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July 19, 2018

Chair Andrew Do
Orange County Board of Supervisors
10 Civic Center Plaza, 5th Floor
Santa Ana, CA 92701

RE: Agenda Item 27, July 17, 2018 Board of Supervisors Meeting
ASR 18-000637 - Option and Lease Agreement for Dana Point Harbor

Dear Chair Do:

The below signed organizations are writing to express our deep concern for the upcoming decision on the Option and Lease Agreement for the Dana Point Harbor. Agenda Item (#27) will be heard at the July 17, 2018 Board of Supervisors Meeting. Due to significant concerns we are asking the Board to postpone this item to a future date to allow further analysis and resolve outstanding concerns.

Many of us have been anxiously awaiting the details of the Dana Point Revitalization Plan. We were assured over the years that the revitalization would not impact the OC Parks budget and in fact the public/private partnership would be revenue neutral. However, upon reading the ASR it appears to be quite the opposite and OC Parks budget is being used to finance the shortage of this "deal" to the tune of nearly \$500 million for 66 years.

We do not believe this approach is in the best interest of Orange County, its park facilities, and the taxpayers to have an ongoing commitment for the next 66 years at the expense of all the other Supervisorial districts. This arrangement is patently unfair and jeopardizes park priorities and projects in Districts 1, 2, 3, and 4. No one district should raid the budget for such a district-specific project shortfall and it certainly puts the onus on the County to solve what really is the Fifth District's deficiency. We understand if the Fifth District chooses to allocate nearly \$100 million to cover part of the shortage, but the other four districts should not be forced to subsidize the development. In reality, the developer should absorb the financial impacts for the project, not OC Parks.

Our organizations have individually and collectively supported OC Parks for decades. The last 20 years have been difficult for the OC Park's budget as it was forced to contribute a

significant amount for the bankruptcy recovery totaling over \$250 million. Capital improvements, land acquisition, and deferred maintenance suffered and all had to be carefully prioritized. Many needs had to be delayed and put on the wish list. Now, after nearly a year of a fully functional budget for OC Parks—the Revitalization Plan proposes to use nearly \$7.6 million annually for just the Harbor—encumbering the funds for future generations. This is unacceptable.

In addition to the fiscal impacts, we also have concerns about the lack of citizen oversight on the plan. We ask you hold a public study session to ensure transparency and a reasoned outcome that is fair to all supervisorial districts.

Taxpayers shouldn't be left holding the bag for such a long term, expensive, and location-specific project. Again, we ask that you delay a decision on this project.

Sincerely,

<insert group names>

DRAFT