

# Huntington debates using bond to pay for pier

PAMPHLET

## Hiring fund-raiser won't bring in enough, 2 say

By Jeff Mitchell  
Special to the Register

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HUNTINGTON BEACH — A \$10 million public bond will be needed to rebuild the Municipal Pier and fund surrounding projects, in addition to private fund-raising efforts, some city officials said. Others disagree.

A fund-raising specialist will be hired later this month to help fatten contributions to the pier's restoration fund, officials said.

The specialist, to be hired by The Robert Mayer Corp. of Newport Beach, will attempt to raise \$5 million in private contributions within 12 months, said Stephen Bone, Mayer's executive director.

The company is developing the Water-

front Project — a hotel, retail and entertainment complex in the city's Main Street-Pier redevelopment area.

Bone said that his company will pay the specialist's \$20,000 fee.

"We are involved because it's important to us as developers in the city and because it's important to the community. Huntington needs its pier," Bone said.

So far, after a year's effort, the city has raised about \$90,000 in private contributions.

Officials had set a goal to raise \$1.5 million in such donations before groundbreaking for the new pier, planned for late 1990.

Estimates vary, but the total project is expected to cost between \$11.5 million and \$16 million. City officials expect about 75 percent of the funding to come from government grants and the rest from private contributions.

The pier, severely damaged during a storm in January 1988, was closed to the

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**Non Sherkman**

Pier Funding Committee chairman

public in July 1988 after several engineering studies found it to be unsafe.

Soon after, the city began a campaign to raise funds for the pier's replacement.

Although the specialist might bring additional private funds to the restoration fund, Councilman John Erskine and Mayor Wes Bannister said Erskine's proposal for a 30-year, \$10 million public bond is the only way that the city will be able to pay for the landmark to be rebuilt.

"We are not knocking what Robert Mayer is planning or what the funding

committee has done," Erskine said.

"What we are saying is that so far, we have not done terribly well with raising funds, and we are starting to look a little flaky."

Erskine said the proposal is to have the bond cover the first \$10 million and have the balance paid by government grants and private contributions.

The bond could be put before city voters as early as June 1990, Erskine said. Officials said that in order to qualify for the ballot, a bond resolution must be passed by the City Council. Once on the ballot, it must win a two-thirds majority to be approved.

City officials said they have collected about \$2.4 million for the restoration project over the first year of the campaign. Of that amount, \$1.6 million was transferred from the city's general fund, and \$500,000 came from a \$1 increase in parking fees in city-owned lots, instituted by the council in

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# PIER: Specialist to help build restoration fund; officials debate \$10 million public-bond option

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April.

The county contributed \$250,000 to the pier, while \$90,000 has been collected from private contributors. Officials expect an additional \$750,000 from the county.

Adding to the pier's budgetary woes was an early July veto by Gov. George Deukmejian of \$1.5 million in special state funding for the pier. Officials say they will seek similar funding in next year's budget.

Rich Barnard, assistant city administrator, said the lion's share of expected state and federal funding has yet to materialize.

Barnard said the city has approached the Federal Emergency Management Agency and the state, but no funding has been collected.

AB1220, sponsored by John Burton, D-San Francisco, might provide the city with \$1.5 million. The bill, still pending in the Legislature, is designed to provide funding to cities that maintain municipal piers.

Barnard said that dealing with the federal government takes a great deal of patience and that the grant-seeking process often takes considerable time.

"(The Federal Emergency Management Agency), for instance, could give us anything between zero and \$8 million. We are just going to have to wait. The bond idea isn't going anywhere. It will always be an option," Barnard said.

During the July 17 City Council meeting, Bannister gave political fuel to the Erskine proposal by saying that pier funding had not been moving too fast.

"We are ticked pink about Robert Mayer's plan. But if it doesn't work, we'll be that much further behind," Bannister said. "I believe that when we get down to it, a bond is the way we will pay for the pier."

Still, the bond proposal faces opposition from about half of the council and from project fund-raisers.

Councilman Don MacAllister said that competition for county, state and federal dollars is intense. He said Huntington Beach would be scratched off the list if word got around that the city was considering financing the project with a bond.

## Project's financial outlook

More than a year after the city permanently closed the Huntington Beach Municipal Pier for safety reasons, the search for funds continues.

### Projected costs

Officials estimate that the new pier project will cost between \$11.5 million to \$16 million.

### Funding received to date

The following funds have been collected, transferred or confirmed by the city.

Source	Amount
City of Huntington Beach	\$1.6 million
\$1 increase in parking fees in city-owned lots	\$500,000
County of Orange	\$250,000
Private donations from individuals, groups and businesses	\$90,000
<b>Total</b>	<b>\$2,440,000</b>

### Possible sources of government funding

Source	Amount
Federal Emergency Management Agency	\$0 to \$8 million
State of California	\$1.5 million to \$2 million
State Assembly Bill 1220 (Burton, D-San Francisco)	\$1.5 million
County of Orange	\$750,000
<b>Maximum total possible</b>	<b>\$12,250,000</b>

### Erskine public bond proposal

Huntington Beach City Councilman John Erskine has proposed that the city issue a 30-year, \$10 million public bond to pay for the pier's rebuilding. At the earliest, the issue could be placed on the June 1990 ballot for city voters to decide.

### The Robert Mayer Corp. sponsorship

The Robert Mayer Corp. of Newport Beach, developer of the city's \$345 million Waterfront project, agreed to hire a fund-raiser who will attempt to bring \$5 million to the restoration fund within 12 months. Mayer will pay the specialist \$20,000.

Source: City of Huntington Beach

The Register

"I have learned that if you send the wrong signals (to the state and federal governments) at the wrong time, you will end up with nothing," he said.

MacAllister also said the bond proposal will deflate fund-raising efforts.

"The citizens will say to themselves, 'Why should I get involved? The city's already paying for it.'"

Ron Shenkman, chairman of the city's Pier Funding Committee, said bond financing would be a last

resort.

He said the new specialist will be a welcome addition to the committee. He said the city and his committee might have relied too much on the promise of government grants in order to pay for project.

"Our approach (during the first year) may have been a little soft. But now with this individual, I believe that we'll be able to take off the gloves and go after the major contributors," Shenkman said.