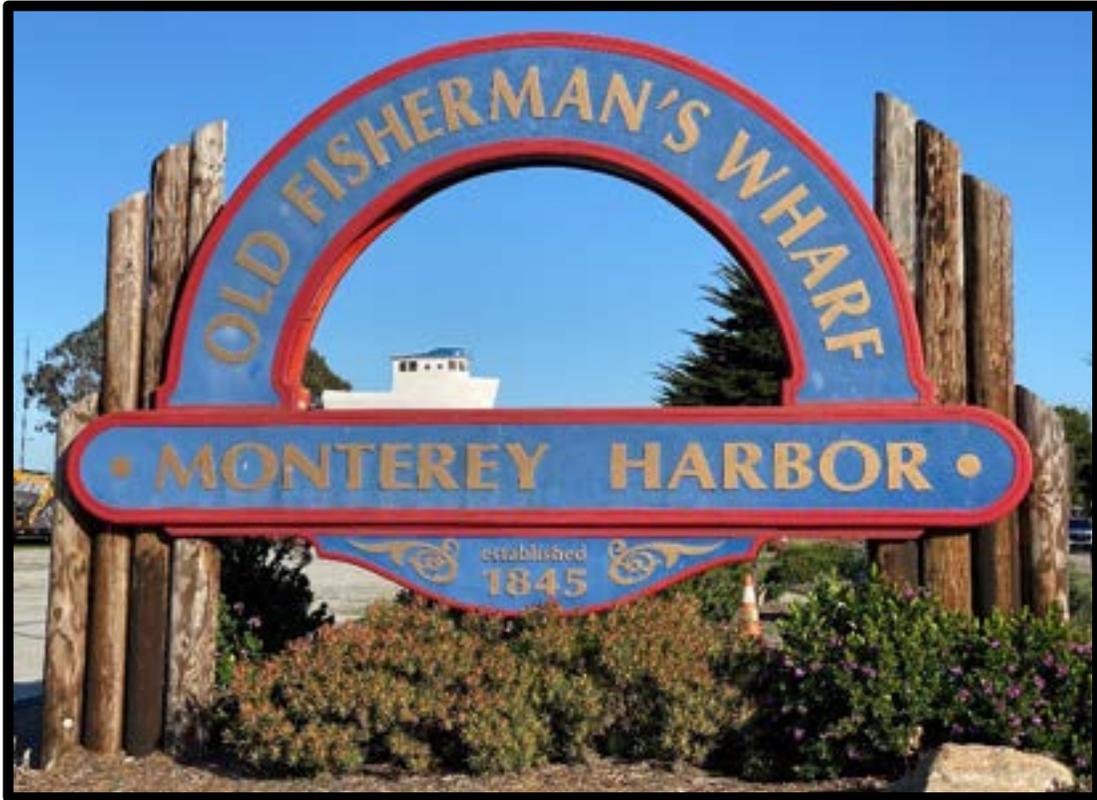


# MONTEREY'S DETERIORATING WHARVES:

## A CONCERN FOR PUBLIC SAFETY



**Entrance to the Monterey Wharves**

*Source: Photograph by Civil Grand Juror*

### **SUMMARY**

During its 2023-2024 term, the Monterey County Civil Grand Jury (CGJ) received a condition survey report conducted by an international structural engineering consulting firm. This 2017 report revealed that both wharves are in “Poor” structural condition and identified extensive repairs needed to ensure the integrity of the wharves and to provide for the safety of all users. Two 2024 reports assessed that the structural condition of the wharves remains “Poor.” Recognizing the urgency of these reports, the 2024-2025 Civil Grand Jury began this investigation. On December 23, 2024, a significant portion of the City of Santa Cruz’s wharf collapsed into Monterey Bay, further emphasizing the timeliness of this investigation.

The Monterey Wharves are a symbol of the City's unique charm and contribute to the community's financial well-being. However, people may not be aware that the cost of repairing the necessary structural elements and maintaining these intricate structures far exceeds the income generated from them. To date, no clear funding plan addresses these critical expenses.

The CGJ found that the City of Monterey has neglected to restore the integrity of its wharves for at least seven years. Several structural elements remain in disrepair despite spending significant tax dollars on at least five reports. The structural deterioration of the Wharves worsens with each passing storm.

The City of Monterey has initiated changes to address several of the issues in this report. The CGJ maintains that its recommendations remain relevant.

## **BACKGROUND**

For more than 130 years, Monterey's Wharves, comprising Old Fisherman's Wharf (Wharf 1) and Commercial Wharf (Wharf 2), have been pivotal landmarks in the City's development, serving as vital fishing, commercial, and historical sites. In 1868, the State granted the City of Monterey title to its waterfront, designating this area as the Monterey Bay Tidelands. These are held in public trust and regulated by the State of California. The Tidelands area uses are restricted to those that benefit the public trust, such as commerce, fisheries, navigation, and recreation. Monterey's wharves are situated within this tideland area.

By 1870, the Pacific Coast Steamship Company operated from the wharf, shipping goods and passengers. Over time, fishermen and merchants began leasing the wharf, leading to ongoing repairs and improvements prompted by public demand.

As fishing and maritime industries flourished, settlers devised innovative techniques to harvest abalone, squid, salmon, and other seafood, making the wharf an important hub for trade. In the early 20th century, the demand for a municipal wharf surged, prompting the City of Monterey to acquire ownership in 1913 and rename it Fisherman's Wharf in 1916. After a storm partially collapsed the wharf in 1923, major repairs and a significant

extension were undertaken. In 1926, the City of Monterey constructed Wharf 2 to support the growing fishing industry.

By the 1950s, the decline of sardine fishing transformed the wharves' primary focus to tourism. Over time, debates emerged regarding maintenance, expansion, and oversight. In 1939, the City of Monterey implemented a Master Plan that mandated self-sustaining wharf maintenance, leading to lessees assuming greater responsibility by 1940.

As a popular destination for millions of visitors annually, Monterey's Fisherman's Wharf provides a diverse array of activities, such as dining, boating, shopping, marine wildlife viewing, and strolling in a picturesque setting overlooking Monterey Bay. Today, the citizens of Monterey rely on the City and leaseholders to collaborate to maintain and ensure the safety of the wharves.

## **METHODOLOGY**

The CGJ interviewed representatives from various City of Monterey departments and a lessee, examined documents related to the operation and maintenance of the Monterey Wharves and reviewed recordings of relevant Monterey City Council meetings. The CGJ received detailed information from multiple wharf structural engineering inspection reports prepared by four licensed engineering firms: COWI North America, Inc., Mayone Structural Engineering, ProView Property Inspection, and Foth & Van Dyke and Associates. Three of these firms specialize in both above-water and underwater inspections of structures.

Key reviewed documents include:

- Wharf 1 and Wharf 2 Condition Survey Report by COWI (November 2017)
- Wharf 1 Inspection & Assessment Report of Findings by Foth (July 31, 2024)
- Wharf 2 Condition Survey Report by COWI (March 2024)
- Monterey Wharves I and II – Structural Maintenance Program by Environmental Science Associates (ESA) (April 2019)
- Reports from Mayone and ProView covering 2017 through 2024

Additionally, the CGJ reviewed the City of Monterey multiple-year budget, wharf leases, building permits for wharf maintenance, the City’s internal structural repairs tracking sheet, and City-issued building Notice of Completion reports. This investigation focused solely on the structural integrity of the wharves, including pilings and supporting structures under the walkways, driveways, and buildings, rather than their aesthetic appeal.

## **DISCUSSION**

### The Current Condition of the Monterey Wharves

The City of Monterey commissioned internationally recognized marine engineering firms to inspect and assess the wharves. COWI completed an assessment of Wharves 1 and 2 in 2017. In 2024, Foth inspected Wharf 1, and COWI reinspected Wharf 2. These



**Wharf 1 Substructure.** Pyramid piling showing vertical crack, allowing seawater intrusion to deteriorate interior rebar core support.

*Source: Photograph by Civil Grand Juror*

reports rated both wharves as being "Poor" overall based on the American Society of Civil Engineers (ASCE) Condition Assessment Rating scale, which includes "Critical, Serious, Poor, Fair, Satisfactory, and Good." ASCE defines "Poor" as "Advanced deterioration or overstressing observed on widespread portions of the structure but does not significantly reduce the load-bearing capacity of the structure. Repairs may need to be carried out with moderate urgency."

Foth's 2024 report focused solely on Wharf 1, Old Fisherman's Wharf, concluding that half of the leased portions remain in "Poor" or "Serious" condition.

**Condition Assessment of Wharf 1 Leased Properties  
Foth 2024**

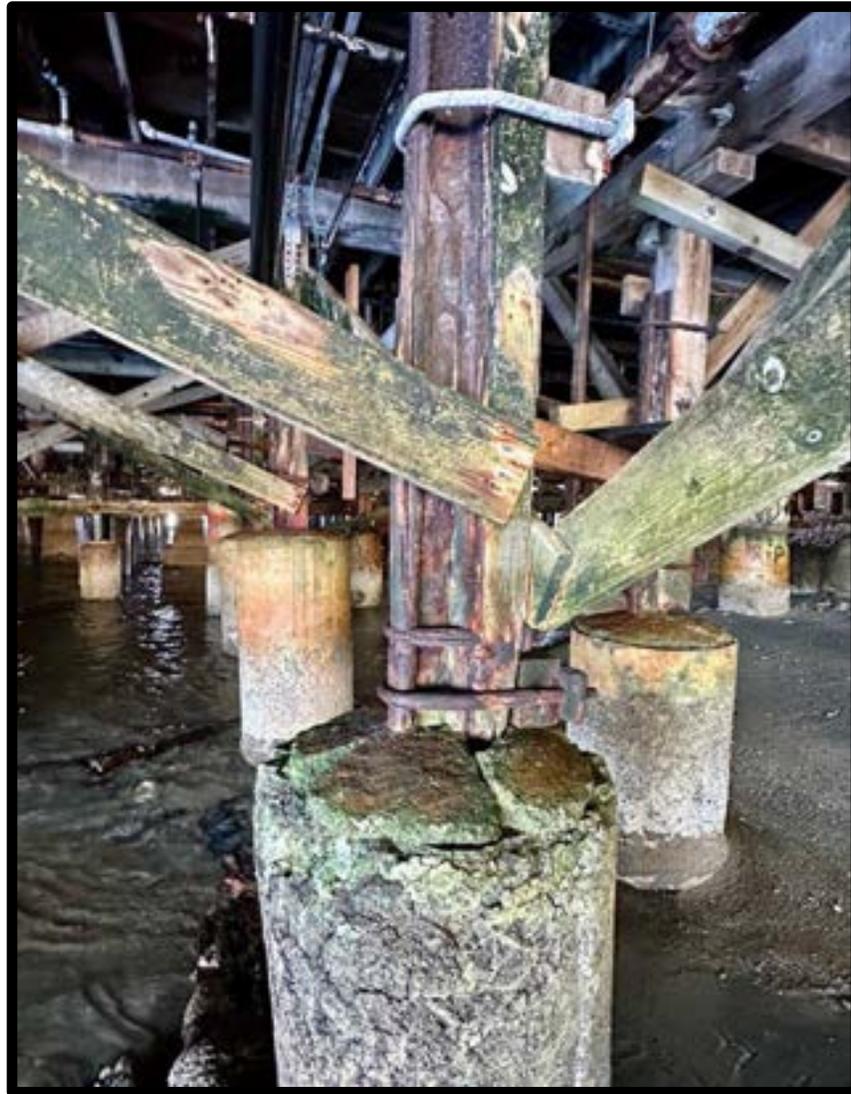
ASCE CONDITION ASSESSMENT RATING	NUMBER OF LEASED PREMISES
Good	0
Satisfactory	4
Fair	11
Poor	9
Serious	6
Critical	0

*Source: Wharf 1 Inspection & Assessment Report of Findings by Foth (July 31, 2024)*

Both the COWI and Foth reports provided detailed information about the necessary repairs, including individual structural components such as piles, pile caps, and stringers. Each damaged pile is identified and assessed as "moderate," "major," or "severe." The engineers evaluated the condition of the structural members and the extent of the damage resulting in an overall "Poor" condition rating for each wharf. (See diagram on page 8.)

## The Responsibility for Maintenance

The City of Monterey is solely responsible for ensuring the safety of all visitors and businesses on Wharves 1 and 2. This includes maintaining common areas such as public restrooms, decks, roadways, and parking, as well as the structures supporting them. The responsibility for structures under the leased buildings varies based on lease type and

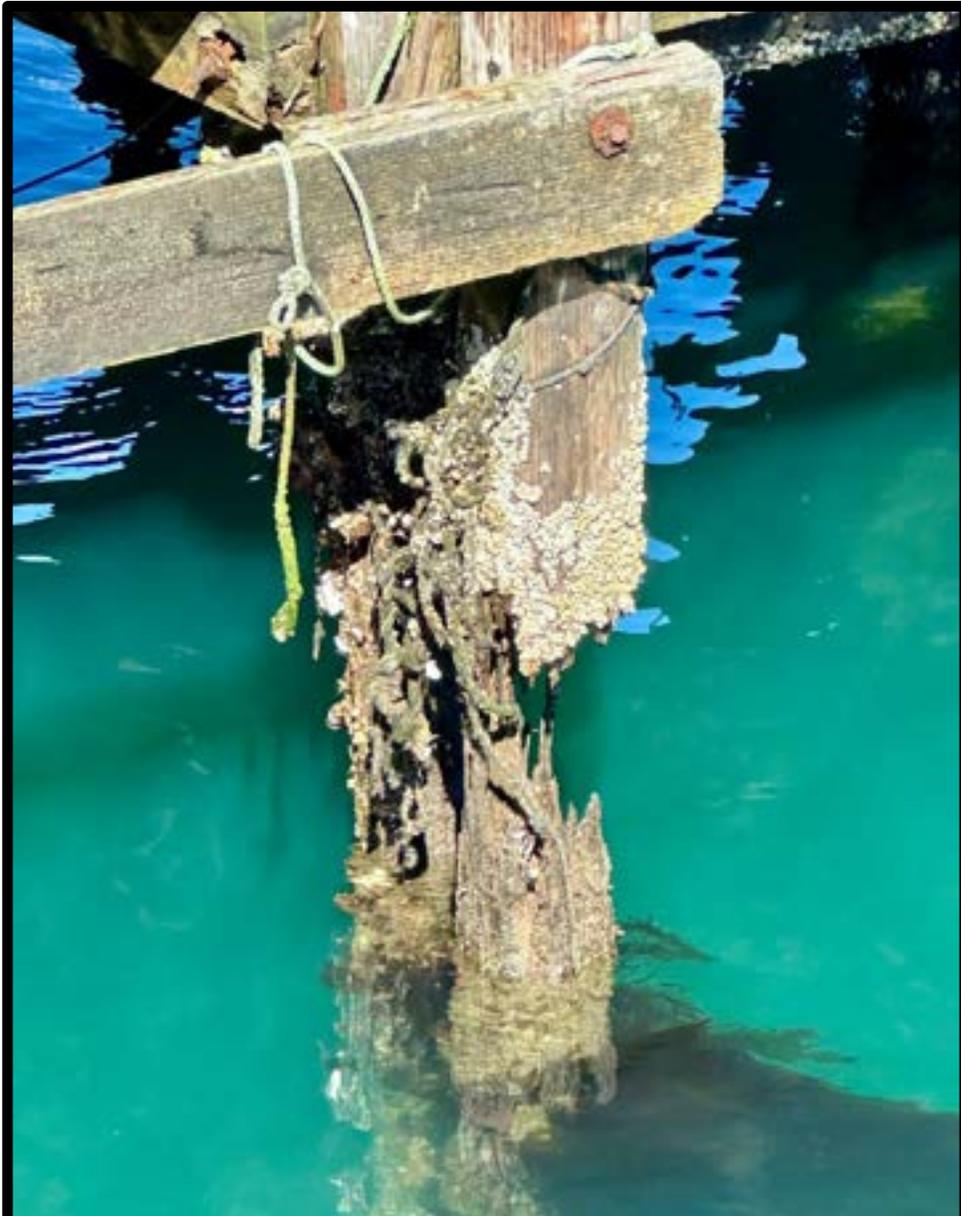


**Pile under Wharf 1.** Deteriorating railroad steel piling attached to timber pile with U-bolts. The concrete encasement has cracked at its crown allowing seawater intrusion resulting in the rebar to corrode and eventually failing.

*Source: Photograph by Civil Grand Juror*

age. However, the City of Monterey remains responsible for ensuring that all structures are properly maintained.

The City of Monterey negotiates two types of leases with wharf tenants: premise leases and ground leases.



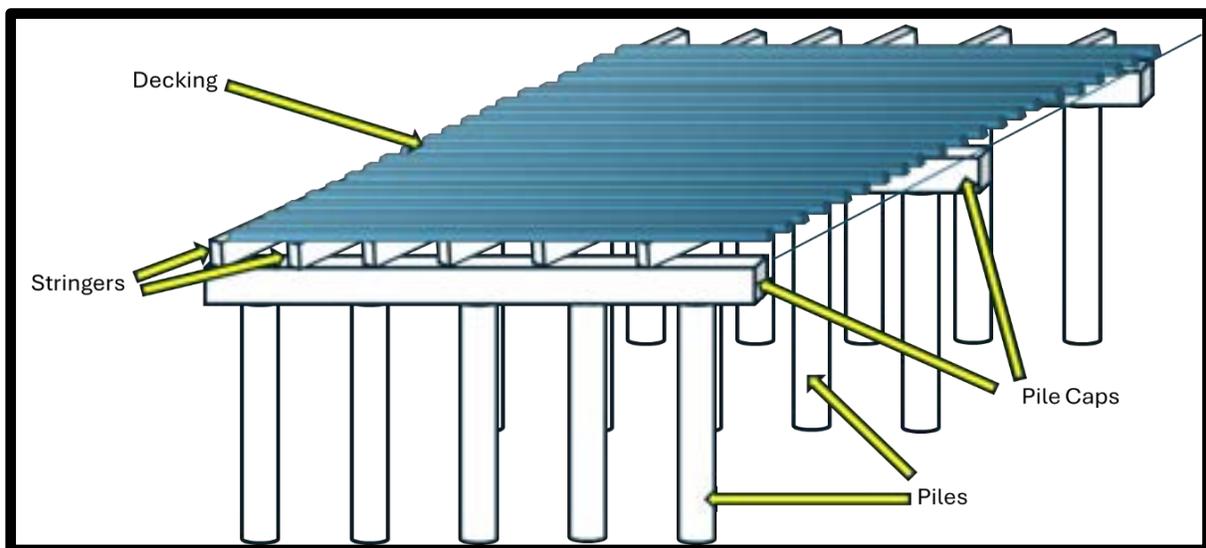
**Fender pile along Wharf 1.** Timber pile has lost most of its diameter at the water line.

*Source: Photograph by Civil Grand Juror*

- The 12 **premise leaseholders** maintain the buildings above the wharf decking. Through their rent, they collectively contribute 60% of the common area maintenance costs, including the structural elements under their buildings. The City covers the remaining 40% and determines necessary maintenance, repairs, and improvements.
- The 21 **ground leaseholders** are fully responsible for maintaining and repairing all structures above the sand, including structures below the decking and buildings above.

Most ground leases were signed in 1991 and extended until 2042. These ground leases obligate leaseholders to conduct engineering inspections every three years and complete repairs within six months. Notably, these 1991 ground leases require leaseholders to make the repairs identified during their inspections, but not additional repairs identified by inspections commissioned by the City of Monterey.

In contrast, more recent ground leases, signed in the 2020s, exclude the requirement for leaseholder structural inspections and repairs. Under these new ground leases, the City of Monterey, as the landlord, holds the sole responsibility for determining what structural repairs are required.



**The Underlying Structure of a Wharf**

*Source: Drawing by Civil Grand Juror*



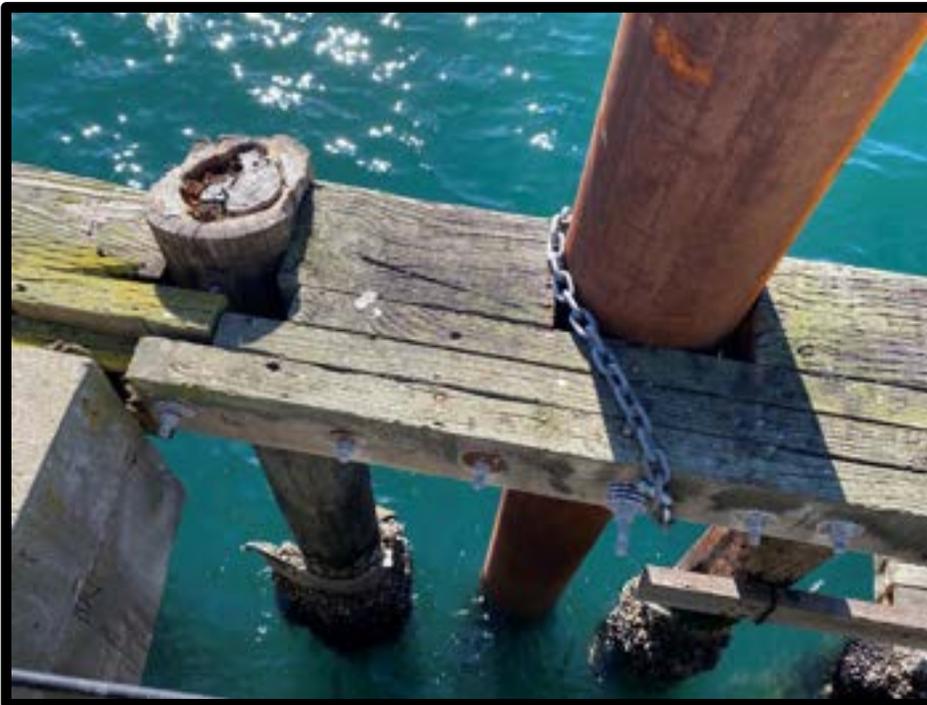
**Wharf 1 substructure.** Old railroad steel piling is highly deteriorated. Timber pile is attached by multiple corroded U-bolts, indicating original wood piling lacking structural integrity.

*Source: Photograph by Civil Grand Juror*

## Maintenance Needs

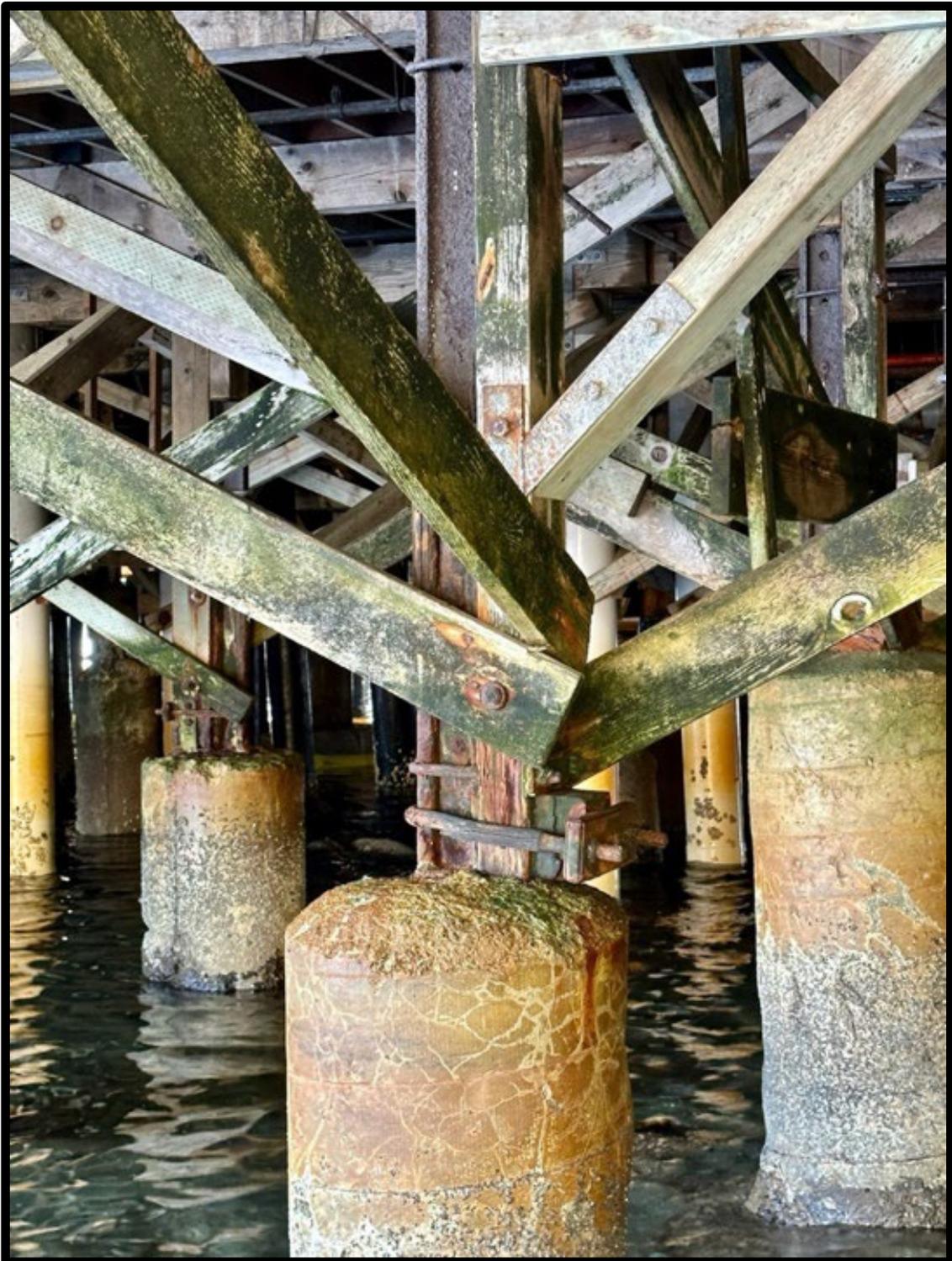
The COWI 2017 and Foth/COWI 2024 reports identified eight locations on Wharf 1 requiring immediate repairs. Structural integrity concerns escalated from five cases in 2017 to seven in 2024. Some issues flagged in 2017 remained unresolved, while new problems emerged. Notably one location experienced a deterioration in bearing pile condition, with 70% requiring repairs in 2017 and 81% in 2024. Moreover, the CGJ found no evidence of major structural repairs having been conducted between inspections at that specific location.

The City of Monterey supplied all ground leaseholders with excerpts of the COWI and Foth inspections for the leaseholders' engineer's consideration. Significant repairs were not undertaken when the leaseholder's engineer disagreed with the COWI and Foth assessments. In such cases, the City cannot require the leaseholder to undertake the additional repairs recommended in the COWI and Foth reports.



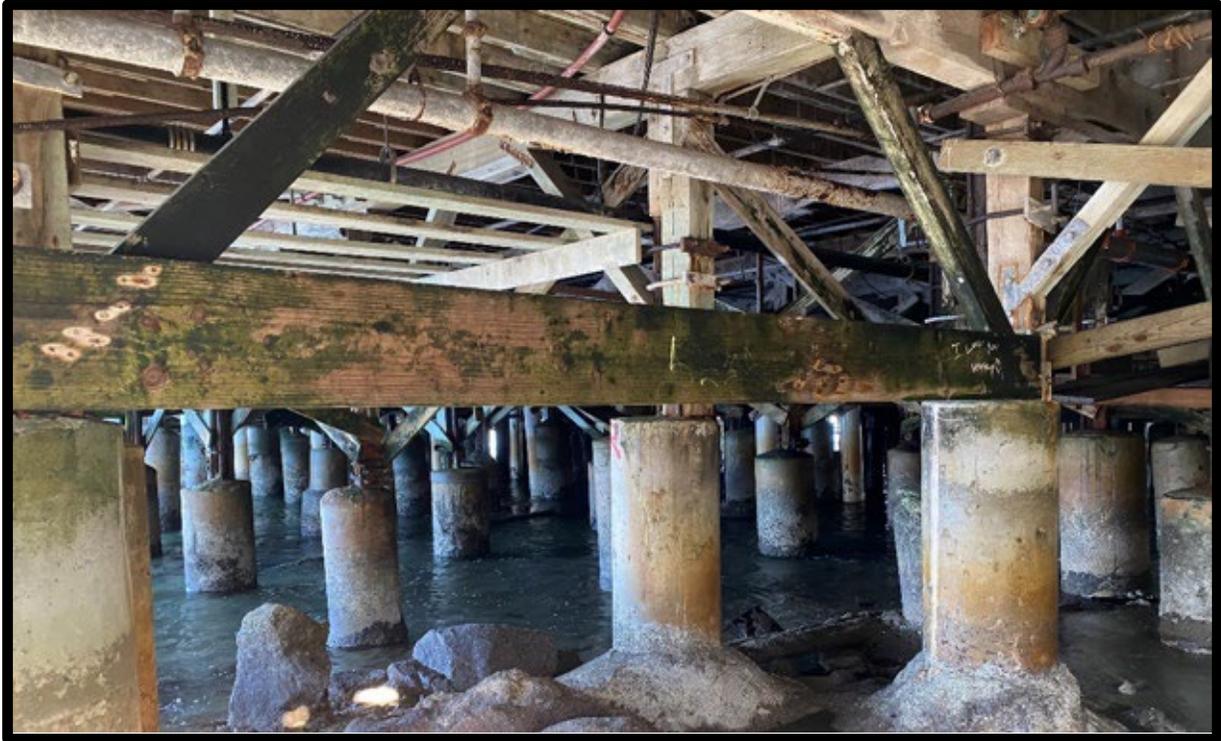
**Pile under Wharf 1.** Rotted core piling with galvanized through bolt supporting numerous wooden joists.

*Source: Photograph by Civil Grand Juror*



**Pile under Wharf 1.** Deteriorating railroad steel piling attached to timber pile with U-bolts.

*Source: Photograph by Civil Grand Juror*



**Substructure of Monterey Wharf 1.** Deteriorating railroad steel piles supported by their concrete bases. Timber piles have been fastened to the steel with U-bolts. The substructure consists of varying materials, hardware and repair techniques.

*Source: Photograph by Civil Grand Juror*

Wharf 2, which has been rated as being in "Poor" condition since 2017, is experiencing widespread timber, concrete, and asphalt deterioration. The City of Monterey is responsible for most of the maintenance of Wharf 2.

### Completed Maintenance

Between April 2017 and November 2024, the City of Monterey issued seven building permits for structural work on Wharf 1 by leaseholders and one for work on Wharf 2. Three permits expired without any work being completed, three were finalized with the work completed, and one remains issued but the work unfinished, according to the City's reports.

It is important to note that work conducted by the City's Public Works Department is not reflected in these permit records. A search of the California Coastal Commission permit

applications revealed only two Coastal Development permit applications for wharf repairs between 2017 and 2024, one from the City of Monterey and one from a leaseholder.

### The Maintenance Challenges

Repairing the wharves involves coordination among City agencies, leaseholders, and multiple regulatory bodies. The permitting process requires approval from the City of Monterey's Building and Safety Division, the Regional Water Quality Control Board, the U.S. Army Corps of Engineers, the California Coastal Commission, and adherence to the California Environmental Quality Act (CEQA). Understanding the delays inherent with getting multiple permits, the City has allowed extensions to its tenants to complete the repairs.



**Exposed Wharf 1 pile.** Concrete sleeve is not continuous above the high-water line, allowing seawater to contact the wood pile, which is suffering from serious deterioration.

*Source: Photograph by Civil Grand Juror*

The City of Monterey's wharf maintenance obligations exceed the revenues generated from the wharves. California law mandates that revenue from the wharves can only be used to fund operations, construction, and upkeep in the Tidelands area, which extends beyond the wharves in both directions. To comply with this law, the City of Monterey maintains a dedicated "Tidelands Fund." In 2024, the city's Tidelands Fund received \$3.3 million, mainly from wharf lease revenues, yet Monterey's five-year budget projects a need of an additional \$17 million for wharf maintenance funding beyond current operating expenses.

#### Maintenance Plans, Actions, and Funding by the City of Monterey

On January 21, 2020, the Monterey City Council secured and adopted a Mitigated Negative Declaration (MND) for the wharves, satisfying the California Environmental Quality Act (CEQA) requirements for structural repairs. An MND is a document that states that a project will not have a significant negative environmental impact when adopting recommended mitigation measures and is an approval method with regulating agencies. It is typically issued after an Initial Study is concluded. However, the City has not informed all leaseholders about the availability of this tool.

Additionally, the City of Monterey contracted with Environmental Science Associates (ESA) to draft a maintenance plan for Wharf 1 and Wharf 2. The plan proposed a three-year cycle of inspections, planning, and construction. This draft plan was presented to the City of Monterey in 2019. The CJG could not find evidence that this plan was adopted or implemented.

The City of Monterey recognizes that significant repairs are required to maintain the wharves and has established two capital improvement program funding lines, one for each wharf. Current funding levels fall well short of the millions of dollars the City of Monterey estimates are necessary to repair the portions of the wharves that are the City's responsibility.



### **Monterey Wharf 1**

*Source: Photograph by Civil Grand Juror*

## **CONCLUSION**

The Monterey wharves, still in “Poor” structural condition, require repairs that have yet to be addressed. Ultimately, the City of Monterey is responsible for maintenance, while leaseholders share the responsibility for repairs. Multiple inspections and reports have documented the necessary repairs at significant cost to the taxpayers. Discrepancies between evaluations by certified engineers for the leaseholders and the City have hindered progress. Additionally, a complex permitting process has further hindered the completion of those repairs. At the June 4, 2024, Monterey City Council meeting, staff reported that \$17 million is needed over the next five years to finish just the City’s identified portion of the work. However, the current funding projections are significantly less than this amount, further complicating repair efforts. While the City has taken steps to address maintenance challenges, substantial repairs are needed, and long-term solutions remain unidentified.

## **FINDINGS**

- F1. The City of Monterey has failed to maintain the structural integrity of its wharves for many years, resulting in the wharves' classification as being in "Poor" condition, according to ASCE standards. Several structural elements have been identified as requiring immediate repair, yet little action has been taken. This neglect poses serious risks to public safety, the City's historic structures, and the assets of leaseholders.
- F2. Under the 1991 leases, the City of Monterey cannot require leaseholders to undertake structural repairs identified by the City's inspection reports unless the leaseholder's engineer agrees those repairs are necessary. This allows the leaseholders to avoid making immediate and critical repairs identified in the City-commissioned wharf-wide inspections.
- F3. The six-month timeframe for repair completion specified in the 1991 ground leases is unrealistic in today's regulatory environment. Currently, the permits alone, required from the City of Monterey, Army Corps of Engineers, Regional Water Quality Control Board, and California Coastal Commission, cannot all be obtained in six months. Consequently, the City allows the leaseholders to delay these repairs without a required completion date or a penalty for noncompliance.
- F4. The City of Monterey has not informed all ground leaseholders regarding their ability to use the City's Mitigated Negative Declaration (MND), which could significantly expedite the permitting process. This has resulted in delays in leaseholder-initiated repairs. By employing the MND, leaseholders can streamline the permitting process, reduce costs associated with delayed repairs, and ultimately shorten the time required to mitigate risks to the public.
- F5. In 2019, the City of Monterey commissioned a consulting firm at significant expense to create an ongoing maintenance program. This was intended to streamline structural repairs to the wharves, replacing the less efficient project-by-project method. The City of Monterey has yet to implement the Program, delaying work by at least three years, which is equivalent to the length of one maintenance cycle, jeopardizing public safety.

## **RECOMMENDATIONS**

- R1. The City of Monterey prepare and publish a report analyzing the discrepancies between leaseholder inspection reports and the 2024 COWI/Foth findings of "immediate" or "critical" repairs. The report must specify the necessity of each repair in accordance with ASCE standards and shall be made public by December 31, 2025.
- R2. The City of Monterey include any necessary repairs identified by the City's analysis of discrepancies between leaseholder inspection reports and the 2024 COWI/Foth findings (as specified in R1) in the Capital Improvement Programs by February 28, 2026.

- R3. The City of Monterey repeat the analysis of discrepancies between leaseholder inspection reports and the 2024 COWI/Foth findings and incorporation of discrepancies into the Capital Improvement Programs (as specified in R1 and R2) every three years.
- R4. The City of Monterey develop a policy to provide a reasonable timeframe for leaseholders to complete repairs, accommodating the current permitting demands, instead of the six months as specified in the 1991 ground leases. The policy shall be implemented by December 31, 2025.
- R5. The City of Monterey develop, communicate, and implement a more proactive process for monitoring and enforcing required leaseholder repairs in a reasonable timeframe for leaseholders to complete repairs, accommodating the current permitting demands (as specified in R4), by February 28, 2026.
- R6. The City of Monterey notify leaseholders of the existing Mitigated Negative Declaration (MND) for use in expediting repair permits by September 30, 2025.
- R7. The City of Monterey update and publish a wharves maintenance plan that prioritizes and schedules “immediate” and “critical” repairs in accordance with ASCE standards.
- R8. The City of Monterey identify funding sources to ensure ongoing structural integrity of the wharves as outlined in the report developed by ESA in 2019 by March 31, 2026.
- R9. The City of Monterey complete triennial comprehensive structural inspection schedule for both wharves by November 30, 2025, and share resulting findings with all ground leaseholders within two months of receipt.

## **REQUEST FOR RESPONSES**

The following responses are required pursuant to Penal Code sections 933 and 933.05:

From the following governing bodies within 90 days of the publication of this report:

- Monterey City Council
  - Findings: F1 to F5
  - Recommendations: R1 to R9

## **DISCLAIMER**

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

## GLOSSARY AND ACRONYMS

### ASCE Condition Assessment Ratings

Rating	Description
Good	No visible damage or only minor damage noted. Structural elements may show very minor deterioration, but no overstressing observed. No repairs are required.
Satisfactory	Limited minor to moderate defects or deterioration observed but no overstressing observed. No repairs are required.
Fair	All primary structural elements are sound but minor to moderate defects or deterioration observed. Localized areas of moderate to advanced deterioration may be present but do not significantly reduce the loadbearing capacity of the structure. Repairs are recommended, but the priority of the recommended repairs is low.
Poor	Advanced deterioration or overstressing observed on widespread portions of the structure but does not significantly reduce the load-bearing capacity of the structure. Repairs may need to be carried out with moderate urgency.
Serious	Advanced deterioration, overstressing, or breakage may have significantly affected the load-bearing capacity of primary structural components. Local failures are possible, and loading restrictions may be necessary. Repairs may need to be carried out on a high-priority basis with urgency.
Critical	Very advanced deterioration, overstressing, or breakage has resulted in localized failure(s) of primary structural components. More widespread failures are possible or likely to occur, and load restrictions should be implemented as necessary. Repairs may need to be carried out on a very high-priority basis with strong urgency.

*Source: Waterfront Facilities Inspection and Assessment, ASCE Manuals and Reports on Engineering Practice No. 130, edited by Ronald E. Heffron, as developed by the ASCE Technical Procedures Committee, July 1930, and revised March 1935, February 1962, and April 1982*

ASCE      American Society of Civil Engineers

CEQA      California Environmental Quality Act

CGJ      Civil Grand Jury

MND	Mitigated Negative Declaration, a document that states that a project will not have a significant negative environmental impact when adopting recommended mitigation measures and is an approval method with regulating agencies.
Pile	A post-like structure that supports a wharf.
Pile Cap	A concrete mat or wood beam placed on top of several piles to distribute the weight of a wharf to the piles.
Stringers	A structural member supporting the wharf decking.

## **BIBLIOGRAPHY**

Wharf 1 and Wharf 2 Condition Survey Report Prepared by COWI, dated November 2017

Wharf I Inspection and Assessment Report of Findings by Foth dated July 31, 2024

Wharf II Condition Survey Report prepared by COWI dated March 2024

Concession 1 ProView Property Inspection Report, dated February 18, 2021

Concession 2 Mayone Report, dated July 20, 2023

Concession 2 ProView Property Inspection Report, dated October 28, 2021

Concession 3 Mayone Report, dated November 10, 2023

Concession 3 ProView Property Inspection Report, dated October 28, 2021

Concession 4 Mayone Report, dated October 30, 2023

Concession 4 ProView Property Inspection Report, dated February 18, 2021

Concession 6 Property Condition Inspection Results, dated July 27, 2017

Concessions 5 and 6 Mayone Report, dated September 25, 2017

Concessions 5 and 6 Mayone Report, dated August 21, 2023

Concessions 5 and 6 Mayone Structural Report Photos, dated November 27, 2023

Concession 8 Mayone Report, dated August 21, 2023

Concession 8 Property Condition Inspection Results, dated April 9, 2018

Concession 9 Mayone Report, dated September 18, 2023

Concession 9 Property Condition Inspection Results, dated April 9, 2018

Concession 10 Mayone Report, dated June 19, 2023

Concession 10 Piling Report from Jared Berg, dated November 30, 2023

Concession 10 Property Condition Inspection Results, dated June 14, 2018

Concession 15 Mayone Report, dated September 18, 2023

Concession 15 Property Condition Inspection Results, dated April 9, 2018

Concession 16 Property Condition Inspection Results, dated May 8, 2018

Concession 17 Mayone Report, dated October 31, 2023

Concession 17 Property Condition Inspection Results, dated May 8, 2018

Concession 18 Mayone Final Letter and Observation, dated December 30, 2017

Concession 18 Mayone Plans Sheets S1, S2, and S3, received April 20, 2017

Concessions 19-24-25-26 Mayone Structural Report, dated November 30, 2023

Concession 21 Mayone Report, dated November 6, 2023

Concession 21 Property Condition Inspection Results, dated May 8, 2018

Concession 23/30 Property Condition Inspection Results, dated June 28, 2019

Concession 25 Property Condition Inspection Results, dated April 9, 2018

Concession 28 Mayone Report, dated November 10, 2023

Concession 28 Property Condition Inspection Results, dated May 23, 2018

Concession 28 ProView Property Inspection Report, dated October 3, 2023

Concession 29 Mayone Report, dated September 6, 2023

Concession 29 Property Condition Inspection Results, dated May 23, 2018

Concession 31 Mayone Report, dated September 4, 2023

Concession 31 Property Condition Inspection Results, dated June 4, 2018

Concession 32 Mayone Report, dated August 21, 2023

Concession 32 Property Condition Inspection Results, dated June 4, 2018

Concession 33 Property Condition Inspection Results, dated June 4, 2018

Concession 33 ProView Property Inspection Report, dated February 17, 2021

Concession 34 Mayone Report, dated October 30, 2023

Concession 34 ProView Property Inspection Report, dated September 26, 2023

Lou Lou's Griddle in the Middle Mayone Report, Dated December 8, 2023

Lou Lou's Griddle in the Middle Mayone Report, dated October 2, 2017

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Monterey Peninsula Yacht Club Mayone Report, dated November 20, 2017

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Monterey Peninsula Yacht Club Mayone Report, dated October 31, 2023

Sandbar & Grill Mayone Report, dated February 15, 2018

Sandbar & Grill Mayone Report, dated November 6, 2023

Sandbar & Grill ProView Corrected Action Letter, dated August 29, 2024

Sandbar & Grill ProView Property Inspection Report, dated April 24, 2024