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April 2, 2013

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:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 April 2, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

Gary Jones
Deputy Director

**APPROVAL OF AMENDMENT NO. 2 TO LEASE NO. 17694
SCE TAHITI SUBSTATION (PARCEL 200 at 13340 FIJI WAY)
MARINA DEL REY
(4th DISTRICT- 4 VOTES)**

SUBJECT

This Board letter requests approval of a Marina del Rey lease amendment for Parcel 200 Southern California Edison (SCE) Tahiti Substation that adjusts the annual rent and the insurance liability coverage.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease Amendment No. 2 is categorically exempt under the California Environmental Quality Act pursuant to class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines and Section 15301 of the State CEQA Guidelines.
2. Approve and authorize the Chairman to sign the attached Amendment No. 2 to Lease No. 17694 pertaining to the readjustment of annual rent for a ten-year term ending January 31, 2022.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Marina del Rey leases generally provide for the periodic review of leasehold rents and liability insurance coverage to ensure that the rental rates payable to the County are maintained at current fair market levels and that the amount of general liability insurance is adequate to protect the County's interests.

The Parcel 200 lease requires adjustment of annual rent and insurance coverage amounts on February 1, 2012 (2012 Annual Adjustment Date) and every tenth anniversary thereafter. The parties have agreed to a new annual rent of \$72,086, which, based upon an appraisal of the parcel, is equivalent to, or greater than, fair market value. The new annual rent is an increase of \$7,286 above the current annual rent of \$64,800. Amendment No. 2 also provides that, following the Amendment No. 2 Effective Date, all annual rent adjustments shall either increase the annual rent or maintain it at the then current amount. The current insurance coverage amounts were deemed adequate by the County and therefore no adjustment to the insurance provisions is being recommended at this time.

Implementation of Strategic Plan Goals

The recommended action will keep County annual rent at this parcel comparable to fair market rental in fulfillment of Strategic Plan Goal No. 1, "Operational Effectiveness", Strategy 2, "Fiscal Sustainability".

FISCAL IMPACT/FINANCING

Amendment No. 2 is projected to yield an additional \$7,286 per annum in Fiscal Year 2012-13 and an increase of \$72,860 over the ten-year period beginning February 1, 2012.

Operating Budget Impact

Upon your Board's approval of Amendment No. 2, the Department of Beaches and Harbors will receive \$7,286 in annual increases in leasehold rent revenue. The revenue increase was not budgeted in the FY 2012-13 Final Adopted Budget; therefore, the additional revenue will be accounted for as one-time over-realized revenue. The revenue increase is budgeted in the Department's FY 2013-14 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Commonly known as the SCE Tahiti Substation, Parcel 200 contains underground transformer vaults. The leasehold occupies 0.59 acres of land in Marina del Rey. It does not have a water area. The 60-year ground lease between the County and the lessee was executed in 1971.

This Amendment has been approved as to form by County Counsel. At its meeting of March 13, 2013, the Small Craft Harbor Commission voted to endorse the Director's recommendation that your Board approve and execute the proposed Amendment.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendment No. 2 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 and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services from your Board's approval of Amendment No. 2.

CONCLUSION

Please have the Chairman sign all three copies of Amendment No. 2 and have the Executive Officer of the Board return two executed copies, as well as a copy of the adopted Board letter, to the Department of Beaches and Harbors. Should you have any questions please contact Jules Trefler at (310) 301-6096 or jtrefler@bh.lacounty.gov.

Respectfully submitted,

Gary Jones

for Santos H. Kreimann
Director

Attachment (2)

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

SHK:GJ:SP:jt

AMENDMENT NO. 2 TO LEASE NO. 17694

PARCEL NO. 200 – MARINA DEL REY SMALL CRAFT HARBOR

READJUSTMENT OF RENT

THIS AMENDMENT TO LEASE is made and entered into this 2nd day of April _____, 2013 (the "Effective Date").

BY AND BETWEEN

**COUNTY OF LOS ANGELES,
hereinafter referred to as "County",**

AND

**SOUTHERN CALIFORNIA EDISON COMPANY,
a California corporation, hereinafter referred
to as "Lessee".**

RECITALS:

WHEREAS, County and Lessee entered into Lease No. 17694 under the terms of which County leased to Lessee in interest 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 200, which leasehold premises (the "Premises") are more particularly 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"); and

WHEREAS, Section 13 of said Lease provides that as of February 1, 1992 and as of February 1st of every tenth year thereafter on the annual adjustment date (the "Annual Adjustment Date") the annual rent shall be readjusted by Lessee and County in accordance with the standards established in said Section 13; and

WHEREAS, Section 13 further provides that such adjustment shall be accomplished by agreement of the parties and in the event such agreement cannot be reached, the readjustments shall be settled by binding arbitration in the manner set forth at length in said Section 13; and

WHEREAS, the parties hereto have reached agreement with respect to the annual rent that is to apply for the ten-year period commencing on February 1, 2012 (the "2012 Annual Adjustment Date");

NOW, THEREFORE, in consideration of the mutual agreements, covenants and restrictions contained herein, the parties, and each of them, agree as follows:

1. Annual Rent.

(a) Commencing on the Effective Date, Section 11 of the Lease is amended to read as follows:

17694 Supplement No. 2

"Lessee shall pay to County an annual rent which shall be due and payable in advance on the first day of each year. The aforesaid annual rent for the whole of the Premises shall be the sum of Seventy-Two Thousand Eight-Six and 00/100 dollars (\$72,086.00); provided, however, that for the remaining Term of the Lease in no event shall annual rent ever be reduced to an amount that is less than the annual rent that was in effect for the year immediately preceding such adjustment."

2. Past Due Rent.

(a) On the date set forth in subsection (b) below, Lessee shall pay to County the difference (the "Retroactive Rent") between: (i) an annual rent of \$72,086.00 per year; and (ii) sums actually paid to County prior to the Effective Date as annual rent for the period from February 1, 2012, through January 31, 2013 pursuant to Section 11 of the Lease. Lessee acknowledges and agrees that the Retroactive Rent due from Lessee to County for the period described in subsection (ii) hereof is \$7,286.00.

(b) The Retroactive Rent shall be due and payable to County within 10 days after the Effective Date.

3. Miscellaneous. 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 its respective obligations under the Lease as amended hereby.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment No. 2 to Lease No. 17694 to be subscribed by the Chairman of said Board and attested by the Executive Officer thereof, and the Lessee or its duly authorized representative, has executed the same.

COUNTY OF LOS ANGELES

I hereby certify that pursuant to
Section 26103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smitheman
Deputy



ATTEST:

SACHI A. HAMAI
COMPANY,
Executive Officer-Clerk of the
Board of Supervisors

By: Lachelle Smitheman
Deputy

APPROVED AS TO FORM:
JOHN F. KRATTLI
County Counsel.

By: [Signature]
Senior Deputy

By: Mark Ridley-Thomas

Mark Ridley-Thomas
Chairman, Board of Supervisors

LESSEE:

SOUTHERN CALIFORNIA EDISON

a California corporation

By: [Signature]
Its: Vice President, Engineering and Technical Services

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29

APR 2 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

17694 Supplement No. 2

EXHIBIT "A"

LEGAL DESCRIPTION

Marina Del Rey
Lease Parcel No. 200

Parcel 807, in the County of Los Angeles, State of California, as shown on Los Angeles County Assessor's Map No. 88, filed in Book 1, pages 53 to 70 inclusive, of Assessor's Maps, in the office of the Recorder of said County, and that portion of Parcel 806, in said County, as shown on said map, within the following described boundaries:

Beginning at the westerly corner of said Parcel 806, said westerly corner being a point in that certain 1540 foot radius curve in the northwesterly boundary of said last mentioned parcel, a radial of said curve to said point bears South 41°10'22" East; thence northeasterly along said curve through a central angle of 4°41'16" a distance of 126.00 feet; thence South 45°51'38" East along a prolonged radial of said curve 4.00 feet; thence North 84°21'35" East 55.88 feet; thence South 37°50'41" East 70.46 feet to a point in the southeasterly line of said last mentioned parcel distant North 62°01'26" East thereon 175.81 feet from the southerly corner of said last mentioned parcel; thence South 62°01'26" West along said southeasterly line 175.81 feet to said southerly corner; thence North 37°49'47" West along the southwesterly line of said last mentioned parcel a distance of 61.60 feet to the point of beginning.

Together with a right of way for overhead power line purposes in and across a portion of the southeasterly 15 feet of said Parcel 806, which extends from the northeasterly boundary of above described parcel of land, northeasterly to the southwesterly line of the northeasterly 10 feet of said Parcel 806.

Reserving and excepting unto the County of Los Angeles a right of way for ingress and egress over that portion of above described parcel of land, within the following described boundaries:

Beginning at the westerly corner of said Parcel 806; thence northeasterly along the northwesterly boundary of said last mentioned parcel a distance of 126.00 feet to the northeasterly boundary of above described parcel of land; thence South $45^{\circ}51'38''$ East along said northeasterly boundary 4.00 feet to the westerly terminus of the northerly line of above described parcel of land; thence North $84^{\circ}21'35''$ East along said northerly line 55.88 feet to the easterly terminus of said northerly line; thence South $56^{\circ}36'52''$ West 46.10 feet; thence South $54^{\circ}27'00''$ West 79.46 feet; thence South $53^{\circ}15'30''$ West 39.93 feet; thence South $87^{\circ}53'00''$ West 9.73 feet to a point in the southwesterly line of said Parcel 806 distant South $37^{\circ}49'47''$ East thereon 8.08 feet from said westerly corner; thence North $37^{\circ}49'47''$ West along said southwesterly line 8.08 feet to the point of beginning.

DESCRIPTION APPROVED

JUN 17 1970

JOHN A. LAMBIE

County Engineer

By *Edgar Spaduto* Deputy