"To enrich lives through effective and caring service"

Los Angeles County Beaches & Harbors
Caring for Your Coast

Stan Wisniewski
Director

Kerry Silverstrom
Chief Deputy

August 30, 2005

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

Dear Supervisors:

APPROVAL OF LEASE AMENDMENT NO. 1 TO LEASE NO. 8042
PARCEL 76 (TRIZEC TOWERS) – MARINA DEL REY
(FOURTH DISTRICT)
(4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed Amendment No. 1 to Amended and Restated Lease No. 8042, Parcel 76, Marina del Rey (the "Lease") is categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines.

2. Approve and authorize the Chair to sign the attached Amendment No. 1 to the Lease which extends through July 19, 2010 the County's right to enter into a separate agreement with the Lessee, Marina-Airport Building, Ltd., for the operation and use of a minimum of 250 to a maximum of 860 parking spaces, under specified conditions, in the parking structure on the leasehold premises, located at 4640 Admiralty Way, Marina del Rey.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Amendment No. 1 would extend the County's right through July 19, 2010 to enter into a separate agreement with Marina-Airport Building, Ltd. (Lessee) to operate and use, under specified conditions, a minimum of 250 to a maximum of 860 parking spaces in the parking structure on the leasehold premises (Parking Covenant). Under the term of the Lease, the County's right to enter into the Parking Covenant ended July 18, 2005.

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The extension of the Parking Covenant provides the County with the flexibility to utilize additional parking spaces, as necessary, to facilitate additional redevelopment projects in Marina del Rey. Should the County exercise the Parking Covenant and enter into an agreement with the Lessee, such agreement will be co-terminus with the Lease which expires April 30, 2063. Amendment No. 1 also provides for the per space rental rates payable to Lessee to be fixed through July 31, 2011, with the rate subject to adjustments commencing August 1, 2011 based on the Consumer Price Index. All other terms of the Lease remain unchanged.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan Goals of Service Excellence and Fiscal Responsibility. The proposed Amendment No. 1 preserves the County's option to use the private parking facility on Parcel 76 for County purposes, and this allows the County time and flexibility to consider redevelopment opportunities in Marina del Rey. The option was obtained without cost to the County.

FISCAL IMPACT/FINANCING

There is no cost to the County unless and until the County exercises the Parking Covenant and commences use of the parking spaces, at which time through July 31, 2011, the per space rental rate shall be fixed at $12.90 per month. Beginning August 1, 2011, the per space rental rate will be adjusted in accord with the Consumer Price Index. The $12.90 per space per month rate and the CPI adjustment are identical to the rates under the previous agreement which expired July 18, 2005. The County will also be responsible for the actual incremental, non-capital costs for such things as extra staff, security and maintenance incurred by Lessee as a result of the County's use of the parking spaces under the Parking Covenant. These costs, however, are expected to be fully offset by the fees charged to the users.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parcel 76 is improved with two 12-story Class A office buildings and a 1,082-space parking structure on four acres of land in Marina del Rey. The parcel does not have any water area.

The original Parcel 76 lease commenced on May 1, 1964, with an original expiration date of April 30, 2024. The lease was amended and restated on July 18, 2000, to extend the term through April 30, 2063. One of the Lease provisions allows the County to elect to enter into an agreement with the Lessee to use Lessee's parking facility for County

purposes. The deadline for County's exercise of this right was July 18, 2005. The proposed Amendment No. 1 extends the deadline for County to exercise the right to the Parking Covenant through July 19, 2010.

The Small Craft Harbor Commission at its meeting of August 10, 2005, unanimously endorsed the Director's recommendation that your Board approve the amendment to Lease. County Counsel has reviewed and approved the amendment as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendment No. 1 is categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

Attached are four (4) copies of the amendment. Please have the Chair sign all four (4) copies and have the Executive Officer acknowledge the Chair's signature. Please return three (3) executed copies to the Department of Beaches and Harbors along with an approved copy of this letter.

Respectfully submitted,

Stan Wisniewski

Stan Wisniewski
Director

SW:PW:CM:sp
Attachment (1)

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

AMENDMENT NO. 1 TO AMENDED AND RESTATED LEASE NO. 8042
PARCEL 76 – MARINA DEL REY SMALL CRAFT HARBOR

THIS AMENDMENT TO LEASE ("Amendment") is made and entered into as of _____, 2005 ("Effective Date"),

BY AND BETWEEN COUNTY OF LOS ANGELES, hereinafter referred to as "County,"

AND MARINA-AIRPORT BUILDING, LTD., a California limited partnership, hereinafter referred to as "Lessee."

WITNESSETH

WHEREAS, County and Lessee entered into that Amended and Restated Lease dated July 18, 2000 and identified as Lease No. 8042, under the terms of which County leased to Lessee that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 76, which leasehold premises (the "Premises") are more particularly and legally described in Exhibit "A" attached to and incorporated in said Lease, as amended (the lease and all amendments are collectively hereafter referred to as the "Lease");

WHEREAS, Section 3.4 of the Lease gives County the right ("County Parking Right") to elect to enter into an agreement with Lessee to provide for County use a certain number of parking spaces in the parking structure on the leasehold premises; and

WHEREAS, County Parking Right is set to expire on the fifth (5th) anniversary of the Execution Date of the Lease and the parties hereto wish to extend the expiration date of the County Parking Right for another five (5) years and one (1) day, commencing July 18, 2005.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Lessee hereby agree as follows:

1. Commencing as of the Effective Date, Section 3.4 of the Lease shall be amended and restated as follows:

"3.4. County Parking Rights. County shall have the right to elect to require Lessee to enter into a recordable agreement with County providing for County operation and use of portions of the parking structure on the Premises as more specifically provided herein (the "Parking Covenant"), provided that County notifies Lessee in writing of County's election to do so no later than July 19, 2010. If County elects to exercise its right to cause Lessee to enter into the Parking Covenant, County and Lessee agree promptly (and shall attempt within thirty (30) days) to prepare and to execute any additional documentation as may be reasonably required by County or Lessee to evidence the County's rights provided hereunder. County's rights under the Parking Covenant may be licensed or subleased by County in connection with such permitted uses only, but shall not be otherwise assignable without the consent of Lessee. The Parking

Covenant shall commence upon the earlier of (i) the date upon which County commences actual use of the parking spaces subject to the Parking Covenant and (ii) August 1, 2010. The term of the Parking Covenant shall be for the balance of the Term hereof. Notwithstanding the foregoing, prior to the date that the Parking Covenant commences in accordance with this Section 3.4, the parking spaces located within the existing parking structure or on surface lots located on the Premises to which access is controlled by Lessee shall be open and available to the general public on weekends and holidays when and as requested by Director; however, the extent to which Lessee is required to make the parking structure and surface lot available for use by the general public shall be subject to the parking requirements of Lessee's approved subleases."

2. Commencing as of the Effective Date, Section 3.4.4 of the Lease shall be amended and restated as follows:

"3.4.4. Payment for County Usage of Parking Spaces. From the date that the Parking Covenant commences in accordance with Section 3.4 through July 31, 2011, County shall pay Lessee the sum of twelve dollars and ninety cents ($12.90) per legally striped parking space per month (as such amount may be adjusted pursuant to this Section 3.4.4, the "Parking Space Rental Rate") for each legally striped parking space in the parking levels rented pursuant to the Parking Covenant in that Lease Year (the "Parking Space Rent"). Parking Space Rent for any partial calendar month will be prorated based on the number of days in the calendar month. During the term of the Parking Covenant, the Parking Space Rent will be paid by the County monthly, in advance, on or before the 1st day of each calendar month (any partial month at the commencement of the Parking Covenant to be included in the Parking Space Rent for the first full calendar month of the term of the Parking Covenant). As of August 1, 2011, and on each August 1st thereafter (each, an "Adjustment Date"), the Parking Space Rental Rate shall be adjusted to be an amount determined by multiplying the Parking Space Rental Rate by a fraction in which the numerator is the Consumer Price Index for the month of May immediately preceding the Adjustment Date, and the denominator is the Consumer Price Index for the month of May one (1) year and three (3) months prior to the Adjustment Date."

3. Except where specifically defined herein, all capitalized terms in this Amendment shall have the meanings given such terms in the Lease.

4. Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and re-acknowledges their respective obligations under the Lease as amended hereby.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first set forth above.

LESSEE:

MARINA-AIRPORT BUILDING, LTD.

By: Alta Group GP, LLC, its general partner

By: _____
Jona Goldrich, its Manager

By: Second Street Group GP, LLC, its general partner

By: _____
Michael Kest, its Manager

By: Trizec Holdings, Inc. its general partner

By: _____
Paul Layne, Executive Vice President

By: _____
Mark C. Phillips, Vice President

COUNTY:

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy