

# 2026 QUARTER 1 REPORT

Updated 09/10/26

## DANA POINT HARBOR PARTNERS



## **Marina and Drystack**

### **Operations**

#### **Marina**

##### **Marina Improvement Project**

- Dock Phases: The following have been completed with certificates of occupancy issued by County of Orange Public Works. Phase 1 - 3/28/24, Phase 2 - 1/19/24, Phase 3 - 1/19/24, Phase 4 - 2/29/24, Phase 5 - 5/28/24, Phase 6 - 9/17/24, Phase 8 - 3/31/25, Phase 7 - 7/1/25, Phase 9A - 12/30/2025, and Phase 10 - 12/30/2025.
- Dock demolition for Phase 11 commenced on 1/16/26 with the Phase 11 expected to be delivered for occupancy in May 2026.
- On 1/12/26, DPHP received a Notice of Complete Application letter from the California Coastal Commission regarding the CDP Amendment Application. We are currently waiting to receive notification on our hearing date.
- The Fuel Dock Underground Storage Tank replacement was completed and put in operation in March 2026.

#### **Slip Rates**

- On March 23, 2026, 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.
- On March 25, 2026, DPHP notified tenants with slip rate increase letters notifying them of new rates effective June 1, 2026.

## **Drystack**

### **Operations**

- Operations continue and are being managed to accommodate redevelopment work on premises.
- On March 25, 2026, DPHP notified dry storage tenants of a rate increase effective May 1, 2026.

### **Redevelopment**

- Drystack landside preliminary plans are being drafted for submittal to the City of Dana Point for approval-in-concept to CDP 21-0016 in the second quarter of 2026. Submission will include parking plan, architectural plan, civil plan, landscape plan, and visual impact study.
- Concurrently, the Drystack waterside CDP application plans are in progress, with a target submission date in fourth quarter of 2026. Application includes conceptual plan, eel grass surveys, EFH assessment, bioacoustics evaluation, navigational study, and seawall assessment.
- The discussions of a possible MOU have slowed progress of current plans as we wait to find out the path forward.

## Financials

Attached are the 2026 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).

### 2026 to 2025 Marina Comparison

The following is a condensed comparison of March 2026 vs. March 2025 Marina results.

Year-to-date comparison indicates an 12% increase in revenue, 1% decrease in operating expenses, and a 21% 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.

| <b>DPHP Marina</b>              | <b>Current YTD<br/>3/31/2026</b> | <b>Prior YTD<br/>3/31/2025</b> | <b>%<br/>Change</b> |
|---------------------------------|----------------------------------|--------------------------------|---------------------|
| <b>REVENUES</b>                 |                                  |                                |                     |
| Slip Rental Income              | 5,286,841                        | 4,928,418                      | 7%                  |
| Total Guest Fees                | 29,257                           | 36,440                         | -20%                |
| Total Office Rent               | 30,498                           | 36,085                         | -15%                |
| Sublease Income                 | 896,601                          | 538,310                        | 67%                 |
| Broker & Charter Flat Fees      | 51,137                           | 59,210                         | -14%                |
| Direct Tenant Income            | 167,432                          | 143,206                        | 17%                 |
| Parking Income                  | 48,846                           | 44,315                         | 10%                 |
| Total Other Income              | 91,755                           | 98,096                         | -6%                 |
| <b>TOTAL REVENUES</b>           | <b>6,602,367</b>                 | <b>5,884,080</b>               | <b>12%</b>          |
| <b>TOTAL OPERATING EXPENSES</b> |                                  |                                |                     |
| Wages & Benefits                | 315,267                          | 326,932                        | -4%                 |
| Direct Expenses                 | 747,614                          | 816,004                        | -8%                 |
| Administrative Expenses         | 667,978                          | 676,704                        | -1%                 |
| Capital Expense & Property Tax  | 62,530                           | 62,530                         | 0%                  |
| County Rent                     | 626,737                          | 557,030                        | 13%                 |
| <b>TOTAL OPERATING EXPENSES</b> | <b>2,420,126</b>                 | <b>2,439,199</b>               | <b>-1%</b>          |
| <b>NET OPERATING INCOME</b>     | <b>4,182,241</b>                 | <b>3,444,881</b>               | <b>21%</b>          |

### 2026 to 2025 Drystack Comparison

The following is a condensed comparison of March 2026 vs. March 2025 Drystack results.

Year-to-date comparison indicates a 9% increase in revenue, a 6% increase in operating expenses, and an 18% 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.

Other Income is mainly comprised of late fees.

| <b>DPHP Drystack</b>            | <b>Current YTD<br/>3/31/2026</b> | <b>Prior YTD<br/>3/31/2025</b> | <b>% Change</b> |
|---------------------------------|----------------------------------|--------------------------------|-----------------|
| <b>REVENUES</b>                 |                                  |                                |                 |
| Boat Storage Income             | 215,496                          | 215,159                        | 0%              |
| Wet Slip Rentals                | 12,879                           | 6,330                          | 103%            |
| Launch Ramp Income              | 67,339                           | 47,105                         | 43%             |
| Charter Slip Income             | 8,316                            | 7,440                          | 12%             |
| Merchant Income                 | 37,711                           | 35,883                         | 5%              |
| Total Other Income              | 1,521                            | 1,955                          | -22%            |
| <b>TOTAL REVENUES</b>           | <b>343,263</b>                   | <b>313,872</b>                 | <b>9%</b>       |
| <b>TOTAL OPERATING EXPENSES</b> |                                  |                                |                 |
| Wages & Benefits                | 115,818                          | 100,239                        | 16%             |
| Direct Expenses                 | 27,865                           | 35,387                         | -21%            |
| Administrative Expenses         | 35,209                           | 33,271                         | 6%              |
| Capital Expense & Property Tax  | 1,350                            | 1,350                          | 0%              |
| County Rent                     | 49,620                           | 47,348                         | 5%              |
| <b>TOTAL OPERATING EXPENSES</b> | <b>229,862</b>                   | <b>217,595</b>                 | <b>6%</b>       |
| <b>NET OPERATING INCOME</b>     | <b>113,401</b>                   | <b>96,276</b>                  | <b>18%</b>      |

# **Commercial Core and Parkscapes**

## **Operations and Revitalization**

### **Commercial Core Project**

- Construction of Phase 3 construction commenced Feb 17, 2026.
  - Demolition complete
  - Site grading complete
  - Underground utility work commenced
- Actively bidding out phase 4 of the Commercial Core.
- Active leasing discussions are underway with existing and prospective tenants for future Commercial Core phases.

### **Parking Structure**

- Parking Structure continues to remain open daily with on-site attendants to assist customers and employees.
- All Commercial Core employees have been issued Tag Master tags on their vehicle for convenient access.
- Catalina Express, fishing, and whale watching customers continue to be required to park on the third floor if they are to exceed the four-hour time limit.
- Certain 1<sup>st</sup> floor parking stalls dedicated and stenciled for Boater Permit Parking as required by Coastal Commission.

### **Projects and Maintenance**

- Pilgrim flag mast was preserved, fabricated and now on display at DPH monument sign (County Flag and DPHP Flag on display as well).
- Maintenance contracts sweeping, landscape, lighting, janitorial, and power washing) continue to be modified to accommodate construction.
- Maintenance quality standards remain unaffected despite construction impacts.
- Additional lighting has been installed along the pedestrian pathway to the wharf to enhance visibility and safety.
- Lanterns, door hardware, signage, and other miscellaneous items have been placed in storage for preservation.
- Select existing harbor trees/plants have been temporarily relocated offsite and are being maintained for future reinstallation as part of the future project.
- Restroom plumbing fixtures and accessories continue to be replaced on an as-needed basis.
- Multiple concrete repairs throughout Parkscapes completed to mitigate trip hazards.
- Asphalt repairs were completed in the wharf and village areas to address uneven surfaces and maintain safe conditions.

- Boater Permit Parking stenciling completed in the wharf.
- Routine storm drain cleaning cycles remain ongoing, with damaged filters being replaced to ensure proper system performance.
- Structural and cosmetic repairs completed to the Dana Point Yacht Club 1<sup>st</sup> and 2<sup>nd</sup> level decks.
- Structural and cosmetic repairs completed to Captain Dave's Dolphin and Whale Watching 2<sup>nd</sup> level deck.
- We continue to monitor and make lighting repairs as needed within Parkscapes along Island Way.

#### **Harbor Events**

- Certified Farmers Market – Every Wednesday
- End of Holiday Displays – January 4
- Books & Blooms – Modern Makers Mart – February 7
- Little Folk Club – February 13
- Cars & Coffee on the Wharf – February 28
- Festival of Whales – March 6-8
- Phase 3 Groundbreaking / Flag Dedication Ceremony – March 17
- Cars & Coffee on the Wharf – March 28
- DP Harbor Town Hall – March 30

#### **PR Top Stories**

- Jon's Fish Market
  - Bay Area Telegraph
- Olympics 2028
  - NBCLA Broadcast
- Whale Watching
  - The Mercury News
- Phase 3/5 Schedule & Closures
  - Dana Point Times, The Log, OC Register
- Festival of Whales
  - LA Times, Dana Point Times, OC Register
  - Broadcast: NBCLA, KCAL, KTLA
- Commercial Core Groundbreaking & Dedication Ceremony
  - OC Register, Dana Point Times
- Long Weekend Destination
  - Travel + Leisure
- Farmers Market – Ongoing
  - South OC Beaches

## Financial Summary

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

### 2026 to 2025 Commercial Core Comparison

Below is a condensed comparison of the Commercial Core financial results for YTD March 2026 versus YTD March 2025. Total revenues for the period were \$1,092,153, representing a 2% decline from the prior year, mainly due to lower tenant rent revenue because of tenant vacancies. This was partially offset by higher parking income from the parking structure. Operating expenses decreased 7% to \$951,377, driven largely by a reduction in direct expenses, reflecting improved operating efficiency and effective cost management, though partially offset by increases in wages and insurance. As a result, net operating income improved substantially, rising 63% to \$140,776 compared to \$86,447 in the prior year period.

| <b>DPHP Commercial Core</b>     | <b>Current YTD</b> | <b>Prior YTD</b> | <b>%</b>      |
|---------------------------------|--------------------|------------------|---------------|
|                                 | <b>3/31/2026</b>   | <b>3/31/2025</b> | <b>Change</b> |
| <b>REVENUES</b>                 |                    |                  |               |
| Tenant Rent Income              | 778,708            | 869,693          | -10%          |
| Tenant/Parking Income           | 175,902            | 109,522          | 61%           |
| Puerto Pl. Parking Income       | 9,177              | 12,257           | -25%          |
| Reimbursable Expense Income     | 116,384            | 117,824          | -1%           |
| Other Income                    | 11,982             | 0                | n/a           |
| <b>TOTAL REVENUES</b>           | <b>1,092,153</b>   | <b>1,109,296</b> | <b>-2%</b>    |
| <b>OPERATING EXPENSES</b>       |                    |                  |               |
| Wages & Benefits                | 143,778            | 96,838           | 48%           |
| Direct Expenses                 | 330,902            | 586,279          | -44%          |
| Administrative Expenses         | 128,886            | 148,999          | -13%          |
| Property Tax                    | 17,100             | 16,815           | n/a           |
| Insurance                       | 281,606            | 132,376          | 113%          |
| County Rent                     | 49,105             | 41,542           | 18%           |
| <b>TOTAL OPERATING EXPENSES</b> | <b>951,377</b>     | <b>1,022,849</b> | <b>-7%</b>    |
| <b>NET OPERATING INCOME</b>     | <b>140,776</b>     | <b>86,447</b>    | <b>63%</b>    |

## **Hotels – 1Q 2026**

### **Operations and Revitalization Summary**

#### **Hotel Entitlement – EIR & CDP (City)**

- Addressing approved on 12/03/25: 24700 & 24800 Dana Point Harbor Drive.
- Lot Line Adjustment approved and recorded on 12/22/25: APN: 682-022-01 & -05.
- 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.
  - Building Permit application for each hotel submitted on 12/15/25.

#### **Hotel Ground Lease**

- Meeting between DPHP and County CEO's office on 3/18/26 to discuss creating a separate lease for the hotel development
- County reviewing and commenting to lease draft provided by DPHP

### Financial Summary

Below are the YTD 2026 financials for Dana Point Harbor Partners – Hotel component. The Hotel component includes the Marina Inn operations. Revenues were up 14.0% and net operating income (NOI) was down 57.4% versus YTD 2025 through Q1.

| <b>DPHP Marina Inn</b>          | <b>Current YTD<br/>3/31/2026</b> | <b>Prior YTD<br/>3/31/2025</b> | <b>% Change</b> |
|---------------------------------|----------------------------------|--------------------------------|-----------------|
| <b>REVENUES</b>                 |                                  |                                |                 |
| Rooms Revenue                   | 804,375                          | 695,484                        | 15.7%           |
| Other Revenue                   | 56,421                           | 59,539                         | -5.2%           |
| <b>TOTAL REVENUES</b>           | <b>860,796</b>                   | <b>755,023</b>                 | <b>14.0%</b>    |
|                                 |                                  |                                |                 |
| <b>OPERATING EXPENSES</b>       |                                  |                                |                 |
| Rooms Expenses                  | 270,126                          | 222,608                        | 21.3%           |
| Food Expenses                   | 40,100                           | 36,771                         | 9.1%            |
| Administrative Expenses         | 365,114                          | 303,228                        | 20.4%           |
| Association Fees                | 27,221                           | 23,658                         | 15.1%           |
| Management Fees                 | 30,997                           | 27,294                         | 13.6%           |
| Insurance                       | 41,344                           | 35,467                         | 16.6%           |
| Property Tax                    | 7,839                            | 7,708                          | 1.7%            |
| County Rent                     | 39,214                           | 51,140                         | -23.3%          |
| Equipment Leases                | 774                              | 824                            | -6.1%           |
| FF&E Reserve                    | 31,214                           | 30,243                         | 3.2%            |
| <b>TOTAL OPERATING EXPENSES</b> | <b>853,943</b>                   | <b>738,941</b>                 | <b>15.6%</b>    |
|                                 |                                  |                                |                 |
| <b>NET OPERATING INCOME</b>     | <b>6,853</b>                     | <b>16,082</b>                  | <b>-57.4%</b>   |