



AGENDA REPORT

Economic Development

DATE:	August 19, 2025
TO:	Mayor Martinez and Members of the City Council
FROM:	Nannette J. Beacham, Director of Economic Development Craig K. Murray, Development Project Manager II
Subject:	Marina Lease Equity Transfer
FINANCIAL IMPACT:	The City of Richmond would receive \$1,001,710 in property transfer tax.
PREVIOUS COUNCIL ACTION:	July 1, 2000; November 15, 2022
Statement of the Issue:	Safe Harbor Marinas (SHM) has decided to sell its ownership interest in the Richmond Marina lease to BIP Poseidon Holdco L.P., which is part of Blackstone Infrastructure. City staff is requesting authorization to approve an equity transfer between Safe Harbor Marinas, LLC (SHM) and BIP Poseidon Holdco L.P. (BIP) for the Richmond Marina Lease as requested by the current Marina Operator SHM MBYH, LLC and SHM agrees to continuously operate the Richmond Marina.
RECOMMENDED ACTION:	APPROVE an equity transfer of Marina Lease from Safe Harbors Marinas to BIP Poseidon Holdco L.P.; and APPROVE that SHM MBYH LLC will continue to operate the Marina Lease between the City of Richmond and Safe Harbors Marinas for the balance of the 55-year original lease term ending June 30, 2055 – Economic Development (Nannette J. Beacham/Craig Murray 510-307-8188).

DISCUSSION:

Richmond Marina Lease is being transferred from Safe Harbor Marinas (SHB MBYH, LLC), a subsidiary of Sun Communities, to BIP Poseidon Holdco L.P. (BIP), an affiliate of Blackstone Infrastructure. Blackstone Infrastructure is the infrastructure investment arm of the asset management firm of Blackstone (NYS:BX), a private equity firm that raises capital from individual investors and has currently \$1.17 trillion of assets under management.

On March 14, 2025, Safe Harbor Marinas (SHM) Chief Executive Officer Baxter Underwood delivered a letter to the City that it has entered into a Membership Interest Purchase Agreement with BIP Poseidon Holdco L. P. (BIP), an affiliate of Blackstone, Inc. ("Blackstone"). SHM indicated that BIP will, among other things, acquire all of the issued and outstanding equity interests of Safe Harbor from Sun Communities, Inc. On November 15, 2022, the City Council approved an assignment and approved an amended and restated Marina Lease with SHB MBYH, LLC. SHM will continue to manage and operate the Richmond Marina in accordance with its Lease. SHM representatives have worked with Anne Lanphar, an attorney with Aleshire & Wynder, LLP on behalf of the City Attorney's Office to develop a letter form of consent for the requested equity transfer transaction.

The original Richmond Marina lease was entered into on July 1, 2000, between the City and Richmond Bay Marina, LLC ("Original Lease") through negotiations with the City of Richmond and the former Richmond Redevelopment Agency to operate the public operation of the Marina and its facilities (Attachment 2). The leased facilities included buildings such as the Harbor Master Building at 1340 Marina Way South, the Boathouse at 2580 Spinnaker Way, boat launch ramp, locker, and washroom facilities, associated parking lots and 850 slip Marina with associated gangways and docks and facilities. At the beginning of the Original Lease term, Richmond Bay Marina, LLC utilized the operator Westrec and then conducted the Richmond Marina operations itself.

Richmond Bay Marina, LLC, the original Marina Lease Operator, sold 100 percent (100%) of its leasehold interest to SH Marinas, LLC (Safe Harbor Marinas) in 2022. SHM MBYH, LLC is requesting that the City of Richmond, as Landlord, consent to BIP Poseidon Holdco L.P. to receive its equity interest to Safe Harbor Marinas.

City staff from the City Attorney's Office and the Department of Economic Development conducted a series of meetings with Seller. During these meetings, there were several discussions that SHM MBYH, LLC will continue to operate the Richmond Marina. The current operator will continue to manage the Marina and seeks City consent for this equity transfer. Attorneys from all parties reviewed this proposed modification and the proposal to consent to BIP as the new equity holder.

Under the Marina Lease SHM MBYH, LLC will continue to allow the Landlord/City to have rights to the launch ramp and up to six (6) boat side-ties at no cost or expense to the

Landlord (Attachment 4). Richmond's Police and Fire Boats have slip space in the Marina and the Fire Department has an additional storage container for their operations. Land Econ Group performed a financial review and analysis of the proposed Marina equity transfer for Department of Economic Development. Land Econ Group reviewed the financial status of the proposed new Marina Equity Holder and the current Equity owner Sun Communities (Sun), a real estate investment trust involved in manufactured housing and recreational vehicle communities that acquired Safe Harbors Marinas for \$2.11 billion in September of 2020. Sun did increase its number of marinas from the 2022 Richmond Marina lease transfer. Sun increased the number of marinas from 106 at the time of acquisition to 138 at the time of disposition price of \$5.65 billion from Blackstone Infrastructure in February 2025. Land Econ Group estimated that Richmond Marina Lease value has increased more than double from \$16 million July 2022 to \$33,390,328 in February 2025 representing an increase in value of 106 percent. Richmond will see annual property tax increase up to \$75,000 and a modest increase in rent collected. Land Econ Group additionally reviewed operational details to calculate valuation and calculated the Richmond Measure H property transfer tax due is \$1,001,710.

Safe Harbor Marinas will continue to operate its three marinas in northern California: (1) Ballena Isle Marina in Alameda; (2) Loch Lomond Marina in San Rafael; and (3) Emeryville Marina in Emeryville. Land Econ Group confirmed from its 2022 Lease Transfer to Sun and Safe Harbor Marinas that Safe Harbor Marinas has displayed a pattern of making investments to improve facilities and operation. Land Econ Group indicated that Blackstone Infrastructure, is extremely well capitalized; therefore, the financial risks to City of Richmond on its marina lease going forward is not expected to increase with this transaction. Safe Harbor Marinas, the largest and most diversified in the United States, will continue to operate Richmond Marina.

In 2022, The Richmond Marina equity transfer from Richmond Bay Marina, LLC (Original Tenant) to Safe Harbor Marinas (SHB MBYH, LLC) transferred at \$16 million, and the terms of the Original Lease remained essentially intact. Richmond's Property Transfer Tax, Measure H passed in 2018, allowing for \$30 for each \$1,000 in transaction amount for property transfers over \$10 million, then allowed for a one-time payment to the City's General Fund of \$480,000 due to the 2022 \$16 million transfer price. In addition, the Possessory Interest tax on leased public property would amount to \$68,000 per year and exceed the current tax of just under \$60,000 per year based on that formula. The Original Lease requires a base minimum rent of \$243,504 per year to be paid to the City, plus the City will continue to receive additional percentage income adjustments for slip, dry boat, building, parking, and other gross income each year.

City staff is requesting approval of an equity transfer of Marina Lease to BIP and to approve the continued operation of the Marina Lease between the City of Richmond and SHM MBYH, LLC for the balance of the 55-year original lease term ending June 30, 2055.

DOCUMENTS ATTACHED:

Attachment 1 – Marina Lease – City of Richmond and Richmond Redevelopment
Agency and Richmond Bay Marina, LLC July 1, 2000
Attachment 3 – Amended and Restated Marina Lease – City of Richmond and SHM
MBYH, LLC October 2022
Attachment 3 – Consent Agreement