



BELLWETHER  
FINANCIAL GROUP

May 14, 2021

Mat Miller  
Chief Real Estate Officer  
County of Orange  
Hall of Administration-3<sup>rd</sup> Floor  
Santa Ana, CA. 92701-4062

Dear Mat,

The purpose of this communication is to provide written notice of DPHP's intent to increase slip rates at The Marina at Dana Point. The marina has not implemented a rate increased since July 2017, when the increase averaged 1.9%, far below average increases in the market. Since then, rates at other Orange County Marinas have continued to escalate far exceeding the current rates in Dana Point. We are witnessing marinas increasing rates in some categories by 10-20% just this year. At Dana Point, we now have wait lists in every category, and in some categories the wait times are measured in decades.

On an annual basis, we compile slip rate data from major marinas along the Southern California coast by county, with our focus on Orange County marinas. As you may know, Dana Point's slip rates are severely below market of other regional marinas in Orange County with average rates 2-3 times higher (See Exhibit A – OC Slip Rate Market Survey). We believe that over time the market rates in Dana Point will be in the middle of the pack as it relates to slip rates in Orange County.

Our 2021 rate increases are significant but still below market rate. The OC Slip Rate Market Survey data was used to determine an average slip rate for each slip size -20-26, 28, 30, 40, 45, 50, 55, and 60 feet. To determine the new slip rates, DPHP took the average slip rate for each slip size and applied a percentage discount ranging from 35% to 45%. Please refer to Exhibit B - Slip Rate Increase Methodology, to see how each slip rate was determined. The rate change will be communicated to tenants by 6/15/21 and go into effect on 9/1/21. We anticipate negative feedback from our tenants as any increase will typically cause and have prepared for some tenants to consider terminating their lease with us and seek alternative options. We believe that the response will be loud, but we don't anticipate it will impact current occupancy levels.

We thank you for your support and if you would like to discuss further, please let us know.

Best Regards,

Joe Ueberroth

CC. James Campbell, Zoila Finch and Stacy Blackwood

Exhibit A  
OC Slip Rate Market Survey

		21'	25'	30'	35'	40'	45'	50'	55'	60'	65-85'
LOC	MARINA	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT / FT
HB	HUNTINGTON HARBOR	N/A	14.00	20.00	20.00	21.25	22.22	25.00	N/A	26.67	30-32.35
HB	**PETER'S LANDING										
HB	SUNSET AQUATIC	13.00	14.04	14.08	16.54	20.00	20.00	20.00	N/A	N/A	20.00
NB	BALBOA YACHT BASIN	27.32	28.61	29.90	34.14	37.75	42.02	46.83	N/A	53.89	59.55
NB	BAYSHORE MARINA	50.50	50.50	58.00	58.00	71.00	N/A	N/A	N/A	102.00	103.00
NB	BAYSIDE VILLAGE	27.00	27.00	29.00	31.00	37.00	37.00	41.00	41.00	41.00	41.00
NB	LIDO YACHT	32.00	32.00	37.00	45.00	52.00	52.00	61.00	61.00	66.00	75.00
NB	BALBOA YACHT CLUB	N/A	N/A	54.00	56.00	76.50	82.50	N/A	N/A	88.00	97.65
NB	NEWPORT DUNES	33.50	33.50	37.00	37.00	55.00	55.00	65.75	65.75	65.75	65.75
NB	BAYSIDE MARINA	50.00	N/A	63.50	65.80	86.00	90.00	94.00	N/A	97.00	104.00
NB	VILLA COVE MARINA	48.50	N/A	53.75	N/A	N/A	78.50	N/A	N/A	N/A	80.50
NB	BALBOA MARINA	49.50	49.50	58.00	59.00	69.00	N/A	91.50	95.00	96.50	98.50
DP	THE MARINA AT DANA POINT	13.62	14.88	18.20	19.23	19.68	20.07	20.80	20.45	22.70	22.90
	OC AVERAGE W/out DP	\$ 36.81	\$ 31.14	\$ 41.29	\$ 42.25	\$ 52.55	\$ 53.25	\$ 55.64	\$ 65.69	\$ 70.76	\$ 74.50
	OC AVERAGE W/DP	\$ 34.49	\$ 29.34	\$ 39.37	\$ 40.16	\$ 49.56	\$ 49.93	\$ 51.76	\$ 56.64	\$ 65.95	\$ 69.80
	PERCENTAGE DIFF DP & OC AVG	170%	109%	127%	120%	167%	165%	167%	221%	212%	225%

Exhibit B  
The Marina at Dana Point  
Slip Rate Methodology

Slip Sizes (ft)	20-26	28	30	35	40	45	50	55	60
OC Slip Rate Averages w/o Dana Point (\$)	33.98	36.22	41.29	42.25	52.55	53.25	55.64	65.69	70.76
Discount off of OC Slip Rate Averages (%)	45	40	40	40	35	35	35	35	35
New Dana Point Slip Rates (\$)	18.69	21.73	24.77	25.35	34.16	34.61	36.17	42.7	46