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Dana Point Harbor's Revamp Team Gets to Work

66-Year Lease Kicks Off For Est. \$338M Project

The development "dream team" tasked with revitalizing Dana Point Harbor now has the keys to the nearly 300-acre waterfront site in South County, part of which will become one of the region's largest commercial development sites over the next few years.

"We're the operators as of today," said **Burnham Ward** Partner **Bryon Ward** on the Oct. 30 commencement of his operating group's 66-year-lease at the county-owned marina property. It's one of the county's largest and most valuable real estate assets outside of John Wayne Airport.



REAL ESTATE
Mark Mueller

The county's been seeking a plan for the site for well over a decade, and it's been about two years since it started soliciting developer proposals for the area.

Now comes the real challenge, Ward said. "We're going to get down to work."

Burnham Ward is one of three Newport Beach-based real estate groups that have joined to take on the harbor project; the others are **Bob Olson's R.D. Olson Development** and **Joe Ueberroth's Bellwether Financial Group**.

Retail developer Burnham Ward will oversee the nearly 29-acre commercial portion involving redevelopment of shops and restaurant space, a project county filings show will cost an estimated \$91 million to build and encompass about 116,727



Harbor rendering: commercial component of LLC's venture in Dana Point estimated at \$91M

square feet.

Olson will build two hotels, a 130-room boutique property of about \$90 million and a 136-room affordable hotel to cost nearly \$28 million (see related story, page 34).

Bellwether Financial will handle renovations of the marina and boat storage consisting of 2,296 boat slips and 388 dry boat-storage spots on about 20.5 acres. Marina renovations should cost about \$109 million, the dry-storage facility \$20 million.

Don't think of the project as being run by three separate entities, said Burnham Ward Partner **Scott Burnham**. The developers are equal partners of a new company formed to handle the project—**Dana Point Harbor Partners LLC**—and will share equally in costs and operation, he said.

For now, the retail component will be first in line for development since its entitlements have been secured, while entitlements for the hotel and the marina itself are still pending.

"Right now, we're spending time with the [existing] operators," Ward said. The new team is keeping the existing tenants while the project kicks off.

Fire Damage

A 126-unit condo site in Oakland being developed by Irvine-based **City Ventures Inc.** has been caught up in an apparent wave of arson that targeted housing projects in that part of Northern California.

The homebuilder's Ice House project, a 126-unit, all-electric, solar-powered townhome site nearing completion of its first units, caught fire in late October.

The fire largely destroyed six of nine buildings under construction, according to news reports. The development's first occupants had been scheduled to move into the homes by year-end; more than 50 sales have been made at the project.

The incident was the East Bay's sixth major fire at a housing development in a lit-

tle more than two years, according to news reports.

No suspects have been arrested in the string of apparently related blazes. Speculation points to an individual or group opposed to gentrification in the East Bay area.

Officials with privately held **City Ventures**—which I profiled last month—said they will start rebuilding the structures soon and plan to finish the project next year. They're working with buyers, and have offered to refund deposits for those unable to wait until the site is rebuilt.

To the Point

Better news in NorCal for Newport Beach-based **Irvine Co.**, which has struck a big lease for an office project it's still building.

Sunnyvale-based **Proofpoint Inc.**, an enterprise security company, disclosed in regulatory filings last month that it will lease two new buildings at Irvine Co.'s Pathline Park, a 50-acre development that will ultimately hold nine buildings totaling about 1.4 million square feet.

Six of the buildings are listed as under construction. Proofpoint will lease 242,000 square feet at the project, whose architecture is similar to the midrise projects Irvine Co. is building in the Spectrum area of Irvine.

Proofpoint (NYSE: PFPT) went public in 2012 and is valued at about \$5 billion. It's indicated that the new location will be its headquarters.



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