



Parcel 20 Assignment and Option Agreement

Board of Port Commissioners
September 16, 2020

Recommendation

That the Board of Port Commissioners adopt Resolution No. 3397 authorizing the Ventura Port District to publish a Notice of Proposed Ordinance for the:

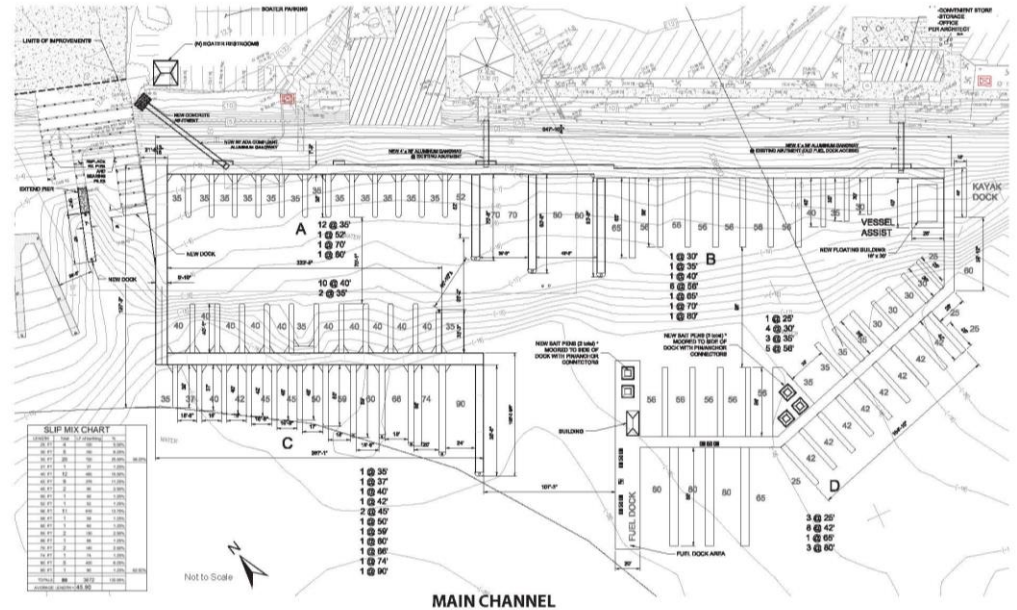
- (1) Assignment of the Existing Parcel 20 Master Lease; and,
- (2) Option Agreement between Derecktor Marine Holdings and the District for a New 50-year Master Lease in a newspaper of general circulation.



- Ventura Harbor Marine Associates, LLC (VHMA). VHMA seeks to sell remaining leasehold to Derecktor Marine Holdings (DMH).
 - VHMA has submitted a formal request to the District for assignment to DMH
 - DMH seeks to purchase the Ventura Harbor Marina and Yacht Yard (VHMY) business
 - The District must approve subleases and/or change of ownership involving subleases
- DMH additionally seeks an option for a 50-year lease:
 - 30-year lease with a 20-year option
 - New development plan
 - Based in part on a plan approved by the Board in November 2015.
 - Ventura Harbor Marina and Yacht Yard (VHMY) Expansion project.

On November 18, 2015:

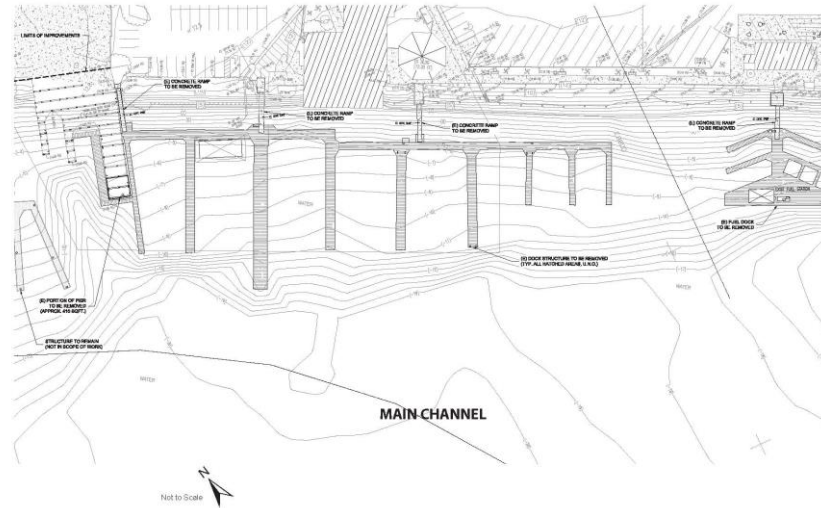
- Board Adopted Resolution No. 3289 certifying the Mitigated Negative Declaration and Mitigation Monitoring Program for the VHMYY Expansion project;
- Approved the Project by Resolution No. 3289, with conditions as depicted in the Final Initial Study- Mitigated Negative Declaration (IS-MND); and,
- Authorized the General Manager to File the Notice of Determination (NOD) with the State Office of Planning and Research and the Ventura County Clerk.



Source: Bellingham Marine Industries, Inc., January 19, 2015

Proposed New Site Plan

Figure 4



Source: Bellingham Marine Industries, Inc., January 19, 2015

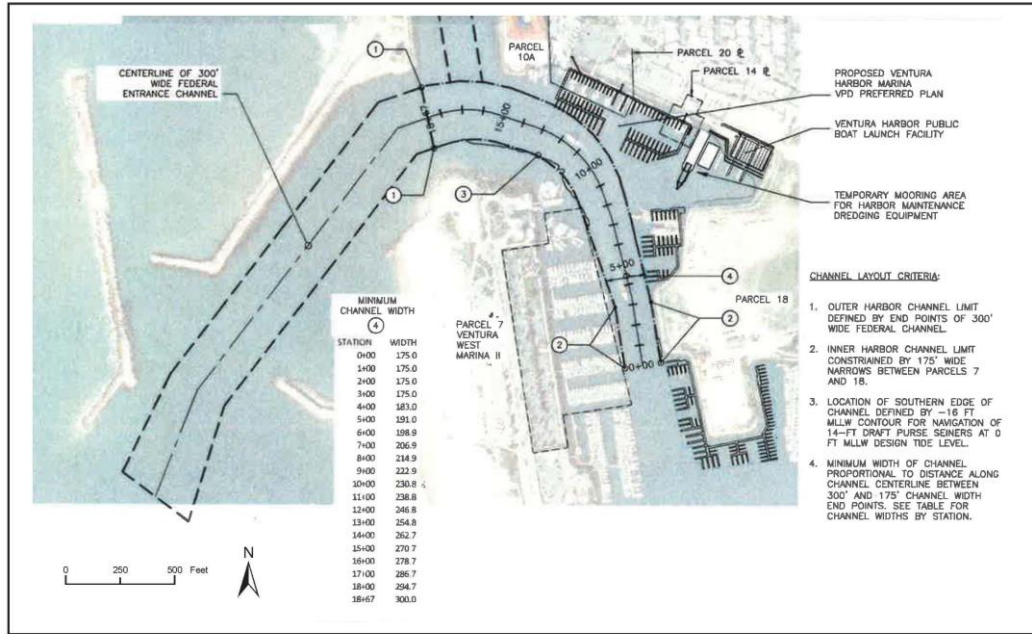
Proposed Structures to be Removed

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The VHMYY Expansion project generally included:

- Expansion and improvements of the existing VHMYY to increase the number of boat slips from 40 to 80 (40 new boat slips).
- The proposed expansion involved removing the existing dock structure, concrete ramps, a portion of the existing pier, and fuel docks;
- Construction of an expanded dock structure;
- Relocation of the fuel dock;
- Onshore parking improvements; and,
- Other related facility improvements including a new American with Disabilities Act (ADA) ramp and new 2-story marine building with added restroom/shower facilities.



Source: Noble Consultants, Inc.

Ventura Harbor Minimum Entrance Channel Plan

Figure 8

- A revised VHMY Expansion project or updated development plan will need project approvals
 - District and other regulatory bodies including but not limited to the California Coastal Commission;
 - U.S. Army Corps of Engineers;
 - Los Angeles Regional Water Quality Control Board; and,
 - City of Ventura.
- Entitlements of this scope are typically a multi-year process



The Assignment and Option Agreement includes:

- DMH will assume the existing lease with a remaining term through 2029
- Concurrently, DMH will receive a 5-year option (1-year extension if necessary)
 - DMH to pay Port District a total of \$100,000 over the 5-year option period



The Assignment and Option Agreement includes:

- During the option period, DMH will prepare plans for new development
- Allowable uses include:
 - Marina
 - Boat yard
 - Boat construction
 - Boat storage
 - Boat brokerage/sales
 - Marina fuel and oil sales
 - Marina Charters including sportfishing and parasailing
 - Restaurant
 - Retail sales
 - Office rentals
 - Parking
 - Additional uses identified in the percentage rent schedule

The Assignment and Option Agreement includes:

- DMH can exercise the option for the lease
 - Once project is fully entitled
 - Project financing is secured,
 - DMH pays Port District \$100,000
- DMH agrees to invest a minimum of \$3.5M
 - Generally consistent with the VHMYY Expansion Project
 - Within 36 months of execution of the lease.
- By the end of the 30-year lease,
 - DMH will complete modernization improvements
 - Pay the Port District \$200,000 in order to exercise the 20-year option.
- DMH will pay the Port District minimum monthly rent.
- Total rent will be the greater of the minimum monthly rent or percentage rent achieved through sales occurring on Parcel 20.





Next Steps

- Proposed lease term exceeds ten (10) years,
- Pursuant to the California Harbors and Navigations Code Section 6270, publish a notice of its intent to adopt an Ordinance
 - Parcel 20 Lease Assignment and Option Agreement for 50-Year Lease in a newspaper of general circulation
- Ordinance on October 7, 2020
 - Effective immediately

Questions?

- Brian Pendleton, General Manager, VPD
- Todd Mitchell, Business Operations Manager, VPD
- Sam Sadove, VHMA, VHMY
- Leonora Valvo, DMH
- Tom Derecktor, DMH