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Essential reading for marina and waterfront developers, planners and operators



P3 cures planning paralysis at Dana Point

by Robert Wilkes

It is now more than 60 years since the transition from wood to glass fibre - the most pivotal event in boating history. Efficient production attracted millions to the water where they embraced a lifestyle of which their grandparents could only dream.

Municipalities responded by building immensely popular landmark marinas - the crown jewels of the waterfronts. The Marina at Dana Point in Southern California is a prime example. Currently at 2,409 slips, the marina, built in the 60s and 70s, is the largest on the west coast.

Located in the southern part of Orange County, the harbour is conveniently connected by the I-5 freeway and Pacific Coastal Highway to a huge population of outdoor-loving Californians. Cruising destinations such as Catalina Island, Newport Beach and San Diego are nearby, and the cliffside location makes Dana Point Harbor an iconic place.

Two decades of planning

Dana Point Marina reached its useful life decades ago and is long overdue for renovation. County staffers began planning for revitalisation in 1997. The years dragged on. A major point

of contention was the scope of the project. Early proposals included vastly expanding retail, reducing boat slips by about a thousand, and raising the average slip length from 30ft (9m) to 40ft (12m). How much change to the culture of Dana Point Harbor was appropriate? A planning paralysis set in.

Meanwhile, docks decayed, piles loosened (some docks held up the pile, rather than the other way around), and frayed electrical systems were increasingly inadequate to serve modern boats. The wait time for slips 40ft (12m) and over held steady at ten to 20 years. Sea lions caused havoc on the already fragile docks. The 1970 era bathrooms were less than charming.

Focusing on redevelopment

Dana Point Harbor was established under the Dana Point Tidelands Act of 1961. What the county is able to do with its waterfront is determined by the California Coastal Commission and

expressed through a Local Coastal Plan (LCP). The LCP for the existing marina dated from the 1960s. Any deviation requires an amendment, and that can take years.

Orange County planners worked closely with the Dana Point Boaters Association (DPBA) throughout the planning process. After more than 12 years of effort, a plan was submitted that preserved small slips and maintained essentially the same retail footprint. In 2009, Orange County finally had its amended LCP for Dana Point.

"Small slips for entry-level boaters were a priority," said James Lenthall, the current president of DPBA. "The amendment allows no fewer than 2,296 slips, down from the 2,409 we have now. The average slip length will be 32ft (9.7m) as compared to 30ft (9.1m) today."

Under Orange County regulations, revenues from the harbour stay in

the harbour. A renovation fund was established to fund the rebuild. That has grown to about \$50 million today - impressive, but not nearly enough. It was clear the harbour could not be revitalised by public financing alone. "Costs were increasing at a faster rate than the fund was building," said Lenthall. "The County was several hundred million dollars short and going backwards."

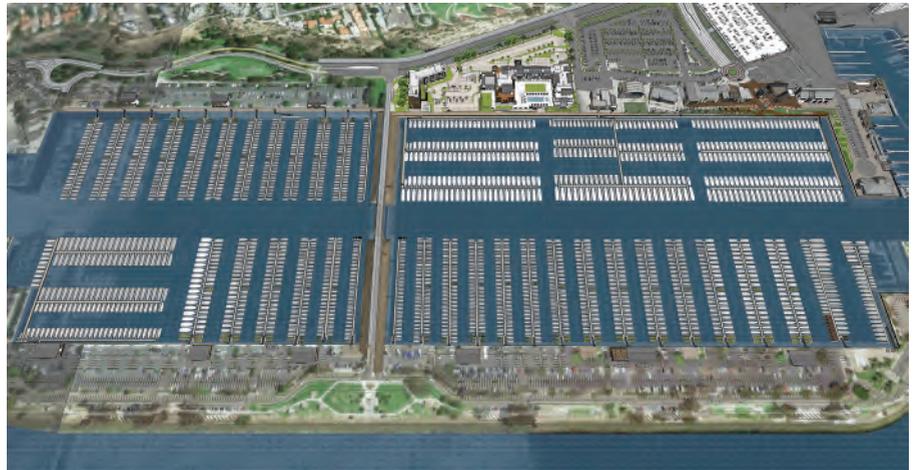
Lisa Bartlett takes the helm

When Lisa Bartlett, the newly elected Orange County Supervisor, took office in 2014 she was already familiar with the project from her years on the Dana Point City Council and passionate about the project from the moment she arrived. The amended LCP allowed plenty of latitude to build a world-class harbour, but where to find the money and the expertise?

Bartlett's solution was a public-private partnership (P3) granting ownership to private partners who would fund, develop and operate the harbour under a 66-year lease agreement that included the marina, retail and present and future hotels. When the lease ends, ownership returns to the County.

Bartlett issued a request for qualifications seeking financially strong, best-in-class companies with solid track records. Fortunately, they were right in her back yard in Orange County. She also became familiar with a similar P3 project underway in southwest Washington, DC, called The Wharf. The District was revitalising a long-neglected and rundown waterfront. The successful transformation impressed Bartlett. (See 'Waterfront points the way at The Wharf', *Marina World*, July/August 2017).

Two groups emerged as final



The new slip layout for Dana Point (above) reveals the extent of the marina project. Upland leisure amenities (below) are set to attract visitors and the local community. Images: SMS Architects

candidates and the contract was awarded to Dana Point Harbor Partners (DPHP). The partnership comprises Bellwether Financial Group (waterside) led by Joe Ueberroth, Burnham Ward (retail) led by Scott Burnham and Bryon Ward, and R D Olson (hotels) led by Bob Olson. All three have headquarters just 15 miles north in Newport Beach, CA.

Everyone involved with the project unanimously applauds supervisor Bartlett and credits her as the catalyst that finally launched the long overdue project. "It would not have happened without her energy and imagination," said Ueberroth. "This project is a proud legacy crowning her years of public service."

R D Olson will build two new hotels along the marina and Burnham Ward will transform the retail experience into a seaside village that will cater to all citizens of the County.

"The marina design was a close collaboration between my team, James Lenthall and his board, and many

community members that call the harbour home," said Ueberroth. "As we continue to work together, utilising Bellingham Marine's next-generation technology (a company owned by Bellwether), we are confident that our new marina will be enjoyed by the current and next generation of boaters and that the marina has the potential to last the life of the 66-year lease."

A unique private partnership

DPHP operates as a single master developer. "Bellwether owns one-third of the waterside development," said Ueberroth, "one-third of the retail and one-third of the hotel properties. My partners have exactly the same ownership. That streamlines the project—the County deals with one master developer rather than a series of them. Each of us has a financial interest in the whole, we're not just focused on our own discipline. That gives us unique cohesion, integrates all phases, and allows us to prioritise the total guest experience."

The project will cost \$330 million. The County contributes \$20 million for the construction of the new dry storage facility, retains \$30 million to operate the harbour patrol, fund road improvements and the like and continues to receive lease payments from the partnership. The private partners invest \$310 million and assume the vast majority of the liabilities. "Dana Point will be the model for how to revitalise harbours throughout the US," said Ueberroth. "The P3 partnership was the brainchild of Supervisor Bartlett. She got it done without public financing... a remarkable accomplishment."





An impressive entrance (above) and open access to the water (below). Images: SMS Architects

Next-generation marina

“Bellingham Marine builds docks for people around the world,” said Ueberroth. “But this marina is right here in our own back yard. We will incorporate the best practices from our worldwide experience, and we are challenging the best-in-class, biggest players in the marina industry to install in Dana Point next-generation products and technology. We are looking at everything from the materials we put in our docks to new green systems to a sea lion deterrent system. It is our intent to have Dana Point define what small boat harbours will look like in the future. Because of our worldwide perspective, I’m often asked by clients what I would build – now I can show them.”

Guest docks and concierge

New guest docks are a welcome change that will greatly increase public access beyond that of most harbours in Southern California. Ralph Grippo, principal at Bellwether will oversee operations for the harbour. “We’re installing several long docks in the visitor area,” said Grippo. “Anybody that comes in the harbour, from small boats to 150ft [46m] yachts, should have a place to tie up and enjoy this iconic destination. We will have outstanding amenities and services and bring hospitality to our visitor moorage. We’ll have concierge services for any size vessel including golf cart transportation on land and water taxi service on the water, enhancing boaters’ access to the restaurants, shops, hotels and beaches. Visitors will enjoy many options and activities to help them enjoy their stay.”

Buildings and parks will be

integrated rather than disjointed and divided by parking lots as they are now. Care will be taken to maintain open views to the water. End-to-end walkways will connect everything in the harbour. The promenade will be widened from 6ft (2m) to 24ft (7m) and new gangways will connect the marina to retail and hotels. To accentuate the waterfront, the upland layout will be water-centric. Parking will be moved away from the water, and retail, restaurants and hotels will be moved adjacent to the water.

DPHP has replaced the complicated operational model that existed in the harbour for many years. The marina, which is split in the centre by a bridge, was operated as two marinas and the dry storage and boat launch areas as another. Each had separate management teams, procedures, processes and operational missions. Grippo has combined the marinas into one and is overseeing the dry storage to ensure consistency and quality of the service experience.

Encouraging community involvement

“Dana Point Harbor is a community

asset,” said Bartlett. “We will build on activities and programmes already in place to involve more people from the community.” Inland boat owners can use the launch ramp in the marina and enjoy fishing. There will be three new dry storage areas for 25ft (7.6m), 30ft (9m) and 40ft (12m) boats. Additional access has been added for human-powered watercraft, which are enormously popular in Dana Point, thought by some to be the second biggest stand-up paddle-boarding centre after Hawaii (where it was invented).

The friendly, small-town neighbourhood culture of the harbour is a source of pride for owners of more than 3,000 boats in the water and in dry storage. That culture includes two yacht clubs, a sailing association, the Ocean Institute with a full complement of educational programmes, a sailing school, whale-watching excursions, paddle boarding concessions and other activities. There is a calm beach within the harbour called Baby Beach on the west end. Doheny Beach, a surf beach outside of but adjacent to the marina, is at the east end.

Phasing marina construction

The waterside is several months into a 24-month entitlement process and DPHP expects to break ground for the marina by 2021. The construction of the new marina is planned in phases over five years. “We will build the visitor docks first,” said Grippo, “then use them to temporarily position tenants as their new slips are being built. The marina will continue to operate during construction. There will be no pause between phases. Once we mobilise, we’re going to continue until the project is done.”

Robert Wilkes writes about the marina industry from Bellevue, WA, USA.

