

Report  
on the  
Dana Point Harbor Oversight Advisory Committee Meeting

June 5, 2024

by

Dennis Parks, Secretary

This month's meeting of the Dana Point Oversight Advisory Committee opened with Supervisor Foley setting 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 that should be considered in a "study" of the Dana Point Harbor Marina to determine what the slip rate "market" is for the harbor. This study is to be used for analyzing future rate increases and whether they should be tiered or uniform across all slip lengths. She also 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 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 plan accordingly. At this time there was no consensus 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 Supervisor asked Matt Miller, OC Real Estate CEO, 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. However, in May, the DPHP took it upon themselves to announce a tiered rate increase plan effective June 1. When asked if the County had any recourse regarding the rate increase the Supervisor indicated that the language, incorporated into the contract by those in office at the time it was written and signed, have left the county with no ability mitigate the June 1st increase.

Matt Miller then made a presentation on what factors should be incorporated into a "market study" of DPH. Much discussion was had and committee input given around this topic. The take away for Mr. Miller was that more than Newport Beach marina slip rates needed to be factored into any study entered into by the county. Demographic data such as income and housing costs along with the integrity of the DPH wait list need to be considered as well. 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 indicated that his team would formulate the market study parameters and report back to the committee at the next meeting.

Christian Gagne then gave a general overview of the questions asked by the public regarding the slip rate increase that were sent to Supervisor Foley. Mr. Gagne indicated that before the questions and answers are published, Supervisor Foley requested the opportunity to review the Q & A one more time before they are discussed at the next meeting and posted on her home page.

Michael Wilson (OC Parks) then 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 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 Cove Rd.

The complete meeting minutes (dated 6/5/24) will be posted on Supervisor Foley's homepage at <https://d5.ocgov.com/> under the new DANA POINT HARBOR REVITALIZATION drop down menu.