

Dana Point Harbor Oversight Advisory Committee

Wednesday, June 25, 2025

MINUTES

Robert Langan, DPHOAC Chair, called the meeting to order at 6:10 p.m. Committee members not in attendance included Darcie Harris, Wendy Leavell, Shala O'Keefe (Donna Kalez sat in for Shala), John Fellner.

Orange County Supervisor Foley Update:

The Supervisor advised the Committee that the design and construction contracts for the new Orange County Sailing and Event Center docks had been approved by the County and that the contract for construction would be signed with Bellingham Marine shortly. In addition, she advised that a budget has been approved for the design and "reimagining" of the existing OCSEC structure. Supervisor Foley then indicated that a meeting was recently held with DPH stakeholders to investigate ways to mitigate the ongoing sea lion issue in the harbor.

Supervisor Foley also reported that Environmental Impact Report and Coastal Development Permit for the proposed DPH hotels have been approved by the Dana Point Planning Commission. The next steps will involve submitting permit applications and securing other regulatory approvals. She further informed the Committee that Coffee Importers had officially opened in their new Ocean Institute space over the past weekend.

Committee Member/Additional Updates:

In addition, the Committee was advised that the Outrigger Canoe Club is scheduled to have a meeting, with representatives from the County of Orange CEO Real Estate office, OC Parks, and the Dana Point City manager and staff on July 2nd. The meeting will focus on identifying a new location for the Club's equipment and ancillary storage, ahead of DPHP taking over their current space in the Captain Dave's parking lot as part of the revitalization plan. The Supervisor expressed hope that the City would approve a location plan that would not require cost prohibitive studies by the County, while also addressing safety concerns related to user access and car traffic.

Dennis Parks, DPHOAC Secretary, asked the Committee to review the Open Action Items from previous meetings to determine if they should remain on the Action Item list. The first item discussed was the relocation of the White Seabass grow pens. The Supervisor advised that a meeting was to be held on July 23rd with DPHP and the County to find a solution as the marina construction continues. The next open item was the Public Benefit Analysis of the DPH revitalization project. The subsequent discussion determined that there was no clearcut understanding of what the original request was meant to achieve so the item was closed. No further action necessary.

County of Orange CEO Real Estate Update:

Christian Gagne, the Dana Point Harbor Oversight Manager for the County of Orange, introduced Mr. John Laurain of Laurain and Associates to the Committee. Mr. Laurain attended the meeting via Microsoft Teams. He presented an overview of his Dana Point Harbor Slip Market Study, discussing his credentials, the Scope of Work requested by the County, the methodology he used in approaching the market study and

his findings with respect to what the market slip rates should be in the Dana Point Harbor per his appraisal. Mr. Laurain concluded that the slip rates currently charged at the Marina at Dana Point could be raised to an estimated fair market range, which he based mostly on rates in Newport Beach Marinas. The higher end of the range exceeds the current direct rates, while the lower end is somewhat higher than the current sublease rates. As of July 1, 2025, in Mr. Laurain's opinion the current rates at Dana Point Harbor average approximately 35% lower than the lower end of what he established in his report as the fair market rate range. The study will be made available for viewing on the County of Orange District 5 web site once any follow up questions/comments by the Committee have been clarified.

Members of the Committee then asked several questions about Mr. Laurain's experience regarding marine appraisals and the approach he used in identifying the scope and character of the competitive market. Their first question was if the marina was a private or public asset affected his appraisal, and the answer was essentially "no". Two more of the key initial questions for Mr. Laurain were how importance the wait lists in the Dana Point Marina were to his appraisal, and the importance of his opinion that the competitive market was determined by geography, and not pricing of slips. The answer to both questions was that they were among many important factors used in the appraisal.

One member of the Advisory Committee then presented a rebuttal that suggested that the wait lists were not substantive enough to affect pricing, nor did geography primarily determine the competitive market, slip pricing did. This claim about the wait lists was based upon three drone flyovers of the marina that were conducted, one about a year ago, and the other two in June. The combination of the total number of empty slips in each flyover (over 300 beyond those involved in construction), and the shared empty slips between the two June flyovers (over 250), suggest that the wait lists need significant updating and the current wait-list representations aren't a good proxy for market conditions in Dana Point.

Also presented by a member of the DPHOAC were the results of an informal market study, one that involved numerous sources of anecdotal information. It tracked where boaters who had left the Marina at Dana Point for nearby marinas had gone in the last 5 years. Not included in the study were those who left boating altogether. This study identified over 90 boaters, with nearly ½ going to Shoreline or Alamitos Bay, almost ¼ going to San Diego County (San Diego Harbor and Oceanside), and about 10% going to much further away places such as Cabrillo, Marina del Rey, and Santa Barbara. Not one boat was identified as having moved to a Newport Beach marina, but several boaters were identified who had moved from Newport Beach marinas to Dana Point. Although this was not a rigorous study of the departing boaters based upon a list obtained from Marina management, the presenter felt the results were both reasonably representative, and verifiable (because boat names and destinations were required to be part of the survey). The primary sources of these results were boater surveys, leaders in yacht clubs in marinas from San Diego to Shoreline, and marina managers.

Some committee representatives stated that, in their opinion, Mr. Laurain's conclusions were not supported, in part because of the importance of the wait list and his assumption that geography dominates the market dynamics for boaters seeking slips in marinas. In addition, one committee member claimed that Newport Beach and Dana Point serve two very different boater demographics. Given that no study has been conducted of where boaters from Newport Beach marinas actually reside, and compared this to the residential locations of boaters in Dana Point Marina, they say it is premature to argue that Newport Beach marinas serve the same demographics, let alone the County and State. They pointed to an Orange County Board of Supervisors (BOS) Minute Order dated March 6, 2001, which reinforces this point. The Order summarizes a discussion the BOS had over slip rates in Dana Point Harbor Marina, and states that the Newport Beach Marinas should not be included when appraising market slip rates for Dana Point Harbor.

Mr. Laurain stated that he could not comment on the accuracy of the wait list, nor possible vacancies within the Harbor, and what potential impact this may have on his study, without further review of the presented information and confirmation with the County and The Marina at Dana Point management. He indicated that these topics could be addressed in more depth with the follow-up questions and comments

gathering effort. Mr. Laurain also did not want to violate professional standards or jeopardize his credibility and standing as a licensed appraiser by relying on hypothetical data.

After Mr. Laurain ended his presentation, and the Advisory Committee members finished theirs, additional discussion took place between Supervisor Foley, her staff and the Committee regarding the appraisal content. Mr. Gagne requested that any additional questions, comments or documents related to this appraisal be submitted to the CEO Real Estate office by July 3rd, after which he would then forward them to Mr. Laurain for response and any necessary follow-up with the County or Marina management.

Mr. Langan adjourned the meeting at 8:00 p.m. after a motion, a second and a committee vote for the adjournment passed. The next meeting is scheduled for 8/6/25.

ACTION ITEMS:

1. NEW - Follow up questions/comments regarding the DPH Market Study report to Mr. Gagne and report back to the Committee.
2. OPEN - Relocation of the White Sea Bass grow pens.