



VENTURA PORT DISTRICT BOARD OF PORT COMMISSIONERS

Michael Blumenberg, Chair
Elizabeth Howell, Vice-Chair
Anthony Rainey, Secretary
Chris Stephens, Commissioner
William Anderson, Commissioner

Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Tom Bunn, Legal Counsel
Jessica Rauch, Clerk of the Board

REGULAR MEETING WEDNESDAY, MAY 6, 2026

VENTURA PORT DISTRICT OFFICE
1603 ANCHORS WAY DRIVE
VENTURA, CA 93001

CLOSED SESSION – 5:30PM
OPEN SESSION – 6:00PM

PUBLIC PARTICIPATION OPTIONS

MEETINGS WILL BE CONDUCTED IN A HYBRID MODEL WITH BOTH IN-PERSON ATTENDANCE AND VIRTUAL PARTICIPATION.

WATCH THE MEETING LIVE

<https://us02web.zoom.us/j/83276329300>

Webinar ID: 832 7632 9300

1-669-900-6833

1-253-215-8782

PUBLIC COMMENT VIA ZOOM

To request to speak on an item, use the “raise hand” button to notify the Clerk. The Clerk will announce public speakers and unmute participants to speak. Please be mindful that the meeting will be recorded, and all rules of procedure and decorum apply for in-person attendees and those participating virtually.

SUBMIT PUBLIC COMMENT VIA EMAIL

To submit written comments on a specific agenda item, please do so via email by 4:00PM on the day of the meeting. When sending an email, please indicate in the subject line, the agenda item number (i.e. General Public Comment or Consent Item A). Written comments should be no more than 1,000 characters in length. Written comments will be distributed to the Commission and will be posted as a supplemental packet on the District’s website at <https://venturaharbor.com/board-meeting-documents/>. Please submit your comment to the Clerk of the Board at jrauch@venturaharbor.com.

**CLOSED SESSION
5:30PM**

CALL TO ORDER: *By Chair Blumenberg.*

ROLL CALL: *By the Clerk of the Board.*

PUBLIC COMMUNICATIONS (3 minutes)

*The Public Communications period is set aside to allow public testimony on items only on the Closed Session Agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair. Attendees can dial *9 or use the 'raise hand' function in Zoom if they would like to speak during public comment periods.*

CONVENE IN CLOSED SESSION

CLOSED SESSION AGENDA

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - PER GOVERNMENT CODE SECTION 54956.8:

- | | |
|-----------------------|--|
| a) Property: | 1575 Spinnaker Drive #107A |
| District Negotiators: | Brian D. Pendleton, Todd Mitchell, Tom Bunn |
| Negotiating Parties: | Tuesday Spagnuolo and Vince Spagnuolo dba Lost in Socks |
| Under Negotiation: | Price and Terms of Payment for Retail Lease Amendment |

ADJOURNMENT

**OPEN SESSION
6:00PM**

CALL TO ORDER: *By Chair Blumenberg.*

PLEDGE OF ALLEGIANCE: *By Chair Blumenberg.*

ROLL CALL: *By the Clerk of the Board.*

ADOPTION OF AGENDA

Consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to or removed/continued from the Port Commission's 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.

APPROVAL OF MINUTES

The Minutes of April 15, 2026 Port Commission Regular Meeting will be considered for approval.

PUBLIC COMMUNICATIONS

The Public Communications period is set aside to allow public testimony on items not on today's agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair.

CLOSED SESSION REPORT

Closed Sessions are not open to the public pursuant to the Brown Act. Any reportable actions taken by the Commission during Closed Session will be announced at this time.

BOARD COMMUNICATIONS

Port Commissioner's may present brief reports on port issues, such as seminars, meetings and literature that would be of interest to the public and/or Commission, as a whole. Port Commissioner's must provide a brief summary and disclose any discussions he or she may have had with any Port District Tenants related to Port District business.

STAFF AND GENERAL MANAGER REPORTS

Ventura Port District Staff, Legal Counsel and General Manager will give the Commission updates on important topics or items of general interest if needed.

CONSENT AGENDA:

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 set forth in the applicable staff reports.

A) Authorization to Procure Replacement Fish Pier Hoist Boom

Recommended Action: Voice Vote.

That the Board of Port Commissioners authorize the General Manager to:

- a) Procure a replacement fish pier hoist boom through sole source procurement and without competitive bidding.
- b) Execute a contract for the supplies and services needed to complete this procurement.

STANDARD AGENDA:

1) Adoption of Ordinance No. 62 for the Assignment of the Existing Parcels 20 & 14 Master Lease Between the Ventura Port District and Derektor Marine Holdings, LLC to Argo SMI Kinship, LLC (Continue to a Date Certain of May 20, 2026)

Recommended Action: Voice Vote.

That the Board of Port Commissioners issues a notice of continuance to a date certain of May 20, 2026.

2) Fiscal Year 2026 – 2027 Budget Study Session

Recommended Action: Informational.

That the Board of Port Commissioners conduct a Fiscal Year 2026–2027 Budget Study Session and provide direction to the General Manager in preparation of the Preliminary Budget and Five-Year Capital Improvement Plan.

3) Adoption of Resolution No. 3555 Approving the Ventura Harbor Village Leasing Policy and Rescind Resolution No. 2595

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt Resolution No. 3555 approving the Ventura Harbor Village Real Estate Leasing Policy and rescind Resolution No. 2595.

ADJOURNMENT

This agenda was posted on Friday, May 1, 2026 by 5:30 p.m. at the Port District Office and online at <https://venturaharbor.com/board-meeting-documents/>

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 or the California Relay Service at 711 or (800) 855-7100. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)



VENTURA
PORT DISTRICT
Established 1952

BOARD OF PORT COMMISSIONERS
MAY 6, 2026

APPROVAL OF MINUTES
APRIL 15, 2026
REGULAR MEETING

VENTURA PORT DISTRICT

BOARD OF PORT COMMISSIONERS REGULAR MEETING MINUTES OF APRIL 15, 2026



CLOSED SESSION

CALL TO ORDER:

The Ventura Port District Board of Port Commissioners Regular Closed Session Meeting was called to order by Chair Blumenberg at 5:31PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

ROLL CALL:

Commissioners Present:

Michael Blumenberg, Chair
Elizabeth Howell, Vice-Chair
Anthony Rainey, Secretary
Chris Stephens
William Anderson

Commissioners Absent:

None.

Port District Staff:

Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Jessica Rauch, Clerk of the Board

Legal Counsel:

Pablo De Leon, Lagerlof, LLP
Tom Bunn, Lagerlof, LLP
Gene Wu, Lagerlof, LLP via Zoom

Number of Interested Persons:

0 via zoom; 0 in-person

PUBLIC COMMUNICATIONS: None. Closed at 5:32PM.

CONVENED TO CLOSED SESSION AT 5:33PM.

ADJOURNED CLOSED SESSION AT 6:00PM.

OPEN SESSION

ADMINISTRATIVE AGENDA:

CALL TO ORDER:

The Ventura Port District Board of Port Commissioners' Regular Open Session Meeting was called to order by Chair Blumenberg at 6:05PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

PLEDGE OF ALLEGIANCE: By Chair Michael Blumenberg.

ROLL CALL:

Commissioners Present:

Michael Blumenberg, Chair
Elizabeth Howell, Vice-Chair
Anthony Rainey, Secretary
Chris Stephens
William Anderson

Commissioners Absent:

None.

Port District Staff:

Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Jessica Rauch, Clerk of the Board
Sarah Clancy, Administrative Services Manager
Brendan Donohue, Senior Harbor Patrol Officer
Justin Fleming, Capital Projects Manager
Sergio Gonzalez, Facilities Manager
John Higgins, Harbormaster
Jessica Snipas, Business Operations Manager
Jennifer Talt-Lundin, Marketing Manager
Matt Tevere, Maintenance Supervisor
Dave Werneburg, Marina Supervisor

Legal Counsel:

Tom Bunn, Lagerlof, LLP
Pablo De Leon, Lagerlof, LLP
Robert Smith, K&L Gates via Zoom

City of Ventura Liaisons:

Councilmember Duran, City Council Liaison – absent

Number of interested persons:

2 via zoom; 6 in person

ADOPTION OF AGENDA

ACTION: Commissioner Stephens moved to adopt the April 15, 2026 agenda.

Commissioner Rainey seconded. The vote was unanimous.

APPROVAL OF MINUTES

ACTION: Vice-Chair Howell moved to approve the March 15, 2026 regular meeting minutes.

Commissioner Anderson seconded. The vote was unanimous.

PUBLIC COMMUNICATIONS: None. Closed at 6:09PM.

BOARD COMMUNICATIONS: Commissioner Rainey reported he attended both the Ventura Yacht Club and Channel Island Yacht Club Opening Ceremonies. Vice-Chair Howell also attended the Ventura Yacht Club Opening Ceremonies. Closed at 6:11PM.

STAFF AND GENERAL MANAGER REPORTS: Mr. Pendleton reported on upcoming events and promotions at Harbor Village.

CLOSED SESSION REPORT: Mr. Bunn stated that the Board met in closed session and discussed and reviewed all items on the closed session agenda. Staff was given instructions on how to proceed, as appropriate, and no action was taken that is reportable under The Brown Act.

CONSENT AGENDA:

A) Approval of Out-of-Town Travel Requests

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve the out-of-town travel requests for Chair Michael Blumenberg to attend the CSDA 2026 Special District Leadership Academy on May 11 – 14, 2026 in San Diego, CA.

Public Comment: None. Closed at 6:25PM.

ACTION: Commissioner Stephens moved to approve the out-of-town travel requests for Chair Michael Blumenberg to attend the CSDA 2026 Special District Leadership Academy on May 11 – 14, 2026 in San Diego, CA.

Commissioner Anderson seconded. The vote was unanimous.

B) Approval of Payments for March 2026

Recommended Action: Voice Vote.

That the Board of Port Commissioners review and approve payments made by check, ACH, and EFT for the month of March 2026.

Public Comment: None. Closed at 6:25PM.

ACTION: Commissioner Stephens moved to approve payments made by check, ACH, and EFT for the month of March 2026.

Commissioner Anderson seconded. The vote was unanimous.

C) Approval of Amendment No. 2 to the Retail Lease Agreement with Katherine Sparks-Jones and Valerie “Katie” Bordofsky dba Ventura Fresh Fish

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve Amendment No. 2 to the Retail Lease Agreement dated April 1, 2023 (the “Lease”) between the Ventura Port District dba “Ventura Harbor Village” and Katherine Sparks-Jones and Valerie “Katie” Bordofsky dba “Ventura Fresh Fish”, for the premises located at 1449 Spinnaker Drive, Suite #F (“Premises”), consisting of approximately 563 square feet.

Public Comment: None. Closed at 6:25PM.

ACTION: Commissioner Stephens moved to approve Amendment No. 2 to the Retail Lease Agreement dated April 1, 2023 (the “Lease”) between the Ventura Port District dba “Ventura Harbor Village” and Katherine Sparks-Jones and Valerie “Katie” Bordofsky dba “Ventura Fresh Fish”, for the premises located at 1449 Spinnaker Drive, Suite #F (“Premises”), consisting of approximately 563 square feet.

Commissioner Anderson seconded. The vote was unanimous.

D) Approval of a New Retail Lease Agreement with Rowan Boutique LLC dba “Rowan Boutique”

Recommended Action: Voice Vote.

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba “Ventura Harbor Village” and Rowan Boutique LLC dba “Rowan Boutique”, for the premises located at 1559 Spinnaker Drive, Suite #101A, Ventura, California 93001, consisting of approximately 800 square feet of commercial interior space and approximately 231 square feet of patio space.

Public Comment: Loren Pennington, owner of Rowan Boutique thanked the Commission for this opportunity and their consideration. Closed at 6:25PM.

ACTION: Commissioner Stephens moved to approve a new Retail Lease Agreement between the Ventura Port District dba “Ventura Harbor Village” and with Rowan Boutique LLC dba “Rowan Boutique”, for the premises located at 1559 Spinnaker Drive, Suite #101A, Ventura, California 93001, consisting of approximately 800 square feet of commercial interior space and approximately 231 square feet of patio space.

Commissioner Anderson seconded. The vote was unanimous.

STANDARD AGENDA:

1) Status on the Establishment of Aquaculture Opportunity Areas by the National Oceanic and Atmospheric Administration

Recommended Action: Informational.

That the Board of Port Commissioners receive a staff report regarding the establishment of Aquaculture Opportunity Areas (AOA) by the National Oceanic and Atmospheric Administration (NOAA).

Report by Robert Smith, K&L Gates.

Public Comment: None. Closed at 6:36PM.

ACTION: The Board of Port Commissioners received a report regarding the establishment of Aquaculture Opportunity Areas (AOA) by the National Oceanic and Atmospheric Administration (NOAA).

2) Presentation by Ocean Rainforest, Inc. regarding a Proposed Macro Algae Farm Proximate to Ventura Harbor

Recommended Action: Informational.

That the Board of Port Commissioners receive a presentation from Ocean Rainforest, Inc. regarding their proposed project for a commercial macro algae (kelp) farm proximate to Ventura Harbor.

Report by Kiara Wallace and Doug Bush, Ocean Rainforest.

Public Comment: None. Closed at 7:11PM.

ACTION: The Board of Port Commissioners received a presentation from Ocean Rainforest, Inc. regarding their proposed project for a commercial macro algae (kelp) farm proximate to Ventura Harbor.

3) Approval of Resolution No. 3554 Authorizing a Notice of Proposed Ordinance for the Assignment of the Existing Parcels 20 & 14 Master Lease Between the Ventura Port District and Derektor Marine Holdings to Argo SMI Kinship, LLC

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt Resolution No. 3554 authorizing the Ventura Port District to publish a Notice of Proposed Ordinance for the Assignment of the Existing Parcels 20 & 14 (collectively, the “Premises”) Master Lease between Ventura Port District (District) and Derektor Marine Holdings, LLC (DMH) to Argo SMI Kinship, LLC (Suntex) in a newspaper of general circulation.

Report by Brian D. Pendleton, General Manager.

Public Comment: Leonora Valvo, co-owner of DMH, clarified that DMH will cease operating as an entity and Derektor Ventura Inc., under the management of the other DMH co-owner Thomas Derektor, will continue as a sublessee of Suntex running the boatyard.

ACTION: Commissioner Stephens moved to adopt Resolution No. 3554 authorizing the Ventura Port District to publish a Notice of Proposed Ordinance for the Assignment of the Existing Parcels 20 & 14 (collectively, the “Premises”) Master Lease between Ventura Port District (District) and Derecktor Marine Holdings, LLC (DMH) to Argo SMI Kinship, LLC in a newspaper of general circulation.

Vice-Chair Howell seconded. The vote was as follows:

AYES: Commissioners Blumenberg, Howell, Rainey, Stephens, Anderson

ADJOURNMENT: The meeting was adjourned at 8:07PM.

The next regular meeting is Wednesday, May 6, 2026.

Anthony Rainey, Secretary



VENTURA
PORT DISTRICT
Established 1952

BOARD OF PORT COMMISSIONERS
MAY 6, 2026

CONSENT AGENDA ITEM A
AUTHORIZATION TO PROCURE
REPLACEMENT FISH PIER HOIST BOOM

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

CONSENT AGENDA ITEM A
Meeting Date: May 6, 2026

TO: Board of Port Commissioners
FROM: Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Dave Werneburg, Marina Supervisor
SUBJECT: Authorization to Procure Replacement Fish Pier Hoist Boom

RECOMMENDATION:

That the Board of Port Commissioners authorize the General Manager to:

- a) Procure a replacement fish pier hoist boom through sole source procurement and without competitive bidding.
- b) Execute a contract for the supplies and services needed to complete this procurement.

SUMMARY:

Staff requests authorization for the General Manager to procure a replacement Fish Pier hoist boom arm and cable following irreparable damage to the existing components. The hoist is proprietary - originally designed to the District's specifications, custom fabricated in Oregon, and installed by JPL Construction (JPL). Staff recommends waiving competitive bidding and awarding the contract to JPL under the Unique Design provision of the Sole Source exemption to competitive bidding in the District's Procurement and Purchasing Policy.

GUIDING PRINCIPLE:

- 1) Maintain a safe, navigable, and resilient harbor.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

5-YEAR OBJECTIVE:

- F) Support current and future commercial fishing and sustainable aquaculture industries. Maintain and improve working waterfront facilities and infrastructure.

BACKGROUND:

On November 22nd, 2025, a Fish Pier hoist boom and cable were severely damaged by an unknown party and deemed irreparable. No security cameras are located in an area to identify the party responsible. Staff filed a claim with the District's insurer, JPIA, who committed to a total of \$74,774 to offset replacement costs.

The existing hoist system was originally designed by Noble Consultants in conjunction with District staff. Fabrication was contracted out of state due to an inability to find another company able to perform the work. During the original fabrication process, the manufacturer did not achieve the required schedule and there were issues related to the quality of work that necessitated independent inspection. The fabricator shipped the crane disassembled. The District contracted JPL to perform the assembly and installation.

Because the equipment is proprietary and integrated with the existing pier infrastructure, maintaining system compatibility and operational consistency requires a contractor with direct knowledge of the original design and specifications. Since the time of the procurement of the original crane, the District staff member who oversaw the design, fabrication, and assembly of the crane has become a contract employee of JPL. Staff has determined that the combination of direct experience with assembly of the crane and the additional expertise available to them on the original design, JPL is uniquely qualified to perform the replacement work and supply the

necessary components to interface with the remainder of the crane and meet the load-handling requirements.

Although the cost of replacement exceeds standard competitive bidding thresholds for work or projects that are not subject to the California Uniform Public Construction Cost Accounting Act (UPCCA) under the District's Procurement and Purchasing Policy (Policy), this project qualifies under the Unique Design provision of the Sole Source exemption to competitive bidding in subsection A.(1)(a)(ii) of Section IV. of the Policy for projects which are not subject to the UPCCA and involve a unique design.

As JPL is uniquely qualified to provide these unique goods and to perform this unique and specialized work, and sole source procurement will ensure compatibility with the existing system, preserve design integrity, and restore the hoist to its intended functionality in a safe and efficient manner.

FISCAL IMPACT:

The replacement of the Fish Pier hoist has been quoted by JPL for \$89,774. The District's insurance provider has committed to funding \$74,774 of the cost, with the Port District responsible for the \$15,000 deductible. The deductible will be paid from the Marina Department's existing budget.

ATTACHMENTS:

None.



BOARD OF PORT COMMISSIONERS
MAY 6, 2026

STANDARD AGENDA ITEM 1

ADOPTION OF ORDINANCE No. 62 FOR
THE ASSIGNMENT OF THE EXISTING
PARCELS 20 & 14 MASTER LEASE
BETWEEN THE VENTURA PORT
DISTRICT AND DERECKTOR MARINE
HOLDINGS, LLC TO ARGO SMI KINSHIP,
LLC (*CONTINUE TO A DATE CERTAIN OF
MAY 20, 2026*)

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 1
Meeting Date: May 6, 2026

TO: Board of Port Commissioners
FROM: Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Tom Bunn, Lagerlof LLP
Pablo De Leon, Lagerlof LLP
SUBJECT: Adoption of Ordinance No. 62 for the Assignment of the Existing Parcels 20 & 14
Master Lease Between the Ventura Port District and Derecktor Marine Holdings,
LLC to Argo SMI Kinship, LLC (*Continue to a Date Certain of May 20, 2026*)

RECOMMENDATION:

That the Board of Port Commissioners issues a notice of continuance to a date certain of May 20, 2026.

SUMMARY:

Staff is recommending continuance of this item to a date certain of May 20, 2026. The notice of continuance must be posted at the District office within 24 hours after the item has been continued.

GUIDING PRINCIPLES:

- 3) Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exception public service and organizational transparency.

5-YEAR OBJECTIVES:

- M) Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.
 - 1) Engagement and support of Master Tenants for successful business operations at the Harbor.

BACKGROUND:

N/A

FISCAL IMPACT:

N/A

ATTACHMENTS:

Attachment 1 – Notice of Continuance

ATTACHMENT 1

NOTICE OF CONTINUANCE OF ADOPTION OF ORDINANCE NO. 62 FOR THE ASSIGNMENT OF THE EXISTING PARCELS 20 & 14 MASTER LEASE BETWEEN THE VENTURA PORT DISTRICT AND DERECKTOR MARINE HOLDINGS, LLC TO ARGO SMI KINSHIP, LLC

By order of the Board of Port Commissioners of the Ventura Port District present pursuant to Government Code section 54955, Standard Item 1 Adoption of Ordinance No. 62 for the Assignment of the Existing Parcels 20 & 14 Master Lease Between the Ventura Port District and Derecktor Marine Holdings, LLC to Argo SMI Kinship, LLC originally scheduled for the regular meeting of May 6, 2026 at 6:00PM has been continued to the following date, time and place:

DATE: May 20, 2026

TIME: 6:00PM

PLACE: District office located at 1603 Anchors Way Drive, Ventura, California and virtually via Zoom meeting

A copy of this Notice shall be posted and delivered in the same manner as for special meetings of the Board of Port Commissioners, conspicuously posted on or near the door of the place where the continuance was held, within 24 hours of the time of continuance, and posted on the District's Internet website if it maintains one.



**BOARD OF PORT COMMISSIONERS
MAY 6, 2026**

**STANDARD AGENDA ITEM 2
FISCAL YEAR 2026 – 2027
BUDGET STUDY SESSION**

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 2
Meeting Date: May 6, 2026

To: Board of Port Commissioners
From: Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Sarah Clancy, Administrative Services Manager
Subject: Fiscal Year 2026–2027 Budget Study Session

RECOMMENDATION:

That the Board of Port Commissioners conduct a Fiscal Year 2026–2027 (FY26-27) Budget Study Session and provide direction to the General Manager in preparation of the Preliminary Budget and Five-Year Capital Improvement Plan.

SUMMARY:

The Study Session provides the opportunity for Board and stakeholder engagement in the discussion of funding priorities as the budget is being developed. The Study Session will benefit from consideration of Guiding Principles and Five-year Objectives adopted by the Board, before presenting the Preliminary Budget on June 3.

GUIDING PRINCIPLES

- 1) Maintain a safe, navigable, and resilient harbor.
- 2) Advance the harbor’s vibrant, working waterfront in support of commercial and recreational fishing and boating.
- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 4) Establish and implement harbor-wide environmental sustainability policies and practices through collaboration with our business partners.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exceptional public service and organizational transparency.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.
- 8) Support the Channel Islands National Park in its efforts to provide a first-class visitor center, educational resources, and ferry boat services to the islands.

FIVE-YEAR OBJECTIVES

- D) Ensure dredging occurs annually at the federal Harbor entrance and as needed in the inner Harbor.
- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.
- F) Support current and future commercial fishing and sustainable aquaculture industries. Maintain and improve working waterfront facilities and infrastructure.
- M) Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.
- N) Maintain and grow Channel Islands National Park Service (NPS) presence and customer visitation to the Harbor.
- P) Implement parking management, traffic circulation, and multi-modal transportation strategies.

- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
- V) Maintain and improve Harbor Village facilities, infrastructure, and amenities.

BACKGROUND:

The current budget process began in April after the conclusion of the Midyear Budget. At the direction of the General Manager, the management team began evaluating expenses which will be presented in detail as part of the Preliminary Budget at the June 3 Board Meeting.

Operating Revenues:

The management team has begun discussing revenue projections with master tenants, and forecasting Village, Village Marina, charters, dry storage, and commercial fishing revenues. This process is on-going, and the revenue and expense projections will be presented as part of the Preliminary Budget presentation to the Board on June 3.

Master Tenants

District staff have been collaborating with Master Tenants on a number of capital improvement projects geared to grow business in the mid to long-term. Staff will conduct an annual check-in regarding projected near-term revenue while developing the Preliminary Budget. – Currently, for FY25-26 year-to-date, comparing Mid-Year Budget to Actual, Parcel Lease revenues are trending 2.5% over budget as of March 31, 2026.

Harbor Village

Harbor Village revenue is a combination of base rent for all tenants and, for retail, restaurant, and charter business: common area maintenance, promotional fees, and percentage rent. Vacancies and re-leasing have the most significant impact on variance in revenue. The performance of tenants that pay percentage rent also affects revenue, which Staff monitors and reports on monthly as part of the Property and Leasing Report.

Construction at 1559 Spinnaker was completed in FY25–26, converting the space into two suites. One suite has been leased and will be reclassified from office to retail upon lease commencement. The second suite has already generated tenant interest.

The construction for the restaurant vacancies at 1575 Spinnaker has begun and is expected to be complete by the end of the calendar year 2026. The project, approved by the City’s Design Review Committee (DRC), is a major renovation of the building, which will cost approximately \$3.3 million to complete – this is in addition to prospective tenant(s) investments to the interior and any negotiated contributions to the work by the District.

Both leasing and marketing strategies will continue to place an emphasis on retaining and attracting quality Village tenants, as well as supporting strong visitation and engagement in the Village.

Currently, for FY25-26 year-to-date, comparing Mid-Year Budget to Actual, Village revenues are trending 5.5% above budget as of March 31, 2026.

Marina & Commercial Fishing

Commercial fishing catch in Ventura Harbor is dominated by California Market Squid – generally making well over 90% of the total landings by weight. While the past two years (2024 and 2025) were excellent for squid (both years \$23.2 million in market value per year), the industry is highly volatile – landings in 2022 were 10 times that of 2019. This fishery has been

certified as sustainable by the Marine Stewardship Council, so it is not due to overfishing. Instead, it is due to the sensitivity of squid's food source to water temperature.

Importantly for the District, commercial fishing landings are not a primary driver of Commercial Fishing revenue, which is instead generated largely through leases of premises, slip revenue, fuel sales, vessel repairs, and other related activities.

Transient slip rental revenue in FY25-26 has been lower than anticipated. In prior busy years, the marina has maintained a 2-4 month waitlist for seasonal slip occupancy and has often been able to optimize utilization by rebooking otherwise vacant slips. In 2025, landings in San Pedro were up significantly, meaning boats that might have offloaded in Ventura were operating further south. Thus, there was reduced secondary demand and reducing this revenue source. The significant landings in San Pedro also resulted in oversupply and the industry largely stopped fishing early for this reason. Supply and demand is also affected by the size of squid (counts per pound), where larger squid fetch a higher price, as well as by the impacts of reciprocal tariffs levied by China on US seafood imports (which is the primary buyer for California Market Squid).

An El Niño event is forecast for mid- to late 2026. Should the event reach moderate to strong intensity, it may reduce coastal ocean productivity and impact landings, which in turn could affect slip demand (particularly transient use) in FY26-27.

Planning and entitlements are underway for a modernized commercial fish offloading facility in partnership with the Port of Hueneme through \$15.7 million in grant funding secured from the State of California. Construction is anticipated to commence in the fall of 2027 through early 2028 expanding the District's offloading capacity to absorb all squid offloading from the Port of Hueneme.

Dry (boat) storage has been relocated to Parcel 19A at the northwest corner of Harbor Blvd and Schooner Drive., with a number of improvements completed to facilitate the move and more elements to be completed in the coming fiscal year. Occupancy of Dry Storage is up to 64% with more growth anticipated as summer approaches.

Currently, for FY25-26 year-to-date, comparing Mid-Year Budget to Actual, Marina revenues are trending 7.1% above budget as of March 31, 2026. This is due in large part because Commercial Fishing Offloading Income was higher than budgeted but that the forecast for Marina Slip and Dry Storage revenue were reduced during the Mid-Year Budget.

Property Tax

The District receives a share of local property tax that the Board has historically allocated to fund a portion of the District's Public Safety expenses. For FY26-27, the County of Ventura is estimating a 2% increase in property taxes received. This represents a lower increase than in recent years.

Parking Management Plan

The District completed implementation of the Parking Management Plan (PMP) in FY25–26. FY26–27 revenues are anticipated to follow seasonal patterns, and no net annual increase is currently projected. Parking revenue assumptions have been revised downward to reflect the decision to offer stays under one hour at no charge. As the program approaches its first full year of operation, the resulting data will provide a stronger foundation for more refined and well-supported budgeting and forecasting assumptions.

Operating Expenses:

An increase in overall operating expenses is anticipated due to inflationary pressures for on-going expenses, ongoing Village marketing events, personnel costs, labor agreements, employee compensation, benefits, and pension costs. Details on expense projections will be presented as part of the Preliminary Budget presentation to the Board on June 3.

Dredging

The Dredging Reserve Fund was restored to a balance of \$3,000,000 in FY24–25. Although federal funding for dredging was not included in the FY26-27 President’s Budget, staff is pursuing congressional earmarks to fund dredging activities.

Staffing Considerations

As part of the FY26–27 budget process, the General Manager and management team are evaluating staffing needs across all departments. Notable staffing changes are anticipated, including the transition toward a District-operated lifeguard program and corresponding adjustments to support increased operational requirements. In addition, expanded human resources and administrative demands are expected to require the addition of an HR staff member. Formal recommendations will be presented to the Board as part of the Preliminary Budget.

The General Manager seeks to align departmental staffing with District goals and objectives while also supporting career advancement opportunities. The General Manager is also evaluating staff compensation for the coming fiscal year, including cost-of-living adjustments, merit increases, and benefits for both represented and unrepresented employees.

California Public Employee Retirement System (CalPERS)

The District will receive a report and presentation by Foster & Foster Consulting Actuaries on May 20th regarding the CalPERS actuarial obligations, the Districts plan benefits, and future payment outlook for the District employees’ retirement plans. The Unfunded Accrued Liability (UAL) payment due in FY26–27 is \$524,557, representing an increase of \$38,647 over the FY25–26 amount of \$485,910. Employer contribution rates remained largely stable, with slight decreases in three categories and a minimal increase in one category.

Long-Term Debt

The District was able to take advantage of low interest rates in prior years and either issued debt, or refinanced debt to complete major infrastructure projects including modernization of the VHV Marina, which serves our commercial fishing fleet. Below is a list of current debt:

Purpose of Debt	Rate	Principal Remaining	Years Remaining
2016 Refunding of consolidated DBW loans	3.30%	\$2,801,600	10
2018 Village marina dock renovation Series A – Tax exempt	4.12%	\$1,169,849	12.5
2018 Village marina dock renovation Series B – Taxable	5.25%	\$2,241,316	12.5
<u>2021 Refunding of 2008 & 2009 COPs</u>	<u>1.95%</u>	<u>\$1,710,000</u>	<u>2</u>

The District’s annual debt service for all principal and interest payments in FY26–27 is \$1,571,720. The District is obligated to maintain debt service ratios and required bond covenant for net revenues to meet or exceed 115% of the current year’s debt service. For FY25-26 net revenues are expected to be 231% of the fiscal year’s debt service.

General Insurance

After multiple years of elevated cost increases in property and liability insurance, including general and marine policies, the District is experiencing a slowing in the rate of growth for FY26-27.

FY25-26 Proposed Tenant Improvements:

Staff use lease expiration dates, probabilities, and anticipated costs for suite remodeling to estimate a comprehensive budget for District costs associated with addressing tenant turnover. During the previous fiscal year, the Board-approved leasing strategy included focus on tenant retention which has been successful in reducing turnover and thus the need to spend funds on preparing suites for new tenants. Staff, where possible, continue to secure multi-year terms for new leases and lease renewals, as this provides security and reduces risk for both tenants and District.

For FY26–27, Staff anticipate that a notable investment may be required to revitalize the office space at 1591 Spinnaker, currently leased by Ultimate Escape Rooms. At this time, staff do not yet have a date by which the tenant will vacate.

GRANT REVENUE

Staff continue to both pursue and spend grant revenue primarily towards various capital improvement projects as well as for the State surrendered and abandoned vessel program.

Between now and the end of FY26–27, The District anticipates \$500,000 in funding from the California State Parks Division of Boating and Waterways for launch ramp and boat washdown improvements, and an additional \$200,000 from the National Fish and Wildlife Foundation for improvements to the Surfer’s Knoll retaining wall and restroom and shower facilities.

Also, in the past year, the District was awarded, in partnership with the Port of Hueneme, a \$15.7 million grant to support modernization of the commercial fish offloading area. The Port of Hueneme will serve as the grant administrator and will be responsible for all contracting and payments to consultants and contractors.

An additional grant opportunity staff pursued is the federal Department of Transportation Port Infrastructure Development Program (PIDP) grant to support the future replacement of the commercial fish pier in approximately 5-7 years. The grant would fund up to \$11.25 million and would require at least a 25% match from the District (at least \$2.75 million). Typically, the award process takes at least two years following submission. The District submitted an application for 2025; however, in April 2026, the District was notified that the application was not awarded. The Staff is preparing to reapply in June for the 2026 round.

In FY25-26, the District also applied for a Land and Water Conservation Fund grant through the California Natural Resources Agency, Department of Parks and Recreation, seeking up to \$2.862 million to support development of a park at Parcel 5. State park grant programs typically prioritize projects serving disadvantaged communities, which can limit the District’s competitiveness. The District has not yet received notification regarding the status of its application.

In 2025, Harbor Patrol secured grant funding for both the Surrendered and Abandoned Vessel Exchange (SAVE) Program and the replacement of engines for the B-1 Fireboat. Staff is currently undertaking procurement of the new engines.

As Ventura Harbor is designated as a US Customs Port of Entry, Staff will also investigate grant opportunities related to the replacement of the Harbor Patrol and Long Dock related to new federal priorities related to security.

Successful grant awards are considered by staff when proposing future projects. However, where the grant outcome is uncertain, the associated projects are typically not considered within the Capital Improvement Plan.

CAPITAL IMPROVEMENTS:

As part of the preparation for the annual budget, staff are reviewing the five-year Capital Improvement and ADA Improvement Plan (CIP), last approved by the Board in February 2026 (Attachment 2). Concurrently, the District continues to assess potential funding challenges should anticipated grant awards not be realized, which may require the identification of alternative funding or financing sources.

Each year, staff review the time sensitivity of critical capital improvement and ADA compliance projects which, if not completed, may result in operational challenges and potential disruptions to business operations. These projects are anticipated to be recommended in FY26-27, consistent with the CIP.

- 1575 Spinnaker Building Exterior Façade Improvements
- Harbor Village Roof Replacements (1583 – 2nd floor portion in coming year)
- Harbor Patrol Long Dock (recommending advancing the timing)
- 1603 Anchors Way HVAC
- Resurfacing of District Operated Parking Lots (one in coming year)
- Parcel 19A Parking Lots: ADA and CDP Compliance

In addition, Staff have identified the following discretionary projects that are expected to provide significant benefits to the District's functionality, accessibility, and overall quality and are anticipated to be recommended in FY26-27. This is not a complete list, nor does it imply funding or completion of all of these projects in a fiscal year.

- 1559 Courtyard Tile Replacement & Modernization
- Harbor Village Wayfinding Signage & Murals
- Harbor Patrol Boat Replacement

Furthermore, staff have identified future projects included in the approved five-year CIP that are scheduled beyond FY26–27 and have categorized them as either critical or discretionary priorities.

Critical Future Capital Improvements:

- Commercial Fish Pier Maintenance & Long-Term Replacement
- Ongoing Vehicle Replacements
- Additional Roofing Replacements
- Additional Parking Lot resurfacing
- Parking and Promenade Lighting Replacements
- Village 2nd Floor Exterior Walking Deck Resurfacing
- Harbor Village Trash Enclosures

Discretionary Future Capital Improvements:

- Parcel 5 Community Park
- Coastal Trail Program (including promenade improvements and street furniture)
- Village Paseo Improvement Project
- 1691 Parking Lot Modification

District staff also budgets for projects beyond the current fiscal year to identify significant investment requirements beyond the approved CIP. These are shown in the attached CIP as the column “Future Fiscal Years and Beyond”.

RESERVES:

At present, the District continues to maintain strong cash reserves. In FY24–25, the District replenished the Dredging Reserve to \$3.0 million. Separately, in FY25–26, the District utilized the Fisheries Improvement Fund to support its obligations under the Fisheries Improvement Project. In addition, the District secured \$1.4 million in reimbursement related to the January 2023 storm event, which was received in spring 2026. The District’s reserves include:

- Dredging Reserve: \$3,000,000
- Fisheries Improvement Fund: \$0
- Unrestricted Reserve: \$5,527,000
- Estimated Capital Improvement Reserve: \$11,500,000

The Unrestricted Reserve is calculated as 40% of the District’s total operating cost base, which includes annual operational expenses, annual debt service, and budgeted tenant improvement expenditures. Based on the mid-year FY25–26 budget, the resulting reserve amount is \$5,527,000. The Capital Improvement Reserve is all other remaining reserve funds. Based on early estimates of the cash position at the end of FY25-26, staff approximate the Capital Improvement Reserve to be approximately \$11.5 million at the start of FY26-27.

The purpose of the unrestricted reserve is to safeguard the District’s financial stability by providing resources for unexpected costs and emergency events; historically, the reserve has been drawn upon only minimally.

This District continues to evaluate reserve policies in coordination with Government Accounting Standards Board standards.

FISCAL IMPACT:

Staff is presenting this Budget Study Session to the Board to seek policy direction on spending priorities. The General Manager continues to prioritize resources that support staff growth and development, including career advancement opportunities. Staff have identified several high-value projects for inclusion in the District’s upcoming five-year CIP. However, the CIP must be implemented prudently, balancing the use of District reserves with the organization’s capacity to deliver these projects alongside ongoing operations.

ATTACHMENTS:

Attachment 1 – Guiding Principles and Five-Year Objectives

Attachment 2 – FY25-26 Mid-Year Capital Improvement and ADA Improvement Projects Plan

ATTACHMENT 1

<u>GUIDING PRINCIPLES</u>	
1)	Maintain a safe, navigable, and resilient harbor.
2)	Advance the harbor's vibrant, working waterfront in support of commercial and recreational fishing and boating.
3)	Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
4)	Establish and implement harbor-wide environmental sustainability policies and practices through collaboration with our business partners.
5)	Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
6)	Provide exceptional public service and organizational transparency.
7)	Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.
8)	Support the Channel Islands National Park in its efforts to provide a first-class visitor center, educational resources, and ferry boat services to the islands.

<u>5-YEAR OBJECTIVES</u>		<u>STRATEGY</u>	
D)	Ensure dredging occurs annually at the federal Harbor entrance and as needed in the inner Harbor.	1)	Support and advocate for congressional funding to the Army Corps of Engineers in support of the Harbor's annual dredging program
		2)	On-going leadership and participation with California Marine Affairs and Navigation Conference (CMANC) and other relevant organizations in support of federal and state assistance
		3)	Ventura Port District Dredging
E)	Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.	1)	Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
		2)	Collaborate with City, regional, state, and federal agency officials in pursuit of mutually beneficial projects, programs
		3)	Public and Civic Engagement Planning
		4)	Updates to District policies to reflect improved transparency and DEI
F)	Support current and future commercial fishing and sustainable aquaculture industries. Maintain and improve working waterfront facilities and infrastructure.	1)	Engage with commercial fishing and sustainable aquaculture interests in Ventura Harbor
		2)	Continue improvements of District's Working Waterfront infrastructure
		3)	Continue to pursue opportunities for diversifying commercial fishing and sustainable aquaculture
M)	Collaborate with Master Tenants and National Park Service to plan, improve, and develop the Harbor in a financially and environmentally sustainable way.	1)	Engagement and support of Master Tenants for successful business operations at the Harbor
		2)	Evaluate opportunities for Parcel Development
		3)	Implement sustainability technologies at the Harbor
		4)	VenturaWaterPure
N)	Maintain and grow Channel Islands National Park Service (NPS) presence and customer visitation to the Harbor.	1)	Work with NPS and harbor visitors regarding enhancement of visitor experience.
		2)	Coordinate with NPS Superintendent to evaluate long-term goals and improvement needs for the Channel Islands National Park Visitor Center
		3)	Coordinate with National & California State Parks, and City to develop destination-based ecotourism offerings
P)	Implement parking management, traffic circulation, and multi-modal transportation strategies.	1)	Work with City to improve access between the City and Harbor
		2)	Evaluate alternative and active methods for people to travel to and within the Harbor and pursue needed improvements and strategies in partnership with the City
		3)	Pursue and implement parking management solutions to increase vehicle circulation
R)	Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.	1)	Utilize grant funding opportunities for sustainable Harbor infrastructure
		2)	Seek additional grant funding for improving/replacing District capital assets.
		3)	Leasing/Property Management
		4)	Update of Financial Management System
		5)	Financial Reporting
V)	Maintain and improve Harbor Village facilities, infrastructure, and amenities.	1)	Ongoing investment in Harbor Village Infrastructure
		2)	Develop and implement an Annual Visitation Plan for Ventura Harbor Village.

FY25-26 MID-YEAR BUDGET

**Capital Improvements and ADA Improvements Plan
Summary of Five Year Projection**

Item #	Dept.	GP	Objective	Project Location/Description	Fiscal Yr 25-26	Mid-Year Adj 25-26	Fiscal Yr 26-27	Fiscal Yr 27-28	Fiscal Yr 28-29	Fiscal Yr 29-30	Future Fiscal Yrs and Beyond
1	Capital	7	V1	1575 Spinnaker Building Exterior Façade Improvements	2,550,000	2,000,000	1,500,000				
2	Capital	7	V1	1559 (Former CMB) Remodel (Insurance covered) + Storefront	750,000	650,000					
3	Capital	2	F2, E4	Commercial Fish Modernization Project	700,000	800,000	2,000,000	13,000,000			
4	HP	1, 6	N/A	Boat Replacement - Harbor Patrol Dept.	400,000	400,000	1,000,000				
5	Capital	2, 7	V1	Parcel 19A: Parking Lot Lights & Poles & Asphalt & Security Improvements	350,000	350,000	100,000				
6	Capital	7	V1	Parcel 5 Park	250,000	240,000	2,000,000	2,000,000	3,000,000	3,000,000	
7	HP	1, 6	N/A	HP Vessel B-19 / B-1 Engine Replacement (B-1 Engines to be grant funded)	240,000	240,000					
8	Maint	7	V1	Resurface District Operated Parking Lots (FY25-26: Old Dry Storage & Surfers Knoll, Out years phased)	225,000	100,000	150,000	100,000	105,000	110,000	
9	Capital	7	V1	Harbor Entrance Feature Revitalization & Wayfinding (FY25-26:Schooner (finish) + Spinnaker, FY26-27: Spinnaker (finish))	130,000	130,000	80,000				
10	Maint	4, 6, 7	E	Vehicle Replacement - Maintenance Dept. (2 EV or Hybrid in FY25-26 and FY27-28)	100,000	240,000		-			
11	Marina	2	F2, E4	Commercial Fish Pier - maintenance & long-term replacement	100,000	-					14,000,000
12	Capital	7, 8	N2; V1	National Park Service Bldg. - 1691 Bldg. - HVAC systems	65,000	-		65,000			
13	Capital	7	N/A	HVAC 1603 Anchors Way (Zoned System)	65,000	-	250,000				
14	Admin	6, 7	P1,2,3	Paid Parking Infrastructure (Procurement of infrastructure expected after all approvals received)	50,000	35,000					
15	Admin	1, 6, 7	E3, R3, 4, 5	IT Hardware - Servers & Switches	40,000	40,000					50,000
16	HP	1, 6	N/A	Lifeguard UTV (Side-by-side)Vehicle	40,000	40,000					
17	HP	1, 6	N/A	3-Axle Boat Trailer (Vessel transportation)	22,000	22,000					
18	Capital	7	V1	Harbor Village Wayfinding Signage: Parking Lot Entrance Signs, Map Directories	15,000	67,000	85,000	75,000	80,000	85,000	
19	Capital	7	V1	Harbor Village Bldgs Roofs - (1583, 1431, 1575, beach restrooms, launch ramp restrooms - distributed over multiple years)			500,000	250,000	500,000	250,000	
20	HP	1, 6	N/A	Vehicle Replacement - Harbor Patrol Dept. (EV or Hybrid)			100,000		120,000		120,000
21	Marina	1, 6	N/A	Vehicle Replacement - Courtesy Patrol (EV)			50,000				
22	Capital	3,4,6,7	R1,2; V1	EV Charging Stations (1691 and Harbor Cove Replacements)			15,000				
23	HP	1, 6, 7	N/A	Lifeguard Towers				225,000			
24	HP	1, 6	N/A	Harbor Patrol Long Dock & Harbor Patrol Dock Replacement				75,000	750,000		
25	Capital	7	V1	1559 Atrium Upgrade				50,000			
26	Maint	1,2,7	N1; V1	Pressure Washer Trailer Replacement				25,000			
27	Capital	7,8	P; V1	1691 Parking Lot Modification					100,000		
28	Capital	7	V1	Harbor Village Trash Enclosures (1591 Upgrade)					100,000		
29	Capital	3,4,6,7	E; R1,2; V1	Coastal Trail Program - phased (includes Promenade paving, benches/street furniture, lights & poles)						100,000	1,000,000
30	Capital	7	V1	Village Paseo Improvement Project (1559/1567)						75,000	500,000
31	ADA	7	V1, E4	Surfers Knoll & Harbor Cove - Retaining Wall & Shower Area Improvements (Partially grant funded)	75,000	175,000	100,000				
32	ADA	7	V1, E4	1583/1591 ADA Path of Travel			75,000				
33	ADA	7	V1, E4	ADA Restroom Upgrade - 1691 (Boater's Restroom/Showers)						800,000	
34	ADA	2, 7	V1	Handrails Update/Replacements						50,000	
Total Capital Improvement Plan					6,092,000	5,354,000	7,830,000	15,865,000	4,755,000	3,620,000	15,670,000
Total ADA Improvement Plan					75,000	175,000	175,000	-	-	850,000	-
TOTAL CAPITAL IMPROVEMENTS & ADA IMPROVEMENTS					6,167,000	5,529,000	8,005,000	15,865,000	4,755,000	4,470,000	15,670,000
SPECIAL FUNDING:											
Special Funding: Combination of Grants, Sponsorships, and Donations to fund all structures, including band shell, playground, picnic area, and wind wall)									(3,000,000)	(3,000,000)	
Special Funding from National Fish and Wildlife Fund					(40,000)	(200,000)					
Special Funding: Grant Funding from CalSTA for Commercial Fish Modernization Project					(700,000)	(700,000)	(2,000,000)	(13,000,000)			
Special Funding for Replacement of Harbor Patrol Dock & Long Dock through FEMA Port Security Grant Program									(500,000)		
Special Funding for Engines for B-1 from Division of Boating and Waterways Grant					(110,000)	(110,000)					
Special Funding - CalEV Rates						(59,000)					
Insurance reimbursement for 1559 (CMB) Interior remodel					(600,000)	(425,000)					
TOTAL CAPITAL IMPROVEMENTS & ADA IMPROVEMENTS WITH FUNDING					4,717,000	4,035,000	6,005,000	2,865,000	1,255,000	1,470,000	15,670,000



BOARD OF PORT COMMISSIONERS
MAY 6, 2026

STANDARD AGENDA ITEM 3
ADOPTION OF RESOLUTION No. 3555
APPROVING THE VENTURA HARBOR
VILLAGE LEASING POLICY AND RESCIND
RESOLUTION No. 2595

TO: Board of Port Commissioners
FROM: Brian D. Pendleton, General Manager
Todd Mitchell, Deputy General Manager
Jessica Snipas, Business Operations Manager
SUBJECT: Adoption of Resolution No. 3555 Approving the Ventura Harbor Village Leasing Policy and Rescind Resolution No. 2595

RECOMMENDATION:

That the Board of Port Commissioners adopt Resolution No. 3555 approving the Ventura Harbor Village Real Estate Leasing Policy and rescind Resolution No. 2595.

SUMMARY:

Attached is the new Ventura Harbor Village Real Estate Leasing Policy (Policy), which has been prepared as per the District's FY25-26 Leasing Strategy and Action Plan's Goal #5. That goal included the intention to establish policy for evaluating tenant qualifications, working with brokers and broker fees, tenant modernization requirements, and short-term pop-up lease activations.

This Policy also provides guidelines on how District staff will process requests for new leases, renewals, and amendments. The overall intent is to establish transparent, formal guidelines for Staff and the Board in its efforts to lease real estate at Ventura Harbor Village in a manner that strengthens the Village's position as a distinctive destination for both residents and visitors and the District overall.

GUIDING PRINCIPLES:

- 3) Grow financial sustainability through a reliable, recurring revenue stream supplemented with grants and public-private partnership investment while maintaining responsible budgeting practices.
- 4) Establish and implement harbor-wide environmental sustainability policies and practices through collaboration with our business partners.
- 5) Build respectful, productive relationships with employees, tenants, residents, visitors, stakeholders, public officials, and elected representatives while promoting diversity, equity, and inclusion.
- 6) Provide exceptional public service and organizational transparency.
- 7) Provide high-quality Harbor and coastal visitor-serving amenities, services, facilities and infrastructure.

5-YEAR OBJECTIVES:

- E) Encourage public and civic engagement; maintain high levels of organizational transparency; and promote Harbor-wide diversity, equity and inclusion through District policies, procedures and programs.
 - 1) Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
 - 3) Public and Civic Engagement Planning
- R) Seek opportunities to grow revenues and secure grants; continue to improve the quality, efficiency, and transparency of financial reporting, monitoring, and property management.
 - 3) Leasing/Property Management
 - 4) Update of Financial Management System

BACKGROUND:

Through the daily work Staff performs in leasing activities, it regularly seeks to negotiate and manage Village leases in a fair and consistent manner and ensuring the District's financial

success in operating the shopping center. While the District does have a policy (Resolution 2988) specifically guiding leasing for Master Leases, the policy is not sufficiently adequate for providing direction for leasing of Village real estate specifically.

The District's Guiding Principles and 5-Year Objectives continue to serve as the foundation for the Leasing Strategy and Action Plan (Plan) and establishes goals for Staff to implement to improve leasing for the Village each year. Therefore, Staff brought forward Goal #5: Leasing Policy as part of the FY25-26 Plan.

Goal 5: Leasing Policy

Continue to improve District's VHV leasing practices through:

- Developing comprehensive, Board-approved Leasing Policy for Village
 - Institute policy for brokers and broker fees.
 - Define tenant minimum qualifications and "tenant in good standing".
 - Develop policy for tenant modernization requirements and District investments.
 - Establish policy framework for managing short-term pop-up activations.

The policy for the Board's consideration addresses all of these topics as well as many more that Staff have collectively identified and collaborated to address. Staff leveraged information from the Port of San Diego's very comprehensive leasing policy in the development of the Village policy and will also use this resource to propose a revision to Resolution 2988 (Master Lease/Option Negotiation and Administration Policy) later in 2026 for the Board's consideration.

<https://venturaharbor.com/wp-content/uploads/2021/11/Resolution-No.-2988-Master-Lease-Option-Negotiations-Policy-09.24.03.pdf>

Adoption of this Resolution 3555 will rescind Resolution 2595 (Policy Regarding Lease Negotiations and Financial Disclosure). The substantive provisions of Resolution 2595 are largely incorporated into or superseded by the Policy adopted herein.

The sole area not carried forward relates to provisions addressing gifts, loans, and other transactions between prospective tenants and District representatives (including Commissioners, the General Manager, and staff). These matters are already governed by existing District policies, including the Board of Port Commissioners Protocols & Policies Manual and the Human Resources Manual, as well as applicable state law.

Retention of duplicative or overlapping provisions within Resolution 2595 could create inconsistency or ambiguity. Accordingly, Resolution 2595 is rescinded in its entirety.

<https://venturaharbor.com/wp-content/uploads/2021/11/Resolution-No.-2595-Lease-Negotiations-Financial-Disclosure-Policy-11.24.92.pdf>

FISCAL IMPACT:

The approval of the Policy will have no direct fiscal impact; however, Staff believe this policy will improve the District's financial position for the Village and thus the District overall.

ATTACHMENTS:

Attachment 1 – Resolution No. 3555 with Ventura Harbor Village Real Estate Leasing Policy



RESOLUTION NO. 3555

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS
OF THE VENTURA PORT DISTRICT APPROVING AND ADOPTING THE VENTURA
HARBOR VILLAGE REAL ESTATE LEASING POLICY**

WHEREAS, Ventura Port District ("District") is a major provider of marine- oriented public services within the City of San Buenaventura, making commercial, tourist and recreational opportunities available to the public.

WHEREAS, these commercial, tourist and recreational opportunities include leasing and licensing of real property at Ventura Harbor Village (the Village), including landside and waterside property from 1431 Spinnaker Drive to 1691 Spinnaker Drive inclusive; and

WHEREAS, the District regularly engages in negotiations with prospective and existing tenants for new leases, changes and modifications to the existing leases within the Village.

WHEREAS, the Board of Port Commissioners has determined that it is in the best interests of the District, its current and prospective tenants, and users, to promote transparency, consistency, and sound fiscal management in the leasing of District property, for the District to adopt a policy outlining the procedures for obtaining, amending and administering leases and licenses within Ventura Harbor and summarizing the principal lease terms the District considers essential to any new or updated lease arrangement.

WHEREAS, on November 24, 1992, the Board of Port Commissioners adopted Resolution 2595 Establishing a Policy Regarding Lease Negotiations and Financial Disclosure. This Policy supersedes and replaces Resolution No. 2595.

NOW THEREFORE BE IT RESOLVED, that the Board of Port Commissioners of the Ventura Port District hereby approves and adopts this Ventura Harbor Village Real Estate Leasing Policy (Policy) in the form attached hereto and incorporated herein by reference, taking effect immediately upon adoption.

BE IT FURTHER RESOLVED, that the General Manager and other members of the District staff are hereby authorized and directed to provide copies of this Policy to both existing and prospective tenants to assist those parties in the conduct of the negotiations and lease administration affairs.

ATTACHMENT 1

BE IT FURTHER RESOLVED, that the General Manager and other members of the District staff are to be guided by this Policy in their conduct of their relations with both existing and prospective tenants; provided, however, the Policy is intended as a guideline only and shall not create legally binding obligations on the District. The District retains full discretion to deviate from the Policy where it determines such deviation to be in the best interests of the District.

BE IT FURTHER RESOLVED, that the General Manager and staff at the District are hereby authorized and directed to take such other and further actions as may be necessary and appropriate to carry out and implement the purposes of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting of the Board of Port Commissioners of the Ventura Port District held this 6th day of May 2026, adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Michael Blumenberg, Chair

ATTEST:

Anthony Rainey, Secretary



VENTURA HARBOR VILLAGE REAL ESTATE LEASING POLICY

Adopted May 6, 2026

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VENTURA HARBOR VILLAGE REAL ESTATE LEASING POLICY

INTRODUCTION:

Ventura Harbor Village (Village) is a curated, vibrant, visitor-serving waterfront shopping center that supports public access, economic vitality, and long-term financial sustainability of the Ventura Port District (District). It represents one of the most recognizable amenities of Ventura Harbor to the public.

As the District directly manages this parcel, it is of critical importance that it leases in a manner that is consistent with the District's Long-Term Objectives.

The Ventura Harbor Village Real Estate Leasing Policy (Village Leasing Policy) establishes general real estate leasing policies adopted by resolution of the Board of Port Commissioners (Board) for the Village. This policy should be used to inform Village lease negotiations, including amendments of existing lease agreements. This Policy is intended as a general guideline only and does not create binding obligations or limit the District's discretion to deviate from these guidelines when it determines such deviation is in the best interests of the District.

Nothing in this Policy shall be interpreted to modify or impair any rights or obligations under existing leases. In the event of any conflict between this Policy and any approved lease or agreement, the lease or agreement shall control.

POLICY STATEMENT:

1. Leasing Authority

Short-Term Duration (1 Year or less) – The General Manager may, without prior Board approval, enter into leases, licenses agreements, “pop-up” agreements, and other similar types of real estate agreements, for one (1) year or less in duration.

Long-Term Duration (More than 1 Year) – All leases for terms more than one (1) year in duration (including any options) shall be presented to the Board for approval at a public meeting.

2. Lease Negotiation Process

As the person charged with responsibility for the administration of all District's activities, the General Manager shall oversee all lease negotiations, providing directions to designated staff, assisted by legal counsel (counsel) as needed, and for all leases of greater than one (1) year, approved by the Board.

As the lead negotiator, the General Manager shall approve all proposals and term sheets prior to issuance to tenants.

Discussions with prospective new tenants seeking Village leases should include:

- Identifying tenant's business interests and confirming alignment with District's current leasing strategy.
- Conveying the desire for mutually beneficial private-public partnerships that improve the Village.
- Clearly communicating that retail, restaurant, and charter leases operate with a requirement for maintaining minimum operating hours.
- Clearly communicating that all leases are subject to Board approval.

The General Manager will direct negotiations regarding all aspects of this policy.

Prospective leases with new tenants will generally require meeting the qualifications outlined in Section 3: New Tenant Qualifications below.

- a. For renewing tenants, see Section 4: Provide additional information and documentation as reasonably requested by the District to evaluate the proposed tenant/subtenant and any proposed transaction, including (as applicable):
 1. All transaction, financing, and escrow documents.
 2. Evidence of the prospective tenant's business history.
 3. Current financial statement(s) for the prospective tenant.
 4. The last three (3) years' income tax returns for the prospective tenant's business and/or as individual applicants, as applicable.
 5. Business plan and financial projections for the base term of the lease.
 6. A statement of any litigation affecting the prospective tenant.
 7. Identification of any operator or independent contractor the prospective tenant intends to use in their business operations.
 8. Such other information and materials evidencing that the prospective tenant has sufficient experience, reputation, business background, and financial capacity to reasonably ensure performance of the obligations of the lease and contribute positively to the Village.
 9. Such other documents as may be required by the Board of Port Commissioners to determine the commercial reasonableness of the proposed transaction.

Existing Tenant Qualifications below.

Upon tenant acceptance of a term sheet for a lease over one (1) year, the General Manager shall bring the price and terms of payment to the Board in Closed Session for direction.

Once the principal business terms have been negotiated that are consistent with Board direction, District Counsel shall be authorized to prepare the lease document.

Upon tenant signature of the lease, the General Manager shall bring the terms of the lease to the Board in Open Session for approval at a public meeting.

3. New Tenant Qualifications

To become a District tenant or subtenant, the prospective tenant or subtenant and its principals shall complete a tenant application and:

- b. Be financially reputable:
 - i. Tenant individuals named on the lease shall have completed a credit check with a score of "Good" or better with ranking defined by the credit bureau.
 - ii. Possess the financial means to perform the tenant's obligations under the lease.
- c. Provide financial information such as business financial statements, tax returns, business plans, or other documentation.
- d. Demonstrate available capital to fund start-up costs and the first six (6) months of operations. For retail, restaurants, and charter: possess sufficient experience to conduct the proposed business.
- e. Provide a valid driver's license, a City of Ventura business license, and proof of insurance.
- f. For retail, restaurant, and charter business, tenant shall provide a proposed business plan including financial projections for the base term of the lease.
- g. Provide additional information and documentation as reasonably requested by the District to evaluate the proposed tenant/subtenant and any proposed transaction, including (as applicable):
 10. All transaction, financing, and escrow documents.
 11. Evidence of the prospective tenant's business history.
 12. Current financial statement(s) for the prospective tenant.
 13. The last three (3) years' income tax returns for the prospective tenant's business and/or as individual applicants, as applicable.
 14. Business plan and financial projections for the base term of the lease.
 15. A statement of any litigation affecting the prospective tenant.
 16. Identification of any operator or independent contractor the prospective tenant intends to use in their business operations.
 17. Such other information and materials evidencing that the prospective tenant has sufficient experience, reputation, business background, and financial capacity to reasonably ensure performance of the obligations of the lease and contribute positively to the Village.
 18. Such other documents as may be required by the Board of Port Commissioners to determine the commercial reasonableness of the proposed transaction.

4. Existing Tenant Qualifications

An existing tenant's standing and performance shall be considered when evaluating a request for renewal, amendment adding additional time, material change to the lease, option, or other discretionary approval. As such, the District will evaluate that tenant as being in good standing when they have a history of consistently:

- a. Paying rent on time. (If a tenant has greater than three (3) unexcused late payments in any lease calendar year, the tenant would be categorized as not paying consistently on time.)
- b. Meeting the minimum operating hours of the lease (if applicable). (If a tenant receives a Non-Compliant Hours of Operation letter from the District, and the tenant does not timely correct the action, the tenant would be categorized as not meeting the minimum operating hours.)
- c. Maintaining the premises in good condition.
- d. Performing the tenant's obligations under the lease, including maintaining insurance policies and a City of Ventura business license.
- e. Not causing noise or other disruptions to neighboring tenant business operations.

Where a lease includes percentage rent (retail, restaurant, and charter), it is in the District's interest that such tenant's performance shall also be a factor of consideration for qualifications. In such case, the District may consider these and other factors in its sole discretion:

- f. Tenant's sales per square foot (including patio where applicable) is equal to or greater than the average sales per square foot in comparison to all other businesses in the same category at the Village.
- g. Reporting sales on time (if applicable). (If a tenant has greater than three (3) untimely sales reporting in any lease calendar year, the tenant would be categorized as not reporting sales on time.)
- h. Tenant achieved prior performance metrics during the current lease, including options.
- i. Tenant's ratings on major online reviewing platforms are well above average (e.g. 4.5 or more stars out of 5).

Where a tenant is not in good standing or not meeting performance metrics for any of these reasons (a through i, as applicable), District staff will require the tenant to provide a Business Improvement Plan (Plan) identifying how that business will address the outstanding issue(s). Such Plan will be considered in the request for a lease renewal, amendment adding additional time, material change to the lease, or other discretionary approval. Where these factors apply, Staff shall generally not negotiate to provide more than two (2) additional years of lease.

5. Lease Term and Option Consideration

Village leases shall be multi-year agreements whenever possible with sufficient term length to recoup District investment in leasing the space, not limited to tenant improvements, advertising, and administrative efforts to execute a new lease. Three (3) to five (5) year agreements are therefore deemed preferable (for new tenants or tenants in good standing). This can be achieved through base lease term or through the inclusion of options.

The District shall generally not provide a base lease period of greater than five (5) years. Additional term may be granted through lease options, each not greater than five (5) years. Notwithstanding the foregoing, a base term in excess of five (5) years may be approved

where the District determines such term is warranted based on the nature of the tenancy, anticipated investment, revenue considerations or other factors consistent with the District's best interests.

If lease term is to equal ten (10) or more years (including the original and all option terms), Board of Port Commissioners shall pass an ordinance in accordance with the Harbors and Navigation Code notifying the public of the proposed lease and providing the public the opportunity to speak and provide feedback at a scheduled public hearing prior to the Board taking action to approve the lease.

Leases of ten (10) or more years should include an interim modernization requirement for the tenant to improve fixtures and infrastructure.

Granting additional options or allowing options to be transferred through an assignment shall be at the discretion of the Board, generally through a lease amendment and/or at the time of assignment.

Retail, Restaurant, and Charter Options:

Each option term for retail, restaurant, and charter leases shall generally include a sales performance metric that the tenant business must achieve in the calendar year preceding the option period. Sales performance metrics shall be considered by the District based on business plan information provided by the tenant, industry standards, and when available existing sales history.

Granting options where the tenant did not meet the sales performance metric shall be at the discretion of the Board.

6. Permitted Uses

All leases shall specify the uses that will be permitted on the premises. Permitted uses shall be compatible with adjacent tenants, safe and accessible pedestrian circulation, and the overall visitor experience of Village.

Generally, no use shall be granted on an exclusive basis to any tenant. Additional uses or change of uses can only be allowed in the sole discretion of the District, generally through the General Manager.

7. Rents

The District shall seek market rent when leasing its real estate assets and the District's leases shall reflect market terms and conditions.

Rents should generally be subject to annual increases based on a fixed percentage or the Consumer Price Index-All Urban Consumers (Los Angeles – Long Beach – Anaheim); however, market conditions will be considered in the negotiation of the agreed upon increases.

The Board retains the right to grant rent discounts or other concessions, but only after the Board has been advised of the value of the discount, waiver, or concession. Discounts or concessions should be limited to the base term of the lease and even with the discount, the lease should fully recoup all costs borne by the District (such as tenant improvements) within the base term of the lease.

In considering whether to grant a rent discount or other concession, the Board should consider its duty to balance the promotion of the Village, visitation to Ventura Harbor, the District's mission statement including fishing, navigation, commerce and public access with the obligation to the citizens of Ventura to be fiscally self-supporting, to optimize revenues¹ and to reinvest proceeds in the District.

8. Percentage Rent: Retail, Restaurant, and Charter Leases

Retail, restaurant, and charter leases shall include percentage rent as a portion of their rent structure. All leases that include retail, food/beverage, charter, or other retail activities shall list such activities under those leases' Permitted Uses. All such activities shall require the tenant to report adjusted gross sales and pay percentage rent as part of the tenant's rent.

These leases shall include provisions to allow the District to audit the sales of the business to ensure the District receives percentage rent consistent with the lease agreement. The lease shall also include a requirement that tenants annually provide a portion of their tax filings that identify the adjusted gross sales for the business.

9. Common Area Maintenance

All leased areas within the Village shall contribute to the Common Area Maintenance (CAM) of the shopping center. Retail, restaurant, and charter leases shall include specific language regarding the proration (based on the rentable square feet of the premises) and reimbursement of CAM expenses. While office leases shall not be required to have specified CAM language, for the purposes of prorating CAM expenses for the Village, office leases will be considered to contribute equally to maintenance of the common area. The District shall seek to recover, on an annual basis, all CAM expenses through its Village leases.

10. Trash Fees

While CAM fees primarily offset the cost of trash services, as restaurants contribute significantly more to the cost of trash services at the Village, restaurants will be subject to a surcharge trash fee based on rentable square footage or other methodology reasonably determined by the District.

¹ "Optimizing revenues" refers to the District's consideration of maintaining the highest revenue stream possible while balancing the strategic goals and objectives of the Board in managing the District's operations. Certain goals and objectives may not maximize revenues compared to other land use options; however, they may be given a higher priority due to the District's desire to maintain "balanced" operations.

11. Marketing and Promotion Fund

Retail, restaurant, and charter leases shall include the requirement to contribute to the Marketing and Promotion Fund to promote business activity within the Village. Other Visitor Serving Uses may optionally participate through payment towards the Marketing and Promotion Fund. This fee shall be based upon the number of square feet of the rentable space. The use and administration of the Marketing and Promotion Fund shall be determined by the District through its annual budget, as well as the VHV Visitor Attraction Plan.

12. Minimum Hours of Operation: Retail, Restaurant, and Charter Leases

Retail, restaurant, and charter leases shall include minimum hours of operation consistent with that of the Village shopping center.

13. Security Deposit

The District shall require a security deposit from all tenants in the amount of at least one (1) month's recurring rent. The District may require an increased security deposit based on use type, financial strength, or operational risk. The security deposit will increase when the tenant's recurring rent increases.

14. District Investment in Tenant Improvements

District investments in tenant improvements should be considered as public/private partnerships. Lease agreements that require investment of District funds should be negotiated to seek investment by the tenant into improvements and fixtures that complement the investment of the District into the premises. District improvements should never include the purchase of fixtures or assets that become the tenant's property but should instead focus on long-term improvements to the building and/or premises.

District investment in Tenant Improvements should never exceed the projected rent received within the first one (1) year of the lease.

Per California State Law, should the District provide consideration to a tenant of any sort towards a trade under the Department of Industrial Relations (i.e. construction), all elements of that construction project shall be subject to Prevailing Wage requirements – including all costs borne by the tenant.

15. Personal Guaranty

The Village leases should include security of performance beyond the security deposit. Leases should require the personal guaranty of the lessee, be that one (1) or more officers of the company and/or the individual(s) named in the lease.

16. Security For Construction

The lease shall include a requirement for the tenant to post security to guaranty performance and/or payment for significant construction costs to protect against the

District being required to assume control of the project. This may be provided in a variety of forms that satisfy the District's security needs such as evidence of capital reserves, bonds, and/or other mutually agreeable forms of guaranty.

17. Insurance

Tenants shall obtain adequate insurance to cover all operations conducted on the premises, naming the District as additionally insured. All insurance policies shall be in accordance with the requirements of the lease and shall be provided to the District annually. Insurance coverage requirements shall be subject to review and change to reflect current market practices at each option period.

18. Indemnification

Tenants shall be required to indemnify the District against any and all claims arising out of tenants' performance under the lease and all activities conducted on or related to the premises by the tenant, tenant's guests or invitees. In the event that a subtenant is permitted by the District, such indemnification by the tenant shall also extend to its subtenants, its subtenant's guests and invitees. Similarly, the sublease agreement shall also indemnify the District by the sublessee.

The District will not agree to make indemnity mutual.

All tenants whose leases include percentage rent as part of their rental structure will be required to sign an agreement not to sue the District related to percentage rent.

19. Business License

Tenants performing business activity within the City of Ventura are to have a valid business license issued by the City of Ventura.

20. Leasehold Maintenance

District leases shall provide for tenants to maintain the leased suites at their sole expense, except common areas and building structures where the District's rent includes specific maintenance responsibilities.

Suites leased by tenants shall be generally provided in "as-is" condition, particularly as it relates to lease renewals. If District provided fixtures, utilities, or similar features fail within ninety (90) days of the tenant taking possession, through no fault of the tenant, the District shall remedy at the District's expense. Nothing herein shall be construed as a warranty beyond the limited remedy described above.

District leases shall provide that when a lease terminates, the District shall have the option to: (i) require the tenant to remove the tenant-owned improvements at the tenant's expense; or (ii) take title to the improvements.

21. Tenant Subleases

Because of potential difficulties and risks regarding conveying the responsibilities of the leasehold to a Subtenant, Subleases shall be discouraged within the Village.

Where the District does permit a tenant to enter a sublease agreement, that agreement must conform to the requirements of the tenant's lease agreement, must convey all responsibilities of the lease to the subtenant including compliance with all restrictions regarding signage, parking, activity outside of the premises, indemnification, insurance, and permitted uses of the premises. Such a sublease cannot extend beyond the term of the lease and shall provide no option to do so.

22. Lease Amendments

A tenant may request amendments to a lease that could range from minor changes to extensive revisions. The District's consent to a request for lease amendment may be contingent upon updating sections of the lease to incorporate current standard lease provisions, and may include an adjustment to market rent, depending upon the extent of the proposed tenant requested revisions.

All lease amendments that increase the term of the lease shall be reviewed to determine if it is in the District's best interest to enter into a new lease based on any changes in the lease language between the time of the original lease and the current lease format. The District may require incorporation of current standard lease provisions as a condition of approval.

The General Manager shall take all lease amendments to the Board for approval except for the following:

- a. Where the amendment adds one (1) year or less to the lease.
- b. Where the amendment changes the business name and/or guarantor without triggering a lease assignment, as well as adding one (1) or more individuals to the lease, as described under the lease.

23. Assignment Processing Fees

The District shall charge a transaction processing fee plus all third-party legal costs which shall be outlined in the lease.

24. Real Estate Broker Compensation

The District may be referred to a prospective tenant by a licensed real estate brokerage firm in connection with a new lease. Where the District enters into a new lease agreement with a new tenant², broker compensation may be paid as follows:

² Successful negotiation of a lease includes the approval of the lease (inc. brokerage compensation) by the Ventura Port District Board of Port Commissioners (Board) in their sole and absolute discretion.

a) Leases of Five (5) Years or Less

For lease agreements with an initial term of up to five (5) years for which a real estate brokerage firm³ successfully negotiates a lease on behalf of a prospective tenant⁴ with the District, the broker shall earn a commission equal to six percent (6%) of the total minimum annual rent⁴ for the base lease term only. Lease options, extensions, or renewals are not subject to broker compensation.

b) Leases Exceeding Five (5) Years

For lease agreements with an initial term exceeding five (5) years for which a real estate brokerage firm³ successfully negotiates a lease on behalf of a prospective tenant⁴ with the District, the broker shall earn a commission equal to six percent (6%) of the total minimum annual rent⁵ for the first five (5) years of the base lease term, and three percent (3%) of the total minimum annual rent⁵ for each additional year of the initial base lease term. Lease options, extensions, or renewals are not subject to broker compensation.

c) Payment of Brokerage Fees

Brokerage fees earned for the base lease term shall be payable as follows:

- i. Fifty percent (50%) upon full execution of the lease following approval by the Board of Port Commissioners²; and
- ii. Fifty percent (50%) upon the tenant opening for business and commencement of rent payments.

25. Appreciation Rent: Retail, Restaurant, and Charter Leases

Village leases shall include a provision for appreciation rent payable to the District upon assignment of the tenant's lease. The appreciation rent shall be based on three percent (3%) of the gross consideration paid for the sale of the business and shall be due at the time of the assignment or at the time of the sale.

26. Month-to-Month Leases

Month-to-month leases are generally not preferred. Where a lease is in month-to-month status, the premises are considered available to lease and shall immediately be made available and marketed in order to secure long-term tenancy.

³ Brokerage firm must possess a valid California real estate broker's license. All agents must possess a valid California real estate salesperson license.

⁴ Upon initial contact with the Ventura Port District, the brokerage firm must (a) disclose its agency relationship, and (b) provide a fully executed and current tenant representation or agency agreement. The brokerage firm does not represent the Ventura Port District, and no commission shall be paid for expired or terminated representation agreements.

⁵ Minimum annual rent excludes percentage rent, common area maintenance charges, marketing and promotion fund contributions, and all other operating or expense reimbursements.

Once a lease is converted to month-to-month, the General Manager shall adjust the tenant's rent to market rate via notice in writing to tenant with no less than thirty (30)-days' notice.

Tenants on a month-to-month tenancy with an overdue balance for greater than thirty (30) days shall automatically be issued a thirty (30) day notice to vacate, unless balance is paid immediately following receipt of notice.

27. Expiration of Lease

Within one hundred twenty (120) days and not less than ninety (90) days of the end of a lease, District staff shall notify a tenant that their lease is expiring. At that time, District staff shall advise the tenant if they are in good standing (per Existing Tenant Qualifications) and will inquire as to their intent to seek a new lease. District staff will negotiate per Section 2: Lease Negotiation Process.

28. Surplus Lands Act

The purpose of the Surplus Lands Act is to promote affordable housing development on surplus land throughout the State to respond to the existing affordable housing crisis. This is accomplished by prioritizing the development of affordable housing on publicly owned land no longer needed by public agencies.

Any lease for a term of more than fifteen (15) years that involves the demolition of existing buildings and/or involves the construction of new buildings may be subject to the requirements of the Surplus Land Act.