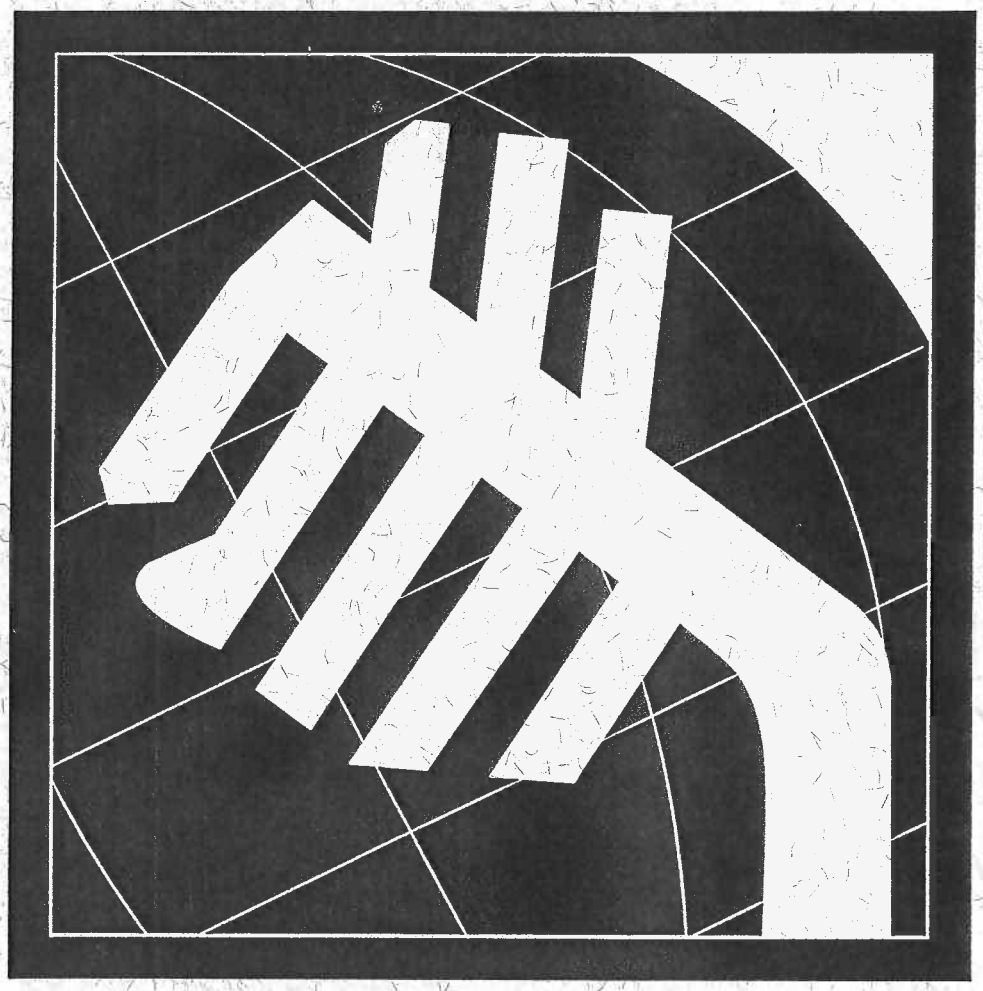
Marina del Rey
ASSET MANAGEMENT STRATEGY



Los Angeles County
Department of Beaches and Harbors
Stan Wisniewski, Director

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Board of Supervisors
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MARINA DEL REY ASSET MANAGEMENT STRATEGY

INTRODUCTION

As Marina del Rey enters its fourth decade, it faces many challenges and questions about its future. The remaining term on most leases has reached a point where traditional long-term financing is increasingly difficult to obtain, lessees are considering new proposals for redevelopment, leasehold improvements and the Marina's infrastructure are aging, and the amended Local Coastal Program (LCP) has been certified. Additionally, Marina del Rey faces competition from other destinations, such as the planned Playa Vista improvements, and historical patterns of automatically-rising income and property values ended with the recent recession. Therefore, the County clearly needs to establish a sense of direction concerning the future of Marina del Rey.

The Marina del Rey Asset Management Strategy (AMS) was developed by the Department of Beaches and Harbors in consultation with KMG Consulting (Kotin Mouchly Group) and Gruen Associates, the Department's economic and planning consultants, respectively. It is a proactive strategy designed to accomplish three objectives:

- Provide a framework within which to make short-term Marina del Rey leasing and development decisions so that they remain consistent with redevelopment goals when Marina leases expire, largely between 2020 and 2030;

- Provide programs to encourage redevelopment and refurbishment while ensuring quality maintenance of leasehold facilities during remaining lease terms; and,

- Effect a strategy for the Marina's second generation development that better integrates recreational and commercial/residential areas, recognizing the need to establish Marina del Rey as an exciting and user-friendly attraction to both Southern California residents and tourists alike.

The four elements of AMS are (1) its long-term vision for Marina del Rey; (2) catalytic development projects to draw people on a regional basis, spur further leasehold development and set a standard for design quality; (3) development mechanisms to encourage leasehold redevelopment proposals consistent with its long-term vision; and, lastly, (4) other mechanisms to encourage refurbishment and ensure quality maintenance of those leaseholds that will not be redeveloped during the remaining terms of their leases.

BACKGROUND

As illustrated in Figure 1, a total of 39 out of the 51 significant revenue generating leases, accounting for 73% of current Marina revenue, will expire by the year 2024. By 2029, an additional nine leases will expire. In order to recycle these leaseholds in an orderly fashion to enhance the desirability and revenue production of the Marina, it is essential that there be a strategy in place as lessees face critical decisions about maintenance, possible extensions, reinvestment and other related items.

FIGURE 1

Ground Lease Expirations

	Year of Ground Lease Expiration				
	1995-2009	**2010-2019**	**2020-2024**	**2025-2029**	**2030+**
No. of Leaseholds	5	0	34	9	3
% of Total Leases	10%	0%	67%	17%	6%
Cum. % of Total Leases	10%	10%	77%	94%	100%
% of Total Revenue	1.5%	0%	71%	5.5%	22%
Cum. % of Total Revenue	1.5%	1.5%	72.5%	78%	100%

In the absence of a systematic program to maintain and upgrade the image and value of the Marina, the recycling of Marina leases that is likely to occur could substantially reduce revenues that might otherwise be obtained. Left to its own devices, the market is not likely to produce a strong prestige identification for Marina del Rey. In this regard, it is important to understand that the current land

use mix of the Marina reflects a compromise between the originally-conceived recreational and open space Marina and the additional commercial/residential development which resulted in order to repay the bonds used for the dredging and creation of Marina del Rey.

Devising an implementation strategy for the Marina's second generation development provides an opportunity to better integrate recreational and commercial/residential uses. By implementing AMS now that the Marina LCP has been certified, we can maximize County revenues by maintaining a focus on the Marina's recreational boating mission, while also recognizing the need to establish Marina del Rey as an exciting and user-friendly attraction to both Southern California residents and tourists. Only by taking a proactive approach to promoting a pattern of redevelopment can the County develop Marina del Rey into a premier destination waterfront area and, thereby, ensure a strong economy for Marina del Rey.

Additionally, the Department must maintain an awareness of potential development of surrounding geographic areas, such as the large "Area A" of Playa Vista just south of Marina del Rey. In order to protect and enhance the value of Marina del Rey, the Department will work with owners and developers to maximize the degree to which nearby development projects are complementary rather than competitive.

Necessarily, AMS must deal with certain land use issues, largely within the context of the LCP, since the LCP sets the ground rules and defines the scope of both interim and recycled development. However, the LCP is only one element to consider in the creation of AMS. While AMS is being developed within the context of the certified LCP, it has an explicitly broader vision and a much longer planning horizon.

ELEMENTS OF ASSET MANAGEMENT STRATEGY

Each of the four elements of AMS are discussed below. A general statement for each element is provided first, followed by the specific County policy statement needed to effect each element.

Element 1: Long-Term Vision

The long-term vision of Marina del Rey is to establish it as a strong urban waterfront development while maintaining emphasis on the Marina's recreational boating mission. To accomplish this, we must achieve five characteristics common to successful waterfront developments.

- A powerful sense of place;
- An accessible waterfront, both physically and visually;
- An exciting mix of interconnected uses that relate strongly to the water;

- A multi-modal transportation system that facilitates walking and other nonautomotive forms of travel; and,
- A varied, high-quality residential environment.

The vision elements, as well as the character of Marina del Rey today and those corrections which should be made to establish Marina del Rey as a strong waterfront community, are identified on Figure 2. Additionally, there are catalytic projects that we will proactively pursue to trigger the momentum needed to encourage second generation development that reflects these characteristics.

FIGURE 2

Vision Elements

ELEMENTS OF VISION	MARINA DEL REY TODAY	MARINA DEL REY VISION AS A STRONG WATERFRONT COMMUNITY
Sense of Place	Lack of identity (no sense of place, fading ambiance)	■ Key focal point and public spaces (e.g.,water-front plazas) that complement the Marina's recreation boating mission
Access to Water	Misuse of waterfront (limited access, poor visibility)	■ An accessible waterfront, both physically and visually ■ Strong view corridors ■ Outstanding architecture that relates strongly with the waterfront ■ Waterfront promenade ■ Waterfront restaurants and retail ■ Boating related activities - ferry rides, cruise terminal, yacht clubs
Multi-Modal Transportation	Poor circulation (unfriendly to pedestrians, parking lots dominating key locations)	■ Internal destinations ■ Strong internal transportation system, both land and water ■ External water transportation - coastal linkages, e.g., Catalina ferry ■ Centralized parking

Mix of Uses	No activities (dated attractions, no appeal)	■ Entertainment and attractions ■ Critical mass of retail/unique retail ■ Educational and cultural activities ■ Live entertainment, shows, theater ■ Vibrant nightlife culture - music, comedy, and jazz clubs
Residential	Bland, homogeneous housing product	■ Mix of housing offered ■ Outstanding, creative residential developments reflective of the water

POLICY

When formulating development proposal requests or evaluating lessee-sponsored plans, the five characteristics common to successful urban waterfront properties will be the factors against which all projects will be considered.

Element 2: Catalytic Projects

The basic idea of a catalytic project is to create, in the near term, a large "critical mass" at no less than two locations in the Marina to draw people to Marina del Rey, spur further leasehold redevelopment, and set a standard for design quality. Specific elements of these two projects include water-oriented recreational and entertainment activities with a vital dynamic pattern of retail, restaurant and entertainment components which will draw people on a regional basis. These elements will make visiting and recreating in Marina del Rey very desirable destination activities, leading to substantial revenue enhancement.

The first project, contemplated near the entrance to the Marina on the east side near Mindanao and Admiralty Way, is analogous but not necessarily identical to the Universal CityWalk project and recognized, successful waterfront developments. Achieving the pedestrian-friendly ambiance of Old Town Pasadena, Santa Monica's Third Street Promenade, and high-activity entertainment retail locations will be a critical part of this first catalytic project. A second catalytic project with a relaxed

and resort appeal is contemplated at Marina del Rey "Mother's" Beach and the encompassing retail, hospitality and restaurant facilities that surround it.

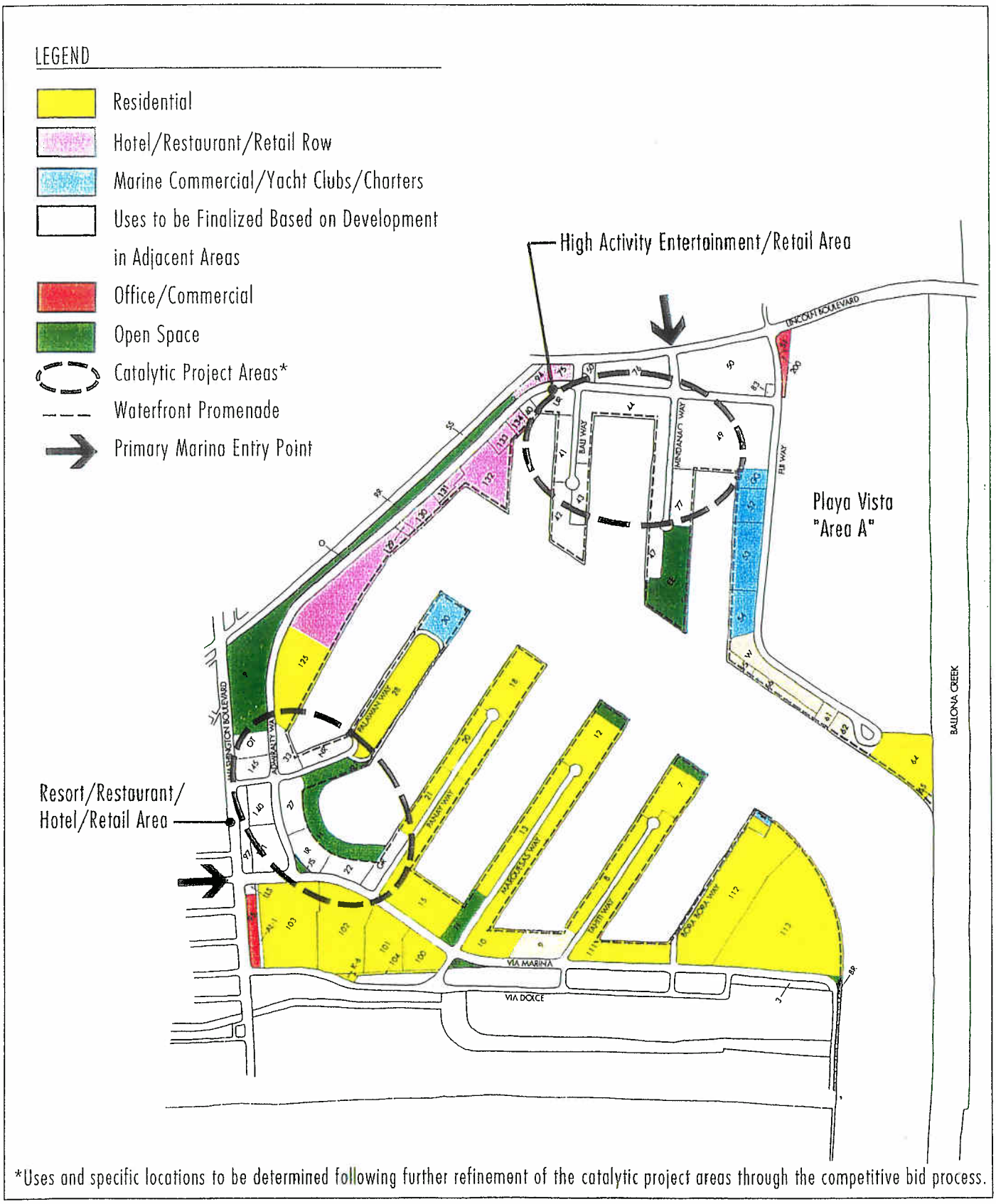
Attachment 1 is a booklet which illustrates in greater detail the desired characteristics and potential activities and opportunities for the two catalytic projects. However, the specific details as to scale, location of specific improvements, and activities will be solicited from the private sector through a competitive Request for Proposals (RFP) process. These two projects will be phased, with the project on the east side pursued first, followed by the project at Marina del Rey "Mother's" Beach. The Department proposes to initiate a competitive RFP process for the first catalytic project in 1997. Depending upon the level of environmental/entitlement requirements, construction should start eighteen (18) to thirty-six (36) months thereafter. The competitive RFP process for the second project can begin as soon as an agreement with the selected developer for the first project has been negotiated and approved by the Board of Supervisors. Given the expected high visitation of both projects, an effective security management program at each project and along the connecting waterfront promenade will be required to ensure enjoyment of these facilities by the public and adjacent tenants.

A key element in the long-term vision is to create both pedestrian and water-borne traffic between these two projects, so that the walk or short boat ride across the Marina will be part of the attraction. See Figure 3 for a color diagram showing the broad outlines of approximate locations of both projects.

POLICY

Through a competitive Request for Proposals process, the Department will pursue two catalytic projects which will serve as major destination points to draw people on a regional basis. The projects will serve to spur further leasehold redevelopment, set a standard for design quality and make visiting and recreating in Marina del Rey very desirable activities. The projects will be phased, with the project on the Marina's east side proceeding first, followed by the project at "Mother's" Beach. Security management will be a major consideration in implementing both projects and the connecting promenade.

Illustrative Redevelopment Scenario



*Uses and specific locations to be determined following further refinement of the catalytic project areas through the competitive bid process.

Note: The land use designations indicated in this illustrative redevelopment scenario are presented to convey the general character and pattern of future uses. Such future uses will include a mix of uses, particularly within the catalytic project areas. In addition, the Asset Management Strategy will be consistent with the intent of the certified Local Coastal Program, including possible future amendments.

AMS/redev.scenario/1-15-97

SOURCE: Gruen Associates

Element 3: Development Mechanisms

The catalytic redevelopment of key parcels is critical to the success of AMS, but, by itself, is not enough to spur full redevelopment as envisioned through AMS. In addition to pursuing the catalytic projects as key elements of the overall Marina "vision", the County will consider the following mechanisms to facilitate the redevelopment process so that the redevelopment of Marina del Rey is consistent with AMS' objectives:

Parcel Aggregation

A basic premise of AMS is the aggregation of parcels and entitlements necessary to create the "critical mass" that will facilitate large-scale redevelopment. This is especially true for the residential development areas in the Marina. Only a small number of redevelopments will likely occur under the LCP within the confines of the existing leaseholds because of the limitations imposed by height restrictions, preservation of view corridors, open space requirements and preservation of access for boaters. Trying to meet these requirements within each narrow existing parcel makes redevelopment difficult. Through aggregation of leaseholds, these limitations can be accommodated in a manner that produces a superior development project.

For instance, redevelopment of all or a significant portion of an entire mole through parcel aggregation would allow for a more creative, efficient and synergistic development, and the quality and level of development would also likely improve. Lower density, stick-built low-rises could, thereby, give way to higher density residential units surrounded by more open space with better views without expanding development beyond the aggregate LCP limits.

Aggregation is also important in encouraging the catalytic projects and other commercial development. For example, the County will consider integrating some of its land holdings with those of individual lessees to create the "critical mass" needed for development. This is particularly so on the east side where the first catalytic development project (an entertainment/retail development at the entrance to Marina del Rey) is proposed for an area that includes underutilized County parcels. Whenever County land holdings are so integrated, redevelopment of this area must be pursued through a competitive RFP process.

POLICY

In order to accommodate the open space, height restriction, view corridor and boater and public access requirements of the LCP while yet facilitating superior development projects, the Department will encourage the aggregation of parcels, including the integration of County land holdings where appropriate, to create the "critical mass" that will facilitate large-scale redevelopment.

Development Mix

To create a Marina which is better integrated and cohesive, an alternative development mix for certain areas will be a priority. The west side will remain primarily residential, while new development in the area along Admiralty Way between the catalytic projects will be targeted for visitor-serving facilities (i.e., hotels, retail, restaurants, open space). Fiji Way west of Admiralty will remain an area for marine commercial, boat charters and, potentially, a Catalina ferry terminal, although other options will be considered as Playa Vista Area A is developed and opportunities arise to integrate complementary rather than competitive projects.

Figure 3 presents a color diagram illustrating this redevelopment scenario.

POLICY

The Department will prioritize new visitor-serving developments between the two catalytic projects, as well as marine commercial, boat charters and a Catalina ferry terminal for Fiji Way west of Admiralty Way, while remaining open to new development opportunities that will arise once the planning for Playa Vista's Area A commences.

Design Criteria

To supplement the Marina del Rey Design Control Board's authority over architectural features of structures, particular emphasis will be placed on the urban design character of pedestrian places and amenities. The pursuit of public promenades like the one that will link the two catalytic projects and refurbishment of street medians and other public areas provide opportunities for implementing urban design features that will integrate uses in a more friendly manner for visitors and residents alike. The Design Control Board will ensure these urban design features are integrated into Marina redevelopment projects affecting the promenade, medians, parks, and other public areas. The urban design features will include implementation of standards for design and placement of lights, benches, landscaping, signage, fencing, international symbols for improved visitor directions and the like.

POLICY

The Marina del Rey Design Control Board will, through its design review process, implement urban design criteria and standards for design, and placement of lighting, benches, landscaping, signage and international symbols to help integrate the pedestrian promenade, roadway medians, parks and other public amenities for visitors and residents alike.

Parking and Transportation

The reorganization and relocation of public parking is an important development policy and is necessary both to redevelop key waterfront sites that can serve a better use and to encourage pedestrian and other nonautomotive forms of travel within Marina del Rey (i.e., water taxis and electric powered trams that link the two catalytic projects and other attractions, such as parks and restaurants). Waterside access to facilities for water taxis and boaters will be accommodated by the provision of dockage at the catalytic projects, parks, restaurants, etc. A possible solution would be to create structured parking on non-key sites located on the perimeter of Marina del Rey which have direct links to the nonautomotive forms of travel.

One of the goals of AMS is to create a multifaceted transportation system within the confines of Marina del Rey which would allow visitors and residents to visit all areas of the Marina

without having to drive their own vehicles. This will benefit the local businesses, as visitor and tourist spending will increase proportionally to the length of their stay.

Traffic impacts from the catalytic projects and all other Marina development will be considered during the environmental review process for each project, at which time appropriate mitigation measures will be established.

POLICY

The Department will actively work toward the relocation of parking facilities from waterside parking lots to landside structures and will prioritize the development and implementation of nonautomotive transportation alternatives within the Marina, e.g., water taxis and electric tram systems that successfully link the catalytic projects and other Marina destination points, such as restaurants, parks, etc.

Early Buyouts

The early buyout of leases from lessees unwilling or unable to redevelop will be considered to facilitate development consistent with the long-term vision, while providing lessees interested in such a mechanism with a recoupment of their investments. Such buyouts would not involve spending County money but, rather, might be structured to allow the County to market through a competitive RFP process a new lease and use a portion of the value of that new leasehold to buy out the old and, thereby, accelerate new development.

POLICY

In order to encourage quality early redevelopment of aging facilities consistent with its overall vision of second generation development, the Department will consider and may facilitate early lease buyouts.

Element 4: Refurbishment and Maintenance Mechanisms

Given that virtually all Marina leases had an initial term of 60 years and were awarded in the early to mid 1960s, they have reached their half lives. With the leaseholds' age has come the reality of increasing maintenance costs and a growing difficulty in finding traditional financing sources for capital improvements.

Because the Marina LCP contains limitations that will preclude many leaseholds from gaining the density needed for new development to "pencil out", AMS provides the following programs to maximize refurbishment and maintenance of leasehold facilities for their remaining useful lives:

Refinancing Mechanisms

The County will consider altering lease provisions to remove conditions that limit the number of lenders willing to refinance Marina leaseholds. Alternatively, the County will consider participating in the creation of new debt financing instruments. However, if refinancing is undertaken, net loan proceeds from any such accommodation or new financing instruments must be reinvested in leasehold facilities, e.g., no equity distribution.

Because a key concern of lenders is the length of time available to recapture their investments in the event of a loan default by a lessee, the County will consider loan terms which will permit the lender to approve a loan that provides the lender an extended lease term in the event of a lessee loan default under the following terms and conditions:

- Before a lease extension is granted to the lender, the County is granted the right to find a new lessee to assume the loan and/or a right of first refusal to obtain the leasehold at the current loan balance;
- The loan is fully amortized within a period of five years less than the remaining term of the original lease;
- A loan-to-value ratio of not more than 80% will result from the origination of the loan;
- A lease term of not less than 18 years remains at the time of origination of the loan, and,
- All loan proceeds net of debt retirement amounts are used to fund a leasehold refurbishment plan approved by the County and not more than 80% of the total amount of the loan may be used to retire existing debt.

POLICY

To help ensure the competitiveness of leasehold facilities during remaining lease terms, the County will consider altering lease provisions which will aid in refinancing of leaseholds, e.g., granting lenders a short-term lease extension in the event of lessee default, provided that the net loan proceeds are reinvested in leasehold facilities.

Premises Maintenance Inspections

The Department of Beaches and Harbors has traditionally performed premises maintenance inspections of all leaseholds on a quarterly basis, and thereafter followed up with reinspections to ensure deficiencies were corrected in a timely manner. To improve the effectiveness of premises maintenance inspections and in recognition that most facilities are more than 30 years old, the Department has already instituted the following policy changes and mechanisms, effective in March and April, 1996:

- Annual structural/engineering inspections of all boat slips to identify any additional maintenance deficiencies for lessee corrections. The Department's harbor engineer, in consultation with the County Department of Public Works, will identify the need and recommend a schedule for structural inspections of other leasehold improvements;

- More frequent inspections for leaseholds with records of more maintenance deficiencies, and less frequent inspections for those leaseholds with exemplary records of maintenance; and,

- Improved mechanisms by which Marina tenants and visitors can report maintenance deficiencies for inspection by the Department, e.g., deficiencies can now be reported to the Department over the Internet.

The Department's premises maintenance inspection responsibilities include inspecting local waterways that lessees are also required to maintain. Due to the amount of debris that flushes from Ballona Creek into Marina del Rey waters, in the fall of 1996, the Department implemented two programs to lessen debris from this source:

- Improved coordination with the Los Angeles County Department of Public Works to maximize efforts to trap debris in Ballona Creek via nets that screen flood waters of debris; and,

- Deployment of debris diversion devices intended to collect or divert debris that escapes trapping efforts in Ballona Creek before it flows from the Marina's main channel into leasehold properties.

POLICY

The Department will focus its inspection efforts on those leaseholds with the highest historical record of deficiencies and maintain mechanisms to receive reports of maintenance deficiencies from visitors and Marina tenants. It will also maintain proactive efforts to prevent the flow of waterborne debris from Ballona Creek into Marina del Rey.

FINANCIAL IMPLICATIONS

In analyzing the financial implications of instituting AMS as shown in Figure 4, several assumptions have been made, largely reflecting the near- and medium-term outlook for the Marina. With respect to the baseline or "business as usual" projections without an asset management strategy, it has been assumed that, without proactive direction from the County, limited redevelopment will occur and only in locations where there are clear opportunities for amassing substantial entitlements on one parcel. In the absence of a parcel aggregation policy, these will tend to be spot developments which, while they will garner higher rents than current projects, will not materially change the image of the Marina or maximize the Marina revenue potential.

Equally important in the "business as usual" or baseline scenario is the assumption that business as usual will result in decreasing rents with respect to the surrounding areas, hence deteriorating County revenues. In the absence of a proactive management strategy, it seems quite likely that as the leaseholds near expiration, maintenance levels will inevitably decline, rents will grow at progressively slower rates, and the project could become blighted.

Under the AMS scenario in Figure 4, it is assumed that, over the next decade, key catalytic projects on the east and west sides will be inaugurated and the Marina positioned as a strong destination. A further assumption is that there will be deliberate encouragement of redevelopment patterns in the interim which will reinforce the long-term vision. Finally, it is assumed that some of the leaseholds may be bought out prior to their final expiration in a manner that permits early redevelopment of higher-quality projects.

FIGURE 4

FINANCIAL IMPLICATIONS OF ASSET MANAGEMENT STRATEGY
(County Rent From Marina del Rey With and Without Asset Management Strategy)

Average Annual County Revenue ($ - Millions expressed in 1996 $)

	"Business as Usual" (Without AMS)	With AMS	Avg. Annual Increase with AMS
1996-2020 During Remaining Term	$31.5	$33.8	$2.3*
2030 - After "Recycling"	$43.3	$58.3	$15.0**

* Total increased County revenue for period 1996-2020 with AMS = $57.5 million.

** Revenues after 2030 increase from $43.3 million to $58.3 million annually as a result of AMS.

Assumptions ("Business as Usual" Scenario)

1. Only limited redevelopment will occur during the interim period (1996-2020), mostly consisting of low-rise residential construction similar to existing units.
2. During recycling period (2020-2030), replacement of product will occur as leases expire.
3. Without a proactive asset management strategy, no catalytic projects are expected; therefore, the Marina will not benefit from inflation premiums (revenue increases over inflation).
4. A "deterioration" factor has been included in order to mimic the declining revenue stream associated with leases/ facilities nearing the end of their terms/useful lives.

Assumptions ("AMS" Scenario)

1. Systematic redevelopment of key parcels will occur throughout the remaining term (1996-2020), including two catalytic projects. Lease extensions will be granted and "early buyouts" of some leases are contemplated.
2. Total buildout per LCP limitations is expected, but some entitlements may be redistributed amongst development zones.
3. Since the Marina will be repositioned as a strong destination-oriented urban waterfront, the revenue-generating uses will experience an inflation premium between 2002 and 2007.
4. During a project's redevelopment period, the County will implement mechanisms for easing rent burdens during redevelopment.

Figure 4 is an illustrative example of the impact on average annual County revenues for "the remaining term" (i.e., 1996 to 2020) and after the recycling process (2030), with and without a redevelopment program as guided by AMS. As shown, the average annual County revenue (expressed in 1996 $) increases from $31.5 million to $33.8 million throughout the remaining term if a Marina-wide redevelopment program is implemented; thus, during this period, the potential total increase in County revenue attributable to Marina-wide redevelopment efforts guided by AMS is $57.5 million. After the recycling process (after 2030), the differential in annual revenues is obviously more significant. Annual County revenue will potentially increase from $43.3 million to $58.3 million, a yearly increase of $15 million dollars as a result of implementing AMS.

Furthermore, the illustration is deliberately conservative in estimating the premium attached to AMS. For example, it is assumed that substantial new development absorbing most of the new residential entitlements will occur without AMS, but only at later dates and with lesser quality. Without AMS and with the possibility that the Marina may lose some significant part of its current popularity, this redevelopment might well not occur.

The financial results must be regarded as purely illustrative in that they rely on the above and other assumptions. The impact of potential lease extensions, and of financing mechanisms provided by the County, have not been factored in, and any financial projections incorporating a term greater than five years are necessarily speculative. However, they are useful in demonstrating the general impact to be realized through the redevelopment and repositioning of Marina del Rey and the magnitude of potential increases in County revenue over the near- and long-term with the County's implementation of AMS. In addition to providing additional revenue to help finance the Marina's infrastructure needs and other County General Fund programs, a repositioning of the Marina will help improve the economic health of the entire region.

Regardless of the actual numbers, it is vital that the County adopt a strategy which actively promotes an environment which will encourage refurbishment and quality maintenance of existing facilities by present lessees, as well as high quality redevelopment in the future by present and future lessees. Such a strategy will ensure that the County preserves and maximizes this very important asset -- Marina del Rey.

PRESENTATION OF EACH NEW LEASE, LEASE EXTENSION, OR LEASE CONSOLIDATION PROPOSAL TO THE BOARD OF SUPERVISORS

Concurrent with the presentation to the Board of Supervisors of any new Marina del Rey lease, any lease extension, or any lease consolidation, the Department will provide the following information with respect to the proposed new lease, lease extension or lease consolidation so that the Board may adequately consider such proposals on a case-by-case basis:

- A comparison of the existing development on the parcel with any proposed new development. This comparison will consider square footage, types of facilities, acreage, slips, number of units, etc.;

- A comparison of the existing and proposed rental rates for each type of operation (apartment units, boat slips, restaurants, etc.) on the parcel, extension fees, and option fees, as well as the rates charged for similar Marina del Rey parcels and operations and for parcels and operations at other marinas;

- A comparison of the minimum lease payment provisions in the existing lease with those in the proposed lease and a comparison of the provisions in each lease for escalating the minimum payments over time;

- A comparison of current gross revenues for the parcel with projected revenues under the proposed lease, including detailed explanations of the assumptions used relative to occupancy and utilization rates;

- A comparison of the proposed redevelopment plan for the parcel with the goals, policies and restrictions for that parcel as identified in the Marina del Rey Local Coastal Plan;

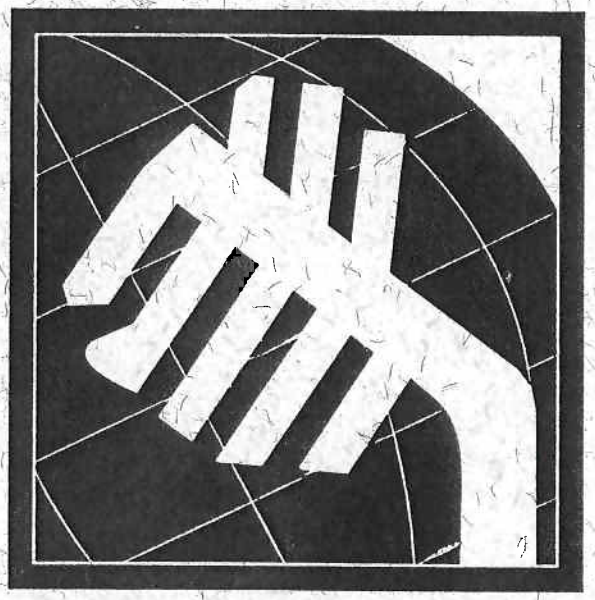
- A comprehensive appraisal for the land and/or water parcel location of the lease;

- Specification and justification for any rent deferrals, return on rental premiums, or other proposed relief from rental payments; and,

- Specific financial, development, operating and construction justification for the required or proposed time frame under any lease extension.

Any leases made available under a proposed or completed buyout or being marketed for the first time – i.e., involving County-controlled property -- will be solicited through an open, competitive process.

ATTACHMENT 1



The Long-Term Vision and Catalytic Project Areas

Prepared by

Gruen Associates

Introduction

This booklet has been prepared to more clearly articulate the long-term vision and the catalytic development projects as introduced in the Asset Management Strategy (AMS). The following text and graphics describe the characteristics of the vision and potential activities/opportunities for the two proposed catalytic projects. By providing a clear sense of direction, development consistent with the vision is more likely to occur.

The Long-Term Vision

AMS identifies five characteristics or urban design criteria necessary to establish Marina del Rey as a strong waterfront destination. As second generation development is pursued, these five characteristics form the vision of Marina del Rey against which development proposals will be considered.

- ***Creating a powerful sense of place*** is central to creating a successful destination. Taking advantage of its waterfront setting will help distinguish the Marina and the catalytic projects from other regional destinations and will create a memorable image in the minds of both residents and visitors. This sense of place will emerge from invigorating waterfront public spaces for people-watching and people-meeting, as well as from high-quality and creative, dramatic architecture that relates strongly to the water's edge.

- ***An accessible waterfront*** via physical and visual access will be optimized throughout the Marina. There will be exciting sites for Marina viewing, as well as improved view corridors. A varied choice of waterfront public spaces will continuously bring people to the water's edge. Buildings and spaces will relate strongly to the waterfront.

- ***An exciting mix of interconnected uses*** will be particularly evident in the two pedestrian-oriented catalytic projects, which will offer a range of entertainment, educational, cultural and recreational activities. Theme retail and restaurants, high-tech attractions, "edutainment" venues, live entertainment, water-oriented leisure and recreational activities, and galleries and small specialty shops will create a total visitor experience.

- ***A multi-modal transportation system*** will facilitate walking and other nonautomotive forms of travel. Marina del Rey will be easier to navigate; a multi-layered circulation system as well as

connectivity of uses/attractions will offer numerous options encouraging nonautomotive travel within the Marina. Opportunities include:

- A continuous 8 foot wide waterfront pedestrian promenade (28 feet wide when combined with a 20 foot wide accessible fire road). The promenade links a network of public parks and open spaces designed to enhance views of the Marina and water activities, and provide both passive and active uses. Along the northern edge of the channel between the two catalytic project areas, the promenade could provide visual variety through, for instance, a series of art installations.
- Linkage to the regional bikeway network.
- Water taxi system with stations at each of the moles as well as at each of the major activity centers.
- Catalina Express Ferry.
- Direct link to LAX via shuttle service.
- Centralized parking strategically located with tram/shuttle/jitney to activity centers. Restaurants are located on top of the parking structures to capitalize on newly created views.
- Shared parking, whereby office parking structures service weekend and nighttime visitors.
- Selective valet service at higher-end hotels and/or restaurants.

- ***A varied, high-quality residential environment*** will offer options in housing form, size, height, amenities, and cost. Terraced low-rise housing with varied orientation will increase views to the waterfront. Intimate adjoining outdoor spaces afford common meeting spaces within the residential environment. Residential uses will continue to be concentrated on the west side of the Marina.

Catalytic Projects

AMS describes the importance of creating catalytic project areas in the Marina to serve as major destination points and draw people on a regional basis. The first project is contemplated as a high-activity entertainment retail development near the entrance to the Marina on the east side near Mindanao and Admiralty Way. A second catalytic project with a relaxed and resort appeal is contemplated at Marina del Rey ("Mother's") Beach and the encompassing retail, restaurant, and hotel facilities that surround it.

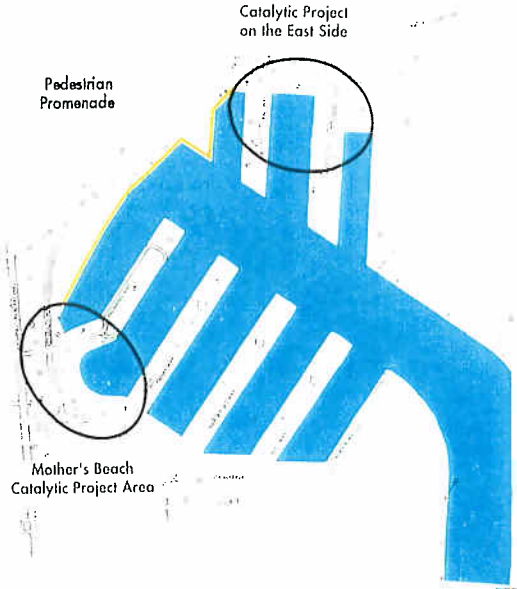
A key element in AMS is to create both pedestrian and water borne traffic between these two catalytic project areas so that the walk or short boat ride across the Marina will be part of the attraction. The waterfront pedestrian promenade will become Marina del Rey's primary public place, providing a pleasant waterfront stroll or jog and enhanced Marina viewing opportunities. The promenade will link existing and future activity areas. At the two proposed catalytic project areas, the pedestrian promenade becomes more grand in scale, allowing for live performances, concerts, art exhibits, and open-air markets, as well as serving as a casual meeting place at the water's edge. In design approach, the pedestrian promenade will become a unifying feature throughout the Marina. The following basic goals will guide the design of the waterfront pedestrian promenade:

- ***Create a major public amenity for residents, slip tenants and visitors.***
- ***Unify the visual character of the Marina through complementary paving, landscaping, fencing and lighting design.***
- ***Create a safe and pleasant walking environment.***
- ***Enhance special views.***
- ***Support the goal of the LCP by providing public access to the waterfront.***

Desired qualities, as well as potential activities and opportunities of the two catalytic projects, are further described on the following pages.

Catalytic Projects and Connections

The pedestrian promenade will become Marina del Rey's primary public place, providing a pleasant waterfront stroll or jog and enhanced Marina viewing opportunities. The promenade will link existing and future activity areas. At the two proposed catalytic project areas, the pedestrian promenade becomes more grand in scale, allowing for live performances, concerts, art exhibits and open-air markets, as well as serving as a casual meeting place at the water's edge.



DESIGN GOALS AND OBJECTIVES

- Create a major public amenity for residents, boat slip tenants and visitors.
- Unify the visual character of the Marina through complementary paving, landscaping, fencing and lighting design.
- Create a safe and pleasant walking environment.
- Enhance special views.
- Support the goal of the LCP by providing public access to the waterfront.

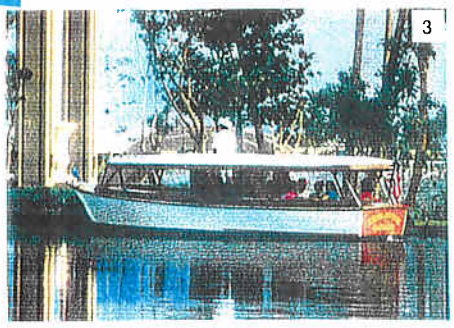


Figure 1. ***Waterfront Promenade Linking the Catalytic Projects***

Note: The locations of the projects depicted in Figure 1 are identified in the Appendix.

Catalytic Project on the east side of the Marina

The catalytic project on the east side of the Marina will be an extraordinary pedestrian-oriented environment offering a range of entertainment, educational, cultural, and recreational activities. The project will be oriented around a water theme to capitalize on its unique environs and to establish an identity distinctly different from other regional attractions. The center is comparable to Vancouver's Granville Island, Sydney's Darling Harbor, New York's South Street Seaport and Boston's Faneuil Hall/Quincy Market. A total visitor experience will be created through a unique mix of water-oriented attractions.

- **An Accessible Waterfront and a Varied Choice of Memorable Public Spaces.** The center evokes a public quality of openness and accessibility and includes:

  - The *pedestrian promenade* becomes more grand in scale expanding to a hardscaped public place. Many different types of activities will occur, such as concerts, live performances and art exhibits.
  - A *major unique landmark*, such as an observation tower, presents a spectacular view of the Marina, the city and the surrounding area.
  - *Public places* ranging from hardscaped plazas to more intimate, extensively landscaped spaces for passive recreation.

- **Water-Oriented Leisure and Recreational Opportunities.** Rich in recreational opportunities, all the usual watersports will be available, such as sailing, deep-sea fishing, and whale-watching trips. Water-oriented, publicly accessible recreational facilities will include:

  Retain current recreational opportunities
  - Recreational boating slips and support facilities
  - Tour boats and dinner cruises
  - Chartered fishing boats
  - Sea-kayaking excursions
  - Whale-watching
  - Bicycles-for-hire

  Introduced recreational opportunities
  - Water-themed IMAX theater
  - Virtual Reality Rides/Attractions
  - Simulated Sea Experiences -- surfing, deep-sea diving
  - Catalina Express Ferry

- **A Rich Mix of Uses.** Vitality on the waterfront is derived from a rich mix of uses. Activities and opportunities may include:

  - Hotel/Conference Center with direct access to the water
  - Galleries and small specialty shops
  - Sidewalk cafes
  - Outdoor dining on the water
  - Nightclubs and nightlife
  - Mixed-Use Housing with retail on the first floor, office on the second floor, and housing on the upper floors
  - "Pied-a-terre" (550-650 SF) for business travelers

- **Civic Anchor.** A marine complex anchors the catalytic project on the east side of the Marina and becomes a civic symbol for Marina del Rey as well as Los Angeles. The family-oriented facility includes many hands-on, interactive exhibits with a conservation/educational thrust and could take on many forms:

    - Aquarium/Oceanarium
    - Pacific Undersea Gardens - where marine life in many forms can be seen in their natural habitat
    - Maritime Museum - revolving display of local and international historic vessels
    - Marine Ecology Center
    - Museum of Marina del Rey's History
    - Nautical Library
    - Other unique water-themed entertainment

- **Performing Arts.** The center will be culturally active; indoor and outdoor performing arts venues offer a range of music, drama, and entertainment shows. Opportunities may include:

    - Boat, Art, and Music Festivals
    - Outdoor Art Exhibitions
    - Theater and Film
    - Amphitheater
    - Drama and Dance
    - Orchestra performances from a barge

Figure 2. ***Catalytic Project on the East Side***

Note: The locations of the projects depicted in Figure 2 are identified in the Appendix.

MARINA DEL REY ("MOTHER'S") BEACH RECREATION CENTER
Catalytic Project on the west side

A second catalytic project is contemplated at Marina del Rey ("Mother's") Beach, an ideal setting for varied family-oriented recreational opportunities. Its excellent location will make it a local and regional attraction in its own right and supportive of the hotels that surround it.

▪ **Leisure and Recreational Opportunities.** Mother's Beach family-oriented recreation/entertainment center has a playground and beachside boardwalk for strolling and shopping. Opportunities may include:

Retain current recreational opportunities

- Volleyball
- Children's play equipment
- Sailing
- Cycling
- Boats-for-hire
- Simple relaxing on the beach
- Viewing marina activities
- Picnicking/BBQs

Introduced recreational opportunities

- Pedestrian promenade with design character specific to the catalytic project, improved linkages to the surrounding hotels, residential units, and retail
- Direct link to Parcel FF park (in progress)
- Interactive water features
- Paddleboats
- Hardscaped public spaces with direct access to the water
- Spa facilities
- Small-scale public gardens
- Children's waterpark

▪ **A Rich Mix of Attractions.** Low-scale village-like retail with a mix of galleries, small specialty shops and restaurants surround the beach area. This is a place for those who want a quiet, relaxing get-away to visit art galleries, sample fresh seafood, enjoy a boat ride through the Marina, and generally take life at a leisurely pace.

- Galleries and small specialty shops
- Flower, fruit and fish markets
- Coffeehouses
- Outdoor theater performances
- Outdoor waterfront dining
- Hotels with direct access to the water
- Public parks for concerts, picnicking, and simple relaxing

Mother's Beach Catalytic Project Area

-Unified pedestrian promenade with design character specific to the catalytic project
-Direct link to Parcel FF park
-Interactive water features
-Paddleboats/bumper boats
-Hardscaped public spaces with direct access to the water
-Spa facilities
-Small-scale public gardens
-Children's waterpark

A RICH MIX OF USE

WATER-ORIENTED LEISURE & RECREATIONAL OPPORTUNITIES

-Volleyball
-Sailing
-Wind surfing
-Cycling
-Boats-for-hire
-Children's play equipment
-Simple relaxing on the beach Viewing marina activities
-Picnicking/BBQs

-Galleries and small specialty shops
-Flower, fruit and fish markets
-Bookstores and coffeehouses
-Outdoor theatre
-Outdoor waterfront dining
-Public parks for concerts, picnicking and simple relaxing

Figure 3. ***Mother's Beach Catalytic Project Area***

Note: The locations of the projects depicted in Figure 3 are identified in the Appendix.

Appendix

Figure 1. *Waterfront Promenade Linking the Catalytic Projects*

Image #1 Promenade at the 12-acre Woldenberg Riverfront Park, New Orleans. An exemplary urban park that fulfills its obligation to the immediate neighborhood and the city as a whole.
Image #2 Waterfront esplanade, Battery Park City.
Image #3 Location unknown, water taxis link activity areas.
Image #4 Existing waterfront promenade at Mother's Beach, Fisherman's Village, the Ritz-Carlton Hotel and Parcel 111.

Figure 2. *Catalytic Project on the East Side*

Image #1 Miami's Bayside Market.
Image #2 Virginia Air and Space Center, Hampton, Virginia.
Image #3 Tama Center, Tokyo.
Image #4 Washington Harbor, a 24,000-square meter mixed-use ensures lively and continuous use of the streets and open space.
Image #5 Pier Six Concert Pavilion, Baltimore's Inner Harbor, seats 3,400 persons.
Image #6 Location unknown.

Figure 3. *Mother's Beach Catalytic Project Area*

Image #1 The fountain is a popular feature of Charleston's Waterfront Park. During warm weather, the fountains are thronged by splashing children.
Image #2 Location unknown.
Image #3 Mixed-use development in Jacksonville, Florida.
Image #4 Tennessee Aquarium.
Image #5 Port Orleans Resort in Orlando, Florida.
Image #6 Washington Harbor.
Image #7 Flower market, redevelopment of Piazza San Pietro.
Image #8 Mother's Beach, new play equipment.
Image #9 Irvine Entertainment Center, interactive water features.
Image #10 Helsinki, Finland.