

2025 QUARTER 3 REPORT

DANA POINT HARBOR PARTNERS

B|W|P BURNHAM|WARD
PROPERTIES

R.D.OLSON
DEVELOPMENT

 BELLWETHER
FINANCIAL GROUP

Marina and Drystack

Operations

Marina

Marina Improvement Project

- Dock Phases 1-9A have been completed with certificates of occupancy issued by County of Orange Public Works for phases 1-8 on 5/28/24, 3/28/24, 1/19/24, 1/19/24, 2/29/24, 9/17/24, 3/31/25, and 7/1/25 respectively. A temporary certificate of occupancy was issued by County of Orange Public Works for Phase 9A on 10/10/25 with an expected certificate of occupancy by year's end.
- Dock demolition for Phase 10 commenced on 10/13/25 with the Phase 10 expected to be delivered for occupancy in December 2025.

Boaters Lawsuit

- Motion for summary judgement in boaters lawsuit granted by judge in favor of DPHP and entered on June 29, 2023. An appeal was filed and an appeal hearing occurred on December 17, 2024. On February 26, 2025, the Court of Appeal ruled in favor of DPHP and awarded DPHP recovery of its costs.
- In April 2025, the plaintiffs filed an appeal to the State Supreme Court.
- In May 2025, California Supreme Court denied the case.
- In June 2025, the Appellate Court affirmed the decision of the trial court awarding DPHP recovery of its costs.

Slip Rates

- On March 21, 2025, DPHP delivered to the County of Orange a notice of proposed increases in slip rates in accordance with the Master Lease, along with a comprehensive market rate survey.
- In April 2025, DPHP notified tenants with slip rate increase letters notifying them of new rates effective June 1, 2025.
- In May 2025, DPHP postponed the rate increase and the effective date was moved to July 1, 2025.
- On July 1, 2025, new rates went into effect with an increase of 9%

Drystack

Operations

- Operations continue and are being managed to accommodate redevelopment work on premises.
- On March 12, 2024, a notification was sent to Dry Storage tenants notifying them that the \$12 per foot rate that was put into effect in September 2021 will be enforced for all tenants, removing any and all discounts that had existed in the area.

Redevelopment

- Planning and entitlement efforts continue as DPHP looks to secure approvals with California Coastal Commission for revised layout. Not expected until late 2025.
- On February 20, 2024, DPHP submitted to the City of Dana Point an updated parking and striping plan for the Embarcadero area. The plan is optimized to account for parking space requirements and on-site logistics. This is an interim plan during the construction of the parking garage and does not affect the Drystack building or parking which remain unchanged.
- In June 2024, DPHP was notified by the City of Dana Point's Director of Community Development that the DPHP Drystack changes with respect to updated parking and striping plans for the Embarcadero area substantially comply with the original CDP13-0018(I) approval and that DPHP was in compliance with the conditions outlined in the CDP. The plans optimize the parking space requirements and on-site logistics during construction of the parking garage and do not affect the Drystack building or parking which remain unchanged once completed.
- The Drystack redevelopment work is not scheduled to commence until 2026 at the earliest. The Drystack landside plans are being refined to incorporate feedback from the city with the objective of submitting them for Substantial Compliance by the end of the year. Concurrently, the Drystack waterside CDP application is in progress, with a target submission date by year-end. The Drystack CDP will cover the redevelopment of a new dock reconfiguration for the Drystack area.

Financials

Attached are the 2025 financials for Dana Point Harbor Partners – Marina and Drystack components. As presented, the Marina component includes the Marina operations and Direct Tenants (Nordhavn, Shipyard and Fuel Dock). The Drystack component includes the Embarcadero operations (with Pure Watersports) and Direct Tenant (Verizon).

2025 to 2024 Marina Comparison

The following is a condensed comparison of September 2025 vs. September 2024 Marina results.

Year-to-date comparison indicates a 10% increase in revenue, operating expenses are constant, and a 17% increase in operating income. The Marina continues to benefit from increased sublease demand as boaters seek temporary access to slips during the redevelopment at sublease market rates. In September of 2024, we reversed the 2024 dredging accrual year-to-date resulting in Capital Expense & Property Tax to be flat year over year.

DPHP Marina	Current YTD	Prior YTD	% Change
	9/30/2025	9/30/2024	
REVENUES			
Slip Rental Income	15,420,651	14,152,992	9%
Total Guest Fees	232,585	249,993	-7%
Total Office Rent	91,922	180,625	-49%
Sublease Income	1,873,081	1,548,862	21%
Broker & Charter Flat Fees	178,975	241,400	-26%
Direct Tenant Income	591,886	369,752	60%
Parking Income	183,017	183,641	0%
Total Other Income	317,101	306,068	4%
TOTAL REVENUES	18,889,219	17,233,332	10%
TOTAL OPERATING EXPENSES			
Wages & Benefits	1,078,710	1,013,329	6%
Direct Expenses	2,404,530	2,794,454	-14%
Administrative Expenses	2,209,998	2,063,314	7%
Capital Expense & Property Tax	187,591	187,591	0%
County Rent	1,781,635	1,597,828	12%
TOTAL OPERATING EXPENSES	7,662,464	7,656,516	0%
NET OPERATING INCOME	11,226,755	9,576,817	17%

Other Variances:

Total Office Rent decrease from 2024 to 2025 YTD is because in 2024 there was an office rent catch up payment from Bellingham Marine Accounting.

2025 to 2024 Drystack Comparison

The following is a condensed comparison of September 2025 vs. September 2024 Drystack results. Wet Slip Rental revenue has been increasing and administrative and direct expenses have been reduced.

Year-to-date comparison indicates a 3% decrease in revenue, a 9% decrease in operating expenses, and a 5% increase in operating income. Despite the vacancy loss created by redevelopment efforts, the increase in net operating income is directly due to diligent management of the Drystack.

DPHP Drystack	Current YTD 9/30/2025	Prior YTD 9/30/2024	% Change
REVENUES			
Boat Storage Income	652,188	643,563	1%
Wet Slip Rentals	35,829	27,260	31%
Launch Ramp Income	289,882	285,830	1%
Charter Slip Income	23,618	21,684	9%
Merchant Income	194,511	253,132	-23%
Total Other Income	7,035	10,316	-32%
TOTAL REVENUES	1,203,062	1,241,785	-3%
TOTAL OPERATING EXPENSES			
Wages & Benefits	290,376	333,413	-13%
Direct Expenses	88,802	103,623	-14%
Administrative Expenses	115,565	124,063	-7%
Capital Expense & Property Tax	4,050	4,050	0%
County Rent	154,383	154,012	0%
TOTAL OPERATING EXPENSES	653,176	719,161	-9%
NET OPERATING INCOME	549,886	522,624	5%

Commercial Core and Parkscapes

Operations and Revitalization

Parking Structure Project

- Parking Structure substantially completed July 1, 2025.
- Ribbon cutting ceremony July 2, 2025, with key stake holders (County, City, key consultants).
- Certificate of Occupancy received September 23, 2025.
- Catalina Express customers relocated from behind the Marina Inn to the third floor of the parking structure.
- Boater services building open and being used by the boaters.

Balance of Commercial Core Project

- Phase 3 bidding complete.
- Estimated construction commencement for Phase 3 is December 2025.
- Active leasing discussions are underway with existing and prospective tenants for future Commercial Core phases.
- In Due-Diligence with prospective lender to finance the next phases of construction.

Operations

- Remaining Phase 3 Commercial Core tenants vacated the Village.
- Opened Vintage Yacht Club in Wharf location.
- Activated Jon's Fish Market with new tables, umbrellas, chairs and lighting. Tent has been removed.
- Harbor Events
 - Parking Structure Grand Opening – July 2
 - Seaside Sessions Live Music – July & August (Every Thursday)
 - Red Cross Blood Drive – July 9
 - Little Folk Club – August 1
 - Brunch on the Boardwalk Market – August 16
 - Marine Flare Collection – August 16
 - Red Cross Blood Drive – August 26
 - Wharf Chamber Mixer – August 27
 - Dana Point Fine Arts Show – September 13-14
 - Weekly Certified Farmers Market - Launched September 24
 - Little Folk Club – September 26
- Community Site Tours
 - Dana Point Arts & Culture Group – July 10
 - Focus Group – August 13
- Offsite Presentations
 - ProVisors Real Estate Group – September 18
 - Ritz Carlton Sales Team – September 29

- PR Top Stories
 - Structure/Road Opening – July
 - Marina 50% Completion – July
 - Wharf Tenant Relocations & Ribbon Cuttings – July
 - Family Friendly & Destination Highlights – August
 - Revitalization Update/Aim for Olympics – August
 - OC Reader's Choice Awards – September
 - Farmers Market Launch - September
- Maintenance and Projects
 - In preparation of Phase 3 signage, mosaics and lanterns will be removed and stored to be used in final project.
 - Completed insurance inspections with the County of Orange's Risk Management.
 - Continued transplanting Commercial Core plant material throughout the Harbor to preserve as much as possible before entering Phase 3.
 - Replaced numerous sinks, toilets, toilet paper dispensers and soap dispensers throughout the Harbor restrooms.

Financial Summary

The Commercial Core component includes retail shops, restaurants, whale watching, Catalina Express, office spaces, yacht clubs, and parking structure.

2025 to 2024 Commercial Core Comparison

Below is a condensed comparison of the YTD September 2025 vs. YTD September 2024 Commercial Core financial results. Net Operating Income decreased by 46% due to lower revenue resulting from tenant rent reductions during Golden Lantern construction closure, restaurant and retail suite vacancies, and increase in operating expenses due to shuttle program, signage, traffic control, building repairs and maintenance, relocation of the management office and new Property Manager hire, and Parking Structure start-up operating costs.

DPHP Commercial Core	Current YTD	Prior YTD	%
	09/30/25	09/30/24	Change
REVENUES			
Tenant Rent Income	3,118,851	3,814,640	-18%
Tenant Parking Income	475,673	520,916	-9%
Puerto Pl. Parking Income	120,935	100,081	21%
Reimbursable Expense Income	404,257	434,480	-7%
Other Income	14,210	2,249	n/a
TOTAL REVENUES	4,133,926	4,872,365	-15%
OPERATING EXPENSES			
Wages & Benefits	305,660	195,469	56%
Direct Expenses	1,563,014	1,235,172	27%
Administrative Expenses	401,569	350,461	15%
Property Tax	16,815	16,459	n/a
Insurance	206,547	177,283	17%
County Rent	149,012	144,636	3%
TOTAL OPERATING EXPENSES	2,642,617	2,119,480	25%
NET OPERATING INCOME	1,491,309	2,752,886	-46%

Hotels – 3Q 2025

Operations and Revitalization Summary

Hotels

- Hotel Development Submittals (County)
 - Schematic Design Documents approved by the County on 06/05/2019.
 - Preliminary Plans & Specs to be submitted following the approval of the Local Coastal Program Amendment (LCPA) by the California Coastal Commission (CCC) and the City of Dana Point. Second reading of the LCPA by City Council occurred on 09/03/2024.
- Hotel Entitlement - LCPA (City and CCC)
 - LCPA approved by the City of Dana Point on 07/21/20.
 - City submitted the LCPA application to CCC on 07/29/20.
 - CCC approved a 12-month extension to review the LCPA on 10/07/20.
 - As mutually agreed by City and CCC, City withdrew the CCC LCPA application, and promptly resubmitted it on 11/30/2021. Contrary to the mutual agreement between CCC staff and City staff, CCC released a status letter of incomplete application on 12/13/2021. CCC released a second status letter (incomplete application) on 12/14/2022. CCC deemed the City LCPA application as complete on 04/17/2023.
 - During July 2023, CCC voted itself a 12-month extension (technically through August 2024) for the LCPA Hearing. This was its second 12-month extension.
 - On 10/31/2023, the City informed us that CCC District Supervisor Eric Stevens is no longer on our project or the LCPA. The District Supervisor replacement has been identified as Amrita Spencer.
 - Based on CCC staff availability, an LCPA coordination conference call was arranged and conducted on 11/20/2023. CCC staff was not available for a meeting between 11/20/2023-01/30/2024. An in-person meeting at CCC's Long Beach office was conducted on 01/30/2024. On 04/18/2024, CCC released a draft of suggested modifications (that appear to deviate from the last 16 months of coordination with CCC staff). Follow-up video conference calls occurred on 04/18-22/2024. The final draft of the suggested modifications was coordinated on 05/29/2024.
 - CCC unanimously approved the LCPA with Suggested Modifications on 06/14/2024.
 - The LCPA with Suggested Modifications was unanimously approved by the City of Dana Point on 07/16/24. A second reading of the LCPA by City Council occurred on 09/03/2024.
- Hotel Entitlement – EIR & CDP (City)
 - City conducted an EIR Scoping Meeting at City Council Chambers on 08/14/2024.
 - Due to increased scrutiny by special interest groups, City provided additional analysis within the updated Draft EIR. The Draft EIR's 45-day public review period concluded on 04/28/25.
 - City Planning Commission certified the EIR and approved the CDP on 06/23/25.
 - An appeal of the Planning Commission's approval was received by the City from Supporters Alliance for Environmental Responsibility (SAFER) on 07/07/25. The appeal was withdrawn by SAFER on 8/4/2025. Therefore, a City Council hearing is not necessary. The City's Notice of Final Action (NOFA) was sent to CCC on 8/11/25.
 - On 8/25/25, CCC noticed the City that there was no appeal against the NOFA. The CDP is therefore final.

- Lot Line Adjustment application submitted to the County on 7/28/25.
- Status of building permits:
 - Grading/Drainage Permit application submitted 8/18/25.
 - Demolition Permit application submitted on 8/21/25.
 - Off-site Utility Permit application submitted on 9/22/25.
 - On-site Utility Permit application submitted on 9/30/25.

Financial Summary

Below are the YTD 2025 financials for Dana Point Harbor Partners – Hotel component. The Hotel component includes the Marina Inn operations. Revenues were down 9.5% and net operating income (NOI) was down 22.4% versus YTD 2024 through Q3.

DPHP Marina Inn	Current YTD 9/30/2025	Prior YTD 9/30/2024	% Change
REVENUES			
Rooms Revenue	3,435,165	3,785,459	-9.3%
Other Revenue	230,499	263,674	-12.6%
TOTAL REVENUES	3,665,664	4,049,133	-9.5%
OPERATING EXPENSES			
Rooms Expenses	851,705	908,164	-6.2%
Food Expenses	136,613	146,740	-6.9%
Administrative Expenses	986,677	1,023,865	-3.6%
Association Fees	64,093	63,892	0.3%
Management Fees	152,829	145,051	5.4%
Insurance	99,368	99,950	-0.6%
Property Tax	27,480	27,238	0.9%
County Rent	228,603	220,995	3.4%
Equipment Leases	2,451	2,260	8.5%
FF&E Reserve	146,598	161,910	-9.5%
TOTAL OPERATING EXPENSES	2,696,417	2,800,065	-3.7%
NET OPERATING INCOME	969,247	1,249,068	-22.4%