

Channel Islands Harbor

Summary

The 2005-2006 Ventura County Grand Jury (Grand Jury), responding to complaints and Grand Juror concerns, initiated an investigation into the management of Channel Islands Harbor by the County of Ventura Channel Islands Harbor Department (Harbor Department). This investigation is intended to clarify some of the recent decisions made by the Harbor Department that depended on the necessary approval of the Ventura County Board of Supervisors (BOS) and the California Coastal Commission (CCC). The Grand Jury reviewed the operation of the Harbor Department, the landside and waterside leasing process, the permitting process for both local and State operating permits, as well as the methods used by all agencies responsible for the daily maintenance of both the waterside and landside harbor areas. The investigation addresses, where possible, the allegations of corruption, favoritism, and fraud concerning the recent and ongoing decisions being made over the selection of new lessees, extension of current leases, and amendments or changes to the current Public Works Plan (PWP).

The Grand Jury found no evidence supporting the allegations against the Harbor Department or its Director.

The Grand Jury also reviewed the most recent proposal, dated March 2006, to modify or update the PWP, initially approved by the BOS in late 1986. The Grand Jury learned during this investigation that the Harbor Department is limited in what it can do by way of development, redevelopment, or improvement in the harbor. Any changes to the harbor's infrastructure are restricted by requirements of the PWP, which supersedes the County and city Local Coastal Plans (LCP) or County Coastal Zoning Ordinance.

The Grand Jury concluded that the landside and waterside leases already approved were consistent with the requirements of their respective leases and BOS acceptance procedures as outlined by County Ordinances, Federal and State Laws. The Grand Jury reviewed numerous documents and historical data going back to the opening of the harbor and found no improprieties for any agreements entered into by various lease holders and the Harbor Department from 2001 to the present.

The term "approval" of new lease contracts by the BOS within this context really means the BOS accepts a new lessee previously selected and approved by the old lessee. Unfortunately the terms acceptance and approval are commonly used interchangeably. All old lease contracts and new contracts provide the County with the power to either agree with the selection of a new lessee or reject the selection based on the very narrow criteria of sufficient capitalization and verifiable experience in hotel, retail, or marina management as required by the lease.

In reviewing the requirements for both State and local operating permits, the Grand Jury determined that the CCC requirements for permitting projects in the harbor limit any future planning that the Harbor Department might propose and the BOS would like to approve. The County permitting, leasing, and management process is consistent with Federal and State laws and County ordinances and regulations.

Furthermore, the Grand Jury learned that, until recently, agreements entered into between the City of Oxnard, County General Services Agency Maintenance, and the Harbor Department were not clear as to who was responsible for daily maintenance and landscaping.

Background

Since the construction of the Channel Islands Harbor began in 1963, numerous changes have occurred over the years that have affected its residents, tenants, and the public who have come to enjoy and use its facilities on a daily basis. Over the more than forty years of its existence many businesses and occupants have come and gone, along with numerous ideas as to how the harbor should be further developed, managed, and used. The harbor is perceived in a variety of ways. Some view it as a revenue-producing county enterprise, a domain to be controlled by its local residents and businesses, or as an entity to benefit those living in the county including its frequent visitors. These different perceptions will always be debated by the various factions who have a strong, lasting interest in the harbor.

Certain original Harbor Department leases issued in 1965 allowed the owners of the leases the right to transfer leases to others with limited BOS acceptance. If the BOS determines that the new lessee has the financial and operation capabilities to manage the lease, the BOS cannot deny the lease transfer.

The transfer of existing leases from Channel Islands Harbor Investment Corporation [CIHIC] to new lessees in 2003 was completed following lengthy lease negotiations. The BOS was kept informed throughout the negotiations, thereby providing the necessary financial and operational assurances needed for the BOS to accept the new lessees.

The original Harbor Department leases had more than forty year time frames with no specific requirements for the lessees to continue upgrading and maintaining the leased facilities. These leases have no provision for amendments allowing for substantive changes to the leases without agreement by both parties, resulting in gradual deterioration of facilities by the original lessees.

In 2003 the Channel Islands Harbor Marina lease expired, was not renewed and a brand new lease was issued to a new lease holder. The original lease provided that the lessee had to remove all improvements made or, if the County wanted to purchase them, be reimbursed for all improvements left in place when the lease expired. The lease expired without removal or purchase.. This led to a lawsuit against the County that resulted in an award of \$3.5 million plus attorney fees to the original lessee.

The Ventura County Harbor Commission (Harbor Commission) was established by a BOS resolution that was adopted September 9, 1997. The BOS subsequently approved and adopted an amendment to the 1997 resolution on September 23, 2004. The amended resolution states that, “The functions and duties of said commission shall be to advise the Board of Supervisors on *public session matters involving*: budgetary issues, *development proposals*...and maintenance issues and policies.” The Harbor Commission cannot, therefore, be a party to any BOS or other closed sessions, including those involving lease negotiations and harbor development proposals, regarding the Channel Islands Harbor.

Methodology

The Grand Jury interviewed County officials and staff, reviewed video recordings of the BOS public hearings involving Harbor Department related items, and studied transcripts of testimony given to the Grand Jury concerning specific questionable matters and various dealings involving the harbor and its Harbor Director. Grand Jurors also interviewed private individuals who either had or currently have a business relationship with the Harbor Department and Coastal Commission staff to learn more about the approval process.

Case reports prepared by District Attorney investigators were reviewed. These reports of interviews were with individuals who had either submitted complaints about the revised terms of specific current leases, and/or extension terms, or how new lessees were being selected. Some individuals contacted the District Attorney to express their concerns about how the harbor is being managed. Grand Jury members were also present during one of the interviews of a potential witness who accused harbor staff, government contractors, and lessees of malfeasance in the design and planning of new construction projects in the harbor.

The Grand Jury reviewed Harbor Department-related documents, including the original and subsequent replacement Harbor Department leases, Harbor Department related position descriptions, Harbor Commission minutes, County Counsel opinions, BOS agenda items, and similar documents requested from County and State staff.

The Grand Jury visited both the Harbor Department and the Ventura Port District, including onsite interviews with both Harbor Directors and their respective staffs. The Grand Jury reviewed and compared landside and marina lease documents for both the Harbor Department and the Ventura Port District.

The Grand Jury also reviewed historical background information, leasing documents, BOS agenda items, the original and recently amended PWP, as well as the Channel Islands Harbor Master Plan approved in concept by the BOS in May of 1998. This review included applications submitted by the Harbor Department to the CCC, related Harbor Department agenda items brought to the BOS for approval prior to submission to the CCC, including original and subsequent revisions to these documents as required by the CCC.

The Grand Jury reviewed available minutes for all Harbor Commission meetings that were held over the past eighteen months to determine what recommendations were made by the commission, and what recommendations were acted upon by the Harbor Director, the County Chief Executive Officer (CEO), and each member of the County Board of Supervisors. This review included viewing the videotaped Harbor Commission meeting held on March 15, 2006. This was the first meeting that was videotaped. The CEO has directed that all future Harbor Commission meetings will be videotaped.

Grand Jury members attended all BOS weekly open sessions from July 2005 to June 2006, and listened to the debates and discussions among the Board members as well as comments from the public concerning topics involving the harbor.

Nearly all the members of the Grand Jury attended the study session held before the BOS that was open to the public on March 14, 2006, that was given by the Harbor Director. This study session outlined accomplishments thus far in improving the

harbor, as well as the concepts that might be used for additional improvements in redevelopment of the harbor. These concepts were described as having been designed to regenerate harbor businesses and to increase the enjoyment and use of the harbor by its local occupants, county residents, visitors, and tourists.

Findings

General

- F-01.** In June 1986, the PWP was approved by the BOS and the CCC. This PWP supersedes all earlier local coastal plans, coastal zone ordinances, and County Planning Department permit requirements.
- F-02.** Since 1986, a few BOS-approved projects in the harbor required PWP amendments. These amendments, although subsequently approved by the CCC, were submitted on a piecemeal basis, thus causing delays in the approval process.
- F-03.** On June 16, 2002, the BOS, on a motion by Supervisor Flynn, unanimously approved the separation of landside and waterside leases.
- F-04.** On December 16, 2003, upon recommendation of the Harbor Director, the BOS voted to approve the Channel Islands Harbor Marina long-term lease to Vintage Marina Partners LP. The BOS subsequently approved (accepted) by vote the new lease terms.
- F-05.** In 1998 the BOS unanimously approved the Boating and Safety Instruction Center (**BISC**) project and its location on the west side of the harbor near the Port Royal Restaurant.
- F-06.** In 2005 the BISC project and location were finally approved by the CCC after numerous changes in the original plan.
- F-07.** In December 2003, and again in March 2006, the location for the BISC was approved by the State Boating and Waterways Commission and they committed to financing over fifty percent of the cost to build the facility at this location.
- F-08.** In May 2006, the CCC approved the improvements plan for the Channel Islands Harbor Marina submitted by Vintage Marina Partners, Ltd.

Assignment of Harbor Department Leases

- F-09.** Some of the current and nearly all of the former harbor leases, both landside and waterside, were created in the mid 1960's. The leases had time periods lasting over forty years with no provisions for improvements, maintenance or redevelopment. Original leases allowed lessees to operate their leased facilities with very little input from the county.
- F-10.** The Harbor Department, when issuing any lease extension, or when issuing new leases, now requires new conditions and agreements such as building and dock improvements, upgraded maintenance, increased percentages in rents and concessions.

- F-11.** Lease extensions result in increases in lessee expenses as well as increased income. The County, will, therefore, receive more revenue over the course of the lease extension.
- F-12.** The Harbor Department, in April 2003, sent notices to many potentially interested parties informing them that a Request for Proposal (**RFP**) concerning a new lease for Channel Islands Harbor Marina would be forthcoming. Additional information was sent soon afterward to those who responded. The prior (then existing) lease was set to expire on August 31, 2003.
- F-13.** In July 2003, a suit was filed in Ventura County Superior Court by the then current lessee, and in 2005 a ruling was made in lessee's favor. The issue concerned the removal of the docks and other facilities at the marina that the County refused to purchase at the price offered by the lessee.. The original lease provided that the lessee must remove these facilities at the expiration of the lease if not compensated for by the County. As of May 2006, the final amount to be paid to the prior lessee has yet to be determined by the Courts because the judgment has been appealed by the County.
- F-14.** After the expiration of the Channel Islands Marina lease on August 31, 2003, the Harbor Department managed the marina for the next four months.
- F-15.** On December 9, 2003, Vintage Marina Partners, Ltd. was awarded the lease for Channel Islands Harbor Marina, winning over three other active bidders. There were seven parties that requested the RFP. Two parties declined to bid and a third party was not considered qualified due to lack of capital and marina management experience.
- F-16.** The new lease, prepared by the Harbor Department, agreed to by the new lessee Vintage Marinas Partners, Ltd., and approved by the BOS, included in it a provision for an advance in rents in the form of a credit and not a loan which the County could use to defray the cost of the lawsuit lost by the County.
- F-17.** The County, in January 2004, assumed the Fisherman's Wharf properties from CIHIC in a process that culminated in the transfer of the Casa Sirena Hotel and various apartment properties in the harbor to Greystar Corporation. The amended lease required a payment of \$150,000 to the County by CIHIC.
- F-18.** The County will continue to manage and operate the Fisherman's Wharf properties until a new lessee can be selected through the current RFP process. The County, after taking over Fisherman's Wharf from the former lessee, repaved the parking lot, upgraded the landscaping, and repainted parts of the buildings. Current occupancy of the retail stores is approximately 70% and office space is 90%.
- F-19.** The new Fisherman's Wharf lease will have more requirements than other harbor leases, including additional maintenance and improvements to be paid for and implemented by the new lessee upon approval by the BOS and the CCC.
- F-20.** The CCC, in May 2004, determined that the lease of the dry storage yard on the east side of the harbor, which obstructs the view access of the harbor and

the nearby small park area, is in violation of the PWP as amended, and is not approved by the CCC. The area is designated as a public park, launch ramp (closed), and view access corridor only. The dry storage yard is currently being rented from the County on a month-to-month basis until the issue is resolved. Maintenance of the restrooms located in the small park is the responsibility of the City of Oxnard.

- F-21.** The CIHIC, after numerous discussions with many parties, decided in September, 2005, to sell the leases for the five small marinas surrounding the Casa Sirena Hotel and the Bahia Marina, located on the west side of the harbor, to Oxnard Marina Partners Ltd. (Almar Ltd.. and Pacific Marina Ltd.). The County did not have the authority to deny any lease transfer unless the new lessee lacks the necessary financial base or marina management experience. The County, therefore, could not, and did not, help CIHIC choose a lessee.
- F-22.** The new leases and changes to existing leases were, on several occasions, first considered and then negotiated during closed sessions attended by all members of the BOS, County Counsel, County Executive Officer, Harbor Director, and other County staff.
- F-23.** Once a new lessee is selected by the current lessee, or a lease extension proposed and the terms agreed upon by those attending the closed sessions, the Harbor Director submits the item to the CEO to be put on the agenda for a future BOS open session where it is either approved (accepted), or referred to the parties for adjustments or changes.
- F-24.** The CCC was created by the California Legislature as a “coastal development watchdog agency” under California Public Resources Code §3000-30900. The California Coastal Act of 1976 provides that, “Any person wishing to perform or undertake any development in the coastal zone shall obtain a coastal development permit,” from the CCC. Even though it is a legislatively-created agency, the CCC performs executive and legislative planning functions, then performs a quasi-judicial function in reviewing applications for permits for private and public property development, and finally serves as an executive enforcement agency.
- F-25.** According to State law, all potential new leases or extensions of existing leases that include improvements or redevelopment provisions which have been, or will be approved by the BOS, must also be consistent with the original PWP, or the subsequently amended PWP. Furthermore, such improvements are subject to approval by the CCC.
- F-26.** Vintage Marinas Partners, Ltd. obtained, in May 2006, an approval from the CCC for improvements and redevelopment of the Channel Islands Harbor Marina, for which they have a long-term lease.
- F-27.** The new lessee for Fisherman’s Wharf, when selected, must also obtain CCC approval for any improvements or redevelopment. If the improvements are not consistent with the current PWP, the lessee must obtain an amendment to the PWP from the CCC.

- F-28.** Any changes, improvements or redevelopment plans affecting the marinas now leased and operated by Oxnard Marina Partners, Ltd. will follow the same procedure.
- F-29.** Greystar Corporation, the current lessee of the hotel and various apartment properties in the harbor, must also obtain approval from the CCC following the same process identified in F-25 above.
- F-30.** The Harbor Department, with the approval of the BOS, must follow the same guidelines which guarantee that any improvements they make must comply with the PWP as determined by the CCC for all property and facilities in the harbor for which they are responsible.
- F-31.** In December 2005, the BOS approved a contract that was proposed, amended, and expanded by the Harbor Department with Culbertson, Adams & Associates (Culbertson) for environmental consulting services to expedite the update of the Channel Islands Harbor PWP. The contract requires that project proposed materials prepared by Culbertson shall be accurate so as to avoid unnecessary delays in approval by the CCC. It is estimated this process will take two to three years.
- F-32.** At this time, Culbertson has been under contract with the County for more than a year. During the search and selection process for a qualified consultant, two potential consultants sent letters to the Harbor Director expressing their inability to do the required work due to workload conflicts or lack of technical expertise.
- F-33.** A re-drafting of the final amended PWP by Harbor Department staff and the Culbertson consulting firm is in progress. As of this writing, the only final draft materials available to the public are those found in the study session presented by the Harbor Director to the BOS and the public on March 14, 2006. Harbor Department staff anticipates that a final draft of the amended PWP will need to be submitted to at least six BOS open sessions for comments and approval before it can be submitted to the CCC for final approval. The time frame for this process is estimated to cover an additional thirteen months, or by the end of the County's next fiscal year (2006-2007).

Channel Islands Harbor Management

- F-34.** The responsibility for management of the entire Channel Islands Harbor area, including the residential sections and the beaches, is divided among a number of entities, each having separate duties that provide for the fiscal integrity, maintenance, and upkeep of the area.
- F-35.** The direct role the County Chief Executive Officer (CEO) evaluates and directly supervises the Harbor Director. The CEO approves all fiscal and management decisions and reviews and approves all agenda items submitted to the BOS by the Harbor Director. Because the Harbor Director is an at-will County employee, the CEO has the authority to hire and fire the Harbor Director.
- F-36.** The CEO played a direct role in many of the recent decisions affecting the future of the harbor, including the proposal to split the landside from the

waterside CIHIC leases, not renewing the lease for the Channel Islands Harbor Marina, approval (acceptance) of the selection of Vintage Marina Partners, Ltd. as new lessee of the Channel Islands Harbor Marina, and the approval of Oxnard Marinas Ltd. as the new lessee of the six small marinas formerly held by CIHIC. The CEO will have an active role in the future selection of a lessee for Fisherman's Wharf and will oversee any future development of Cisco's Landing and the future use of the Golden Dolphin Restaurant building next to the fire station on Peninsula Road at the harbor.

- F-37.** According to the employment agreement and job description, Class Code 01670 on file with the Ventura County Human Resources agency, along with Ventura County Ordinance 2829, the Harbor Director's duties include several distinct tasks that may be performed daily. The Harbor Director will interface with County lessees, CCC, City of Oxnard, Channel Islands Beach Community Services District (CIBCS), among others, as well as the general public as county point of contact for purposes of property management, lease negotiation, plan/activities approval, and lease provision enforcement.
- F-38.** The Harbor Director works with the U.S. Navy, Army Corps of Engineers, California Department of Fish and Game, California Department of Boating and Waterways, California Department of Motor Vehicles, and the Oxnard Port District for purposes of coordination of contractual or mandated services and continuity of delivery of public services to County harbor, beaches, and adjacent areas.
- F-39.** The Harbor Director manages the Harbor Patrol, maintenance, lifeguard and office personnel in the delivery of emergency response, safety, security, law enforcement, property operation, and maintenance fee collection and interpretation.
- F-40.** The Harbor Director develops and administers enterprise and state loan budgets. The Harbor Director also oversees the harbor leasing program which involves the conducting of lease negotiations and insuring compliance with lease terms and conditions. The Harbor Director is responsible for pursuing and administering grants for loans for construction, repairs, rehabilitation, and maintenance of facilities on public owned land and water areas, such as the launch ramp(s), small boat marina, commercial fishing marinas, commercial wharf, cranes, patrol boats, jetties, and general infrastructure.
- F-41.** The Harbor Director is responsible for supervising the Harbor Commission, including designating the recording secretary of the Harbor Commission. The CEO, in March 2006, directed that all future Harbor Commission meetings will be videotaped.
- F-42.** The Harbor Commission, pursuant to the Board Resolution dated September 23, 2004, "functions and duties...shall be to advise the Board of Supervisors on *public session matters involving: budgetary issues, development proposals...*"
- F-43.** The Harbor Commission cannot participate in any BOS or other closed sessions, including those involving lease negotiations and harbor development proposals regarding the Channel Islands Harbor.

- F-44.** The Harbor Department performs daily maintenance of approximately 320 acres of County-owned land and all buildings and property the department operates by itself. These include the Hobie Beach, Kiddee Beach, restrooms, and the jetty walkway. The one exception is La Janelle Park, located at the end of Silverstrand Beach next to the entrance of the Port of Hueneme. This State-owned parcel is maintained by the County Public Works Department.
- F-45.** The City of Oxnard, through a long standing continuous contractual relationship, provides Fire Department responses to emergencies on the land areas in the harbor while the Harbor Patrol provides the same services to all waterway area. The City is responsible for landscaping, maintenance and some water services to areas and buildings facing, or close to, Channel Islands Boulevard, Harbor Boulevard, Peninsula Road, and Victoria Avenue which are identified as streets and thoroughfares surrounding the harbor.
- F-46.** The CIBCSD performs the task of trash collection and contracts with the City of Port Hueneme for sewer service for the neighborhoods identified as Hollywood Beach, Hollywood by the Sea, and Silverstrand that surround the harbor. The CIBCSD also provides water service to the neighborhoods and to some commercial businesses inside the harbor.
- F-47.** Formerly the Ventura County General Service Administration Maintenance Department was responsible for areas needing landscaping, normal maintenance, and repairs for County owned areas facing, or closest to the water. This includes a small park adjacent to the entrance of the harbor at the end of Ocean Avenue and Harbor Boulevard in Hollywood Beach. The Harbor Department now has these responsibilities.
- F-48.** The Army Corps of Engineers, and to some extent the U.S. Navy, contracts and mostly pays for dredging of the harbor entrance and outside the breakwater north and south of the entrance approximately every three years. In the case of an emergency situation where an unusual shoaling occurs due to storms, as in the case of late 2005 and early 2006, the dredging operation is paid for with Federal Emergency Management Agency (FEMA) funds.
- F-49.** The County, prior to hiring the current Harbor Director, diverted revenues from the Harbor's operation to provide funding for the County Parks and Recreation Department. This depleted significant upkeep and maintenance funds from the Harbor.

Allegations of Mismanagement by the Harbor Department

- F-50.** Beginning on October 25, 2005, and up to the submission of this report, the Grand Jury conducted an extensive investigation including review of hundreds of documents collected by the Grand Jury and submitted by accusers and others. Written statements were gathered from parties directly involved in negotiations involving harbor leases and permits over the last several years. Sworn testimony before the Grand Jury was taken from individuals with first-hand knowledge about all the events surrounding the awarding and extending of leases and the granting of permits over the last forty years.

- F-51.** This testimony identified in F-50 provided an opportunity for individuals to state their first hand knowledge of corrupt practices or acts of favoritism and none did. They all stated that the information they were providing was their opinion only.
- F-52.** From early January to late April, 2006, the District Attorney's Office Bureau of Investigation interviewed public officials, business people, and individuals closely connected with the earlier and ongoing lease negotiations and permit process. They also interviewed members of the public critical of the Harbor Department staff actions and policies. These interviews produced no statements, supporting documents, or any other evidence of any form of corruption, favoritism, or malfeasance. Those interviewed indicated that their information was based on their opinion and provided no supporting documentation or evidence.
- F-53.** Ventura County Supervisorial Districts One, Three, and Five geographically converge in or very near the Channel Islands Harbor.
- F-54.** Although the Channel Islands Harbor itself is within the Fifth District, responsibility for Harbor management and development is the responsibility of the entire Board of Supervisors.
- F-55.** The portion of the Fifth District that includes the Channel Islands Harbor is connected to the rest of the Fifth District by a strip of land the width of Victoria Avenue that is approximately 2,250 feet long. The First District is contiguous with the west side of the Victoria Avenue strip and the Third District is contiguous with the east side of the Victoria Avenue strip.
- F-56.** Several private citizens, during their interview with the District Attorney's Office Bureau of Investigation, stated that statements attributed to them by others were not factual.
- F-57.** The Harbor Department briefing on March 14, 2006, to the BOS contained information that clarified past and pending Harbor Department and BOS decisions.
- F-58.** The Harbor Department March 15, 2006, presentation to the Harbor Commission clarified Harbor Department and BOS decisions and the rationale for the Channel Islands Harbor Marina project; the Harbor Commission then Recommended the project to the BOS.

Conclusions

General

- C-01.** Since 1998 the Harbor Department, it's Director, most members of the BOS and County staff have worked to represent the County's best interests under less than favorable conditions. During this period there has been acrimony, controversy, and strong disagreement, causing numerous delays for the much needed redevelopment and renovation of the Channel Islands Harbor area. (F-01, F-02 – F-08)

Assignment of Harbor Department Leases

- C-02.** For leases with many years remaining, the only means available to the County to change or to add conditions to the original conditions of a lease is to give the lessee an incentive, i.e., extend the lease with revisions and include new terms that better protect the County's interest. The County cannot just refuse the sale of an existing lease to a new lessee. The County can only approve (accept) the new lessee selected by the then current lessee; this acceptance can only be based upon a determination that the new lessee has the capitalization and experience to handle the lease terms imposed by the County. (F-09, F-10)
- C-03.** While the original lease agreements are for a specific stated period, there is no real assurance that the performance demanded from the lessee will prevail throughout the period. Any original or new lease (agreement) can be cancelled by either party, whether or not penalty clauses for cancellation by either party are included in the lease. (F-09)
- C-04.** The Harbor Department's purpose of extending a lease is to add "new agreements and conditions" with the existing leaseholder. The new conditions and agreements added to extended lease assignments include language that assures the County's potential for loss of revenue is minimized and the lessee will not be entitled to payment for any improvements made by the lessee at the expiration or cancellation of the lease. (F-10, F-11)
- C-05.** When awarding new leases, or extending existing leases, one of the purposes of holding closed sessions is to ensure that members of the BOS, the CEO, and the Harbor Director can discuss any list of ideas, that do not have to be disclosed to the public, for consideration in determining an outcome of negotiations. The outcome of these discussions is then discussed and finalized during public deliberations. (F-12, F-13, F-21, F-22, F-23, F-25, F-30)

Channel Islands Harbor Management

- C-06.** Any questions concerning the consistency of a project with the PWP or any modification of the PWP will ultimately be decided by the CCC. (F-24, F-25)
- C-07.** The landside leases (hotel, apartment complexes, yacht club buildings, etc.) are considered "Dirt" leases that provide modest rental income and revenue for the County, but the County has little, or no, management participation or authority. (F-09, F-10)
- C-08.** Final approval of the development of the waterways, including improvements and redevelopment proposals, is within the exclusive jurisdiction of the CCC, not the BOS. (F-24, F-25, F34-F38)
- C-09.** The current strategy by the BOS and the Harbor Department is to follow an agreed upon business plan in managing the County's Channel Islands Harbor's assets. (F-34-F-38)
- C-10.** The Harbor Department has recently submitted management plans to the BOS and to the public to improve the asset value of the harbor through capital investment requirements in new leases, as well as amended leases being renewed and extended. (F-40)

- C-11.** The Harbor Commission cannot participate in any BOS or other closed sessions involving Channel Islands Harbor matters. (F-42, F-43)
- C-12.** Harbor Commission meetings and the minutes for each meeting should be more widely publicized. Every effort should be made to ensure a quorum is available for every meeting. The Harbor Department website should include updated information regarding Harbor Commission agendas, meetings, and minutes for each meeting should be placed on the website within two weeks of each Harbor Commission meeting. (F-41, F-42, F-43, F-58)
- C-13.** The State of California Office of Boating and Waterways has made the final determination as to the BISC site. The Office of Boating and Waterways has agreed to fund over 50% of the building costs of the BISC, only if the BISC site remains on the west side of the Harbor. (F-01)

Allegations of Mismanagement by the Harbor Department

- C-14.** The 1986 PWP and subsequent amendments, that include the BISC, were approved by the BOS and are operational at this time. The City of Oxnard LCP which was not subject to BOS approval or acceptance. The 1998 Harbor Master Plan was accepted by the BOS in concept only. (F-50, F-51 F-52)
- C-15.** The entire harbor area appears to have languished for more than ten years due to political bickering, lack of vision by the County, and lax oversight by absentee owners. This is especially evident at the Fisherman's Wharf, Harbor Landing, and Cisco's Sports fishing retail centers. (F-20, F-25, F-33, F-50)
- C-16.** The Harbor Department management continues to submit amended PWP plans that fail to receive approval from the CCC. The Harbor Department's failure to immediately incorporate CCC recommendations and requirements resulted in numerous applications to the CCC causing extensive time delays in the CCC approval process. (F-20, F-25, F-33, F-50)
- C-17.** There is no basis for allegations of corruption, favoritism, fraud, or impropriety involving the awarding of contracts or long term leases. No documentation exists and no statements taken from several individuals who were directly involved in the process support statements and/or allegations by political officials, special interests, and members of the public that dealings between Harbor Department employees and potential contractors and lessees were in anyway underhanded. (F-50, F-52, F-56)
- C-18.** All evidence collected and sworn testimony given to the Grand Jury by several individuals with intimate knowledge of business being conducted in the harbor by department staff and other county employees reflect that all the allegations are based on hearsay and opinion only. No document, statement, or sworn testimony by those who have made these allegations is supported by any evidence that could have been provided by the accusers during the course of this Grand Jury investigation. (F-52, F-53, F-54)
- C-19.** The convoluted boundaries of the Fifth Supervisorial District could result in the perception that the Channel Islands Harbor is a Fiefdom of the Fifth District and not the responsibility of the entire Board of Supervisors. That perception could contribute to political pressure focused through the office of

the Fifth District Supervisor regarding issues affecting the Channel Islands Harbor. (F-53, F-54, F-55)

Recommendations

Assignment of Harbor Department Leases

- R-01.** The County should inform leaseholders that, when they are considering assigning, or transferring a lease, they should make clear during this process that the County does not assist in making the seller's selection of a buyer, but is only kept informed of the proceedings. The County should, during the process, clarify that the County can only approve those lease changes after they have been made if the County determines they are in the best interest of the County (i.e. the proposed new lessee is sufficiently capitalized and has the necessary expertise to operate the property they are assuming). (C-02)

Channel Islands Harbor Management

- R-02.** All future Harbor Commission meetings should be video recorded as well as minutes taken and published. (C-12)
- R-03.** The Harbor Commission should have minutes taken for all future meetings by a secretary who is not a member of the commission, as required by Robert's Rules of Order, which the Harbor Commission has adopted as the format for conducting the Harbor Commission's meetings. (C-12)
- R-04.** The Harbor Commission should use a broader forum in notifying the public of future meetings and cancellations of meetings to increase attendance and interest by the public. (C-12)
- R-05.** The Harbor Department website should include a section devoted to the Harbor Commission agendas, minutes, meeting dates, and locations. (C-12)

Allegations of Mismanagement by the Harbor Department

- R-06.** When Ventura County Supervisor districts are next redrawn (which should be completed by 2010 after the next census), they should be made compact, eliminating narrow road width wide strips, to connect one area of a supervisor's district to another area for the same district. (C-19)
- R-07.** Any public official, agency, or department head, county employee or a member of the public who chooses to make any allegations regarding mismanagement or malfeasance of county management should either state that their allegation is based on their opinion, or the individual should provide specific factual documentation at the time the allegations are made. (C-17, C-18)

Responses Required From:

Ventura County Board of Supervisors (R-01, R-06)

Ventura County Harbor Department (R-02, R-03, R-04, R-05)

Ventura County Chief Executive Officer (R-01, R-02, R-03, R-04, R-05, R-06, R-07)

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