



CHANNEL ISLANDS HARBOR
Ventura County Harbor Department

Mark Sandoval
Director

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November 17, 2020

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

SUBJECT: Approval of Fifth Amendments to Three Amended and Restated Leases Between the County of Ventura and Oxnard Marinas, L.P., for Channel Islands Harbor Waterside Lease Parcels F and F-1, C, LM-1, LM-2 and LM-3; Authorization for the Harbor Director to Make Limited Modifications to the Amendments; Finding that the Amendments are Exempt from the California Environmental Quality Act (Recommendations 1-4 REQUIRE 4/5ths VOTE)

Recommendations:

- 1) Approve and authorize the Chair to execute the attached Fifth Amendment to the Amended and Restated Lease between the County of Ventura and Oxnard Marinas, L.P. (Parcels F and F-1), which modifies the "Legal Description of Leased Premises" and the "Scope of Development and Schedule of Performance" for the replacement of existing slips with new slips.
- 2) Approve and authorize the Chair to execute the attached Fifth Amendment to the Amended and Restated Lease between the County of Ventura and Oxnard Marinas, L.P. (Parcel C), which modifies the "Legal Description of Leased Premises" and the "Scope of Development and Schedule of Performance" for the replacement of existing slips with new slips.
- 3) Approve and authorize the Chair to execute the attached Fifth Amendment to the Amended and Restated Lease between the County of Ventura and Oxnard Marinas, L.P. (Parcels LM-1, LM-2 and LM-3), which modifies the "Scope of Development and Schedule of Performance" for the replacement of existing slips with new slips.
- 4) Authorize the Harbor Director to make non-monetary corrections, clarifications, and technical modifications to each of the three proposed lease amendments (Fifth Amendments), provided the County Executive Officer and County Counsel concur that such changes are consistent with the stated intent of these three leases, as

amended, do not result in the loss of any income to the County, and do not subject the County to additional costs or delays in construction of the replacement slips.

- 5) Find that your Board's approval of the Fifth Amendments is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15301 and 15302.

Fiscal/Mandates Impact:

Ongoing revenue for these leaseholds has been included in the adopted budget.

Background:

On January 13, 2015, your Board approved second amendments to three amended and restated leases (Leases) with Oxnard Marinas, L.P. (Lessee) for Channel Island Harbor's waterside Parcels F and F-1, Parcel C and Parcels LM-1, LM-2, and LM-3, respectively.

On November 6, 2018, your Board approved third amendments to the Leases, each of which required Lessee to commence reconstruction of slips within the leasehold parcels ("Marina Project") on or before December 31, 2019, and to complete such reconstruction within two years thereafter in order for Lessee to qualify to exercise options to extend the term of each Lease for up to 40 years.

On December 17, 2019, the deadline to commence construction was extended by one year to bring the construction in line with replacement of the perimeter rock revetment, which will be handled by the County, and the demolition and re-construction of the Hyatt House Hotel ("Hotel Project"), which will be handled by another developer, Brighton Management. While these three marina Leases correspond to slips in three distinct areas of the Harbor, the Marina Project will be handled as one project to enable temporary vessel movement from location to location to accommodate the reconstruction process.

On October 6, 2020, at the request of Brighton Management, your Board extended the Lease Option Agreement for the Hotel Project through June 30, 2021, a result of construction financing issues related to the COVID-19 pandemic. The timing of the three projects (Hotel Project, Marina Project and rock revetment) is such that the demolition of the hotel structures must occur first, followed by replacement of the rock revetment, and then the hotel and marina re-construction can begin. Brighton Management has assured the Harbor Department that demolition of the structures will begin in the second half of 2021, at which time the Marina Project can begin with demolition as well.

By means of the proposed Fifth Amendments, the Harbor Department seeks additional extensions to the deadlines for Lessee's commencement and completion of slip reconstruction, as set forth below:

Parcel Name	C	F & F-1	LM-1, LM-2 & LM-3
Current Commencement Date	12/31/20	12/31/20	12/31/20
Proposed Commencement Date	12/31/21	12/31/21	12/31/21
Current Completion Date	12/31/23	12/31/21	12/31/22
Proposed Completion Date	12/31/25	12/31/25	12/31/25

The extensions are requested to match the timing of the Hotel Project with the timing of the Marina Project. The phasing of the three projects (Hotel, Marina and rock revetment) has been approved by all three parties. Therefore, the Harbor Department is currently seeking amendments extending by one year the construction commencement date, from December 31, 2020 to December 31, 2021, for all three Leases. The timing of commencement of all three projects is predicated on the beginning of demolition of the Hotel Project, which as indicated above will be late-2021.

The timing for the completion of the Marina Project re-development is also predicated on the Hotel Project. The electrical power, fire suppression system and potable water service to the docks run through the Hotel Project, and as a result, the Marina Project cannot be completed until this service is made available, which will occur in the latter part of the Hotel Project. In addition, the perimeter rock revetment replacement will suspend the Hotel Project by approximately six months between existing structure demolition and new project construction. Therefore, the Harbor Department is recommending that the completion date for each of the three parcels in the Marina Project be amended to reflect the completion dates reflected on the chart above.

In addition to the request to extend the project commencement dates, the Harbor Department is requesting amending the Legal Description of Leased Premises for Parcels F and F-1 to match the lease lines approved in the California Coastal Commission Notice of Impending Development approvals in August 2011 and August 2020, and amending the Legal Description of Leased Premises for Parcel C to match the lease lines approved in the California Coastal Commission Notice of Impending Development approval in January 2009.

Your Board's approval of the proposed Fifth Amendments is categorically exempt from the terms of CEQA because the Fifth Amendments are solely required to facilitate the operation, repair, renovation, maintenance, and leasing of existing structures and facilities within the Harbor (CEQA Guidelines Sections 15301 and 15302).

The County Executive Office, the 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.



MARK SANDOVAL
Director

- Exhibit 1: Fifth Amendment (Parcels F/F-1)
- Exhibit 2: Fifth Amendment (Parcel C)
- Exhibit 3: Fifth Amendment (Parcels LM-1/LM-2/LM-3)