Correspondence
Bd. 8/25/26, Item 18

Lopez, Maria [COB]

From: Anne Eubanks <anneeubanks@gmail.com>
Sent: Wednesday, August 19, 2026 4:10 PM
To: COB_Response
Subject: Comments for the 8/25/26 Board of Supervisors Agenda Item 18
Attachments: Letter to Board of Supervisors August 19 2026 on letterhead signed.pdf

Attached is a comment letter for this Agenda item.

Thanks,

Anne Eubanks
DPBA President
949-243-5148

DANA POINT BOATERS ASSOCIATION | P.O. BOX 461, DANA POINT, CA 92629-0461
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August 19, 2026

Orange County Board of Supervisors
400 W Civic Center Dr.
Santa Ana, CA 92701

Re: Are percentage rents for slips too low in the proposed marina lease for DP Harbor?

Dear Chair Chaffee and Supervisors,

We commend you for your thoughtful consideration of the plight of local workers and ensuring a proper social justice program in the harbor. We would also like to thank Supervisor Wagner for his acknowledgement that the County needs to negotiate the best deal for the Public, including the boat owners.

As you know local boaters have been pushing for a fair and reasonable slip policy in the harbor. In researching leases in both San Diego and LA counties we found out that most marina lessees in San Diego and LA counties pay percentage rents of 20% to 25% on boat slips. In the new marina lease proposed for Dana Point the percentage rents on boat slips are only 10% to 11% which is very low in today's market when you compare it to SD and LA counties.

Below is a synopsis of the percentage rents and minimum rents negotiated in a recent lease for the revitalization of a 623- boat slip marina, Harbor Island West, in San Diego.

As reported by The San Diego Union Tribune: "The lease includes minimum annual rent of $895,000 in the years one and two, with a steep increase to $1.8 million in year three that is followed by additional increases in years four and five. The minimum rent will then be adjusted every five years thereafter. The company is expected, however, to pay rent on a percentage base, starting at 22 percent of slip revenue and increasing to 25 percent of slip revenue toward the end of the term.

The latter percentage rent is precedent-setting for the Port of San Diego, which only recently started to charge more than 22 percent of slip rates.

"Port staff regularly benchmarks percentage rental rates with other similarly-situated entities and properties both on and off of port tidelands. The percentage rental rates for this lease are based on those benchmarks, a review of recent market comparables, as well as a consideration of other factors such as length of lease term, magnitude of investment, location and size of the leasehold among others," Adam Meyer, who is the port's assistant director of real estate, told the Union-Tribune. "Fixed slip rental rate increases were negotiated to keep pace with anticipated market rent over the term of the lease." "

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The marina in San Diego is paying higher minimum rent on 623 slips in year three on, plus more than double in percentage rents on slips versus what is being proposed in Dana Point for a marina with 2275 slips. The San Diego lease is only a 40-year lease with a 10- year option.

Charging fair market rate percentage rents in Dana Point would benefit the County by receiving more of the $25 billion gross revenue DPHP expects to earn over the 66-year lease. One or both yacht clubs in Dana Point are currently paying percentage rents of 25% to DPHP on the slips that are included in their current leases.

By increasing the percentage rent on the slips, it will help protect the County in the event of an economic downturn. With the increased percentage rents, you could also approve the slip rate pricing policy (CPI based) proposed by Supervisor Foley which would help ensure boaters would stay in Dana Point rather than being priced out. In the proposed lease, minimum rent requirements for DPHP are based on CPI. If it is used for DPHP, why can't it be used for a slip rate policy for boaters? Currently, slip rates are above market rate in Dana Point. The slip rate policy would slowly adjust the rate to market rate.

We urge you to consider this proposal. As it stands now, the only party getting a good DEAL is Dana Point Harbor Partners.

Sincerely,

Anne Eubanks
DPBA President
949-243-5148