



June 4, 2024

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT: Approval of a New Encumbrance for \$4.5 Million, in Favor of East West Bank, to be Held on the Leasehold Interest of Bright Casa Sirena, LLC, a California Limited Liability Company (Bright), for the Hampton Inn on the Channel Island Harbor Lease Parcel F-3, to Secure New Financing by Bright, Subject to Subordination of the New Encumbrance to the Lease Agreement; and Find that the New Encumbrance is not Subject to the California Environmental Quality Act (CEQA) or, Alternatively, Find that the Project is Exempt from CEQA.**

**Recommendations:**

1. Approve a new encumbrance for \$4.5 million, in favor of East West Bank, on Bright Casa Sirena, LLC, a California limited liability company's (Bright) leasehold interest for the Hampton Inn on Channel Islands Harbor Parcel F-3 to secure new financing by Bright, subject to subordination of the new encumbrance to the Lease Agreement.
2. Find that your Board's approval of the new encumbrance is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15352 and 15378 because the new encumbrance will not cause a direct or a reasonably foreseeable indirect physical change in the environment and will not authorize any specific development activity. Alternatively, find that the new encumbrance, the project, is categorically exempt from CEQA pursuant to CEQA Guidelines sections 15301 and 15302, and that no exceptions set forth in CEQA Guidelines section 15300.2 preclude use of these exemptions.

**Fiscal/Mandates Impact:**

There is no fiscal impact for the recommended action.

**Background:**

On May 6, 2014, your Board approved the assignment of the Lease Agreement (Lease) for Harbor Lease Parcel F-3 from Harbor Hospitality II, LLC to Bright Casa Sirena, LLC, a California limited liability company (Bright), and consented to an encumbrance held by the Land Bank of Taiwan and secured by the leasehold. The leasehold consists of a hotel, which operates under the Hampton Inn brand. The Land Bank of Taiwan loan had a term of seven (7) years and was scheduled to be due in 2021.

In May 2019, Bright received the County's consent to a new encumbrance on Bright's leasehold in favor of Industrial and Commercial Bank of China (ICBC). The ICBC loan replaced, and is in the same amount as, the loan from the Land Bank of Taiwan. The amount of debt was within the loan-to-value limitations in the Lease, as substantiated by a formal appraisal. The loan was payable in five (5) years.

Bright now requests to encumber the leasehold to replace the loan from ICBC with a new loan from East West Bank. East West Bank has offices in Los Angeles, meets the Lease's requirements of an "Approved Mortgagee," and the proposed encumbrance qualifies as an "Approved Mortgage" (as each of those terms is defined in the Lease). The term of the loan would be 83 months with a variable interest rate. Payments are estimated to be \$34,780.43/month with one irregular last payment estimated at \$4,004,662.34. The index is currently 8.5% per annum.

Since acquiring the leasehold in 2014, Bright has completed a brand refresh of the property (at a cost of \$4 million) without additional financing. Proceeds from this new loan would be used to replace the existing loan of \$7 million and provide Bright with a fair return on its costs of completed leasehold improvements, as well as pay for its loan costs.

**Integration of Strategic Plan Priorities:**

The Hampton Inn is a popular amenity to the Harbor, providing lodging and dining near the Harbor's public waterways, jobs to the community, revenues to the Harbor Department and improved public access to the Harbor and nearby County public beaches – all in furtherance of the County's Strategic Plan's Mission of providing superior services and the Plan's Goals of: 1) fostering a thriving business ecosystem to create jobs, increase wages, and strengthening the local economy; 2) maintaining and improving dependable public resources to serve the needs of our diverse communities and 3) attracting and investing in sustainable infrastructure and preservation of our natural resources.

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The County Executive Office, Auditor-Controller's Office and County Counsel have reviewed this letter. If you have any questions regarding this item, please contact me at 973-5952.

A handwritten signature in blue ink, appearing to read "Michael Tripp". The signature is stylized and cursive.

Michael Tripp  
Director