

## **THE CASH COW**

I have often wondered what the total income from slip rentals in Dana Point Harbor was. Given the rent increase proposal on 6/22/21, I was motivated to investigate.

Below are my estimates based on easily available data on the internet. PLEASE double check my numbers.

Present slip rents by slip sizes are available on The Marina at Dana Point Website.

<https://themarinaatdanapoint.com/boat-slips-and-leasing>

The number of slips in Dana Point Harbor can be found in a few places specifically in [Appendix 1A Marina Plans \(11-14-19\) eDP1 by Bellingham Marine](#)

[https://danapointboaters.org/documents/dph/dph%20cc%20documents/Appendix%201A%20Marina%20Plans%20-%202024x36%20\(11-14-19\).pdf](https://danapointboaters.org/documents/dph/dph%20cc%20documents/Appendix%201A%20Marina%20Plans%20-%202024x36%20(11-14-19).pdf)

Putting the number of slips per slip size, rent per slip into a simple spreadsheet one comes up with annual marina revenue of \$14.8 Million. \$14.8 Million! I was surprised at this number, are you?

Again please double check my calculations.

(And BTW: this estimate does not include the recent LOA rent increases that are difficult to estimate, and the over 100 sublet slips which are 1.5 times the standard slip rate, other income such as guest slip fees, parking fees, deposit interest income etc. etc. so consider this a minimum estimate.)

Now, from the OC Parks Website the [Master Ground Lease Agreement by and between County of Orange and Dana Point Harbor Partners dated October 20, 1918 ,](#)

<https://www.ocparks.com/sites/ocparks/files/import/data/files/81504.pdf>

one can easily find the rent that Bellwether Financial is paying to Orange County starting on page 30 and Exhibit F. The rent is \$1.25 Million plus 10% of Gross Income per year.

So, to use these numbers, the total estimated yearly rent is (\$1.25 Million Base + \$1.48 Million Percentage Rent) = \$2.73 Million per Year

Also note that in the lease, there are no rent increases for the first six years of the term of the lease and

increases after that are based on CPI and a percentage of gross income. Now subtracting the rent from the gross income estimates above one arrives at a yearly figure of above \$11.8 Million.

So what happens with that remaining \$11.8 Million per year?

We have been told by the Marina and others that current dock repair costs by Bellingham Marine are around \$1 Million per year.

So subtracting that number, we are left with \$10.8 Million for Operations, Maintenance and Profit.

### **BEFORE PROPOSED RENT INCREASES!**

This begs the question, where has all that money been going for ALL these years?

And why are Slip Rent increases even necessary?

Is this consistent with the Doctrine of the Tidelands Trust?

*What do you think?*