



CHANNEL ISLANDS HARBOR
Ventura County Harbor Department

Lyn Krieger
Director

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October 20, 2015

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

SUBJECT: Approval of the First Amendment to the Second Amended and Restated Lease Between the County of Ventura and TBYCI, LLC, Channel Islands Harbor Lease Parcels N and P (REQUIRES 4/5THS VOTE)

Recommendations:

- 1) Approve the First Amendment to the Second Amended and Restated Lease between the County of Ventura and TBYCI, LLC (Parcels N and P), which replaces Attachment A to Exhibit D, with a revised Attachment A (First Amendment).
- 2) Authorize the Chair of the Board to sign four original copies of the First Amendment on the County's behalf.
- 3) Authorize the Harbor Director to make non-monetary corrections, clarifications, and technical modifications to the First Amendment provided the County Executive Officer and County Counsel concur that such changes should be made, and provided further that such changes are consistent with the stated intent of the lease, do not result in the loss of any income to the County, and do not subject the County to additional costs.
- 4) Find that your approval of the First Amendment is exempt from the California Environmental Quality Act (CEQA).

Fiscal/Mandates Impact:

| | |
|------------------------------|--------|
| Mandatory: | No |
| Source of Funding: | Leases |
| Funding Match Required | N/A |
| Impact on Other Departments: | None |

There is minimal fiscal impact associated with the recommended actions.

| CURRENT FY 2015-16 Budget Projection for Harbor Enterprise Org 5100 | | | | |
|---|----------------|-----------------|------------------|-----------------------------|
| | Adopted Budget | Adjusted Budget | Projected Budget | Estimated Savings/(Deficit) |
| Appropriations | 9,073,960 | 9,073,960 | 9,073,960 | 0 |
| Revenue | 8,270,500 | 8,270,500 | 8,270,500 | 0 |
| Operating Gain/Loss | (803,460) | (803,460) | (803,460) | 0 |

Discussion:

On December 10, 2013, your Board approved a Second Amended and Restated Lease with Wesco Sales, the longstanding lessee of the leasehold known as Channel Islands Boatyard and Landing, and consisting of lease parcels N and P. Prior to the Second Amended and Restated Lease, Wesco Sales had completed significant improvements to the leasehold, including a replacement marina with over 150 boat slips, more than 1,500 feet of waterfront promenade for the public, new ways and a travel lift capable of handling up to fifty (50) tons, a new service building for the marina, water quality improvements to treat storm runoff from the boatyard and boat storage, and a new hoist to serve customers. These improvements were included in the First Amended and Restated Lease, which was amended five times in order to accommodate the order of development and investment required. The Second Amended and Restated Lease was developed in order to incorporate all prior lease amendments, and to organize and clarify the parties' agreement. In addition, the County was able to negotiate additional clauses favorable to the County. An assignment of the Lease to TBYCI was subsequently approved by your Board on the same date.

We are requesting your Board's approval of the First Amendment to the Second Amended and Restated Lease. TBYCI, the current lessee, has continued to invest in the leasehold, based on approved projects included in the Lease. The approved projects are listed in an attachment to the Second Amended and Restated Lease, and consist of two components, Component A and Component B. Component A has an estimated cost of \$1,275,000 and completion thereof entitles the lessee to 7.5 years of additional lease term. Component B has an estimated value of \$1,250,000, and its completion also entitles the lessee to 7.5 years of additional lease term. As it turned out, some items in Component B were completed ahead of schedule, while some items in Component A have been deferred. Neither Component A or B have been fully completed, and no additional lease term is being granted at this time.

The proposed First Amendment reorganizes the projects lists, placing approved projects in the appropriate Component. No items are eliminated, nor is the value of improvements reduced. Reorganizing the project lists will help both the County and the Lessee plan and organize the remaining improvements.

Your Board's approval of this First Amendment to the Second Amended and Restated Lease is exempt from the terms of the California Environmental Quality Act (CEQA) for the following reasons (either of which is sufficient to exempt this approval from CEQA):

- (1) approval of this First Amendment does not constitute approval of a project under CEQA (see CEQA Guidelines Sections 15352 and 15378); and
- (2) approval of this First Amendment is being undertaken solely to facilitate the operation, repair, renovation, maintenance, leasing, or other activities related thereto (CEQA Guidelines Sections 15301 and 15302).

The County Executive Office, Auditor-Controller's Office and County Counsel have reviewed this letter and attachment.

If you have any questions regarding this item, please contact me at 973-5952.


LYN KRIEGER
Director

Exhibit 1 - First Amendment to Lease