



Minutes of Special Meeting of the Ventura Port District Board of Port Commissioners Held October 5, 2016

The Special Meeting of the Ventura Board of Port Commissioners was called to order by Chairman Jim Friedman at 7:03PM at the Ventura Port District Office located 1603 Anchors Way Drive, Ventura, CA 93001.

Commissioners Present:

Jim Friedman, Chair
Everard Ashworth, Vice Chair
~~Gregory L. Carson~~ Brian Brennan
Bruce E. Smith

Commissioners Absent:

Nikos Valance

Port District Staff:

Oscar Peña, General Manager
Brian Pendleton, Business Operations Manager
Richard Parsons, Consultant
Jessica Rauch, Clerk of the Board

Legal Counsel:

Dominic Nunneri
Timothy Gosney

AGENDA

CALL TO ORDER: By Chairman Jim Friedman at 7:03PM.

PLEDGE OF ALLEGIANCE: By Commissioner Ashworth

ROLL CALL: Commissioner Valance was absent.

ADOPTION OF AGENDA

ACTON: Commissioner Ashworth moved, seconded by Commissioner Smith and carried by a vote of 4-0 to adopt the October 5, 2016 agenda.

PUBLIC COMMUNICATIONS: None.

STANDARD AGENDA:

1) Approval of Lease of Parcels 15, 16, 18 to Portside Partners-Ventura Harbor, LLC

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners:

1. Adopt Resolution No. 3318 taking the following actions:
 - a. Approving the assignment of the Option to Lease Parcels 15, 16 and 18, dated September 2, 2002 ("Option to Lease") from Sondermann Ring Partners – Ventura Harbor LLC, ("SRP/LLC") successor-in-interest to SRP/LP by operation of law, to Portside Partners – Ventura Harbor, LLC, a Delaware limited liability company ("PPVH"); and

- b. Approving the Fifteenth Amendment to the Option to Lease, as previously amended, the focus of which is to (i) update to legal description for the premises subject to the option, (ii) delete obsolete provisions of the option, (iii) revise the closing process to conform to the form and method of financing for the development, (iv) amend and update the Schedule of Performance (Exhibit C) and the Schedule of Documents Proving/Constituting Satisfaction of the Conditions Precedent to Exercise of the Option (Exhibit F) and update the project description to conform to the actions and approvals from the California Coastal Commissions;
2. Adopt Resolution No. 3319 taking the following actions:
 - a. Approving the construction loan financing for the development, being the first part of the Initial Financing Event under the Ground Lease, and several related loan documents, between PPVH and PNC Bank, National Association ("PNC Bank") as the agent for CIT Bank, N.A., and PNC Bank (collectively "Lenders"), in the amount of \$71,700,000.00 to fund the cost of constructing the planned improvements on Parcels 15, 16 and 18; and
 - b. Authorizing the General Manager to execute on behalf of the District the Ground Lease Estoppel Certificate relating to the Initial Financing Event (not including the permanent take-out loan), a copy of which is attached to the Resolution and which identifies the other loan documents in Exhibit C to the Ground Lease Estoppel Certificate, all of which are approved by the District pursuant to Resolution No. 3319; and
3. Adopt Resolution No. 3320 authorizing the General Manager to execute on behalf of the Ventura Port District the Ground Lease attached as Exhibit B to the Option to Lease, a Memorandum of Lease and Ground Lessor Estoppel Certificate and Consent, at such time as the General Manager and District General Counsel have confirmed that all conditions precedent to the proper exercise of the Option to Lease have been met and/or satisfied, and to sign escrow instructions and conditionally deposit the executed Ground Lease, The Memorandum of Lease and the Ground Lessor Estoppel Certificate and Consent, and certified copies of Resolution Nos. 3318, 3319 and 3320 with Commonwealth Title Company, as the escrow agent for PPVH, PNC Bank and the District relating to the concurrent closing of the construction loan portion of the Initial Financing Event between PPVH and PNC Bank, and the execution and effectiveness of the Ground Lease between PPVH and the District.

Commissioner Friedman commented on how much work had been done to get to this day. He said that all relevant questions had been asked and answered in the weeks, months, and years leading up to this meeting. Thousands of hours of work had been put into this project. He also emphasized how great this will be for Ventura Harbor Village, and the City of Ventura.

Commissioner Brennan was not here for the workshop and thanked legal counsel for following up over the phone. He appreciates the time and work that went into this process. With his experience on various government bodies, he knows how slow the wheels of government can turn.

Commissioner Smith read the materials and had no residual questions other than "when is the groundbreaking?"

Richard Parsons commended the Commission for sticking with Mr. Sondermann and commended Mr. Sondermann for sticking with the Port District for 15 years, even though it has felt like a 45 year saga. He explained that the property was tied up in litigation in the 1970s and 1980s so the District could not develop the land then. He mentioned how Tim Gosney's firm

helped get the District out of litigation in the mid-1980s. He also mentioned how there had been no suitable tenants to develop the land and emphasized how much of a nightmare it is to get through the red-tape of the City and the Coastal Commission.

Sam Sadove said he is glad it is finally happening and congratulations!

Oscar Peña could not believe that this day finally arrived after 15 years of hurdles. All of the hurdles have been overcome by SRP. Also, Oscar spoke about the Ventura Harbor Village (VHV) tenant meeting that occurred that morning (Oct. 5). He said that the VHV tenants are excited because the new development will bring more people, excitement, and attention to the Harbor.

Michael Sondermann emphasized how the public played a huge role in this whole process. He said how remarkable it was that Oscar Peña, Tim Gosney and SRP's attorney have been there from the beginning. He mentioned his former partner Doug Ring, whom he misses dearly. He said that he believes in his new partners and is excited to break ground.

ACTION: Commissioner Brennan moved, seconded by Commissioner Smith and carried by a vote of 4-0 (Friedman, Ashworth, Brennan, Smith Yes, Valance Absent) to adopt Resolution No. 3318 approving the assignment of the Option to Lease Parcels 15, 16 and 18, dated September 2, 2002 ("Option to Lease") from Sondermann Ring Partners – Ventura Harbor LLC, ("SRP/LLC") successor-in-interest to SRP/LP by operation of law, to Portside Partners – Ventura Harbor, LLC, a Delaware limited liability company ("PPVH"); and approving the Fifteenth Amendment to the Option to Lease, as previously amended, the focus of which is to (i) update to legal description for the premises subject to the option, (ii) delete obsolete provisions of the option, (iii) revise the closing process to conform to the form and method of financing for the development, (iv) amend and update the Schedule of Performance (Exhibit C) and the Schedule of Documents Proving/Constituting Satisfaction of the Conditions Precedent to Exercise of the Option (Exhibit F) and update the project description to conform to the actions and approvals from the California Coastal Commissions.

ACTION: Commissioner Brennan moved, seconded by Commissioner Smith and carried by a vote of 4-0 (Friedman, Ashworth, Brennan, Smith Yes, Valance Absent) to adopt Resolution No. 3319 approving the construction loan financing for the development, being the first part of the Initial Financing Event under the Ground Lease, and several related loan documents, between PPVH and PNC Bank, National Association ("PNC Bank") as the agent for CIT Bank, N.A., and PNC Bank (collectively "Lenders"), in the amount of \$71,700,000.00 to fund the cost of constructing the planned improvements on Parcels 15, 16 and 18; and authorizing the General Manager to execute on behalf of the District the Ground Lease Estoppel Certificate relating to the Initial Financing Event (not including the permanent take-out loan), a copy of which is attached to the Resolution and which identifies the other loan documents in Exhibit C to the Ground Lease Estoppel Certificate, all of which are approved by the District pursuant to Resolution No. 3319.

ACTION: Commissioner Brennan moved, seconded by Commissioner Smith and carried by a vote of 4-0 (Friedman, Ashworth, Brennan, Smith Yes, Valance Absent) to adopt Resolution No. 3320 authorizing the General Manager to execute on behalf of the Ventura Port District the Ground Lease attached as Exhibit B to the Option to Lease, a Memorandum of Lease and Ground Lessor Estoppel Certificate and Consent, at such time as the General Manager and District General Counsel have confirmed that all conditions precedent to the proper exercise of the Option to Lease have been met and/or satisfied, and to sign escrow instructions and conditionally deposit the executed Ground Lease, The Memorandum of Lease and the Ground Lessor Estoppel Certificate and Consent, and certified copies of Resolution Nos. 3318, 3319 and 3320 with Commonwealth Title Company, as the escrow agent for PPVH, PNC Bank and the District relating to the concurrent closing of the construction loan portion of the Initial Financing Event between PPVH and PNC Bank, and the execution and effectiveness of the Ground Lease between PPVH and the District.

ADJOURNMENT: The meeting was adjourned at 7:42PM.



Secretary