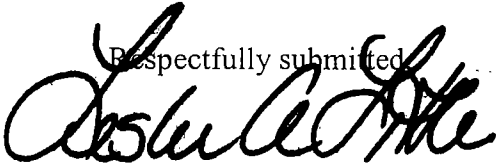
## BUDGET CONSIDERATION/FISCAL IMPACT

Entering into a \$200,000 agreement with Mr. Lind to remove the Faithful and attached barge will not impact the City's General Fund. It is proposed to fund the agreement with ARRA lease revenue. Funds for this activity are available in the ARRA's Fiscal Year 2007-08 unappropriated fund balance.

RECOMMENDATION

Authorize the expenditure of \$200,000 to remove a barge and ship illegally moored and abandoned at the former FISC and direct the Executive Director to execute an agreement with Mr. Curt Lind to remove the vessels.

Respectfully submitted,



Leslie A. Little  
Development Services Director



By: Debbie Potter  
Base Reuse & Community Development Manager

DK/LAL/DP:dc