



CHANNEL ISLANDS HARBOR
Ventura County Harbor Department

Lyn Krieger
Director

3900 Pelican Way • Oxnard, CA 93035-4367 • (805) 382-3001 • Fax (805) 382-3015

December 11, 2012

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

SUBJECT: Approval of, and Authorization For the Director of the Harbor Department to Execute a Contract with Dennis Heitmann for Lease Consulting Services Effective January 1, 2013 through December 31, 2013; and Approval of, and Authorization For the Director of the Harbor Department to Make Minor, Non-Monetary Amendments to the Contract, if Any.

Recommendations:

- 1) Approve and authorize the Director of the Harbor Department to execute the attached contract with Dennis Heitmann for an amount not to exceed \$125,000 annually to provide lease consulting services.
- 2) Authorize the Director of the Harbor Department to make minor, non-monetary amendments to the contract, if any are needed to clarify the intent of the parties, provided such changes do not increase the cost of the contract for the County.

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Harbor Enterprise Fund
Funding Match Required	N/A
Impact on Other Departments:	None

Summary of Costs:

Direct cost is not to exceed \$125,000 annually at a \$95 per hour rate. There are sufficient appropriations available in the Harbor Enterprise Fund to cover this contract. However, the entire contract amount will not be required this fiscal year.

Current Fiscal Year Budget Projections:

CURRENT FY 2012-13 Budget Projection for Harbor Enterprise Fund 7430				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$8,495,270	\$8,923,494	\$8,923,494	\$0
Revenue	\$7,878,950	\$7,878,950	\$7,878,950	\$0
Operating Gain/(Loss)	(\$616,320)	(\$1,044,544)	(\$1,044,544)	\$0

Discussion:

Under a personal services contract, Mr. Heitmann provides lease negotiation expertise to the Harbor Department. The Harbor Department has responsibility for over thirty-one ground leases. Most such leases require extensive negotiation, legal documentation, and multiple internal reviews. It is not unusual for a year or more to go by before a completed lease or substantial amendment is presented to your Board. In addition to new or re-stated leases, the Harbor Department generally presents three or four lease amendments to your Board for consideration each year. Continuity in staffing is a critical factor to cost-efficient and successful completion of these complex negotiations. Identifying a new employee with comparable experience and skill levels in waterfront public ground leasing would be unlikely. Also, given the somewhat reduced workload in the volume, but not the complexity, of lease-related matters, it would be very difficult to find part-time staff.

As a result of ongoing work in lease negotiations and analysis, we recommend extending the contract term to Mr. Heitmann for lease-related services in several ongoing and new negotiations which will occur over the next few years. This Board approval will result in a new contract beginning January 1, 2013, and ending December 31, 2013, with two options for renewal. Each contract year would include two fiscal years.

In the next three years we expect to prepare for new development and leasing of vacant parcels and development of parcels X-3 (vacant), Q (Wesco) RS (Channel Islands Sportfishing), V (Fisherman's Wharf), and potentially F-F1 (Casa Sirena Hotel). Familiarity with the existing lease documents will speed up this work dramatically.

The contract contains an option for two additional renewals in one-year increments, for a total potential contract term of three years. There is no minimum retainer and the hours may fluctuate depending on need. The contract maximum is equivalent to approximately sixty percent (60%) of a full-time employee.

This item and related documents have been reviewed by the County Executive Office, Auditor-Controller's Office and County Counsel. If you have any questions regarding this item, please contact me at 382-3002.



LYN KRIEGER
Director

Exhibit 1 – Consulting Services Contract