

Dana Point Harbor Oversight Advisory Committee

Tuesday June 5, 2024 | 5:40 p.m. – 7:24 p.m.

MINUTES

Bob Langan, DPHOAC Chair, called the meeting to order at 5:40 p.m. Committee members not in attendance; Wendy Marshall, Shala O'Keefe.

PRESENTATIONS/UPDATES:

-Orange County Supervisor Foley Update: Supervisor Foley opened by outlining the agenda for the session. She advised the committee that Christian Gagne, the Dana Point Harbor Oversight Manager for the County of Orange, would be presenting an overview of the public comments submitted to the Supervisor's home page regarding the slip rate increases announced in May by the Dana Point Harbor Partners. In addition, Matt Miller, Chief Real Estate Officer for the County of Orange, would lead a discussion regarding the factors/methodology that should be considered in an analysis of the Dana Point Harbor Marina to determine what the slip rate "market" is for the harbor. This analysis is to be used for analyzing future rate increases and whether they should be tiered or uniform across all slip lengths.

Supervisor Foley announced that the \$10 million harbor dredging project would begin in late 2024 with a completion in the summer of 2025. 45,000 cubic yards of sand will be removed and used to fortify the Capo Beach shoreline.

Supervisor Foley then reported to the committee her perspective of the events leading up to the recently announced DPHP slip rate increase. The Supervisor was very blunt in saying that when the DPHP broached the subject of a slip rate increase to her office in 2023, she was against it, especially since there had not been any significant upgrades made to the harbor's infrastructure or marina. She had asked the DPHP for input with respect to the methodology used for determining their proposed increase and what the scope of the market was. The Supervisor's team also discussed with the Partners whether their increase should be tiered or uniform. The Supervisor also asked the DPHP to consider a 5 Year Rate Increase Plan, so slip tenants could budget accordingly. At that time there was no agreement between the DPHP and Supervisor Foley's office on if there should be a rate increase and, if so, what that increase should be. In February of 2024, the DPHP sent a letter to the CEO of Real Estate, Matt Miller, advising the county of their intent to raise slip fees. The Supervisor then asked Mr. Miller to contact the DPHP to schedule a meeting to discuss the potential rate increase with the intent of presenting the DPHP plan to the DPHOAC for review and discussion before any final decision regarding the proposed rate increase was made. The DPHP did not respond to Mr. Miller's multiple requests for a meeting to discuss the methodology used to determine whether the proposed rates were within market. However, in May, the DPHP took it upon themselves to announce a tiered rate increase plan effective June 1st. When asked if the County had any recourse regarding the rate increase the Supervisor indicated that there was no language, incorporated into the contract by those in office at the time it was written and signed, that would allow the county to prevent the June 1st increase if the rates are within market. The Supervisor expressed her frustration that an DPHP owner representative (Mr. Ueberroth) was not at this meeting to discuss the events leading up to the slip rate increase and that her plans to gain a consensus involving the DPHOAC were derailed by the Partners.

The Supervisor then reported that the rate structure for the "affordable" hotel has been determined and would be part of the application from the DPHP and the County of Orange presented to the Coastal Commission on June 14th.

-County of Orange CEO of Real Estate Presentation: Matt Miller gave a presentation on what factors should be incorporated into a market analysis of the DPH marina. There was much discussion and committee input around this topic. The take away for Mr. Miller was that more than Newport Beach marina slip rates needed to be factored into any analysis entered into by the county. Demographic data such as income and housing costs should be included as well. Several comments were made by current DPH slip tenants, invited by the Supervisor to attend the meeting, regarding the inflated marina wait list which is based on boaters having multiple deposits on various slip sizes. In addition, a determination needs to be made as to whether to include marinas outside of Orange County for rate and demographic comparison. Mr. Miller said his team would coordinate with Supervisor Foley's office on next steps regarding a market survey and possible appraiser with marina experience who could be utilized and report back to the committee.

The committee agreed to table the discussion of how any future slip rate increases should be structured (tiered percentage or uniform percentage) until the market analysis detail is presented to the committee by the CEO Real Estate. The timeline for this report is sometime late summer or early fall, based on the time required to engage an outside consultant to provide an objective analysis of the DPH market and then the execution of the market analysis itself.

-Dana Point Harbor Oversight Manager Update: Christian Gagne, the Dana Point Harbor Oversight Manager for the County of Orange, provided the committee with a consolidated list of questions submitted by the public, to Supervisor Foley's home page, regarding the announced slip rate increase by the DPHP. Rather than consume time with a discussion of the individual questions at this meeting, Mr. Gagne advised the committee that his office would formulate answers to the questions and give them to the

committee at the next meeting and have them posted on the Supervisor's home page under the Dana Point Harbor tab for the public to view.

In addition, Mr. Gagne indicated that starting June 19th, the Supervisor's office would be conducting bi-weekly meetings with the DPHP to review their progress and discuss issues that have been brought to the attention of the Supervisor and/or the Partners. The intent is to foster a collaborative atmosphere so, that in the future, no one will be taken by surprise.

O.C. Parks Update: Michael Wilson, O.C. Parks, gave a quick update regarding the ongoing projects by his department in the DPH including; the Sailing and Event Center space planning initiative and re-roof project, a remodel of the Baby Beach picnic shelters to incorporate shade elements into the structures scheduled for 2025 and that the County has received approximately \$5 million in grant funding to design and implement a plan to secure the hillside above the intersection of Cove Rd. and Dana Point Harbor Dr.

Bob Langan adjourned the meeting at 7:24 p.m. after a motion, second and committee vote for adjournment passed.

ACTION ITEMS:

1. Report back to the DPHOAC the city/county controlled Tideland marinas located in Newport Beach.
2. DPHP to review waitlist and remove duplicates and/or individuals no longer active on the list and report to the DPHOAC.
3. DPHP to advise the committee of where the interest earned on waitlist deposits is credited and used for.
4. Dana Point Harbor Oversight Manager to continue to categorize and provide answers to the public questions asked re. the DPHP slip rate increase.
5. CEO Real Estate is to, as tasked by Supervisor Foley, engage an outside consultant to conduct a market study/appraisal.
6. In preparation for the June 21st "coffee chat", the DPHOAC Chair and Secretary, Bob Langan and Dennis Parks, are to schedule a meeting with the Supervisor to discuss the committee presentation. In addition, committee members Diane Wenzel and Mike Frost were asked to prepare reports regarding the OCSEC and a City of Dana Point update on the harbor revitalization respectively.

JULY AGENDA ITEMS: (the committee confirmed that the next meeting will be July 10th)

1. Dana Point Harbor Oversight Manager's presentation of the answers to the public questions regarding the new slip rates.
2. CEO Real Estate to provide update on market study/appraisal process.