

2023 QUARTER 1 QUARTERLY REPORT

DANA POINT HARBOR PARTNERS



Marina and Drystack

Operations and Revitalization Summary

Marina

- Marina entitlements are complete with Coastal Commission
- Dock installation of Phase 1 and Phase 2 completed. TCO issued by County for Phase 1
- Boaters began the move in process in April 2023
- Demolition of Phase 4 (East Cove) expected to commence in May 2023 to meet ADA requirements by County
- DPHP continues to defend against DPBA lawsuit with Class Action status denied by judge on April 14, 2023
- Motion for summary judgment scheduled for June 2023

Drystack

- Operations continue and are being managed to accommodate redevelopment work
- Request for extension of construction commencement submitted to County in December 2022
- Initial comments received from City planning continue to be addressed

Financial Summary

The Marina component includes the Marina operations and Direct Tenants (Nordhavn, Shipyard and Fuel Dock). The Drystack component includes the Embarcadero operations (with Pure Watersports) and Direct Tenant (Verizon).

2023 to 2022 Marina Comparison

Below is a condensed comparison of YTD March 2023 vs. YTD March 2022 Marina results. Total revenue decreased 8% and net income decreased by 15%. Sublease income continues to grow, but other income items have decreased due to the revitalization project.

DPHP Marina	Current YTD 3/31/2023	Prior YTD 3/31/2022	% Change
REVENUES			
Slip Rental Income	4,698,577	5,116,179	-8%
Total Guest Fees	73,755	124,189	-41%
Total Office rent	33,121	41,513	-20%
Sublease Income	275,645	240,689	15%
Broker & Charter Flat Fees	110,000	118,000	-7%
Direct Tenant Income	107,555	106,533	1%
Parking Income	42,689	54,860	-22%
Total Other Income	74,060	72,736	2%
TOTAL REVENUES	5,415,402	5,874,699	-8%
TOTAL OPERATING EXPENSES			
Wages & Benefits	273,116	265,777	3%
Direct Expenses	880,840	723,520	22%
Administrative Expenses	640,254	767,854	-17%
Capital Expense & Property Tax	277,030	272,235	2%
County Rent	541,399	560,851	-3%
TOTAL OPERATING EXPENSES	2,612,640	2,590,237	1%
NET OPERATING INCOME	2,802,762	3,284,462	-15%

2023 to 2022 Drystack Comparison

Below is a condensed comparison of March 2023 vs. March 2022 Drystack results. Total revenue has decreased by 21% with boat storage decreasing in preparation for revitalization. 2023 YTD operating expenses are less than 2022 expenses by 23% through the end of March. Net Income decreased by 14% over prior year.

DPHP Drystack	Current YTD	Prior YTD	% Change
	3/31/2023	3/31/2022	
REVENUES			
Boat Storage Income	242,121	270,687	-11%
Wet Slip Rentals	4,895	27,662	-82%
Launch Ramp Income	29,140	51,574	-43%
Charter Slip Income	7,228	7,228	0%
Merchant Income	38,455	48,642	-21%
Total Other Income	3,251	4,524	-28%
TOTAL REVENUES	325,090	410,316	-21%
TOTAL OPERATING EXPENSES			
Wages & Benefits	100,786	90,483	11%
Direct Expenses	30,188	101,622	-70%
Administrative Expenses	52,184	54,598	-4%
Capital Expense & Property Tax	1,608	1,608	0%
County Rent	52,211	59,753	-13%
TOTAL OPERATING EXPENSES	236,977	308,065	-23%
NET OPERATING INCOME	88,112	102,252	-14%

Commercial Core and Parkscapes

Operations and Revitalization Summary

Commercial Core Operations

- Tenant Specific Repairs
 - \$12K - Repairs to Harpoon Henrys emergency exit staircase
 - \$11K - HVAC repairs to DPYC
- General Property Expenses
 - \$51K - 24/7 security
 - \$7K - Parking lot/street sweeping seven days a week
 - \$40K - Janitorial
 - \$40K - Landscaping

Parkscapes Operations

- \$67K - 24/7 security
- \$4K - Parking lot/street sweeping seven days a week
- \$17K - Trash removal
- \$10K - Plumbing repairs
- \$25K - Janitorial
- \$17K - Trash
- \$10K - Donation to the City of Dana Point State of the City event

Commercial Core Revitalization

- Received County clearance to pull grading permits for the Parking Structure and associated sitework
- Continued processing of County (and City relative to CDP) plan check comments on:
 - Buildings 6-12 and surface parking lot
 - Buildings 1, 2, 3, 4, and 5a/b and Wharf sitework

Financial Summary

The Commercial Core component includes retail shops, restaurants, whale watching, Catalina Express, office spaces, and yacht clubs.

2023 to 2022 Commercial Core Comparison

Below is a condensed comparison of the YTD March 2023 vs. YTD March 2022 Commercial Core results. Total revenue decreased by 18%, and net operating income decreased by 25%. Tenant revenues decreased due to vacancies and inclement weather.

DPHP Commercial Core	Current YTD 03/31/23	Prior YTD 03/31/22	% Change
REVENUES			
Tenant Rent Income	1,111,143	1,371,761	-19%
Tenant Parking Income	111,210	143,262	-22%
Puerto Pl. Parking Income	16,000	14,779	8%
Reimbursable Expense Income	143,381	164,980	-13%
Other Income	1,530	0	n/a
TOTAL REVENUES	1,383,264	1,694,782	-18%
OPERATING EXPENSES			
Wages & Benefits	74,728	57,917	29%
Direct Expenses	313,392	354,155	-12%
Administrative Expenses	95,349	154,927	-38%
Property Tax	16,145	15,834	2%
Insurance	102,772	101,091	2%
County Rent	75,000	66,034	14%
TOTAL OPERATING EXPENSES	677,387	749,958	-10%
NET OPERATING INCOME	705,877	944,824	-25%

Hotels

Operations and Revitalization Summary

Hotels

- Hotel Development Submittals (County)
 - Schematic Design Documents approved by the County on 06/05/2019
 - Preliminary Plans & Specs to be submitted following the approval of the Local Coastal Program Amendment (LCPA) by the California Coastal Commission (CCC) and the City of Dana Point
- Hotel Entitlement (City and CCC)
 - LCPA approved by the City of Dana Point on 07/21/20
 - City submitted the LCPA application to CCC on 07/29/20
 - CCC approved a 12-month extension to review the LCPA on 10/07/20.
 - As mutually agreed by City and CCC, City withdrew the CCC LCPA application, and promptly resubmitted on 11/30/2021. CCC released a status letter (incomplete application) on 12/13/2021. CCC released a second status letter (incomplete application) on 12/14/2022. CCC deemed the City LCPA application as complete on 04/17/2023
 - CCC LCPA hearing is anticipated during Q3 2023 (if CCC does not grant itself another 12-month extension)

Financial Summary

Below are the YTD 2023 financials for Dana Point Harbor Partners – Hotel component. The Hotel component includes the Marina Inn operations. Revenues were down 18.5% and net operating income (NOI) was down 40.5% versus YTD 2022 through Q1. Rooms revenue was impacted by a decline in leisure travel due to several rain events over the course of the quarter.

DPHP Marina Inn	Current YTD 3/31/2023	Prior YTD 3/31/2022	% Change
REVENUES			
Rooms Revenue	833,188	1,020,452	-18.4%
Other Revenue	7,330	10,836	-32.4%
TOTAL REVENUES	840,518	1,031,288	-18.5%
OPERATING EXPENSES			
Rooms Expenses	237,572	245,236	-3.1%
Food Expenses	34,719	39,909	-13.0%
Administrative Expenses	327,612	304,147	7.7%
Association Fees	24,306	84,514	-71.2%
Management Fees	35,886	162,605	-77.9%
Insurance	32,307	20,017	61.4%
Property Tax	13,691	6,290	117.7%
County Rent	48,685	55,439	-12.2%
Equipment Leases	716	843	-15.1%
FF&E Reserve	29,655	19,444	52.5%
TOTAL OPERATING EXPENSES	785,149	938,444	-16.3%
NET OPERATING INCOME	55,369	92,844	-40.4%