



COUNTY OF LOS ANGELES  
DEPARTMENT OF BEACHES AND HARBORS



STAN WISNIEWSKI  
DIRECTOR

KERRY GOTTLIEB  
CHIEF DEPUTY

October 29, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER AND THE DEPARTMENT OF BEACHES AND HARBORS TO ENTER INTO EXCLUSIVE NEGOTIATIONS FOR A LEASE OPTION FOR PARCEL UR AND AN OPTION FOR A LEASE EXTENSION FOR PARCEL 41, FOR A SINGLE, COMBINED DEVELOPMENT PROJECT ON THE EASTSIDE OF MARINA DEL REY  
(4<sup>th</sup> DISTRICT)  
(3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:**

Authorize the Chief Administrative Officer ("CAO") and the Department of Beaches and Harbors ("Department") to proceed with exclusive negotiations with Wesco Sales Corporation ("Wesco") for a single, combined development project on the eastside of Marina del Rey, entailing a lease option to develop marine commercial facilities and replacement public parking on Parcel UR and an option for a lease extension to develop, construct and operate marine commercial facilities, a yacht club and replacement docks on Parcel 41.

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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to supplement your Board's prior authorization of July 17, 2001, which permitted the CAO and the Department to proceed with exclusive negotiations for lease options and/or lease extensions regarding three proposals originally recommended by the CAO and the Department. Approval of exclusive negotiations with Wesco by your Board would authorize the CAO and the Department to proceed with negotiations for a combined project entailing a lease option for construction of new marine commercial and parking facilities on Parcel UR, and for an option for a lease extension for construction of a new marine commercial facility, a new yacht club facility and full dock replacement on Parcel 41.

### **Review of Board's Prior Related Authorizations**

On September 5, 2000, pursuant to your Board's authorization, the Department issued its *Request for Proposals for Development of Marina del Rey Eastside Parcels 51U, 55, 150, UR and W* and its *Invitation to Apply for Lease Extensions on Various Eastside Parcels located in Development Zones 7, 8, 9, 10 and 14* (collectively, "Solicitation"). The Solicitation invited proposals from parties interested in new development in Marina del Rey and from current lessees interested in redevelopment of their existing Marina del Rey parcels. Proposals for visitor-serving and marine commercial uses were encouraged, consistent with the goals of the Marina del Rey Asset Management Strategy, on both existing leaseholds and certain County-owned parcels suitable for new development.

Twelve proposals were initially considered, including proposals from Wesco for the development of Parcel UR and the redevelopment of Parcel 41. The proposals from Wesco were not initially recommended to your Board because the impact on Parcel UR of a proposed traffic improvement project could not be fully assessed.

In the intervening period, Wesco has amended its original, separate proposals to form a combined project that adds provisions for expanded marine commercial and parking facilities on Parcel UR that fully consider the traffic improvement project impacting the parcel. The proposed Wesco project design for Parcel UR will create a new, visually appealing frontage and development at one of the Marina's main projected entry points,

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as well as provide an enhanced revenue source for the parcel and allow for replacement public parking. The revised Parcel 41 portion of the project includes new marine commercial facilities and replacement of all dock facilities, as well as a new yacht club building that will facilitate our efforts to aid in the relocation of the Santa Monica Windjammers Yacht Club (SMWYC) from its current Parcel 47U site. (Your Board recently approved a short-term lease extension for SMWYC as an interim planning step to accommodate the yacht club's need for stability while the County assists it in relocating elsewhere in the Marina, given that Parcel 47 is slated for inclusion in an expansion of Chace Park that will facilitate the eventual creation of an aquatic center.) The revised plans for each parcel development also include a public promenade and enhanced view corridors and landscaping.

#### Implementation of Strategic Plan Goals

In furtherance of County Goal #4, "Fiscal Responsibility," the recommended action will allow the Department to implement that portion of its Strategic Plan that enhances strategic partnerships with existing and prospective lessees through proactive implementation of the Marina del Rey Asset Management Strategy toward both revenue maximization and property redevelopment. The County's Goal of "Service Excellence" is promoted through the development of a waterfront promenade on both Parcels UR and 41 and the provision of boat slips for transient and water taxi use, thereby increasing access of the public to the Marina's waterfront.

#### FISCAL IMPACT/FINANCING

The amended proposal offers increased lease revenue to the County due to the proposed development. Parcel UR is not currently leased, but is operated as a public parking lot. In fiscal year 2000/2001, income to the County from parking on Parcel UR was \$20,546. In fiscal year 2000/2001, County rental proceeds from Parcel 41 were \$187,408, for a total of \$207,954 for the two parcels combined. At stabilization, projected County income from the proposed combined Parcels UR and 41 development is estimated at \$320,000 annually.

Other than budgeted consultant and legal costs to analyze, evaluate and document the terms of the proposed lease option for Parcel UR, no County funds are presently

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contemplated to finance any costs associated with this request to enter into exclusive negotiations. Costs associated with the proposed Parcel 41 lease extension will be borne by the current lessee pursuant to the County's lease extension policy.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed project calls for Wesco to construct new marine commercial and parking facilities on Parcels UR and 41 and to completely replace slips on Parcel 41. The proposal will require a new lease on Parcel UR and a lease extension on Parcel 41.

In addition to meeting parking requirements for the new marine commercial facilities, the proposed project will provide for the required replacement of approximately 240 existing public parking spaces currently located on Parcel UR, in connection with which the Department will negotiate an agreement for operation of such replacement public parking.

The proposed development will not require a change in zoning, since both Parcels UR and 41, located in Development Zone 8, are designated for Marine Commercial use by the Marina del Rey Local Coastal Program ("LCP").

On the 9<sup>th</sup> day of October, 2002, the Small Craft Harbor Commission (SCHC) unanimously approved the Department's recommendation to proceed with exclusive project negotiations. Pursuant to the suggestion of the SCHC, the Department also intends, prior to submission to your Board of any proposed final project terms for your consideration, to submit proposed site plans and elevations for the project to the SCHC and the Marina's Design Control Board at publicly noticed meetings for their review and recommendation.

### **ENVIRONMENTAL DOCUMENTATION**

Approval of this request will not authorize the demolition or construction of any improvements. Development of the proposed improvements will require the issuance of various land use entitlements, including a coastal development permit. Full environmental review will be conducted as part of the land use entitlement process. The issuance of permits authorizing any of the proposed development will be contingent

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upon successful completion of the land use entitlement/environmental review process, and exercise of the options will be contingent upon the successful completion of the environmental review and regulatory/entitlement permit process.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

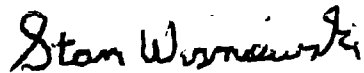
County-owned Parcel UR currently serves as a parking lot under County contract to Parking Concepts, Inc. Given that all public parking will be replaced, there is no direct impact on County services. Although the existing Parking Concepts, Inc. contract allows for the addition or deletion of parking lot facilities and it is intended that all future parking contracts would contain similar provisions, it is anticipated that any replacement public parking constructed would continue to be serviced by the then current County parking contractor servicing Marina del Rey parking facilities. Parcel 41 is currently operated as a marine commercial and dock facility; such use will continue in expanded form with no impact on current County services.

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**CONCLUSION**

Please forward one adopted copy of this Board letter to the Department.

Respectfully submitted,



Stan Wisniewski  
Director



David E. Janssen  
Chief Administrative Officer

c: Chief Administrative Officer  
Executive Officer, Board of Supervisors  
County Counsel  
Auditor Controller

SW:KG:RM:AK