



Caring for Our Coast

Gary Jones
Director

Kerry Silverstrom
Chief Deputy

Amy M. Caves
Deputy Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

August 04, 2020

43 August 4, 2020

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


CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 11 TO LEASE NO. 5246
DEL REY RESTAURANT CORPORATION (PARCEL 61) – MARINA DEL REY
(FOURTH DISTRICT) (4 VOTES)**

SUBJECT

Request for approval of a lease amendment for Marina del Rey Parcel 61 to extend the lease term.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Amendment No. 11 to Lease No. 5246 is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1(r) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the CEQA Guidelines (Existing Facilities).
2. Approve and authorize the Chair of the Board to sign the attached Amendment No. 11 to Lease No. 5246 pertaining to the extension of the lease term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Parcel 61 is located at 13813 Fiji Way in Marina del Rey. The lease between County and Del Rey Restaurant Corporation, as successor-in-interest through a lease assignment (Lessee), dated December 19, 1961, provided for a 60-year term (Lease). Currently, the leased premises are improved with a restaurant (Whiskey Red's).

The current Lease term is set to expire on May 10, 2021. The proposed Amendment No. 11 would

extend the term to August 28, 2027.

The Lessee has expressed an interest in negotiating a Lease term extension of up to 39 years, which would bring the term to 99 years, the full amount allowed under California law. Extending the Lease term to August 28, 2027 will provide County time to consider future redevelopment of Parcel 61 in conjunction with its neighboring properties to help realize Marina del Rey's Vision Statement adopted by your Board in October 2014.

Implementation of Strategic Plan Goals

In furtherance of County Goal #3, "Realize Tomorrow's Government Today," Strategy III.3.1, "Maximize Revenue," the proposed extension of the Lease term will allow the Lessee to continue the operations of the Whiskey Red's Restaurant. It will also support Strategy III.3.2, "Manage and Maximize County Assets," by allowing the County sufficient time to consider its long term redevelopment plans for the area.

FISCAL IMPACT/FINANCING

Upon your Board's approval of the proposed Amendment No. 11 to Lease No. 5246, the Department does not anticipate any impact on the operating budget. The minimum rent was last adjusted on May 1, 2020, and will continue to be adjusted every three years, in 2023 and 2026 to an amount equaling 75% of the average annual rent payable to the County over the prior three years. The County rent is computed as the greater of either the fixed minimum rent or the total of varying percentages of the Lessee's gross receipts, so as the Lessee generates more revenue, the County generates more rent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Leases of County-owned property in Marina del Rey are authorized by Government Codes 25536 and 25907.

The proposed Amendment No. 11 to Lease No. 5246 has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Approval of the recommended actions is categorically exempt pursuant to CEQA Guidelines Section 15301 and Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines (Existing Facilities), as the proposed actions involve negligible or no expansion of existing or former use and will not have a significant effect on the environment. Approval does not authorize construction or reconstruction of any improvements on the property and will not result in any expansion of existing use of the property. In addition, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the proposed Amendment No. 11 to Lease No. 5246 will not significantly impact County services or projects.

CONCLUSION

Please have the Chair sign all three copies of the Amendment No. 11 to Lease No. 5246 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 Maureen Sterling at (424) 526-7740 or msterling@bh.lacounty.gov.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gary Jones', with a stylized, cursive script.

GARY JONES
Director

SG:ms

Enclosures

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



**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B
OF THE KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

Tuesday, August 4, 2020

9:30 AM

43. Marina del Rey - Parcel 61 Lease Amendment

Recommendation: Approve and authorize the Chair to sign an amendment to a lease agreement between the County and Del Rey Restaurant Corporation to extend the lease term to August 28, 2027 for Marina del Rey Parcel 61 (4); and find that the proposed lease amendment is exempt from the California Environmental Quality Act. (Department of Beaches and Harbors) 4-VOTES (20-3829)

An interested person submitted written testimony.

On motion of Supervisor Ridley-Thomas, seconded by Supervisor Kuehl, this item was duly carried by the following vote:

Ayes: 5 - Supervisor Solis, Supervisor Ridley-Thomas, Supervisor Kuehl, Supervisor Hahn and Supervisor Barger

Attachments: Board Letter
 Public Comment/Correspondence

Agreement No. 5246, Supplement 11

The foregoing is a fair statement of the proceedings of the regular meeting, August 4, 2020, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

**Celia Zavala, Executive Officer
Executive Officer-Clerk
of the Board of Supervisors**

By Celia Zavala

Celia Zavala
Executive Officer



ATTEST: CELIA ZAVALA
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By Rachelle Smithman, Deputy

**AMENDMENT NO. 11 TO LEASE AGREEMENT
PARCEL 61 – MARINA DEL REY
(LEASE NO. 5246)**

THIS AMENDMENT TO LEASE ("Amendment No. 11" or "Amendment") is made and entered into this 4th day of August, 2020 (the "Effective Date").

BY AND BETWEEN

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

AND

**DEL REY RESTAURANT CORPORATION, A
California Corporation, hereinafter referred
to as "Lessee."**

RECITALS:

WHEREAS, on December 19th, 1961, County and Lessee's predecessor in interest entered into Lease No. 5246 (the "Lease") under the terms of which County leased to Lessee's predecessor 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 61 (the "Premises"), which Premises are more particularly and legally described in Exhibit "A" attached to and incorporated in the Lease; and

WHEREAS, Section 2 of the Lease provides that the term of this lease shall be sixty (60) years, commencing upon the tenth (10th) day of May 1961;

WHEREAS, the parties hereto agree to extend the term of the Lease to expire on August 28, 2027 to allow the parties sufficient time to conduct due diligence with respect to the future development of the premises;

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

1. **Term.** Commencing as of the Effective Date, Section 2 of the Lease is deleted in its entirety and replaced with the following:

The term of this lease that commenced on the tenth (10th) day of May 1961, shall terminate on August 28, 2027.

2. **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.

3. **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, County and Lessee have entered into this Amendment No. 11 as of the date first set forth above.

DEL REY RESTAURANT CORPORATION, A
CALIFORNIA CORPORATION

By:

Name:

Title:

THE COUNTY OF LOS ANGELES

By:

KATHRYN BARGER,
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA,
Executive Officer of the Board of Supervisors

By:

Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By:

Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

43

AUG 04 2020

Celia Zavala
CELIA ZAVALA
EXECUTIVE OFFICER