



MEMORANDUM

TO: Board of Commissioners

FROM: Andrea K. Lueker, Harbor Manager

DATE: December 19, 2017

SUBJECT: Harbor Terrace Development Project: November 2017 Update

Recommendation / Proposed Motion

- Recommendation: receive report; no further action necessary.

Policy Implications

None

Fiscal Implications / Budget Status

None at this time.

Alternatives Considered

The following actions were considered but are not recommended at this time:

- None at this time.

Discussion

A brief recap of significant milestones follows:

- Nov. 28, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until December 19, 2017.
Red Tail Acquisitions attended the Board of Commissioners meeting and provided a project status report.
- Oct. 24, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until November 28, 2017.
- Oct. 5, 2017** Met with the Red Tail team in Port San Luis regarding project specifics.
- Oct. 2017** Substantial Conformance packet submitted to SLO County Planning.
The District Team and Red Tail Team continued regular conference calls to progress on the final draft lease and exhibits.

- Sept. 24, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until October 24, 2017.
- Sept. 2017** The District Team and Red Tail Team conducted weekly conference calls to progress on the final draft lease.
- August 25, 2017** Draft ground lease sent to Coastal Conservancy for review.
- August 22, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until September 26, 2017.
- August 2017** The District Team and Red Tail Team conducted weekly conference calls to progress on the final draft lease.
- July 25, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until August 24, 2017.
- July, 2017** Weekly conference calls between Red Tail Staff and District Staff to review progress on lease and suggested changes.
- July 6, 2017** District Staff and Red Tail Staff meet in Irvine to discuss lease document.
- June 27, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until July 25, 2017.
- June 8, 2017** Held a Special Board of Commissioners Meeting to approve an agreement with MKN & Associates, to assist the Harbor District Commission and staff in defining responsibilities for the development of Harbor Terrace utilities.
- June 7, 2017** Red Tail staff and Rick Rengel met with RRM Design Group to discuss various conceptual plans.
Tim Kihm met with the Harbor Manager to discuss the draft DDA and Lease status and determine a meeting date for the District and Red Tail to review both documents.
- June 2017** The draft Lease Agreement was reviewed at the District level and forwarded to Red Tail for their review and comment.
- May 23, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until June 27, 2017.
- May 2017** District staff forward the draft DDA to Red Tail for their review.
- April 25, 2017** A request for extension of the ERN was approved by the Board of Commissioners, extending the ERN until May 25, 2017.
- April 3, 2017** The Red Tail team attended the Special Board of Commissioners meeting on April 3, 2017 and provided a presentation and answered questions. The Board of Commissioners concluded the meeting by approving the request to extend the ERN until April 25, 2017.
- March 28, 2017** The request for the fifteenth extension of the ERN is approved by the Board of Commissioners by a 5-0 vote, extending the ERN until April 15, 2017.

- March 23, 2017** A Special Closed Session Board of Directors meeting was held to review the project status.
- Feb. 28, 2017** The request for the fourteenth extension of the ERN is approved by the Board of Commissioners by a 3-2 vote, extending the ERN until March 28, 2017.
- Feb. 24, 2017** Red Tail team (Tim Kihm, Ben Ketel, Mike Beckelhymer-operations, Francis Corso-construction and Scott Lewis-analyst and hospitality meet with the District team for a site visit and financial discussions.
- Feb. 21, 2017** A Special Board of Directors meeting was held to review the project status.
- Jan. 24, 2017** The request for the thirteenth extension of the ERN is approved by the Board of Commissioners, extending the ERN until February 28, 2017.
- Jan. 3, 2017** A Special Board of Directors meeting was held to review the project status.
- Dec. 13, 2016** The request for the twelfth extension of the ERN is approved by the Board of Commissioners, extending the ERN until January 24, 2017.
- Dec. 7, 2016** District staff, legal and treasurer met with Red Tail Acquisitions to discuss financials/deal structure at Flying Flags.
- Nov. 15, 2016** The request for the eleventh extension of the ERN is approved by the Board of Commissioners for an additional 30 days, extending the ERN to December 14, 2016.
- Nov. 3, 2016** Red Tail Acquisitions submitted an eleventh request for extension of the ERN, to be considered at the November 15, 2016 Board of Commissioners meeting.
- Oct. 17, 2016** A Special Board of Directors meetings was held to consider extension of the ERN for an additional 30 days, which the Commission approved by a 3-0 vote.
- Sept. 14, 2016** A Special Board of Directors meetings was held and Tim Kihm from Red Tail Acquisitions provided an update to the Board on the project status and an alternative site plan. The Board also reviewed and approved a request to extend the ERN for an additional 30 days.
- Sept. 14, 2016** RRM Design Group, Red Tail Acquisitions, and District personnel meet with County on an alternative site plan.
- August 30, 2016** RRM Design Group, Red Tail Acquisitions and District personnel discuss an alternative site plan.

- August 17, 2016** A Special Board of Directors Meeting was held to discuss project status and review the request to extend the ERN an additional 30 days, until September 16, 2016, which was approved.
- July 14, 2016** Special Board of Commissioners meeting for project status report.
- July 7, 2016** District staff and Phil Sexton met with Red Tail Acquisitions in Irvine, to review the project status.
- June 28, 2016** Regular Board of Commissioners meeting, the request for the seventh extension of the ERN is approved by the Board of Commissioners by a vote of 5-0, extending the ERN to August 17, 2016.
- June 6, 2016** Red Tail Acquisitions considers proposals for the revised site plan.
- May 26, 2016** A Special Meeting of the Board of Commissioners was held to consider funding up to \$24,000 for a revised site plan, the funding was approved by a vote of 4-0 with one Commissioner absent.
- May 24, 2016** Regular Board of Commissioners meeting, the request for the sixth extension of the ERN is approved by the Board of Commissioners by a vote of 5-0, extending the ERN to July 18, 2016. Tim Kihm of Red Tail Acquisitions attended the Commission meeting and provided an update on the project.
- May 5, 2016** Red Tail Acquisitions Tim Kihm, Project Manager Rick Rengel and District staff Andrea Lueker met with County Staff Steve McMasters and Rob Fitzroy to discuss the existing site plan and possible revisions including decreasing the density and more closely fit the project to the existing topography.
- April 26, 2016** Regular Board of Commissioners meeting, the request for the fifth extension of the ERN is approved by the Board of Commissioners by a vote of 5-0, extending the ERN to June 18, 2016.
- April 12, 2016** Conference call with State Coastal Conservancy, District Staff, District Legal and Phil Sexton regarding the Cooperative Project Agreement.
- Mar. 22, 2016** Regular Board of Commissioners meeting, the request for the fourth extension of the ERN is approved by the Board of Commissioners by a vote of 5-0, extending the ERN to May 19, 2016.
- Mar. 11, 2016** Phone conference with Red Tail, District staff, Phil Sexton and legal regarding revised Letter of Intent/Term Letter.
- Mar. 8, 2016** Special Board of Commissioners meeting for Status Report.
- Mar. 7, 2016** Phone conference/update with Tim Duff/State Coastal Conservancy.
- Mar. 4, 2016** Phone conference with Red Tail, District staff, Phil Sexton and legal to review revised Letter of Intent/Term Letter.
- Mar. 3, 2016** Phone conference with District staff, Phil Sexton and legal to discuss Irvine meeting with Red Tail and review Letter of Intent/Term Letter
- Feb. 29, 2016** District staff, Phil Sexton and legal meet with Red Tail Acquisitions in Irvine, to review the Letter of Intent.

- Feb. 23, 2016** Regular Board of Commissioners meeting, the request for the third extension of the ERN is approved by the Board of Commissioners by a vote of 5-0, extending the ERN to April 19, 2016.
- Feb. 17, 2016** The Letter of Intent is sent to Red Tail Acquisitions.
- Feb. 16, 2016** Special Board of Commissioners meeting to discuss the Harbor Terrace Project.
- Feb. 11, 2016** Phone conference with staff, Phil Sexton and legal to discuss Letter of Intent.
- Feb. 9, 2016** Special Board of Commissioners meeting to discuss the Harbor Terrace Project.
- Jan. 28, 2016** Received fully executed First Amendment to Cooperative Project Agreement from State Coastal Conservancy.
- Jan. 27, 2016** Phone conference with staff, Phil Sexton and legal to discuss lease and Pro Forma from Red Tail.
- Jan. 26, 2016** The request for a second extension of the ERN approved by the Board of Commissioners at their January 26, 2016 Commission meeting by a vote of 5-0, extending the ERN to March 20, 2016.
- Jan. 15, 2016** Received a request from Red Tail Acquisitions for a second 30-day extension of the ERN agreement.
- Dec. 30, 2015** Staff, with Phil Sexton, have a conference call with the Red Tail Acquisition Team (Tim Kihm, Ben Ketel, Colin Toole, Michael Beckelhymer) regarding question clarification on the latest information/data sent from Red Tail Acquisitions.
- Dec. 22, 2015** Staff, with Phil Sexton, meet to discuss the additional information/data supplied by Red Tail Acquisitions.
- Dec. 15, 2015** The request for extension from Red Tail Acquisitions is approved by the Board of Commissioners at their December 15, 2015 Commission meeting by a vote of 5-0, extending the ERN to February 19, 2016.
Staff receives additional information/data from Red Tail Acquisitions, as requested.
- Dec. 4, 2015** Received a request from Red Tail Acquisitions for a 30-day extension of the ERN agreement.
- Nov. 23, 2015** Staff sends letter of introduction of Rick Rengel to Red Tail Acquisitions (Tim Kihm & Ben Ketel) and RRM (Debbie Rudd).
- Nov. 18, 2015** Staff suggests that Red Tail Acquisitions consider requesting an extension for the ERN at the December 15, 2015 Commission meeting.
- Nov. 17, 2015** Check-in with Red Tail Acquisitions on pending information.
- Nov. 13, 2015** Staff meets with Phil Sexton to discuss draft Ground Lease Agreement.
Staff meets with Rick Rengel to execute Project Management Agreement and discuss project scope and next steps.
- Nov. 10, 2015** Staff follows-up with Red Tail Acquisitions regarding information needed to move forward.

- Nov. 10, 2015** Staff meets with Phil Sexton to discuss draft Disposition and Development Agreement (DDA).
- Oct. 27, 2015:** The Harbor Commission reviews the proposal and approves entering into an agreement with Rengel+Co., Arch. for project management during lease negotiations and design development, with an option for extension through course of construction. Commission forms a Harbor Terrace Ad-hoc Committee with Commissioners Barrow and Kirk.
- Sept. 22, 2015:** The Harbor Commission authorized President Barrow to execute an Exclusive Right to Negotiate (ERN) agreement with Red Tail Acquisitions. Staff was directed to return to the 10/27/15 meeting with a draft agreement for Rengel+Co., Arch. for project management during lease negotiations, and design development with an option for extension through course of construction.
- August 25, 2015:** The Harbor Commission approved the execution of a release of liability with HomeFed Corporation, subject to Counsel review. The Harbor Commission also directed staff to request an updated proposal from Red Tail Acquisitions and return to the Commission on 9/22/15 for review of the updated proposal.
- August 10, 2015:** HomeFed Corporation terminates negotiations.
- July 30, 2015:** Appeal withdrawn by Sierra Club.
- June 25, 2015:** Notice of Final County Action filed by County of San Luis Obispo.
- June 25, 2015:** Appeal filed with Coastal Commission by Santa Lucia Chapter of the Sierra Club. No other appeals filed.
- June 16, 2015:** Board of Supervisors hearing on appeal. Appeal denied on unanimous vote.
- April 6, 2015:** Appeal filed by Michael Kidd, of Avila Beach. The basis of the appeal is traffic, water, and an outdated local area plan.
- March 26, 2015:** Unanimous approval of project Coastal Development Permit application by Planning Commission.
- Jan. 27, 2015:** The Harbor Commission certified the Final EIR and approved a use permit for the project.
- Dec. 16, 2014:** The Harbor Commission approved HomeFed Corporation as the potential developer/operator of the project.
- Oct. 30, 2014:** A special meeting of the Harbor Commission was held to review the proposals, hear from the Review Committee, and to meet the proposing teams.
- Oct. 28, 2014:** A public meeting was held to review the draft EIR.
- Oct. 15, 2014:** A public meeting was advertised and held, at which the consultants (Lisa Wise Consulting, Menka Sethi) and their environmental consultant (SWCA, Shawna Scott) discussed the draft EIR.
- July 15, 2014:** Harbor Terrace Committee meeting held; Committee members and public updated on progress.

- June 24, 2014:** Harbor Commission meeting and public briefing on project status to date by members of Lisa Wise Consulting team.
- March 19, 2014:** The 'scoping meeting' was held to receive input on the issues to be addressed during the review process under the California Environmental Quality Act (CEQA).
- March 19, 2014:** The revised Coastal Development Permit application was submitted to County Planning Department. The entire submittal package is available at <http://www.portsanluis.com/harbor-terrace/>.
- March 12, 2014:** The Harbor Terrace Committee met to review progress drawings.
- Feb. 12, 2014:** Public meeting, followed by Harbor Commission meeting, to review concept drawings and receive public input.
- Jan. 21, 2014:** Team meeting with County staff to discuss the required traffic study.

This item is informational only. No action is required at this time.