



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 Fourth Amendment to the Amended and Restated Lease Between the County of Ventura and Anacapa Boatyard, LLC, Extending the Term of the Lease For One Year - Anacapa Marine Services, Channel Islands Harbor Lease Parcel N-1. (REQUIRES 4/5THS VOTE)

Recommendations:

- 1) Approve the Fourth Amendment (Exhibit 1) to the Amended and Restated Lease (Lease) between the County of Ventura and Anacapa Boatyard, LLC (Parcel N-1), which extends the existing term of the Lease for one year, until December 31, 2016.
- 2) Authorize the Chair of the Board to sign four original copies of the Fourth Amendment on the County's behalf.
- 3) Authorize the Harbor Director to make non-monetary corrections, clarifications, and technical modifications to the Fourth 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, as amended, 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 Fourth 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: County Counsel will review documents.
There is minimal fiscal impact associated with the recommended action.

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 August 5, 2014, your Board approved the assignment of the Lease for Anacapa Marine Services from J & J Marine Services to Anacapa Boatyard, LLC (Lessee). The Lessee is controlled by Andrew and Michelle Volaski, long-term commercial tenants in Channel Islands Harbor. The Volaskis own and operate two other businesses in the Harbor in addition to Anacapa Marine Services, specifically Sunfish Diving, Inc., which operates fishing and kayak trips, and A&M Events, which operates the Scarlet Belle paddlewheel boat. At the time of the transfer, the Lease term was set to terminate December 31, 2015. The Lease includes the right to extend the Lease term based on reinvestment in the property. While the Lessee has successfully operated the boatyard, made repairs to the ways and the concrete parking area in the boatyard, improved the leasehold's power supply, and completing stormwater improvements, it is currently unable to commit to the substantial redevelopment expenditure that would be required to secure a long-term lease. The Lessee's assessment is that the market does not justify the level of investment required at the present time. The County has had ongoing discussions with the Lessee about various options it may have, but the parties have not finalized any development plan at this point.

The Harbor Department is therefore recommending a one-year lease extension with the intent of developing mutually satisfactory plans for the ownership and redevelopment of the leasehold, either with the Lessee or another party. This one-year extension will be the only change made by the proposed Fourth Amendment.

Your Board's approval of this Fourth Amendment is exempt from the terms of the California Environmental Quality Act (CEQA) for the following reasons (either of which is sufficient to exempt this lease approval from CEQA):

- (1) approval of this Fourth Amendment for existing facilities does not constitute approval of a project under CEQA (see CEQA Guidelines Sections 15352 and 15378); and

- (2) approval of this Fourth 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 973-5953.


LYN KRIEGER
Director

Exhibit 1- Fourth Amendment to Lease