



VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS

Gregory Carson, Chairman
Jim Friedman, Vice Chairman
Everard Ashworth, Secretary
Robert J. Bravo, Commissioner
Bruce E. Smith, Commissioner

Oscar Peña, General Manager
Timothy J. Gosney, Legal Counsel

**PORT COMMISSION AGENDA
SPECIAL MEETING - WORKSHOP
WEDNESDAY, OCTOBER 8, 2014 AT 11:45 A.M. TO 1:00 P.M.
VENTURA PORT DISTRICT OFFICE
1603 ANCHORS WAY DRIVE
VENTURA, CALIFORNIA**

*A **Closed Session** of the Board will be held at **10:00 A.M.** in the Port District Office located at 1603 Anchors Way Drive, Ventura, California to discuss items on the Attachment to Agenda-Closed Session Conference with Legal Counsel.*

*The Board will reconvene in **Open Session** at the Port District Office located at 1603 Anchors Way Drive for its Special Meeting-Workshop at **11:45 A.M.** or as soon thereafter as the Closed Session is concluded.*

CALL TO ORDER and PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPTION OF AGENDA (Motion) (5 minutes)

The public has the opportunity to address the Board on any item appearing on the agenda. Administrative Reports relating to this agenda and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the Port District's office located at 1603 Anchors Way Drive, Ventura, CA during business hours as well as on the District's website - www.venturaharbor.com (Public Notices). Each item on the agenda shall be deemed to include action by an appropriate motion, resolution or ordinance to take action on any item.

PUBLIC COMMUNICATIONS (5 minutes)

Public Communications is the time set aside during the meeting for members of the public to address the Board on items of District business other than scheduled agenda items.

CLOSED SESSION REPORT (5 minutes)

BOARD COMMUNICATIONS (5 minutes)

LEGAL COUNSEL REPORT (5 minutes)

CONSENT ITEMS: (3 minutes)

Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of the Board or the public requests an opportunity to address any given item. Approval by the Board of Consent Items means that the recommendation is approved along with the terms and conditions described in the Administrative Report.

1) - Consideration of Approval of Minutes

Recommended Action: Motion

Approve by motion the Minutes of the Board of Port Commissioners Special Meeting held September 10, 2014.

2) – Consider Two (2) Out of Town Travel Requests

Recommended Action: Motion

Approve by motion the Out of Town Travel Requests of Harbor Patrol Officers Brad Chisholm and Erik Bear.

Board Discussion – Public Comment

INFORMATION ITEM: (45 minutes)**3) – Report on the Ventura Harbor Village Leasing Strategy by Armstrong Real Estate Advisors (AREA)**

Recommended Action: None

David Armstrong, Principal with AREA, will present the Board with an update regarding his efforts on the Ventura Harbor Village Leasing Strategy.

Board Discussion – Public Comment

REQUEST FOR FUTURE AGENDA ITEMS (5 minutes)**ADJOURNMENT**

This agenda was posted on Friday, October 3, 2014 at 5:00 p.m., at the Port District Office and on the Internet - www.venturaharbor.com (Public Notices).

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Ventura Port District at (805) 642-8538. Notification 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

**ATTACHMENT TO PORT COMMISSION AGENDA
CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL**

WEDNESDAY, OCTOBER 8, 2014

10:00AM

1. Potential Litigation, per Government Code Section 54956.9(d)(2):

- One (1) item: Claim of Bonnie Beck.

2. Real Property Negotiations:

- | | |
|----------------------|--|
| a) Property: | Spinnaker Steak & Seafood
Mark Iversen
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Christopher B. Chan,
Timothy J. Gosney |
| Under Negotiation: | Lease Termination Agreement |
| | |
| b) Property: | Spinnaker Steak & Seafood
Bob Bartosh
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Christopher B. Chan,
Timothy J. Gosney |
| Under Negotiation: | Proposed New Lease |
| | |
| c) Property: | Del Mar Seafoods, Inc.
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Christopher B. Chan,
Timothy J. Gosney |
| Under Negotiation: | Lease Terms |
| | |
| d) Property: | Just 4 Dreamers
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Robin Baer
Christopher B. Chan, |
| Under Negotiation: | New Lease Terms |
| | |
| e) Property: | Milano's Italian Restaurant
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Robin Baer
Christopher B. Chan, |
| Under Negotiation: | New Lease Terms |
| | |
| f) Property: | The Greek at the Harbor Restaurant, Inc.
Ventura Harbor Village |
| Negotiating Parties: | Oscar Pena, Robin Baer
Christopher B. Chan, |
| Under Negotiation: | New Lease Terms |

3. Performance Evaluation of Armstrong Real Estate Advisors per Government Code Section 54957

4. Legal Counsel Performance Evaluation, per Government Code Section 54957

5. Per Government Code Section 54957.6 - Conference with Labor Negotiators

District Representatives:

Scott Miller

Employee Units/Groups:

Part Time Harbor Patrol Officer

Service Employees International

Union Local 227

Dockmaster/Security Officers

International Brotherhood of Teamsters

Union, Local 186

VENTURA PORT DISTRICT
BOARD COMMUNICATION

Item 1

Meeting Date: October 8, 2014

TO: Chair and Members, Board of Port Commissioners
FROM: Robbie Armstrong-Dunham, Management Assistant
SUBJECT: Approval of Minutes

Recommended Action

Staff recommends that the Board of Port Commissioners approve by motion the attached Minutes of the Special Meeting held September 10, 2014.

Respectfully submitted,


Robbie Armstrong-Dunham

**MINUTES OF THE VENTURA PORT DISTRICT
BOARD OF PORT COMMISSIONERS SPECIAL WORKSHOP MEETING
HELD SEPTEMBER 10, 2014**

CALL TO ORDER and PLEDGE OF ALLEGIANCE: Chairman Gregory Carson called the public meeting to order at 11:17 a.m. in the Port District office located at 1603 Anchors Way Drive, Ventura, California; there followed recitation of the Pledge of Allegiance and Roll Call by the Clerk.

Members Present: Gregory Carson, Jim Friedman, Everard Ashworth, Robert Bravo and Bruce Smith

City of Ventura Representatives Present: None

Staff Present: Oscar Peña, Scott Miller, Gloria Adkins, Robin Baer, Jennifer Talt-Lundin, Richard Parsons, and Robbie Armstrong-Dunham

Legal Counsel Present: Timothy J. Gosney

ADOPTION OF AGENDA: It was moved by Robert Bravo and seconded by Everard Ashworth to adopt the Agenda. Motion passed unanimously.

PUBLIC COMMUNICATIONS:

- Bob Bartosh, owner of Ventura Harbor Boatyard announced the successful completion of a new twenty-five year lease for the Boatyard.
- John Higgins, Harbor Patrol officer commended Oscar Peña for putting lifeguard services at the Surfers Knoll Beach.
- Various supporters and members of the harbor community, including Sam Sadove, Mike Rosier, Greg Anderson and Butch Sanders spoke up in favor of Bob Bartosh taking over the lease for *Spinnaker's Steak and Seafood* restaurant.
- Mr. Bartosh commented that he is in discussion with Mr. Peña regarding the restaurant and one of his ideas is to bring back the original chef from the previous Spinnaker's owners.

CLOSED SESSION REPORT: Mr. Gosney stated that the Board met in closed session about each of the Items and potential litigation matters. The Board instructed Legal Counsel and Staff on how to proceed and no reportable action under The Brown Act was taken.

BOARD COMMUNICATIONS: Chairman Carson presented departing Clerk of the Board, Pam Casey with a goodbye card & a heartfelt thank you from the Board; Ms. Casey thanked the Board for a great experience over the past seven years.

Robert Bravo complimented staff's new updated website and Jennifer Talt-Lundin invited the Board to the Village this weekend for the upcoming Ventura Arts Street Painting festival.

Legal Counsel advised the Board that staff could respond to questions from the Board during the Board Communications regarding any reports submitted in the Meeting Packet.

- **GENERAL MANAGER AND STAFF REPORTS:** Jim Friedman asked Richard Parsons about his staff report and the response from the Department of Boating and Waterways (DBW) regarding the launch ramp parking lot. Mr. Parsons explained why DBW has not wanted to use grant funds to fix the parking lot area, but that he is in dialogue with DBW to change that status. Bruce Smith asked about the time frame of

repairs and is very concerned that it is obviously needed immediately due to the volume and type of boats that are operating in and out of the launch ramp area. Mr. Parsons felt that with summer over there is not a crunch to get it done right away and that it should be corrected no later than next summer. However, it has been difficult and frustrating to get DBW to commit to a time frame and force them to elevate the matter to a higher level. This is due to the fact that DBW is now a part of State Parks and Recreation and that department does not want to spend the funds.

Mr. Parsons mentioned the important ongoing discussions with Manson Construction and dredging regarding costs. Mr. Peña thanked Mr. Parsons for working so closely with the Corps of Engineers and hopes it's the beginning of something new and good for the District.

Mr. Parsons also noted that a page of his staff report was missing and wanted to tell the Board that the final plans for the Ventura Yacht Club were approved.

LEGAL COUNSEL REPORT: None

CONSENT ITEMS:

- 1) Approval of the Minutes of the Board of Port Commissioners Regular Meeting held August 13, 2014.
- 2) Out of Town Travel Requests for Robert Bravo, Scott Miller and Richard Parsons.
- 3) New Restaurant Lease between the Ventura Port District dba Ventura Harbor Village and Ben Hyman dba Wild Local Seafood Co., LLC, for the premises located at 1559 Spinnaker Drive #105.
- 4) Amendment 1 to the Assistance Agreement, dated May 1, 2014, Between the Department of Parks and Recreation and the Ventura Port District.

A motion was made by Jim Friedman and was seconded by Bruce Smith. Motion passed.

Roll Call Vote: Ayes from Gregory Carson, Robert Bravo Jim Friedman, Everard Ashworth and Bruce Smith.

Absent: None

Resolution No. 3250 is made a part hereof.

INFORMATION and ACTION ITEMS:

5) Tsunami Preparedness in Ventura Harbor - Scott Miller gave an overview of how the presentation would be handled as a 'tag team-4 person relay'. In this overview he gave a brief description of what a tsunami is and how devastating they can be. The Ventura Harbor seems to be a magnet for tsunami activity; there has been an increase with 4 observable events within the last 5 years.

Jon Moore with Noble Consultants, Inc. spoke about the harbor engineering fundamentals and gave more in-depth tsunami descriptions with their risks and implications. Mr. Peña commented that the Sondermann Ring project is aware of the tsunami issues and have planned their development accordingly.

Mr. Miller presented a comprehensive evacuation plan that has been in place since 2011.

Senior Harbor Patrol Office, Pat Hummer has experienced all 4 recent tsunamis and described how the entire harbor had been affected by these events. He emphasized how much has been learned by all involved.

Harbor Patrol Officer, John Higgins gave an informative slideshow presentation illustrating how the tsunami harbor experiences have been a valuable asset to the scientific community. As a result, the District now has a successful pilot program which is being done throughout the state and the District has formed invaluable partnerships for these emergency scenarios. One of the biggest lessons learned was that the previous emergency information was wrong (taking boats out to safe waters) and that safety lies in moving to higher ground.

Mr. Peña said that staff is proud of all that Mr. Higgins and the Harbor Patrol have done for the community and thanked everyone involved.

REQUEST FOR FUTURE AGENDA ITEMS: Robert Bravo would like to review before the end of the year the various employee compensation plans, including options for 1% or 2% increases for those employees within range, consider options for giving employee's time off between Christmas and New Year's and address the concern that as of January 1, 2015 at least one big insurance company's rates are going up 20% which will factor into employee compensation and wage decreases. The Board wants ideas and will work with the District to put this on a future agenda.

ADJOURNMENT: The meeting was adjourned in honor of past Chairman, Ronald Hertel and Clerk of the Board, Pam Casey at 1:11 p.m.

Everard Ashworth, Secretary

VENTURA PORT DISTRICT
BOARD COMMUNICATION

Item 2
Meeting Date: October 8, 2014

TO: Chair and Members of the Board of Port Commissioners
FROM: Oscar F. Peña, General Manager
SUBJECT: Out of Town Travel Requests

Recommended Action

It is recommended that the Board of Port Commissioners approve the following out of town travel requests (costs are approximate amounts):

- A) Harbor Patrol Officer Bard Chisholm's travel to Los Angeles, CA to attend the DBAW Rescue Boat Operations Class from October 20-24, 2014. The benefit to the District is that this class provides the officer with the skills to handle emergency rescue boats in varying conditions which include emergency response operations, towing, offshore operations, and search and recovery. Estimated cost for the travel is as follows:

Lodging (three nights)	\$ 725.00
Meals, Incidentals	\$ 450.00
Personal Vehicle Mileage	\$ 79.10
TOTAL	\$1,254.10

- B) Harbor Patrol Officer Erik Bear's travel to Los Angeles, CA to attend the DBAW Rescue Boat Operations Class from October 20-24, 2014. The benefit to the District is that this class provides the officer with the skills to handle emergency rescue boats in varying conditions which include emergency response operations, towing, offshore operations, and search and recovery. Estimated cost for the travel is as follows:

Lodging (three nights)	\$ 725.00
Meals, Incidentals	\$ 450.00
Personal Vehicle Mileage	\$ 79.10
TOTAL	\$1,254.10

Note:

Pursuant to the Expense Reimbursement Policy, Meal and Incidental Expenses are not to exceed \$115 per day. Funds have been allocated in the FY 2014-15 Budget for training and conferences.

3) – Report on the Ventura Harbor Village Leasing Strategy by Armstrong Real Estate Advisors (AREA) (45 minutes)

Recommended Action: None

David Armstrong, Principal with AREA, will present the Board with an update regarding his efforts on the Ventura Harbor Village Leasing Strategy.

(David Armstrong's 8-page report is attached)

Board Discussion – Public Comment

Ventura Port District
Ventura Harbor Village

Leasing Update

October 3, 2014

AREA

SUMMARY

The initial efforts to implement a comprehensive leasing strategy for the Ventura Harbor Village yielded significant results but it is just the start toward achieving the Port District's long-term goals.

These accomplishments include:

- Assembling all of the construction plans for the existing buildings so that new spaces can be more easily and cost-effectively designed.
- Developing conceptual plans for the former Blackbeard's space as a beach grill.
- Creating marketing materials for the beach grill concept.
- Direct marketing to potential users.
- Creating a policy to cooperate with tenant brokers who represent an overwhelming majority of high quality users. Commissions will only be paid if the tenant and over-all financial deal are acceptable to the Board.
- Raising awareness that the Harbor Village is a potential location for brokers' tenants.
- Placing the beach grill concept on LoopNet, the largest commercial real estate listing service online.
- Creating conceptual designs for a Visitor Experience Center.
- Developing key partnerships for the Experience Center with groups such as Island Packers and Coastal Marine Biolabs.
- Creating conceptual designs for the Market Hall.
- Researching management models and tenant mixes for the Market Hall.
- Identifying a strong potential tenant for the former Blackbeard's space who could energize the north end of the Village.

During these efforts, it became clear that there are significant challenges ahead. As we know from direct experience, a single tenant will not transform the entire Village. In addition to catalytic changes there must be continual and systemic improvements.



BEACH GRILL

The first step in marketing the former Blackbeard's space was to develop the concept and a narrative. During conceptual planning, it was determined that there would not be sufficient floor space to accommodate a full-service kitchen. Working with staff, the best option was the potential to expand into the breezeway area behind the existing lease space.

Once the conceptual plans and rendering were complete, a one-page marketing flier was created and printed.

The first marketing efforts were aimed at local, comparable users. This included Padaro Beach Grill, Summerland Beach Grill, Paradise Beach Cafe/Calamigos Ranch and local creative restaurateurs such as Tim Kilcoyne of Scratch and formerly the Sidecar.

Outreach was also made to key Los Angeles restaurant experts including leasing specialists for Caruso (The Grove, Americana on Brand) and Simon Properties, one of the largest mall operators in the nation.

Once the go-ahead was received for working cooperatively with tenant brokers, we reached out to local retail specialists such as Becker, Hagelis as well as independent brokers. A couple of prospective tenants have looked at the site but there are no active leads.

A preliminary pro forma is attached. The assumptions are conservative but based on very preliminary plans so subject to significant variations. A professional construction cost estimator generated the costs per square foot.

Assuming no percentage rent and no event

revenue, the build-out costs and rent assumptions indicate that the cash-on-cash return would be approximately equal to the market cost of funds. While the potential margins are slim, the proposed use is feasible.

Feedback

The potential tenant is concerned about the seasonality of the space and looking at alternatives to provide a more "year-round" business model. He feels that through his existing connections he can create a destination without relying on other tenants or marketing.

The general consensus among brokers was that the Village is outdated and tired. One broker described it as a "forgotten time warp" and not competitive with other options. It was strongly recommended that the tenant mix and store design be brought up to date.

PRO FORMA

Ventura Port District Beach Grill Concept

Preliminary Pro Forma

	Quantity	Unit	Cost/SF	Total
ESTIMATED COSTS:				
Main Building Core & Shell	4,000	SF	\$90.00	\$360,000
Tenant Improvements	4,000	SF	\$75.00	\$300,000
Site Development	30,000	SF	\$20.00	\$600,000
TOTAL ESTIMATED CONSTRUCTION COSTS:				\$1,260,000

ESTIMATED REVENUE:				
Base Rent	4,000	SF	1.5	\$6,000
Exterior Rent	30,000	SF	0.05	\$1,500
Subtotal Base Rent				\$7,500
Percentage Rent	1,750,000			
Food	60%	3%	31,500.00	
Alcohol	40%	5%	35,000.00	
			66,500.00	-\$1,958.33
TOTAL MONTHLY RENT				\$7,500

Annualized Rent \$90,000

CASH-ON-CASH RETURN	7.14%
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Assumptions:

There are no detailed drawings so these estimates are intended only as a very rough guide
 Cost estimates derived from Cummings Rough Order of Magnitude Statement of Probable Cost
 Improved/Leaseable area estimated at 4,000 square feet
 Percentage rent assumes initial sales roughly the same as Brophys initial sales over a natural break

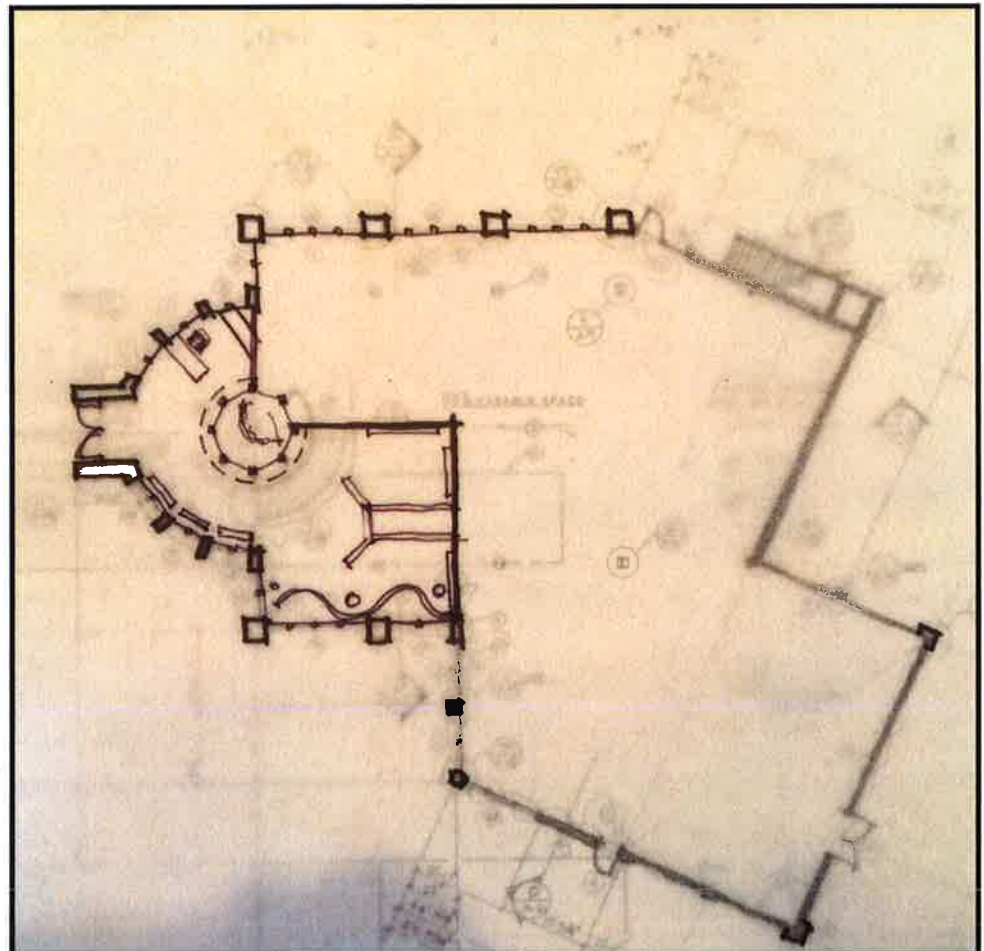
VISITOR CENTER

The proposed Visitor Experience Center would be located at the “main” entry to the Harbor Village. The space is currently used by the arcade. A lease amendment with the arcade operator gave back 800 square feet in a different proposed configuration. A mutual agreement would need to be worked out but the floor plan is designed to accommodate the needs of the arcade. The proposal as designed totals approximately 1,000 square feet.

The physical space is dominated by the structural steel supports for the architectural tower feature that is shared with Margarita Villa. This creates both constraints and opportunities. With Coastal Marine Biolabs and Technifects, we have been researching the possibility of a salt-water aquarium placed inside the steel supports to create a dramatic entry feature. This would be a significant investment, especially for the plumbing so we are also looking into a “virtual” aquarium utilizing either super graphics or over-sized video screens.

Island Packers is very supportive of the concept and believes they would be able to add to their ticket sales.

The operational structure could go a number of directions but, after an initial capital outlay, the facility could generate more revenue both directly and indirectly for the Port District.



MARKET HALL

The food hall concept has now officially gone viral in southern California. The Collection is aggressively pursuing a food hall with an operator from Orange County.

To clarify, a food hall is generally defined as being primarily restaurant oriented - kind of a food court 2.0 for malls.

The market hall concept envisioned in the-Leasing Strategy for the Harbor Village will have restaurants but will also emphasize other food-related items such as fresh seafood, produce and local processed that are intended to be consumed off-site.

One of the design keys is to connect the space physically and visually to the promenade. While this can be done in a number of ways, the two conceptual alternatives juxtapose greater access versus more leaseable area.

The use of smaller stalls and shared common areas is designed to generate a higher rental rate per foot. The spaces that are 80-100 square feet could potentially lease for \$3-4.00 per foot and still provide smaller tenants with a manageable overhead.

The exact location, layout and configuration have not yet been determined due to existing lease obligations and other considerations.



