



DANA POINT BOATERS ASSOCIATION | PO BOX 461, DANA POINT, CA 92629-0461

June 25, 2021

The Honorable Lisa Bartlett
5th District Supervisor
333 W. Santa Ana Blvd.
Santa Ana, CA 92701

Re: Slip Rate Increase Notification of June 22, 2021

Dear Supervisor Bartlett,

Dana Point Boaters Association (DPBA), and most boaters in Dana Point, strongly disagree with the very large slip rate increase announced effective October 1, 2021, the rationale used to justify the increase, and the methodology cited for the increase.

From the Master Lease, Section 11.9 (Page 90)

11.9 Pricing. Lessee shall at all times maintain a complete list or schedule of the prices charged by Lessee for all goods or services, or combinations thereof, supplied to the public on or from the Property, whether the same are supplied by Lessee or by its Sublessees, assignees, concessionaires, permittees or licensees. The foregoing shall not be deemed a requirement for Lessee to maintain such lists or schedules of the prices charged by Sublessees. Said prices will be "market rate" pricing as reasonably determined by Lessee; provided, however, that in all events such prices shall be consistent with the limitations on pricing as mandated by the Tidelands Grant. In addition to the foregoing, with respect to the Slip Leases specifically, Lessee shall be required to provide advance written notice to County and all tenants and/or licensees under existing Slip Leases of any raises in the slip rental rates, which notice shall include Lessee's rationale for such raise as well as its methodology for determining the same.

While the above paragraph refers to pricing for all goods or services supplied to the public on or from the Property and references "market rate" pricing as reasonably determined by Lessee, there is a big "however" that in all events such prices shall be consistent with the limitations on pricing as mandated by the Tidelands Grant.

The paragraph continues with a sentence to address Slip Leases stating specifically Lessee must meet three requirements. Because this paragraph specifically addresses slip lease raises, and no other type of price increase, it can be understood to mean slip lease increases need to be held to a higher standard of scrutiny. The requirements are:

1. *"Lessee shall be required to provide advance written notice to County and all tenants and/or licensees under existing Slip Leases of any raises in the slip rental rates."*



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The letter, sent via email, of June 22, 2021 presumably met that requirement.

2. *"The notice shall include Lessee's rationale for such raise."*

While the letter did include Dana Point Harbor Partners (DPHP) statement of rationale, delivered by The Marina at Dana Point and Bellwether Financial executives, we question the rationale. Moreover, the rationale failed to include any explanation of how the rate increase is compliant with the limitations on pricing that DPHP is subject to by the Tidelands Grant per sentence three of Section 11.9 in the Master Lease. We believe the public has a right to know.

Focusing on criterion three, methodology.

3. *"The methodology for determining the same must be included."*

The methodology used in their letter is not determinative. In addition, the logic employed is also flawed. According to their letter, which is attached, DPHP only took an average of the other Orange County marinas (presumably just the public ones). Of the public marinas in Orange County, eleven are in Newport Harbor, two in Huntington Harbor, one in Sunset Beach, and one in Dana Point.

The marina in Sunset Beach has slightly lower slip rates than Dana Point, of the two in Huntington Harbor, one marina has slightly higher prices than Dana Point, and the other is the same as Dana Point. Of the eleven marinas in Newport Harbor all are three to four times higher than the marinas in the other three harbors.

There are approximately 9000 slips in Newport Harbor. *Yacht World* reports prices for yachts in Newport Beach start at \$20,000 for the lowest priced vessels, up to \$7,502,357 for the most expensive listings, with an average overall yacht value of \$299,000.

In Dana Point there are approximately 2400 slips. *Yacht World* reports prices for yachts in Dana Point start at \$14,900 for the lowest priced vessels, up to \$1,975,000 for the most expensive listings, with an average overall yacht value of \$124,900. (It is important to also note Dana Point is home to a premier yacht manufacturer which pushes up the average yacht price).

If you consider slip prices in other public marinas such as Long Beach and Alamitos Bay, Oceanside, and San Diego, they all are slightly lower or slightly higher than current Dana Point rates.



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It should be noted that at no time did DPHP collaborate with the DPBA or allow any input as to the rationale or methodology.

While no boaters like slip increases, most boaters will accept and understand reasonable slip increases. The slip increase notification sent to Dana Point boaters on June 22, 2021, was neither reasonable nor logical. The announced slip increases range from 26% to 95%.

If the intent was to drive boaters who require affordability out of the harbor to accommodate more wealthy boaters, then the rate increase will certainly do so. However, this is inconsistent with the terms of the Dana Point Tidelands Trust in that Dana Point Harbor is intended for public use and recreation for all citizens of California regardless of financial capacity. Not just the wealthy.

Supervisor Bartlett, we ask that in the spirit of the Tidelands Grant and mandates of the State Land Commission, you address this travesty and put affordability back into Dana Point Harbor.

Attached are copies of just a few of the hundreds of complaints received by the Dana Point Boaters Association in the last 48 hours. By the time you read this letter we will probably have received many, many more. The boaters of Dana Point asked that we share these with you. Names and contact information have been redacted to protect the anonymity of the submitters.

Dana Point Boaters Association and Dana Point boaters are looking forward to swift action on your part.

Sincerely,

Anne Eubanks
DPBA President
949-243-5148

CC: Andrew Do, Chairman and 1st District Supervisor
Doug Chafee, Vice Chairman, and 4th District Supervisor
Katrina Foley, 2nd District Supervisor
Donald Wagner, 3rd District Supervisor
Frank Kim, CEO, County of Orange



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Christine Pereira, California Coastal Commission
Orange County Register
The Log
Dana Point Times
DPBA Board of Directors
DPBA Advisors