



SMALL CRAFT HARBOR COMMISSION
October 30, 2019
10:00 A.M.

SPECIAL MEETING

BOATHOUSE
MEETING ROOM 1A
13640 MINDANAO WAY
MARINA DEL REY, CA 90292

MARINA DEL REY, CA 90292

Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

Audio

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

2. **COMMUNICATION FROM THE PUBLIC**

This is the opportunity for members of the public to address the Commission on items that are not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

3. **COMMUNICATION WITH THE COMMISSIONERS**

This is the opportunity for members of the Commission to provide notification to the public regarding any communication received by the Commissioners from the public, lessees, or other interested parties regarding business of Marina del Rey.

4. **REGULAR REPORTS**

a. **Marina Sheriff** (DISCUSS REPORTS)

- Crime Statistics
- Enforcement of Seaworthy & Liveaboard Sections of the Harbor Ordinance with Liveaboard Permit Percentages

b. **Marina del Rey and Beach Special Events** (DISCUSS REPORT)

c. **Marina Boating Section Report** (VERBAL REPORT)

d. **Marina del Rey Maintenance Report** (VERBAL REPORT)

6. **OLD BUSINESS**

a. **None**

7. **NEW BUSINESS**

a. **Presentation on Percentage Rent in Marina del Rey** (PRESENTATION)

b.))) Lease Amendment for Parcel 125R (Marina City Club) (ENDORSEMENT)

c.))) Lease Amendment for Parcel 56 (Fisherman's Village) (ENDORSEMENT)
to include Decennial Rent Adjustment.

8.))) **STAFF REPORTS**

Ongoing Activities (DISCUSS REPORTS)

- Board Actions on Items Relating to Marina del Rey
- Regional Planning Commission's Calendar
- California Coastal Commission Calendar
- Redevelopment Project Status Report
- Design Control Board Minutes
- Marina del Rey Slip Report
- California Coastal Commission Slip Report
- Fisherman's Village Progress Report
- Illegal Boat Charter Enforcement

9. **ADJOURNMENT**

PLEASE NOTE

1. The Los Angeles County Board of Supervisors adopted Chapter 2.160 of the Los Angeles Code (Ord. 93-0031 ~ 2 (part), 1993, relating to lobbyists. Any person who seeks support or endorsement from the Small Craft Harbor Commission on any official action must certify that he/she is familiar with the requirements of this ordinance. A copy of the ordinance can be provided prior to the meeting and certification is to be made before or at the meeting.

2. The agenda will be posted on the internet and displayed at the following locations at least 72 Hours preceding the meeting date:

Department of Beaches and Harbors Website Address: <http://marinadelrey.lacounty.gov>

Department of Beaches and Harbors
Administration Building
13837 Fiji Way
Marina del Rey, CA 90292

MdR Visitors & Information Center
4701 Admiralty Way
Marina del Rey, CA 90292

Burton Chace Park Community Room
13650 Mindanao Way
Marina del Rey, CA 90292

Lloyd Taber-Marina del Rey Library
4533 Admiralty Way
Marina del Rey, CA 90292

3. The entire agenda package and any meeting related writings or documents provided to a Majority of the Commissioners (Board members) after distribution of the agenda package, unless exempt from disclosure Pursuant to California Law, are available at the Department of Beaches and Harbors and at <http://marinadelrey.lacounty.gov>

Si necesita asistencia para interpretar esta informacion llame al (424) 526-7777.

ADA ACCOMODATIONS: If you require reasonable accommodations or auxiliary aids and services such as material in alternate format or a sign language interpreter, please contact the ADA (Americans with Disabilities Act) Coordinator at (424) 526-7752 (Voice) or (TTY/TDD) users, please call the California Relay Service at 711. The ADA Coordinator may be reached by email at rstassi@bh.lacounty.gov.



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

MARINA DEL REY STATION

PART I CRIMES SEPTEMBER 2019



	West Marina 2760	East Marina 2761	Lost R.D. 2762	Marina Water 2763	Upper Ladera 2764	County Area 2765	Lower Ladera 2766	Windsor Hills 2767	View Park 2768	Parks 2791	TOTALS
Homicide											0
Rape	1										1
Robbery: Weapon						1					1
Robbery: Strong-Arm	1										1
Aggravated Assault	1			1				1			3
Burglary: Residence	2						2				4
Burglary: Other Structure							2	1			3
Grand Theft	5	6	1				2		1		15
Grand Theft Auto	4						1	4	1		10
Arson	1										1
Boat Theft											0
Vehicle Burglary	3	1				2	5	2	3	5	21
Boat Burglary											0
Petty Theft	5	4				1		3		1	14
REPORTING DISTRICTS TOTALS	23	11	1	1	0	4	12	11	5	6	74

Note- The above numbers may change due to late reports and adjustments to previously reported crimes.

Source- LARCIS, **Date Prepared** October 03, 2019
CRIME INFORMATION REPORT - OPTION 5A

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

MARINA DEL REY STATION

PART 2 CRIMES – SEPTEMBER 2019



Community Advisory Committee	Upper Ladera 2764	Lower Ladera 2766
Homicide		
Rape		
Robbery: Weapon		
Robbery: Strong-Arm		
Aggravated Assault		
Burglary: Residence		2
Burglary: Other Structure		2
Grand Theft		2
Grand Theft Auto		1
Arson		
Boat Theft		
Vehicle Burglary		5
Boat Burglary		
Petty Theft		
Total	0	12

Note- The above numbers may change due to late reports and adjustments to previously reported crimes.

Source- LARCIS, **Date Prepared** October 03, 2019
CRIME INFORMATION REPORT - OPTION 5A

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

MARINA DEL REY STATION

PART 3 CRIMES- SEPTEMBER 2019



	MARINA AREA (RD'S 2760- 2763)	EAST END (RD'S 2764- 2768)
Part I Crimes		
Homicide		
Rape	1	
Robbery: Weapon		1
Robbery: Strong-Arm	1	
Aggravated Assault	2	1
Burglary: Residence	2	2
Burglary: Other Structure		3
Grand Theft	12	3
Grand Theft Auto	4	6
Arson	1	
Boat Theft		
Vehicle Burglary	4	17
Boat Burglary		
Petty Theft	9	5
Total	36	38

Note- The above numbers may change due to late reports and adjustments to previously reported crimes.

Source- LARCIS, **Date Prepared –** October 03 2019
CRIME INFORMATION REPORT - OPTION 5A



MARINA DEL REY HARBOR LIVEABOARD COMPLIANCE REPORT 2019



Liveaboard Permits Issued

	August	September
New permits Issued:	3	6
Renewal Issued:	17	13
<hr/>		
Total:	20	19
Notices to Comply Issued:	3	6

Totals:	August	September
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Liveaboard:	331	330
Current Permits:	241	236
Expired Permits:	77	81
No Permits:	13	13

Total reported vessels in Marina del Rey Harbor:

3734

Percentage of vessels that are registered liveaboards

8.84%

Number of currently impounded vessel:

7



Caring for Your Coast

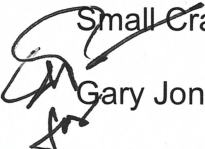
♦ ♦ ♦
Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

October 30, 2019

TO: Small Craft Harbor Commission
FROM:  Gary Jones, Director
SUBJECT: **ITEM 5b – MARINA DEL REY SPECIAL EVENTS**

THE FREE RIDE

Daily service
12:00 p.m. – 9:00 p.m.

Catch free on-demand transportation aboard a five-passenger electric shuttle. The service provides transportation to attractions within Marina del Rey, including Fisherman's Village, Burton Chace Park, Waterside Shopping Center, and many restaurants. Select shuttles also travel to the Venice Pier and to Abbot Kinney Blvd. in Venice.

Wave down a Free Ride car and hop in, or text your pick-up location and passenger count to (323) 435-5000. Please allow 10 – 15 minutes for pick-up. Kids must be big enough to use a regular seatbelt; child-safety seats are not provided. Dogs are welcome.

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900

BURTON CHACE PARK YOGA

Burton Chace Park ♦ Community Room* ♦ 13650 Mindanao Way ♦ Marina del Rey
Sundays & Mondays
11:30 a.m. – 12:30 p.m.

Get your Namaste on by taking part in the Department of Beaches and Harbors' (Department) FREE one-hour Yoga class, which will allow you to reduce your stress, enjoy the outdoors, and relax your body! Students must bring his/her own mat.

*If weather permits, class will be taught outdoors.



For more information: Call (424) 526-7910 or visit beaches.lacounty.gov

BURTON CHACE PARK WALKING CLUB

Burton Chace Park ♦ Lobby ♦ 13650 Mindanao Way ♦ Marina del Rey
Tuesdays & Thursdays
10:30 a.m. – 11:30 a.m.

The Department is sponsoring a FREE one-hour walking club. Get your exercise while taking in the beautiful view of the Marina del Rey harbor. Please RSVP by calling (424) 526-7910.

For more information: Call (424) 526-7910 or visit beaches.lacounty.gov

BEACH SHUTTLE

Fridays and Saturdays from 10:00 a.m. – 10:00 p.m.
Sundays and select Holidays* from 10:00 a.m. – 8:00 p.m.

Catch a free ride on the Beach Shuttle to and from Playa Vista, Marina del Rey and the Venice Beach Pier, and enjoy the surf, sand and surroundings of Marina del Rey in a hassle-free and relaxing way. The Beach Shuttle operates year-round on weekends and select holidays.*

*New Year's Day, Memorial Day, July 4th, Labor Day, and Christmas.

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900 or visit beaches.lacounty.gov

MARINA DEL REY FARMERS' MARKET

Parking Lot #11 ♦ 14101 Panay Way ♦ Marina del Rey
Saturdays
9:00 a.m. – 2:00 p.m.

The Department, in collaboration with Southland Farmers' Markets Association, is offering the Marina del Rey Farmers' Market on Saturdays. The Marina del Rey Farmers' Market offers fresh, locally-grown organic and conventionally grown fruits and veggies. Also available are prepared and packaged foods, hand-crafted products and much more! Paid parking is available for 25 cents for every 10 minutes.

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900 or visit beaches.lacounty.gov

FISHERMAN'S VILLAGE WEEKEND CONCERT SERIES

13755 Fiji Way ♦ Marina del Rey
Sponsored by Pacific Ocean Management, LLC
Saturdays & Sundays
2:00 p.m. – 5:00 p.m.

Saturday, October 26th
Upstream (Reggae)

Sunday, October 27th
2Azz1 (Jazz/Funk)

For more information: Call Pacific Ocean Management at (310) 306-0400

MARINA SPOOKTACULAR

Burton Chace Park ♦ 13650 Mindanao Way ♦ Marina del Rey
October 26 – 27, 2019
11:00 a.m. – 9:00 p.m.

Halloween comes to Marina del Rey! Join us at Burton Chace Park for a family-friendly harvest celebration during the day and spine-tingling thrills at night. Enjoy haunted pirate ships, games, rides, crafts, pirates, and much more! All ages welcome; however, evening activities are recommended for ages 13 and older. Admission is free. Food and beverages will be available for purchase. Don't miss the JAM Sessions experience at Marina Spooktacular with Aztec Dance by Kalpulli Teotlalli Tepeyotl on 10/26 and Mexican Folk Dance with San Fernando's own Ballet Folklorico Ollin on 10/27.

For more information: Call (424) 526-7900 or visit beaches.lacounty.gov/Halloween

MARINA LIGHTS

Burton Chace Park ♦ 13650 Mindanao Way ♦ Marina del Rey
December 1 – 31, 2019 (Nightly) from 4:00 p.m. – 10:00 p.m.
Caroling: 4:00 p.m. – 6:00 p.m.
Movie start time: 6:00 p.m.

Burton Chace Park will be aglow in holiday lights every night from December 1st through New Year's Eve. Plus, enjoy live caroling, fun photo opportunities, outdoor holiday movie screenings, and special activities on Saturdays!

Movie Lineup:

December 7 th	<i>Gremlins</i>
December 21 st	<i>Elf</i>

December 28th *Avengers: Endgame*

**** Dress Warmly! ****

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900 or visit MDRHolidays.com

SNOW WONDER

Burton Chace Park ♦ 13650 Mindanao Way ♦ Marina del Rey
Saturday, December 14, 2019
11:00 a.m. – 4:00 p.m.

Join in the spirit of winter at Marina del Rey's free Snow Wonder event! Children can enjoy real snow, sledding, arts & crafts, face painting, a DJ, and gourmet food trucks.

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900 or visit MDRHolidays.com

57TH ANNUAL MARINA DEL REY HOLIDAY BOAT PARADE

Saturday, December 14, 2019
5:55 p.m. – 8:00 p.m.

After Snow Wonder, stay in the park to view the fireworks that will be shot off the south jetty at 5:55 p.m. to kick off the start of the Marina del Rey Holiday Boat Parade. Beautifully lit and decorated boats will participate in the event, which is free to the public. Boat owners will compete for numerous prize packages. Best spots for viewing the boat parade are Burton Chace Park, located at 13650 Mindanao Way, and Fisherman's Village, located at 13755 Fiji Way.

For more information: Visit mdrboatparade.org

W.A.T.E.R PROGRAM SUMMER SAILING CAMP

Burton Chace Park ♦ 13640 Mindanao Way ♦ Marina del Rey
Beginning Sailing Dates: December 23 – 27 (No class on the 25th);
December 30 – January 3 (No class on the 1st); and January 6 – 10, 2020
10:00 a.m. - 4:00 p.m.

Los Angeles County Lifeguards will instruct sailing courses teaching students basic sailing knowledge and terms, boat maintenance and rigging, knot tying, tacking, docking and instruction to ocean sailing. Students will learn to sail on 14-foot Capri sailboats (with

main sail and jib). In the final days of the session, students will get experience on 24-foot MacGregor sailboats.

Financial aid is available for qualified families. Please call for details.

Ages: 11 - 17 years old

Class Size: 6 - 12 students with 3 Lifeguard instructors

Fee: \$320 for 5-day session; \$256 for 4-day session

*NOTE: Applicants must successfully complete a 100-yard swim test in 2 minutes and 20 seconds to be eligible for Beginning Sailing.

For more information: Call (424) 526-7889 or visit beaches.lacounty.gov

NEW YEAR'S EVE CELEBRATION

Burton Chace Park ♦ 13650 Mindanao Way ♦ Marina del Rey

December 31, 2019 – January 1, 2020

7:00 p.m. – Midnight

Celebrate the New Year in Marina del Rey! Guests are invited to Burton Chace Park at 7:00 p.m. for a free Glow Party featuring live DJs, dancing, face painting, free giveaways, photo booth, food trucks, and live broadcasts of the New Year's Eve countdown in New York and Los Angeles. Each countdown is followed by a ten-minute fireworks show at 8:59 p.m. (New York) and 11:59 p.m. (Los Angeles) shot from the Marina's south jetty.

For more information: Call the Marina del Rey Visitors Center at (424) 526-7900 or MDRHolidays.com

GJ:CB:da



Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

October 30, 2019

TO: Small Craft Harbor Commission

FROM:  Gary Jones, Director

SUBJECT: **ITEM 7a – PRESENTATION ON PERCENTAGE RENT IN MARINA DEL REY LEASES**

Pursuant to your Commission's request, item 7a on your agenda pertains to a presentation by the Department staff for the general terms of percentage rent provisions in the Marina del Rey ground leases.

GJ:AC:SP:yw





October 30, 2019

To: Small Craft Harbor Commission

From: Gary Jones, Director

SUBJECT: ITEM 7b – PARCEL 125R (MARINA CITY CLUB) APPROVE DELEGATION OF AUTHORITY TO THE DIRECTOR OF DEPARTMENT OF BEACHES AND HARBORS TO NEGOTIATE AN AMENDMENT TO SECOND AMENDED AND RESTATED LEASE.

Item 7b on your agenda pertains to a Board Letter requesting that the Board of Supervisors approve delegated authority for the Director of Beaches and Harbors to negotiate an amendment to Second Amended and Restated Lease for Parcel 125R.

Your Commission's endorsement of the recommendations in the attached draft Board Letter is requested. Staff will inform your Commission should there be any material change made to this draft prior to submitting it to the Board for approval.

GJ:SP:yw

Attachment

Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director



Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

November __, 2019

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

**APPROVE A DELEGATION OF AUTHORITY TO THE DIRECTOR OF DEPARTMENT
OF BEACHES AND HARBORS AND CHIEF EXECUTIVE OFFICER TO NEGOTIATE
AN AMENDMENT TO SECOND AMENDED AND RESTATED LEASE NO. 55624 –
PARCEL 125R
(MARINA CITY CLUB) – MARINA DEL REY
(FOURTH DISTRICT)
(4 VOTES)**

SUBJECT

Request for a delegation of authority to the Director of Department of Beaches and Harbors and the Chief Executive Officer, to negotiate a lease amendment providing that all Category B condo owners may convert into Category A so that there may only be one category of condo¹ ownership subsequent to the effective date of the proposed amendment.

¹ It should be noted that although the Lease, the applicable documents governing the Marina City Club, and this letter refer to the Marina City Club and its respective 600 residential units within the property as “condominiums” and/or “condos,” however the Marina City Club and such units are not technically a condominium pursuant to the California Subdivision Map Act, as amended, and each unit/condo owner is a sub-lessee under the Master Sub-Lease who holds a prepaid leasehold interest for the term of the Lease.



IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed actions are categorically exempt from CEQA pursuant to CEQA Guidelines section 15301 (Existing Facilities).
2. Authorize and instruct the Director of the Department of Beaches and Harbors ("Director"), with the Chief Executive Officer ("CEO"), to negotiate an amendment ("Amendment") to the Second Amended and Restated Marina City Club Ground Lease ("Lease"), which Amendment shall, among other things, provide that all Category B condo owners may convert into Category A as defined in the Lease subsequent to the effective date of the Amendment.
3. Delegate authority to the Director and CEO to negotiate in accordance with the terms set forth in Paragraph 2 above, including without limitation, any other terms necessary to effectuate the Amendment and other related documents; and delegate authority to the Director to execute the Amendment and other related documents.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 22, 2003, your Board consented to the assignment of the Lease to Essex Marina City Club, L.P. ("Lessee") for Marina City Club ("Parcel 125R"). The Lease is the only ground lease in Marina del Rey (and the only County-owned property generally) that allows condo ownership as well as apartment rentals. At the time the condos were approved in 1988, it was agreed that condo owners would pay ground rent to the County (via Lessee) that would substitute for the rent the County would have otherwise received if the units had remained as apartments rather than converting to condos. That ground rent represents a percentage of what the apartment rent paid to Lessee would have been at market rates (referred to as the "Shadow Rent" under the Lease) had the Lessee not converted the apartments into condo units. The Shadow Rent itself is not paid to anyone; it is merely used as a tool to calculate the ground rent payable to the County. Both the Percentage Rent and the Shadow Rent are adjusted periodically pursuant to the Lease.

Lease Amendment No. 4, which your Board approved on June 22, 2004, created two (2) categories of condominium subleases. Category A unit owners had to modify their respective subleases to opt into the provisions of Amendment No. 4 which, among other things, provided for a temporary freeze on annual increases to the Shadow Rent, with a fixed increase (3.75%) thereafter, a mechanism for such accumulated rents to fund certain repairs, and a mechanism to repay to the County the advanced and deferred rent (including an increase of 1.5% in the condo transfer fee, payable to the County). Category

B unit owners, on the other hand, who did not opt into the provisions of Amendment No. 4 were subject to a variable rent increase, assessed individually for covered repairs, and were subject to a 1 % transfer fee. There are only nine (9) condo units (out of a total of 600) that are Category B units.

One Category B unit owner has recently requested that his condo be converted to a Category A unit; according to the Marina City Club Condominium Owners Association ("COA"), the other Category B owners are also considering converting their units to Category A units. To the extent that all the Category B units are converted to Category A units, the proposed elimination of multiple categories of condo owners with different rent calculation formulas will help ease the administrative burden on the Department of Beaches and Harbors ("Department") and promote more efficient administration of the Lease.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

In furtherance of County Goal #3, "Realize Tomorrow's Government Today," Strategy III.3, "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability," the proposed delegation of authority will allow Director to find solutions that ensure resources are expended in a responsible, efficient and strategic manner.

FISCAL IMPACT/FINANCING

The Department's operating budget will be minimally impacted by the proposed Amendment.

Costs of consultants and primary County staff involved in the negotiation and development of the Amendment shall be reimbursed by the Lessee pursuant to the terms of the Lease and a reimbursement agreement between the County and the COA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the Lease commenced on November 7, 1986 and will expire on July 29, 2067. The Marina City Club development contains 600 condominium units, 101 low-rise apartment units, a marina, a promenade, commercial spaces, a restaurant, and certain common area facilities. As noted, Marina City Club is unique in that it is the only leasehold in Marina del Rey that allows for condo ownership; all of the other residential properties in the Marina are comprised of rental apartment units only.

At its meeting of _____, the Small Craft Harbor Commission _____ the Department recommendation that your Board delegate

authority to the Director to negotiate and execute the proposed Amendment for Parcel 125R.

The proposed Amendment is authorized by Government Code sections 25536 and 25907 and will be approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Approval of the proposed Amendment is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301 (Existing Facilities). Approval of the recommended actions will not result in any expansion of the existing use of the Marina City Club property.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

Please return one adopted copy of this letter to the Department of Beaches and Harbors, Asset Management Division. Should you have any questions, please contact Don Geisinger at (424) 526-7730 or dgeisinger@bh.lacounty.gov.

Respectfully submitted,

GARY JONES

Director

GJ:AC:dlg

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



Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

October 30, 2019

TO: Small Craft Harbor Commission

FROM:  Gary Jones, Director

SUBJECT: **ITEM 7c – APPROVAL OF AMENDMENT NO. 6 TO MASTER LEASE NO. 12560 FOR THE DECENNIAL RENT RENEGOTIATION
PARCEL 56S (FISHERMAN'S VILLAGE) – MARINA DEL REY**

Item 7c on your agenda pertains to Amendment No. 6 for Parcel 56S (Fisherman's Village), which reflects the results of the Decennial Rent Renegotiation of the lease's minimum rent, percentage rent, and insurance provisions.

September 1, 2017 was the last Decennial Rent Renegotiation before the expiration of the lease on August 28, 2027.

Attached is a copy of the Board letter that explains the details of the proposed amendment. Your Commission's endorsement of the recommendation to the Board of Supervisors to approve the proposed amendment is requested. Staff will inform the Commission should there be any material change made prior to the letter's submission to the Board of Supervisors for approval.

GJ:AC:SP:SVG:nr

Attachment





Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

Month-Date, 2019

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 AMENDMENT NO. 6
TO LEASE AGREEMENT NO. 12560 PARCEL 56S – MARINA DEL REY
(FOURTH DISTRICT) (4 VOTES)**

SUBJECT

This Board letter requests approval of Lease Amendment No. 6 to Marina del Rey Lease No. 12560 for Parcel 56S (Fisherman's Village) that readjusts the rates for minimum annual rent, certain categories of percentage rentals, and updates the insurance requirements.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed Lease Amendment No. 6 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).
2. Approve and authorize the Chair of the Board to sign the attached Amendment No. 6 to the Lease pertaining to the readjustment of the rates for minimum annual rent, certain categories of percentage rentals, and the insurance requirements updates for the ten-year period ending August 28, 2027.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Marina del Rey leases generally provide for the periodic review of leasehold rents to ensure that the percentage rents payable to the County are maintained at current Fair Market Rental Value levels and the amount of general liability insurance is adequate to protect the County's interests.

Amendment No. 6 provides for the adjustment of the rates for increased minimum rental amount, certain categories of percentage rentals, and updates the insurance requirements retroactively to September 1, 2017. The Lease set forth the above-referenced adjustments starting as of September 1, 1997, and every tenth anniversary thereafter.

Per the terms of the lease, Amendment No. 6 adjusts the rates for minimum annual rental and certain categories of percentage rentals to the Fair Market Rental Value, as of September 1, 2017, and updates the insurance provisions as follows:

- The new annual minimum rent is \$510,814.92 payable in \$42,567.91 monthly installments.
- Percentage rental rates for the following categories are adjusted as follows:
 - Bicycle rentals are a new income category at 10%.
 - Commercial boating activities category is increased from 4.5% to 6%;
 - Dry Storage income category is increased from 10% to 20%;
 - Category of gross receipts or other fees charged for the occupancy of structures and other facilities other than Apartments or Offices is increased from 7.5% to 10.5%;
 - Category of gross receipts or other fees charged for the occupancy of Offices is increased from 11% to 12%;
 - Category of gross receipts from the operation of all stores, shops or boutiques selling items at retail is increased from 1.5% to 4%;
 - No change for the other percentage rent categories.
- Amendment No. 6 incorporates changes to the insurance provisions.

Finally, Amendment No. 6 provides for a reconciliation of the rent, retroactive to the September 1, 2017 Rental Adjustment Date and requires payment of any additional rent owed to the County as a result of the rent readjustment.

Implementation of Strategic Plan Goals

The recommended action will keep County's percentage rents at Parcel 56S comparable to other Marina del Rey leaseholds in fulfillment of the Strategic Plan Goal No. III.3.2 (Manage and Maximize County Assets).

FISCAL IMPACT/FINANCING

Proposed Amendment No. 6 would result in an increase in the annual minimum rent from \$336,324 to \$510,814.92, an increase of \$174,490.92 based on 75% of the total average annual rent payable by the Lessee to the County over the three years preceding September 1, 2017.

Proposed Amendment No. 6 would result in an increase in the total annual leasehold rent of approximately \$52,000 as a result of the adjusted percentage rent. The total annual leasehold rent is a combination of the annual minimum rent plus any additional

percentage rent due to the County over and above the annual minimum rent. The Lessee has been paying the County percentage rent on top of the minimum rent for the past several years. Therefore, the change in total annual leasehold rent is a result of the change in percentage rent. The estimated annual leasehold rent increase will be recognized as Fiscal Year 2019-20 one-time over-realized revenues and will be included in the Department's Fiscal Year 2020-21 operating budget. Lessee will submit payment to the County 30 days following your Board's approval. The County will receive a Retroactive Payment of approximately **\$133,000** as Fiscal Year 2019-20 one-time over-realized revenues.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parcel 56S, commonly known as Fisherman's Village, is improved with five building structures containing 49 commercial/retail units and 2 restaurants. The property also has 35 boat slips. The Lease term is expiring on August 28, 2027, coterminous with the ending of the 10-year rent adjustments per Amendment No. 6.

This proposed Amendment No. 6 has been approved as to form by County Counsel. At its meeting on October 30, 2019, the Small Craft Harbor Commission _____ the Director's recommendation that your Board approve and execute the proposed Amendment.

ENVIRONMENTAL DOCUMENTATION

The proposed lease Amendment No. 6 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 or projects from your Board's approval of Amendment No. 6.

CONCLUSION

Please instruct the Executive Officer of the Board to send an adopted-stamped copy of this letter to the Department of Beaches and Harbors, retaining a copy for your records. Should you have any questions, please contact Natasha Robinson at (424) 526-7742 or NRobinson@bh.lacounty.gov.

Respectfully submitted,

GARY JONES
Director

GJ:AC:SP:SVG:nr

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

**AMENDMENT NO. 6 TO LEASE AGREEMENT NO. 12560
PARCEL NO. 56S – MARINA DEL REY**

THIS LEASE AMENDMENT NO. 6 ("Amendment" or "Amendment No. 6") is made and entered into this _____ day of _____, 2019 (the "Effective Date").

BY AND BETWEEN

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

AND

**GOLD COAST VILLAGE, LLC
a Delaware limited company,
as successor-in-interest to
MARINA INTERNATIONAL PROPERTIES, LTD,
a California limited partnership,
hereinafter referred to as "Lessee".**

RECITALS:

WHEREAS, on August 29, 1967, County and Lessee entered into the Lease Agreement No. 12560 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 56S, which premises are more particularly and legally described in Exhibit "A" (the "Premises") 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 15.(a) of the Lease requires renegotiation of the rates for square foot rental, all categories of percentage rentals, and liability insurance requirements as of September 1, 1997, and as of September 1 every tenth (10th) year thereafter (each such date is hereafter referred to as a "Rental Adjustment Date"). The rates of square foot rental and percentage rentals shall be readjusted to Fair Market Rental Value in accordance with the standards established in Section 15.(i) of the Lease; and

WHEREAS, Section 15.(ii) of said Lease provides that the liability insurance limits shall be readjusted on each Rental Adjustment Date; and

WHEREAS, all capitalized terms used but not otherwise defined herein shall have the same meanings given such terms in the Lease; and

WHEREAS, disputes have arisen between County and Lessee, and County initiated the Arbitration Process by written notice dated as of August 14, 2018; and

WHEREAS, the parties hereto have terminated the Arbitration Process and have reached an agreement with respect to the required adjustments which are in effect for a ten (10) year period as of September 1, 2017, and wish to amend the Lease as set forth herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and the mutual agreements, covenants and conditions contained herein, the parties agree as follows:

1. **Square Foot Rental.** Effective as of September 1, 2017, Section 12 of the Lease is deleted in its entirety and replaced with the following:

As of September 1, 2017, the annual square foot rental is \$510,814.92 payable in monthly installments of \$42,567.91 each, and continuing throughout the remainder of the Lease term.

Notwithstanding any contrary provision hereto, in no event shall the annual square foot rental be reduced to less than the annual square foot rental in effect immediately prior to the then-applicable Adjustment Date as a result of renegotiation or arbitration.

2. **Percentage Rent.** Effective as of September 1, 2017, the following subsections are substituted for the corresponding subsections in Section 13 of the Lease:

(b) (i) TWENTY percent (20%) of gross receipts from the rental or other fees charged for the use of dry storage facilities, landside gear lockers, landside storage space, motors, tackle, recreational equipment, tools, equipment, launch and retrieving of small boats (collectively, "Dry Storage").

Bicycle rentals are a new income category to be reported under the new subsection 13 (b) (iii):

(b) (iii) TEN percent (10%) of gross receipts received by Lessee or any sublessee from the rental or other fees charged for the use of bicycles.

(c) (ii) TEN AND ONE-HALF percent (10.5%) of gross receipts or other fees charged for the occupancy of structures and other facilities other than Apartments or Offices, such as (1) house trailers, (2) meeting rooms, (3) rental of land and/or water or facilities for activities not otherwise provided for in this Section, such as, but not limited to television and/or motion pictures, and (4) parking fees or charges except where such parking fees or charges are collected in conjunction with an activity, the gross receipts from which are required to be reported in a percentage category greater than TEN AND ONE-HALF percent (10.5%).

(c) (iii) TWELVE percent (12%) of gross receipts or other fees charged for the occupancy of offices utilized for banking, financial or investment activities, internal clerical or administrative activities or business enterprises, real estate and insurance brokerage, legal, medical, engineering, travel agencies, or similar professional services (collectively, "Offices"), but not to include, however, stores, shops or other commercial establishments, the gross receipts pertaining to which are subject to percentage rentals and specifically required to be reported under other subsections of this Section;

(g) (i) SIX percent (6%) of gross receipts received by Lessee or any sublessee of any commissions or fees collected from commercial boating activities including, but not limited to, charter boat, bareboat charters and tour boats (collectively, "Charter and Tour Boats"). Notwithstanding anything to the contrary set forth in the Lease, Lessee shall be obligated to pay to County no less than \$80,000.00 per year pursuant to this paragraph 13 (g) (i).

(t) FOUR percent (4%) of gross receipts from the operation of all stores, shops or boutiques selling items at retail ("Retail Stores").

Retroactive Rent and Interest. In conformance with Sections 15(e) and 15(e)(ii) of the Lease, Lessee shall pay to County the difference between the actual rents paid by Lessee and the rents that should have been paid in accordance with the new rental rates as so determined by Amendment No. 6 (the "Retroactive Payment"). The County shall be entitled to interest on each portion of the Retroactive Payment from each date on which the applicable square foot rental and percentage rentals were payable under the Lease to the date paid.

The interest rate shall be the average County Pool Rate for the six month period after the Rental Adjustment Date, and the average prime rate published in the Wall Street Journal plus three percent (3%) for the period between that date which is six months after the Rental Adjustment Date and the actual payment date.

3. **Security Deposit.** Commencing on the Effective Date of this Amendment, **the first sentence** of Lease Section 7 is deleted and replaced with the following:

"Lessee shall deliver to and maintain with County a security deposit (the "Security Deposit") in an amount equal to the sum of three (3) times the monthly minimum Rent in effect during the Term of the Lease.

4. **Insurance.** Commencing on the Effective Date of this Amendment, Sections 25 through 28 of the Lease are deleted in their entirety and the following substituted thereof:

Section 25 INDEMNIFICATION

The Lessee shall indemnify, defend and hold harmless the County of Los Angeles ("County"), from and against any and all liability, loss, injury or damage including (but not limited to) demands, claims, actions, fees, costs and expenses (including attorney

and expert witness fees), arising from or connected with the Lessee's repair, maintenance and other acts and omissions arising from and/or relating to the Lessee's use of the Premises.

Section 26 PROPERTY INSURANCE

I. GENERAL INSURANCE PROVISIONS - LESSEE REQUIREMENTS

Without limiting the Lessee's indemnification of County and during the term of this Lease, and until all of its obligations pursuant to this Lease have been met, Lessee shall obtain and maintain at its own expense insurance coverage satisfying the requirements specified in this Lease. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Lessee pursuant to this Lease. The County in no way warrants that the Required Insurance is sufficient to protect the Lessee for liabilities which may arise from or relate to this Lease.

A. Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Lessee's General Liability policy, shall be delivered to County at the address shown below and provided prior to the start day of this Lease.
- Renewal Certificates shall be provided to County not less than 10 days prior to Lessee's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Lessee insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Lease by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Lessee identified in this Lease. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding twenty five thousand (\$25,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Lessee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements, and notices of cancellation shall be delivered to:

County of Los Angeles
Department of Beaches and Harbors
13837 Fiji Way, Marina del Rey, CA 90292
Attention: Asset Management

- Lessee also shall promptly notify County of any third party claim or suit filed against Lessee which arises from or relates to this Lease, and could result in the filing of a claim or lawsuit against Lessee and/or County.

B. Additional Insured Status and Scope of Coverage

The County, which is the County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents), shall be provided additional insured status under Lessee's General Liability policy with respect to liability arising from or connected with the Lessee's acts, errors, and omissions arising from and/or relating to the Lessee's operations on and/or its use of the Premises. County's Additional Insured status shall apply with respect to liability and defense of suits arising out of the Lessee's acts or omissions, whether such liability is attributable to the Lessee or to the County. The full policy limits and scope of protection also shall apply to the County as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance

Lessee shall provide the County with, or Lessee's insurance policies shall contain a provision that the County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Lease, in the sole discretion of the County, upon which the County may suspend or terminate this Lease.

D. Failure to Maintain Insurance

Lessee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Lease, upon which County immediately may suspend or terminate this Lease. County, at its sole discretion, may obtain damages from Lessee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Lessee, pursue Lessee reimbursement.

E. Insurer Financial Ratings. Insurance is to be provided by an insurance

company authorized to do business in California and acceptable to the County, with an A.M. Best rating of not less than A:VII, unless otherwise approved by the County.

F. Lessee's Insurance Shall Be Primary

Lessee's insurance policies, with respect to any claims related to this Lease, shall be primary with respect to all other sources of coverage available to County. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Lessee coverage.

G. Waiver of Subrogation

To the fullest extent permitted by law, the Lessee hereby waives its and its insurer(s) rights of recovery against County under all required insurance policies for any loss arising from or related to this Lease. The Lessee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

H. Deductibles and Self-Insured Retentions (SIRs)

Lessee's policies shall not obligate the County to pay any portion of any Lessee deductible or SIR. The County retains the right to require Lessee to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Lessee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

I. Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the start date of this Lease. Lessee understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Lease expiration, termination or cancellation.

J. Application of Excess Liability Coverage

Lessee may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

K. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

L. County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

II. INSURANCE COVERAGE TYPES AND LIMITS

- A. **Commercial General Liability Insurance** providing scope of coverage equivalent to ISO policy form CG 00 01, naming County and its Agents as an additional insured, with limits of not less than:

Commercial General Liability Insurance:

General Aggregate:	\$ 10M
Products/Completed Operations Aggregate:	\$ 10M
Personal and Advertising Injury:	\$ 5M
Each Occurrence:	\$ 5M

Liquor Liability:

General Aggregate:	\$ 10M
Each Occurrence:	\$ 5M

Marina Operator Liability:

General Aggregate:	\$ 10M
Each Occurrence:	\$ 5M

- B. **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Lessee's use of autos related to this Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable. Any Lessee whose business includes auto garage, auto servicing or similar operations also shall endorse its policy to provide **Garagekeeper's Liability coverage** (written on ISO form CA 99 37 or its equivalent) with a limit of not less than the amount determined by the County, prior to a commencement of any above-mentioned business operation for the Leased premises.
- C. **Workers Compensation and Employers' Liability insurance** or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Lessee's employees will be engaged in maritime operations, coverage also shall be arranged to provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers Compensation Act, Jones Act or any other federal law for which Lessee is responsible.
- D. **Commercial Property Insurance.** Such coverage shall:
- Provide coverage for Lessee's property, and any improvements and betterments. Coverage shall be at least as broad as that provided by the Causes-of-Loss Special Form (ISO form CP 10 30), including earthquake (if

Lessee deems it reasonable), Ordinance or Law Coverage, flood, and Business Interruption equal to two (2) years annual rent;

- Be written for the full replacement cost of the property, with a deductible no greater than \$250,000 or 5% of the property value whichever is less. Insurance proceeds shall be payable to the Lessee and County as their interests may appear and be utilized for repair and restoration of the Premises. Failure to use such insurance proceeds to timely repair, restore, and rebuild the Premises shall constitute a material breach of the Lease.

E. Liquor Liability insurance (written on ISO policy form CG 00 33 or 34 or their equivalent) shall be provided and maintained by the Lessee's subtenants if and when the manufacturing, distribution or service of alcoholic beverages occurs on the Premises, with limits of not less than \$5 million per occurrence and \$10 million aggregate. If written on a "claims made" form, the coverage shall also provide an extended two (2) year reporting period commencing upon the expiration or earlier termination of this Lease, or replacement coverage shall be maintained until such time.

F. Marina Operator's Liability insurance shall be provided and maintained by the Lessee if operating a marina, berthing, docking, and/or launching of boats and/or pleasure crafts, and/or use of floating docks, piers and/or ramps, with limits of not less than \$5 million per occurrence and \$10 million aggregate. If written on a "claims made" form, the coverage shall also provide an extended two (2) year reporting period commencing upon the expiration or earlier termination of this Lease, or replacement coverage shall be maintained until such time.

G. Construction Insurance. If major construction work is performed by Lessee during the term of this Lease (i.e. demolition of structures, construction of new structures, renovation or retrofit involving structures frame, foundation or supports, or more than 50% of building, etc.) then Lessee or Lessee's contractor shall provide the following insurance. County will determine the coverage limits required on a project by project basis, prior to a commencement of any construction.

- **Builder's Risk Course of Construction Insurance.** Such coverage shall insure against damage from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30). This insurance shall be endorsed to include earthquake, flood, ordinance or law coverage, coverage for temporary offsite storage, debris removal, pollutant cleanup and removal, testing, preservation of property, excavation costs, landscaping, shrubs and plants, and full collapse coverage during construction, without restricting collapse coverage to specified perils. Such insurance shall be extended to include boiler & machinery coverage for air conditioning, heating and other equipment during testing. This insurance shall be written on a completed-value basis and

cover the entire value of the construction project, including County furnished materials and equipment, against loss or damage until completion and acceptance by the Lessee and the County if required.

- **General Liability Insurance.** Such coverage shall be written on ISO policy form CG 00 01 or its equivalent, naming County as an additional insured, with limits of not less than the amount determined by the County, prior to a commencement of any construction, on a project by project basis:

General Aggregate:

Products/Completed Operations Aggregate:

Personal and Advertising Injury:

Each Occurrence:

The Products/Completed Operations coverage shall continue to be maintained in the amount indicated above for at least two (2) years from the date the Project is completed and accepted by the Lessee and the County if required.

- **Automobile Liability.** Such coverage shall be written on ISO policy form CA 00 01 or its equivalent with limits of not less than the amount determined by the County, prior to a commencement of any construction, on a project by project basis for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Such insurance shall cover liability arising out of Lessee's or Lessee's contractor use of autos pursuant to this Lease, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- **Professional Liability.** Such insurance shall cover liability arising from any error, omission, negligent, or wrongful act of the Lessee's contractor and/or licensed professional (i.e. architects, engineers, surveyors, etc.) with limits of not less than the amount determined by the County, prior to a commencement of any construction, on a project by project basis per claim and double of the above-mentioned amount per claim limit aggregate. The coverage shall also provide an extended two-year reporting period commencing upon expiration, termination or cancellation of the construction project.
- **Workers Compensation and Employers' Liability Insurance** or qualified self-insurance satisfying statutory requirements. Such coverage shall provide Employers' Liability coverage with limits of not less than \$1 million per accident. Such policy shall be endorsed to waive subrogation against the County for injury to the Lessee's or Lessee's contractor employees. If the Lessee's or Lessee's contractor employees will be engaged in maritime employment, the coverage shall provide the benefits required by the *U.S. Longshore and Harbor Workers Compensation Act*,

Jones Act or any other federal law to which the Lessee is subject. If Lessee or Lessee's contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision.

- **Asbestos Liability or Contractors Pollution Liability Insurance** is needed if construction requires remediation of asbestos or pollutants. Such insurance shall cover liability for personal injury and property damage arising from the release, discharge, escape, dispersal, or emission of asbestos or pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring, and treatment of asbestos in compliance with governmental mandate or requests. If the asbestos or pollutant will be removed from the construction site, asbestos or pollution liability is also required under the Lessee's or Lessee's contractor Automobile Liability Insurance. Lessee or Lessee's contractor shall maintain limits of not less than the amount determined by the County, prior to a commencement of any construction, on a project by project basis.

Performance Security Requirements. Prior to the beginning of construction Lessee shall require its contractor to file surety bonds with the Lessee and the County if required in the amounts and for the purposes noted below. All bonds shall be duly executed by a solvent surety company that is authorized by the State of California, is listed in the United States Department of the Treasury's Listing of Approved Sureties Treasury (Circular 570) and is satisfactory to the County, and it shall pay all premiums and costs thereof and incidental thereto (see www.fms.treas.gov/c570/).

Each bond shall be signed by the Lessee's Contractor (as Principal) and the Surety.

The Lessee's contractor shall give two surety bonds with good and sufficient sureties: the first in the sum of not less than 100% of the Project price to assure the payment of claims of material men supplying materials to Lessee's contractor, subcontractors, mechanics, and laborers employed by the Lessee's contractor on the Project, and the second in the sum of not less than 100% of the Project price to assure the faithful performance of the Project Contract.

1. The "Materials and Labor Bond" (or "Payment Bond") shall be so conditioned as to inure to the benefit of persons furnishing materials

for, or performing labor upon the Work. This bond shall be maintained by the Lessee's contractor in full force and effect until the Work is completed and accepted by the Lessee and the County if required, and until all claims for materials, labor, and subcontracts are paid.

2. The "Bond for Faithful Performance" shall be so conditioned as to assure the faithful performance by the Lessee's contractor of all Work under said Project contract within the time limits prescribed, including any maintenance and warranty provisions, in a manner that is satisfactory and acceptable to the Lessee and the County if required; that all materials and workmanship supplied by Lessee's contractor will be free from original or developed defects, and that should original or developed defects, or failures appear within a period of one year from the date of Acceptance of the Work by the Lessee and the County if required, the Contractor shall, at Contractor's own expense, make good such defects and failures, and make all replacements and adjustments required, within a reasonable time after being notified by the Lessee to do so, and to the approval of the County if required. This bond shall be maintained by the Lessee's contractor in full force and effect during the performance of the Project and for a period of one year after acceptance of the Work by the Lessee and the County if required.

Should any surety or sureties upon said bonds or any of them become insufficient, or be deemed unsatisfactory by the Lessee or the County, said Contractor shall replace said bond or bonds with good and sufficient sureties within ten (10) days after receiving notice from the Lessee or the County that the surety or sureties are insufficient or unsatisfactory.

No further payment shall be deemed due, or will be made under this Contract until the new sureties shall qualify and be accepted by the Lessee and the County.

Section 27 and Section 28 are INTENTIONALLY OMITTED

5. **Counterparts.** This Amendment may be signed in counterparts. Each counterpart represents an original of this Amendment and all such counterparts shall collectively constitute one fully-executed document.
6. **Miscellaneous.** Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and 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 the event of a conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 6 as of the date first above written.

THE COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

LESSEE

GOLD COAST VILLAGE, LLC,
A Delaware limited liability company

By: Golden Pacific, LLC,
A Delaware limited liability company

Its: Managing Member

Michael Pashaie, Manager

By: Jade Pacific, LLC,
A Delaware limited liability company

Its: Managing Member

David Taban, Manager

ATTEST:

CELIA ZAVALA,
Executive Officer
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By: _____
Deputy



Caring for Your Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

John Kelly
Deputy Director

Amy M. Caves
Deputy Director

October 30, 2019

TO: Small Craft Harbor Commission

FROM: Gary Jones, Director

SUBJECT: **ITEM 8 - ONGOING ACTIVITIES REPORT**

BOARD ACTIONS ON ITEMS RELATING TO MARINA DEL REY

On October 15, 2019 the Board of Supervisors (BOS) approved and instructed the Chair to sign the Amendment No. 10 to Lease No. 6001 pertaining to the extension of the lease term to May 31, 2027, and find that the proposed Amendment No. 10 is exempt from the California Environmental Quality Act.

On October 15, 2019 the BOS consented to the proposed assignment of Lease Agreement No. 77827 for Avalon Marina Bay, Parcel 8T, in Marina del Rey from the current lessee Archstone Marina Bay Nominee LP, to TC Marina Del Rey, LLC, CG Marina Del Rey, LLC, and JSP Marina Del Rey, LLC, as tenants in common; authorized the Director of Beaches and Harbors to execute any consents, estoppels, or other related documentation necessary to effectuate the assignment of Parcel 8T; and found that the proposed actions are exempt from the California Environmental Quality Act.

On October 15, 2019 the BOS executed Amendment No. 4 to Marina del Rey Master Amended and Restated Lease No. 55623 for the Ritz-Carlton Hotel pertaining to the readjustment of the insurance provisions; and found that the proposed Lease Amendment No. 4 is categorically exempt from the California Environmental Quality Act. The proposed Amendment No. 4 incorporates changes to the Lease's indemnity clause, insurance requirements, and miscellaneous insurance provisions to conform to the Chief Executive Office Risk Management Branch's current and more stringent requirements.

REGIONAL PLANNING COMMISSION'S CALENDAR

No items relating to Marina del Rey were on the Regional Planning Commission's agenda during September 2019.

CALIFORNIA COASTAL COMMISSION CALENDAR

No items relating to Marina del Rey were on the September 2019 California Coastal Commission agenda.

REDEVELOPMENT PROJECT STATUS REPORT

The updated "Marina del Rey Redevelopment Projects Report" is attached.

DESIGN CONTROL BOARD MINUTES

The December 2018 and September 2019 meeting minutes are pending approval.

MARINA DEL REY SLIP REPORT

In August 2019, the overall vacancy rate across all anchorages in Marina del Rey stood at 10.1%. Adjusted to remove out-of-service slips and 50% of available double slips, the vacancy rate within Marina del Rey stood at 9.4%. The vacancy data by anchorage and slip length are provided in the document attached.

CALIFORNIA COASTAL COMMISSION SLIP REPORT

Pursuant to certain conditions of the Coastal Development Permit (5-11-131) issued by the California Coastal Commission, the County is required to maintain certain minimum thresholds of slip sizes as a percentage of the entire Marina. A report of the percentage of each size category as a percentage of all available slips in the Marina is attached.

FISHERMAN'S VILLAGE PROGRESS REPORT

No further updates for this item.

ILLEGAL BOAT CHARTER ENFORCEMENT

Beaches and Harbors' Code Enforcement Unit continues to monitor and deter illegal charter boat activities at the public launch ramp and Chace Park docks. The US Coast Guard also has an enforcement program in Marina del Rey, and encourages reporting illegal boat charters to its office at (310) 521-3770 or SECLALB@uscg.mil.

GJ:AC:SP:yw

Attachments (5)

**Marina del Rey Redevelopment Projects Report
As of October 22, 2019**

Parcel No. Project Name	Representative	Redevelopment Proposed	Massing and Parking	Status
9 -- Proposed Hotel on northern portion of Parcel 9U, wetland park on southern portion.	Sam Hardage	<p>* Proposed dual building hotel, 6-story, 72'-high Marriott Residence Inn, and, 5-story, 61'-high Courtyard Marriott.</p> <p>* New promenade improvements, restaurants and amenities.</p> <p>* Wetland public park project (1.46 acres).</p>	<p>Massing -- One six-story, 72' high hotel and one five-story 61' high hotel.</p> <p>Parking -- 231 parking spaces serving the hotel and wetland park.</p>	<p>Proprietary -- Option was approved by BOS on 10/6/15. Lease was executed on July 31, 2017</p> <p>Regulatory -- January 6, 2016, the BOS' approval of the hotel project was appealed to the CCC. On May 13, 2016, the CCC granted a time extension, until December 12, 2016, for the wetland park CDP. On July 11, 2016, work began on the wetland park. On April 26, 2017, the DCB approved the final design of the hotel project. Construction of the hotel began on August 11, 2017, and anticipated completion date is January 2021.</p>
10/14 (FF) -- Neptune Marina/ Legacy Partners	Tim O'Brien	<p>* Demolish existing facilities and build 526 apartments.</p> <p>* 161-slip marina + 7 end-ties.</p> <p>* 28 foot-wide waterfront promenade.</p>	<p>Massing -- Four 55' tall clustered 4-story residential buildings over Parking with view corridor.</p> <p>Parking -- 1,012 project required parking spaces to be provided (103 public Parking spaces to be replaced off site)</p> <p>* Replacement of public parking both on and off site.</p>	<p>Proprietary -- December 1, 2015, the BOS agreed to extend the term of the option for up to one year. Lessee submitted Lease Assignments and Assignments of Options to extend existing lease for Parcel 10 and the lease for Parcel 14. The SCHC endorsed the assignments on September 21, 2016 and the BOS approved on October 4, 2016. Parcel 10 and 14 Lease as executed on 12/9/16. Construction commenced on December 14, 2016, and anticipated completion date is October 30, 2019.</p> <p>Regulatory -- On January 21, 2015, the final project design was approved by the Design Control Board. On December 12, 2016, work began on the project. Project completion is expected in January 2020.</p>

**Marina del Rey Redevelopment Projects Report
As of October 22, 2019**

Parcel No. Project Name	Representative	Redevelopment Proposed	Massing and Parking	Status
43 -- Marina del Rey Hotel Anchorage	Jeff Pence	* Demolition of a 349-slip marina and construction of a 277-slip marina.	Massing -- Parking --163 spaces for boaters	<p>Proprietary -- BOS approved bifurcation of Parcels 42 and 43 into separate leaseholds Lessee exercised its option to expand the lease term. Lease was executed on 12/22/15, and project is under construction.</p> <p>Regulatory -- Dock replacement will be phased during a 5-year period beginning in 2015. Reconstruction of the docks commenced in November 2016.</p> <p>Regulatory Matter: Parking Permit for reduced Parking.</p>
44 - Pier 44/Pacific Marina Venture	Michael Pashaie/ David Taban	<p>* Build 5 new visitor serving commercial and dry storage buildings</p> <p>* 82,652 s.f. visitor serving commercial space</p> <p>* 141 slips + 5 end ties and 57 dry storage spaces</p>	<p>Massing -- Four new visitor-serving commercial buildings, maximum 36' tall and one dry stack storage building, 65' tall. 771.5 lineal feet view corridor proposed.</p> <p>Parking -- 381 at grade Parking spaces will be provided with shared Parking agreement (402 Parking spaces are required).</p>	<p>Proprietary -- The lessee initialed a revised Term Sheet on July 9, 2015. On January 13, 2016, SCHC endorsed DBH's recommendation to grant lessee an option to extend the lease term for 39 years. The Grant of Option was approved by the BOS in October 2016. Amended and restated lease was executed on August 24, 2017. Construction began on September 11, 2017. Trader Joe's opened on 4/18/19. Project completion is expected in early 2020.</p> <p>Regulatory -- February 9, 2016, the BOS approved the project, which was appealed to the CCC. CCC denied the appeal on June 9, 2016.</p> <p>Regulatory Matter: Shared Parking Agreement.</p>

**Marina del Rey Redevelopment Projects Report
As of October 22, 2019**

Parcel No. Project Name	Representative	Redevelopment Proposed	Massing and Parking	Status
113 -- Mariner's Village	Michael Sondermann	<ul style="list-style-type: none"> * Complete leasehold refurbishment of 981 apartments * Retail space increase from 2,070 s.f. to 9,000 s.f. * New 92-slip anchorage will be constructed * New 28 foot-wide pedestrian promenade and public amenities 	<p>Massing -- Existing buildings to remain.</p> <p>Parking -- Existing parking to remain.</p>	<p>Proprietary -- Item opened on 9/23/2013. On October 30, 2018, the Los Angeles County Board of Supervisors approved an option for an amended at restated lease. The revised project will include 20% affordable and senior units.</p> <p>Regulatory --</p>
15 -- AMLI Residential	Jason Armison	<ul style="list-style-type: none"> * Demolish existing facilities and build 585 apartments * New 8,000 s.f. commercial space * New 241 boat slip marina * New 1,271-Parking space garage 	<p>Massing -- Six buildings up to 5 stories and 70' high</p> <p>Parking -- All Parking to be provided on site within new 1,271-space Parking garage</p>	<p>Proprietary -- The lease was executed on 1/30/14. Construction commenced on July 1, 2014, and anticipated completion date is October 2018.</p> <p>Regulatory -- June 30, 2014, demolition of the site commenced. October 2016 --Construction of project is underway. Project completion is expected in late 2019.</p>
28 -- Wayfarer	Tim O'Brien	<ul style="list-style-type: none"> * Complete leasehold refurbishment of 379 apartments * New bicycle depot for public use * Improvements to existing promenade and dock gates and public amenities * Replacement of existing docks within 6 months of completed of landside renovation 	<p>Massing -- Seven buildings up to 3 stories high</p> <p>Parking -- Existing subterranean Parking structure contains 947 Parking spaces.</p>	<p>Proprietary -- The MND for the project was adopted by the BOS at the March 24, 2015 meeting. Board also approved a future assignment to Legacy. Option was exercised and lease executed on 9/25/15. Project is under construction and anticipated completion date for the landside portion of the project is August 2018. In July 2017, the CCC granted permission to begin the dock reconstruction project. The Dock project was completed in October 2019.</p> <p>Regulatory -- On July 15, 2015, the DCB approved the final design of the project. Construction commenced in December 2015.</p>

Marina del Rey Slip Vacancy Report

Aug-19	17-25			26-30			31-35			36-40			41-45			46-50			51+			TOTAL VACANT	TOTAL AVAILABLE	%VAC	TTL OFF-LINE	TTL including OFF-LINE
Marina	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC	VAC	AVAIL	%VAC					
P1																			1	5	20.0%	1	5	20.0%		4524
P7	1	8	12.5%	4	80	5.0%	1	44	2.3%	1	42	2.4%	2	12	16.7%		7	0.0%		21	0.0%	9	214	4.2%		
P8		15	0.0%		48	0.0%	1	82	1.2%		38	0.0%		16	0.0%		7	0.0%		1	0.0%	1	207	0.5%		
P10																									180	
P12							8	30	26.7%	12	53	22.6%	7	58	12.1%	7	44	15.9%	1	31	3.2%	35	216	16.2%		
P13					3	0.0%	1	33	3.0%	2	70	2.9%	5	36	13.9%		36	0.0%		8	0.0%	8	186	4.3%		
P15	2	14	14.3%	27	40	67.5%	38	49	77.6%		6	0.0%										67	109	61.5%	114	
P18	11	198	5.6%	6	68	8.8%		41	0.0%		39	0.0%		26	0.0%		18	0.0%		34	0.0%	17	424	4.0%		
P20		42	0.0%		59	0.0%		21	0.0%		9	0.0%		8	0.0%								139	0.0%		
P21	34	121	28.1%	1	51	2.0%					10	0.0%										35	182	19.2%		
P28	2	5	40.0%	14	49	28.6%	37	44	84.1%	3	22	13.6%	45	67	67.2%	10	24			1	0.0%	111	212	52.4%	87	
P30		8	0.0%	2	70	2.9%	3	51	5.9%		33	0.0%		26	0.0%	1	52	1.9%		55	0.0%	6	295	2.0%		
P41	5	90	5.6%		24	0.0%	1	34	2.9%													6	148	4.1%		
P43		28	0.0%	10	78	12.8%	16	96	16.7%	3	21	14.3%	2	32	6.3%	6	32	18.8%	4	33	12.1%	41	320	12.8%	26	
P44																									232	
A47	4	96	4.2%		77	0.0%		28	0.0%		28	0.0%		9	0.0%		1	0.0%		3		4	242	1.7%		
P53	2	23	8.7%	8	28	28.6%	7	35	20.0%	3	20	15.0%										20	106	18.9%		
P54					2	0.0%				1	25	4.0%		6	0.0%		7	0.0%		14	0.0%	1	54	1.9%		
P111	2	20	10.0%		27	0.0%	1	2	50.0%		15	0.0%					8	0.0%	1	39	2.6%	4	111	3.6%		
P112	3	100	3.0%					11	0.0%		24	0.0%								40	0.0%	3	175	1.7%		
P125I		24	0.0%	3	49	6.1%	2	93	2.2%		50	0.0%		27	0.0%	1	17	5.9%	3	18	16.7%	9	278	3.2%		
P132	1	29	3.4%		3	0.0%	7	68	10.3%	1	58	1.7%	4	45	8.9%	2	39	5.1%		20	0.0%	15	262	5.7%		
Total	67	821	8.2%	75	756	9.9%	123	762	16.1%	26	563	4.6%	65	368	17.7%	27	292	9.2%	10	323	3.1%	393	3885	10.1%	639	4524

Summation

Vacancy in 17'-25'	8.2%
Vacancy in 26'-30'	9.9%
Vacancy in 31'-35'	16.1%
Vacancy in 36'-40'	4.6%
Vacancy in 41'-45'	17.7%
Vacancy in 46' to 50'	9.2%
Vacancy in 51' and over	3.1%

Overall Vacancy 10.1%

Vacancy w/o DOUBLES, OUT OF SERVICE slips 9.4%

Note:

Parcel 10 dock reconstruction commencement August 2016. Estimated completion date: November 2019

Parcel 15 dock reconstruction commencement September 2014. Phase I completed November 2018. Phase II estimated completion date: October 2019.

Parcel 28 dock reconstruction commencement September 2017. Estimated completion date: October 2019

Parcel 43 dock reconstruction commencement September 2016. Estimated completion date of final stage: January 2020

Parcel 44 dock reconstruction commencement December 2017. Estimated completion date: February 2020

	Under Construction	Net Available	TOTAL Mdr	% of TOTAL	CDP MIN THRESHOLD
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Aug-19

25' & Less					
Number of Slips	261	821	3885	21%	16%

26'-30'					
Number of Slips	226	756	3885	19%	19%

30'-35'					
Number of Slips	260	1364	3885	35%	18%