



DANA POINT HARBOR DEPARTMENT

**24650 Dana Point Harbor Drive
Dana Point, CA 92629**

2007 BUSINESS PLAN

Message from the Director

During the calendar year 2006, the Dana Point Harbor Department (DPHD) accomplished many of its goals. They are as follows:

- Completed the Environmental Impact Report (EIR) and had it certified by the Board of Supervisors (BOS).
- Completed the Local Coastal Plan Amendment (LCPA) and had it approved by the City of Dana Point and submitted to the California Coastal Commission (CCC).
- Completed the plans and regulatory process for the Launch Ramp Reconstruction and began construction of the project on schedule in September.
- Hired new staff – Marlene Mrozek, Vincent Gin, Greg Dean and Jerry Gee.
- Obtained a dry storage area for Dana West Yacht Club (DWYC).
- Completed a Parking Management Study for the Commercial Core area.
- Relandscaped the entry to Dana Point Harbor.
- Increased revenues to the DPHD to \$8 million positive cash flow.
- Completed building a new restroom near the Ocean Institute (OI).
- Transferred Lantern Bay Park and Sampson Overview to the City of Dana Point.
- Updated and renegotiated contracts with several supporting consultant firms.
- Initiated design and community involvement for the Marina (waterside) improvements.

The enclosed Business Plan provides a road map for the next several years so we are able to achieve our vision as outlined in the plan. We are making substantial gains towards our goal.

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Executive Summary

Introduction

In April 2005, the Orange County Board of Supervisors unanimously approved the formation of the Dana Harbor Department (DPHD) as a stand-alone department to provide direct oversight for the Revitalization Project and to oversee Harbor operations. This document will serve as the Dana Point Harbor Department's 2007 Business Plan. The main purpose of Dana Point Harbor Department is to complete the Revitalization Plan, maintain and in some cases improve daily operations, and provide first class recreational opportunities for everyone who uses this regional asset.

Process

Each year the DPHD prepares a Department Action Plan (DAP), which identifies the top priorities, necessary actions, and estimated time needed for completion. Preparation of this year's DAP involved compiling information from a wide range of County staff and County contracted operators that are, or have been, involved in various areas of the Harbor operations and development. Twenty-two people attended a strategy session to review the business statement and develop an action plan identifying issues and challenges facing the Harbor.

The business statement was originally developed during the first DAP strategy session in 2005, and considered the following key points:

- Managing a delicate natural resource.
- Education opportunities with the Ocean Institute.
- Tourism, recreational.
- A business perspective on Real Estate Management.
- Public safety.
- Providing business opportunities to sustain the Harbor operations.
- Safe environment.

These key points remain as our guiding principles today.

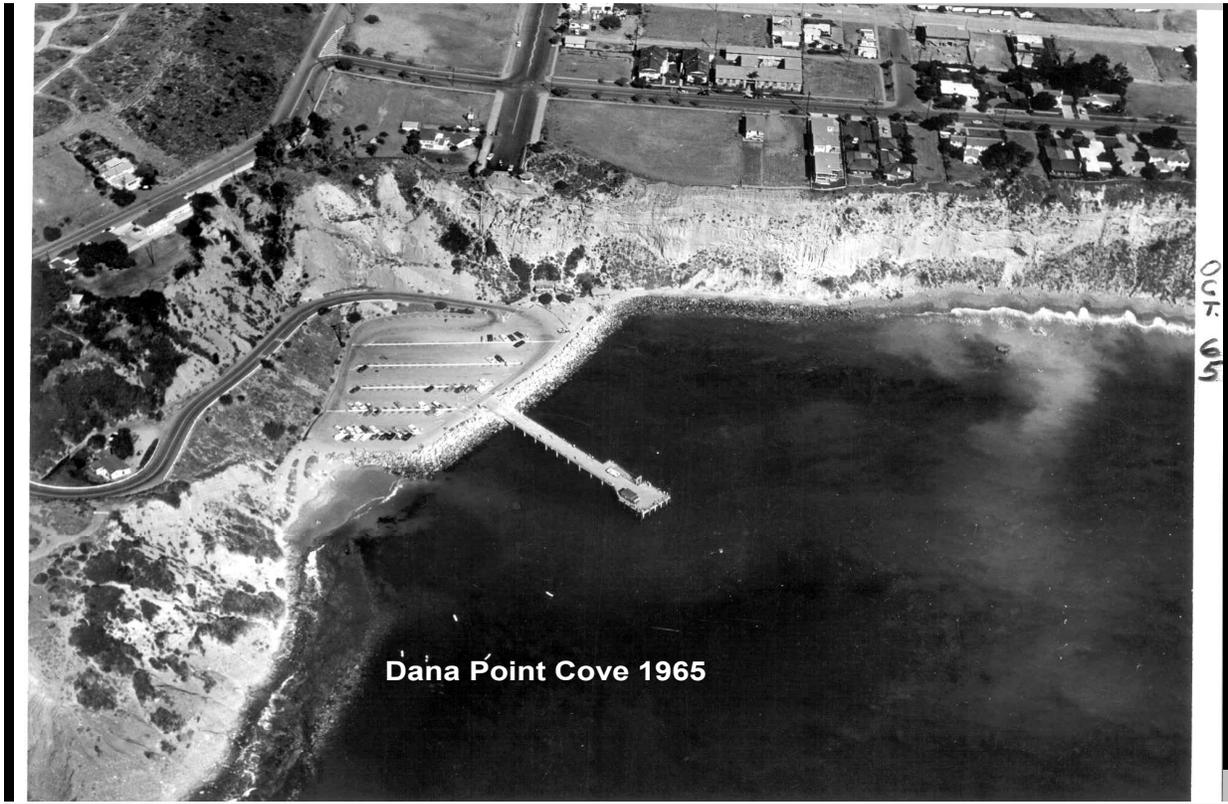
Priorities

The top priorities of the DPHD for 2007 are included in the Goals Section. These priorities were identified by a small focused group who were tasked with identifying the priorities, and determining a plan of action towards resolution. These issues will be

reviewed monthly to evaluate progress and maintain focus on obtaining optimum results.

This Business Plan provides a framework for achieving the desired goals of the Department. As a Tidelands Fund, everyday operations must be maximized utilizing revenues solely generated within the Harbor. In addition, the Department has been tasked with completing the Dana Point Harbor Revitalization Plan, a \$120M Capitol Improvement Project. The Harbor, built in the early 1970's, is scheduled for renovations and rebuilding. At its inception, the Harbor was designed in the interest of two separate business entities. In the end, a disjointed development plan was followed, and still remains today. Recently, the County has regained control of the business operations and recognizes the goal of creating a user-friendly and enjoyable experience for the many annual visitors. With this goal in place it is important to acknowledge the dated design of the building layout in the commercial core; the change in demand for boaters leading to the need to reconfigure the waterside facilities; and the poor quality of the marina waters which have led to constant postings at Baby Beach and other areas in the harbor.

Reaching the stated goals will lead to an efficient, full service Harbor. At every goals foundation is the understanding that the Harbor will remain in the Tidelands Fund and will continue to be self sustaining, not relying on General Fund support.



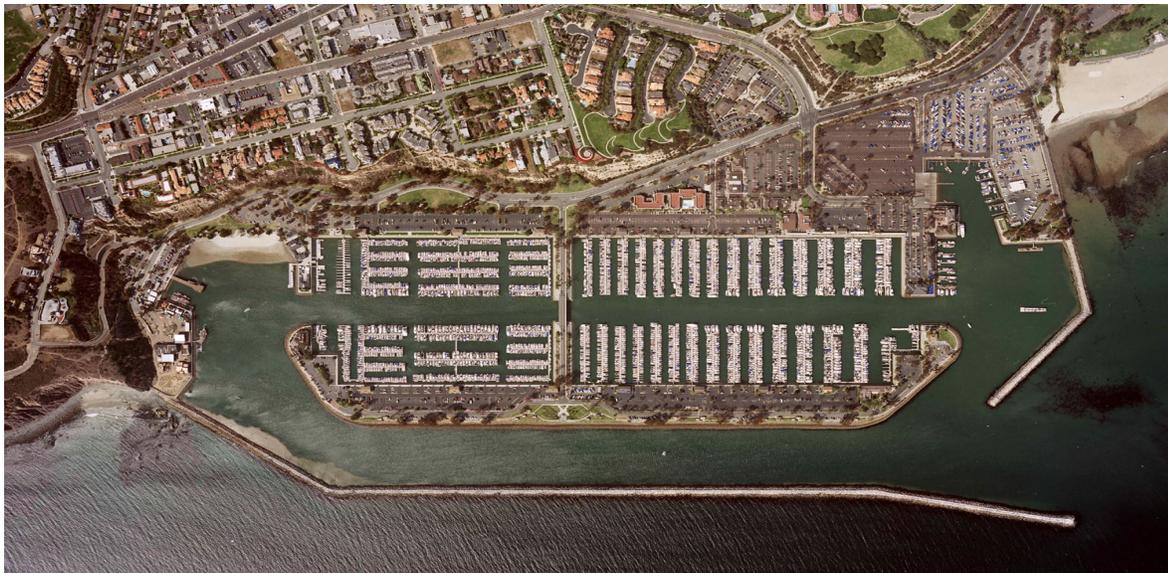
DANA POINT HARBOR - PAST

History of Dana Point

Timeline

- 1841 Two years before the Mast by Henry Richard Dana
- 1947 Corps of Engineers looked at Dana Point as a refuge Harbor area
- 1957 Agreement of Hot Dog stand. First business in Harbor
- 1961 Title went to Orange County
- 1965 Harbor building began – breakwater built
- 1966 7.7 million dollar contract for breakwater
- 1971 East Marina; 1975 West Marina ground leases – two visions
- 1976 Option for shipyard
- 1977 Joint powers authority
- 1981 City of Dana Point incorporated
- 1989 Ocean Institute expanded to educate more children
- 1997 Beginning of Harbor Task Force began by Supervisor Wilson

- 1997 12 Objectives adopted for Harbor
- 1998 Public meetings began – “We will begin from here” Supervisor Wilson
- 1999 Harbor Heritage Group Plan
- 2001 Tenants banded together and worked through leases
- 2002 Worked on commercial leases
- 2003 Project Dimensions hired as project managers
- 2005 Management agreement with Dana West Marina
- 2005 New Dana Point Harbor Department formed



DANA POINT HARBOR - PRESENT

The Story

The Harbor (referred to as Dana Cove prior to Harbor construction) was first anchored in 1769 by Gaspar De Portola. After the founding of the Mission San Juan Capistrano in 1776, the “cove” was used more extensively. In the 1800s, the Harbor was used as a hide and tallow trading port. Hipolito Bouchard, a pirate from Argentina, utilized the cove at Dana Point as a safe refuge in 1818. He docked his fleet in the cove while his sailors raided and set fire to parts of nearby Mission San Juan Capistrano.

In 1830, the Harbor was visited by author Richard Henry Dana, whose name was subsequently chosen by the San Juan Corporation as the name for a resort destination in

the Harbor built in the early 1920s. During his time in California, Dana visited the area now called Dana Point, which was then referred to as the Mission San Juan Capistrano.

In 1949, the County of Orange approved a feasibility study for the development of the Harbor. In 1957, the Dana Point Harbor Project was incorporated into the California Coastal Harbor Program and, in 1958 the United States Congress funded a survey report by the United States Army Corps of Engineers (ACOE). In 1959, the Dana Point Harbor Project was included in the State of California Division of Small Craft Harbors report titled "Master Plan for California's Small Craft Harbors." The State Legislature granted most of the site to the County of Orange as part of the Tidelands Grant in 1961. The Dana Point Harbor Project received congressional authorization under Public Law 87-874 in 1962. The ACOE, Los Angeles District issued the final general design of the Harbor in 1965. The Chandler-Sherman Corporation deeded the small remainder of land at the base of the bluff to the County in 1970.

The Harbor is man-made, built in a cove formed by the headlands of Dana Point to the west, in Capistrano Bay. Construction began in the 1960s with a cofferdam constructed using the outer breakwaters. Installation of the pilings and docks created the outer island and the cove side of the Embarcadero area. As construction was completed, water was allowed back into the basins and the first boats visited the "new" Harbor in 1969.

On July 22, 1969, the Orange County Board of Supervisors adopted the Planned Community (PC) Program document for Dana Point Harbor. The PC Program provides the authority, regulations, and procedures for development and administration of land uses in the Harbor. The document also identifies the general location and types of land uses that are permitted, and is structured to provide the appropriate level of site planning and design direction to allow for the orderly implementation and continuing maintenance of the Harbor.

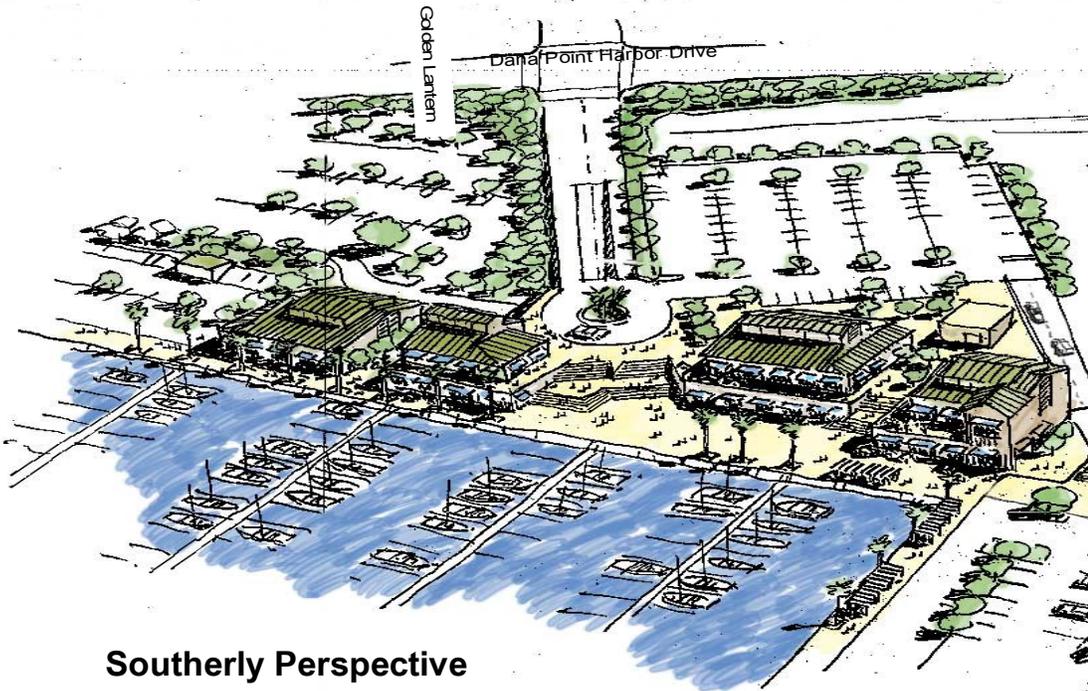
The Harbor, which opened in 1971, has established itself as one of the premiere small boat Harbors on the west coast, with a diverse range of recreational and commercial amenities. Dana Cove was the site of the world - famous "Killer Dana" surfing location, where the cove's western point created unusually favorable surfing conditions. The marina includes approximately 2,530 boat slips and a variety of recreational, sporting, and commercial boating amenities. Other prominent land uses are Dana Wharf, Mariner's Village, the Marina Inn (a 136-room hotel), numerous restaurants, small retail and gift shops, the Ocean Institute, Baby Beach, and the County-operated Youth and Group Facility.

As part of on-going improvements within the Harbor, on March 28, 2001, the Ocean Institute broke ground on a \$16.5-million educational facility with the capacity to

accommodate 135,000 students each year. The new facility opened to the public in October 2002. This was the first major revitalization project in the Harbor, and required the preparation of an Environmental Impact Report and Coastal Development Permit. Landmarks in the history of the Ocean Institute are:

- Acquisition of the historic brig, *Pilgrim*, in 1981 and the construction of its mooring in 1994;
- Purchase of the *R/V Sea Explorer* in 1994;
- Construction of the historic Maritime Center in 1997; and
- Purchase and christening of the topsail schooner the, *Spirit of Dana Point*, in 2001.

Currently, the Ocean Institute offers the following educational activities for the public: a Science Facility, the Historic Maritime Center, the Dana Point Marine Life Refuge, "Ocean in Motion" mobile laboratory, and a video conferencing studio.



Southerly Perspective

DANA POINT HARBOR - FUTURE

Vision

By the year 2015, Dana Point Harbor will have re-emerged as a thriving recreational, boating and retail activity center for southern Orange County. There will be a new commercial core, complimenting Dana Wharf with the Festival Plaza serving as a gathering place for thousands of boaters, shoppers, and all types of visitors. Each year, over 50,000 boaters will launch their watercrafts at the renovated launch ramp next to the new parking deck.

The Mariner's Village area will have been razed, offering more open space and parking, and creating a grand vista of the marina. A new 200 room hotel will include a small restaurant and conference facility. The hotel will have deck parking and tennis courts, in addition to a swimming pool and health club. Hotel visitors can enjoy the view of the Pacific Ocean and redesigned marina with 2,000 boats. The marina will also have a dry boat stack storage building capable of storing 400 boats.

The Dana Point Harbor Department's primary mission is to make this vision a reality so Dana Point Harbor can continue as a vital economic and recreational facility for the public's enjoyment. The revitalization of the Harbor will compliment the on-going activities at the Ocean Institute, Youth and Group Recreational Facility, the pier and Baby Beach, as well as creating an even more enjoyable experience for sportfishing, picnicking, strolling, and the thousands of visitors who enjoy this beautiful setting.

Mission and Guiding Principles

Our business is to provide a first class harbor, marina and public recreational facility that offers adventures in boating and kayaking, fishing and picnicking, shopping, dining, jogging and bicycling. In addition, we offer private business and marine educational opportunities, while emphasizing public safety and family fun. All of this must be accomplished while managing a delicate coastal resource and operating as a financially self-sustaining entity.

In 1988, the Draft Concept Plan was adopted by the twenty-three member Task Force and Supervisor Tom Wilson. They presented twelve guiding principles for the Harbor.

1. Keep the Harbor's character and family atmosphere.
2. Harbor structures need a facelift/renovation.
3. Maintain a full-service Harbor.
4. Do not commercialize the Island.
5. Ensure future of Yacht Clubs.
6. Improve water quality.
7. Better utilization of existing parking.
8. Address overall mix of land uses.
9. Need more parking in commercial area.
10. Keep existing parkland, beach and landscape buffers.
11. Address balance of revenue and non-revenue generating land uses.
12. Need restroom/showers near docks.

These principles set the groundwork for the Revitalization Plan. Although the plan has been revised and improved over time, these 12 principles still hold true in the Revitalization Plan.

The Plan itself has evolved since its inception. Today, you will see one parking structure where originally two were envisioned. The dry stack storage facility has also changed – redesigning the entire layout for marine services. Golden Lantern is realigned as it enters the Harbor property, and the festival plaza has been designed to

provide a convenient drop off location for boaters and visitors, as well as a beautiful open setting for public gatherings or simply relaxing and enjoying the scenery.

The hotel will be another key improvement in the Harbor. Once complete, the new hotel will be larger, provide upgraded rooms, will have ocean views, and business opportunities with new conference facilities, and possibly even a small gym.

In addition to the Revitalization Plans, the Department remains committed to improving the water quality in the Harbor. To do so, a schedule must be set for dredging (including funding); solutions sought for the constant posting of Baby Beach and K-O docks within the harbor; and a repair designed for the breakwater that permits flushing of the Harbor without the constant build up of sand on either side.

Harbor users are not limited to just the residents of Dana Point. There are 2,400 slip renters who come to the Harbor from not only the surrounding cities of Dana Point, San Clemente, and Laguna Niguel, but also from various parts of Orange County, the State and even surrounding states. There is also a large contingent who utilizes the boat launch facilities daily. In addition to the boaters, we have the daily walkers, who take advantage of the beautiful setting and perimeter walkway path. We also have the weekenders, who frequent the Harbor for a getaway or meal at one of the many restaurants. The Ocean Institute performs a key function for the Harbor in that 80,000 students and tour groups pass through their facility every year. And we cannot forget the young kids and their parents who enjoy the calm waters at Baby Beach. New additions, such as a playground, are also planned for this area to enhance their enjoyment of the Harbor.

All of these improvements are being proposed as a result of many community meetings and brainstorming sessions. The Department has the support of the surrounding residents, merchants and the City of Dana Point.

Goals

1. Utilize the Communications Plan

The DPHD Communications Plan was completed in 2005. This plan should be reviewed often and, when appropriate, a strategy should be implemented based on the Plan's core practices. DPHD should consolidate all current efforts (web sites, newsletters) to insure consistency in messages to the community. DPHD will create focus groups (boaters, residents, merchants, visitors, users) to frequently meet with and provide updated information on Dana Point Harbor projects and issues. DPHD will continue to build credibility through constant interaction with the community and proactively providing valuable information on occurrences or situations in the Harbor. Efforts already underway include Project Development Team meetings held twice a month to continue progress on projects; frequent communication with the media to advise of upcoming events; and email lists for the merchants, boaters, and general public are in the process of being created and will be updated frequently.

2. Facilitate the development of a coordinated Marketing Plan

DPHD has been working with the merchants to develop a marketing plan that benefits the entire harbor and its many interests. DPHD has acted as facilitator for this effort, which to date has resulted in a contract between the Merchants Association and Handshake Marketing. The scope of this contract focuses primarily on developing a profile for the clients and visitors of the harbor. The Merchants Association has the option of expanding this as much as they would like and could ultimately result in a full marketing plan for the future. This marketing effort has two goals: minimize impact during construction; and promote businesses and the facility. DPHD will continue to facilitate this process.

3. Review public safety level of service

Collaboration with the Sheriff's Department and Harbor Patrol is ongoing. Dana Point Police services oversee landside issues while Harbor Patrol has jurisdiction over any issues in the water. DPHD should add emergency tips, emergency plan, and tsunami plan to the website. A policy should be considered for potential screening of Catalina Express Passengers.

4. Planning process for the waterside improvements

Complete the Marina Improvements Process, including develop conceptual design for slips and final project, develop planning strategy and info gathering, local permitting, certified supplemental EIR, temporary slips during construction, mitigation for loss of slips in the final layout – outreach and strategy to minimize.

5. Dredging Project

Dredging will begin after summer 2007, and will be coordinated with Ocean Institute dock replacement. The dredging project, once begun, will last 2-3 months.

6. Waterside Improvements

Dana Wharf Sportfishing docks located in Dana Wharf are in need of replacement. This will require material, permits, construction, configuration, funding, engineering; Quay walls and slope panels should be analyzed for remaining life expectancy (waterside engineer assessment).

7. Continue progress on the Harbor Revitalization Plan

Complete local permitting - Coastal Commission approval of Local Coastal Plan Amendment needed for landside project to move forward. After which the DPHD will prepare Coastal Development Permit for approval by the City of Dana Point; construction level designs (refine schematic level design, parking, rest/retail layout, colors, etc) must be completed; DPHD will need to establish a Board approved financial plan.

8. Improve water quality in the marina

Schedule a coordination meeting with the Watershed and Coastal Resources Department on ways water quality can be improved. Ongoing effort, should include education outreach for boaters. DPHD will work with operators to continue Clean Marina Certification program. Track TMDL development by Regional Water Quality Control Board.

9. Develop a Building Maintenance Plan

Perform analysis on each building to understand life expectancy of both the structure and equipment. From this a repair or replacement plan should be outlined.

10. Develop an Infrastructure Plan/Strategy

Have consultants prepare a base map. Develop specific strategies for: Dana Wharf area; and the Commercial Core sewer lines including the potential to replace the existing sewer lift station. Work with Harbors, Beaches and Parks, to determine best practical location for the Headlands flow line. Work with the Army Corp of Engineers for possible repairs on the breakwater. Establish a plan for rock revetment repairs including funding and permits.

11. Update current Parking Management Plan and develop Parking Management Plans for construction activities and post construction build-out

Manage the process to update the existing parking management plan by Vintage Marina Partners, a county contracted operator. Manage the process to develop a parking management plan to address parking needs and constraints for businesses and customers in the short term, during construction periods, and after construction is complete.

12. Update the Harbor Sign Program

Begin process to review and make appropriate changes to the current harbor sign program to reflect Revitalization designs. Manage consultant who will develop new standard. Obtain necessary approvals.

13. Facilitate the relocation of the South Coast Maintenance Yard

The South Coast Maintenance needs to be relocated prior to construction of Planning Area I. DPHD has participated in meetings with HBP, the City of Dana Point and the South Coast Water District (SCWD) to potentially utilize land owned by SCWD. DPHD will continue to assist HBP in this relocation.

14. Develop a cooperative agreement with the City of Dana Point to maximize opportunities

Work with the City to develop a visitors Bureau focused on increasing business for merchants and Transient Occupancy Tax dollars received by the City of Dana Point. Develop a shuttle system to bring visitors from surrounding communities to DPH.

15. Tree Maintenance Program

Develop a tree maintenance program, including tree count, location map, and trimming guidelines. Coordinate with HBP to establish a simultaneous trimming period.

16. Evaluate Youth and Group programs

Review all current contracts for Youth and Group programs, including usage and vacancy. Evaluate/update policy for accepting programs – both new and existing. Review County’s insurance requirement to determine if adjustments are warranted and if so, develop a plan to pursue adjustments. Review current user fees and develop a proposal if adjustments are desired. Create a strategy to promote and market the Youth and Group facility and its programs.

17. Implement various harbor operations enhancements

Consider new opportunities for the Harbor, including a Baby Beach food concessions; install new trash and recycle cans to match design for new commercial core; work with HBP to construct whale monument and playground within the Harbor boundaries.

18. Improve county owned property around North Creek

Continue discussions with State Representatives, City of Dana Point and MiOcean to revitalize North Creek property.

Appendix A

