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<u>Marina del Rey Slip Pricing and Vacancy Study</u>

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Sincerely,

David O. Levine
President

(letter transmitted by email)

Paul Wong

From: wl [ragazza@verizon.net]
Sent: Monday, April 06, 2009 10:33 PM
To: Paul Wong
Subject: Comments to Draft Slip Pricing and Vacancy Report

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Thank you for your time. I hope you'll strongly consider my views.

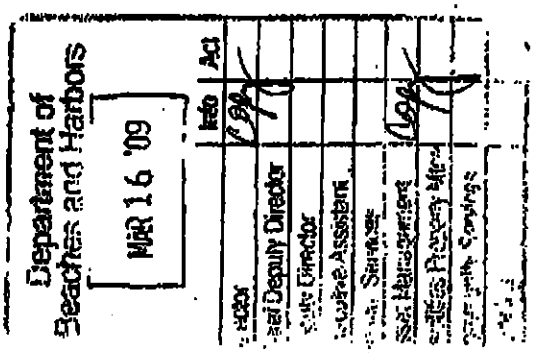
Sincerely,

Wesley and Lynda Little
41163 Rimfield Dr
Palmdale CA 93551

RAYMOND J FISHER
13080 MINDANAO WAY #98
MARINA DEL REY, CA. 90292
TEL: (310) 823-4488 FAX (310)823-8559
E-Mail: raymondjfisher@gmail.com or ray@starbizmgmt.com

Via mail
Via fax (31)821-6345

March 15, 2009



Santos H. Kreimann Director
Los Angeles County Beaches & Harbor
13837 Fiji Way
Marina Del Rey
California 90292

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Lastly I would like to offer my services, (obviously gratis) to assist in this seems to be a "monumental task" I have many contacts City, County & Federal that maybe of some assistance in this matter. Maybe some of the promised "stimulus monies "that we all need can be used to expedite this matter.

Respectfully submitted

Raymond J Fisher

Paul Wong

From: andy bessette [bessette_andy@yahoo.com]
Sent: Wednesday, April 22, 2009 10:05 AM
To: Paul Wong
Subject: slip size and pricing studies
Follow Up Flag: Follow up
Flag Status: Red

Hello Paul,

following are my comments regarding the recent slip size and pricing studies:

These studies are a complete fabrication, ordered virtually word-for-word by the developers, purposely laden with misinformation, erroneous data and conclusions, their principle intent being to mislead the public and lend credence to the county's pitiful planning, cover-up their price gouging, and hide the decimation of small boat slips and the gentrification of this marina. The pricing study does not represent what is now being paid by slip renters, but has been created to increase the lessees' property values and force out the boaters of normal or modest means.

The sizing study has been written to deliberately hide the true numbers of slips lost due to the developers' land-grabbing of the related boat-owner parking; to disguise the county's failure to honestly manage this marina; and to glorify the developers' rapacious redevelopment plans. In a word, it shows to what lengths the county is willing to stoop...in their desperation for money. And it showcases the level of corruption which has become "acceptable" to the leaders of our unfortunate community, and their indifference to the needs of the boaters for whom the marina was built.

Shame on you all.

Respectfully,

Andy Bessette
Marina Boatowners Association

Comments From Gregory F. Schem

Noble Study:

1. Page 1: Bullet point # 4: The report states that "more boats in the 30 foot length and less category are moving to dry boat storage". Where is the back up for this conclusion? How many more boats are we talking about? Since there have been very few new dry storage facilitates constructed within the market area, has the study included nationwide data outside of the market? If.so, is this relevant to Marina del Rey.
2. Page 2: Table: Does this mean that an individual marina should not have any slips under 30 feet when re-developed? But if the combined percentage is recommended to b 30% or less, then how do we get there?
3. Page 2: in Since the Coastal Commission has recommended eliminating the Funnel Concept, and the recreational boating groups and environmental groups are opposed to it, then perhaps it should not be mentioned as a viable alternative.
4. Page 3: Bullet point #1: We should insert the word "substantially" before "meet the minimum requirements..." as they are actually just guidelines and not requirements. By providing some flexibility, major changes in configuration may not become necessary in order to comply. This may provide a very cost effective solution for maintaining existing slip counts. It only makes sense that guidelines maintain more flexibility then specific requirements.
5. Page 4: Where has Marina del Rey become a "role model" for other urban marinas throughout the world"? This seems overly presumptive for a factual report.
6. **Page 6: The proposed slip count relies in the proposed dry stack projects at parcel 53 and 44 actually being constructed. Should these not be constructed the slip count will be reduced to 4,871 rather than to 5,343 resulting in a 677 slip reduction representing a 12.2% decrease. Since these projects are far from even obtaining their basic entitlements and CEQA review, this study should not assume their completion is a fait accompli in its analysis of the base case. Most importantly, since the total slip count is the very basis of this reports fundamental conclusions, the validity and likelihood of these assumptions should be clearly set forth.**
7. Page 7: It is important to note that only the currently proposed slip reconfigurations are included in this report. There are four marinas representing 894 slips which will have to reconfigure in the next few years. In addition, there are two other marinas which reconfigured in the 1980's which will be up for reconfiguration in the next decade representing 526 slips. Together, this represents 1,420 slips or 27% of the marina which is not included in this study. The reconfiguration of these marinas will likely involve a similar reduction in boat slips and an increase in length as discussed in this report.
8. Page 37: It is inconsistent with the recommendations of this study that the existing dry storage on parcel 77 should be eliminated. Given the lower costs associated with the existing storage facility on this parcel, I would think the author would recommend retaining this use.

ADK&A Report:

1. Page 1: The word "proposed" should precede "dry storage facilities for smaller boats" in second paragraph under Key Findings. This is important given the speculative nature of the two dry

storage facilities which (as stated above) still face considerable economic and entitlement challenges.

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Marina del Rey
Lessees Association

C/o Mr. Timothy C. Riley, Executive Director
8537 Wakefield Avenue
Panorama City, CA 91402
Telephone: 818-891-0495; FAX: 818-891-1058

April 21, 2009

Mr. Santos Kreimann
Director
Department of Beaches and Harbors
13837 Fiji Way
Marina del Rey, CA 90292

Re: Marina del Rey Slip Sizing Study
Marina del Rey Slip Pricing and Vacancy Study

Dear Mr. Kreimann:

The Marina del Rey Lessees Association submits the following comments, questions and suggestions in the matter of the above-referenced studies commissioned by the County of Los Angeles Department of Beaches and Harbors.

Marina del Rey Slip Sizing Study:

1. Page 1: Bullet point # 4: The report states that "more boats in the 30 foot length and less category are moving to dry boat storage". While we concur that a greater number of smaller boats should be placed in dry stack storage, we do not find that the report provides sufficient data to reach this conclusion. The consultant should be asked to quantify the number of boats under 30 feet that are moving to dry stack storage. Since there have been very few new dry storage facilitates constructed within the market area, has the study included nationwide data outside of the market? If so, is this relevant to Marina del Rey?

2. Page 2: Table: We believe the Table requires more clarity. Does this Table mean that an individual marina should not have any slips under 30 feet when re-developed? But if the combined percentage is recommended to be 30% or less, how is this achieved? If the first marinas to be redeveloped drop all boat slips under 30 feet, then do the last marinas to be developed take the entire burden of providing the under 30 foot slips in order to maintain the 30% ratio? What does the Table mean by saying 30% of the combined percentage for all MDR marinas is 30% for 30 feet and under? Does this include dry slips? What does it mean that the Table shows an apparently uneven redistribution of the percentages for the maximum case percentage for individual marinas? For instance, the 11% of slips 50 feet and over remains static, while all other categories 30 feet and above are adjusted upward.

3. The Table on page 2, along with the associated recommendations outlined in the Executive Summary, also fails to account for the fact that several anchorages, acting upon prior County policies, have already submitted proposals which minimize the potential for reconfiguration. The County has reserved the highest proportion of larger slips to those future projects which were not required to respond to prior invitations for Lease Extensions, and the County should reconsider the practical application of this policy.

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RAYMOND J FISHER
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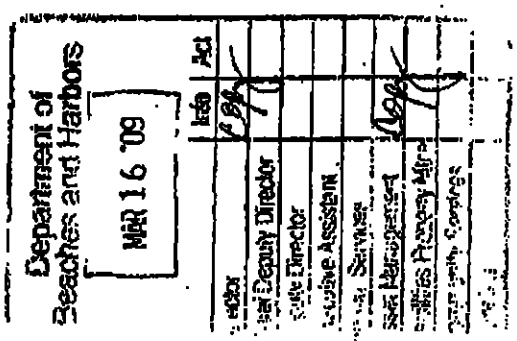
TEL: (310) 823-4488 FAX (310)823-8559
E-Mail: raymondjfisher@gmail.com or ray@starbizmgmt.com

Via mail
Via fax (31)821-6345

March 15, 2009

Santos H. Kreimann Director
Los Angeles County Beaches & Harbor
13837 Fiji Way
Marina Del Rey
California 90292

Department of Beaches and Harbors
MAR 16 '09
Info | Act
Director
Deputy Director
Director
Assistant
Services
Management
Property Mgr
Contracts



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Paul Wong

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Sent: Wednesday, April 22, 2009 10:05 AM
To: Paul Wong
Subject: slip size and pricing studies
Follow Up Flag: Follow up
Flag Status: Red

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Respectfully,

Andy Bessette
Marina Boatowners Association

To enrich lives through effective and caring service

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

May 4, 2009

Mr. Gregory F. Schem, Managing Director
Harbor Real Estate, L.P.
13555 Fiji Way
Marina Del Rey, CA 90292

COMMENTS REGARDING MARINA DEL REY SLIP SIZING STUDY AND MARINA DEL REY SLIP PRICING AND VACANCY STUDY

Dear Mr. Schem:

We are in receipt of your e-mail setting forth your comments regarding the Marina Del Rey Slip Sizing Study and the Marina Del Rey Slip Pricing and Vacancy Study. We have reviewed your comments and have forwarded them to our consultants for their review. If our consultants find the data and information you provided to us useful, they will include it in the studies. Also, we intend to request our consultants to attach your comments to the studies as an exhibit.

Thank you for your input.

Very truly yours,

SANTOS H. KREIMANN, DIRECTOR

Paul Wong, Chief
Asset Management Division

To enrich lives through effective and caring service

Los Angeles County Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

May 4, 2009

Mr. David O. Levine, President
Marina Del Rey Lessees Association
c/o Mr. Timothy C. Riley, Executive Director
8537 Wakefield Avenue
Panorama City, CA 91402

COMMENTS REGARDING MARINA DEL REY SLIP SIZING STUDY AND MARINA DEL REY SLIP PRICING AND VACANCY STUDY

Dear Mr. Levine:

We are in receipt of your April 21, 2009, letter setting forth your comments, questions, and suggestions regarding the Marina Del Rey Slip Sizing Study and the Marina Del Rey Slip Pricing and Vacancy Study. We have reviewed your data, comments, and suggestions and have forwarded them to our consultants for their review. If our consultants find the data and information you provided to us useful, they will include it in the studies. Also, we intend to request the consultants to attach your comments to the studies as an exhibit.

Thank you for your input.

Very truly yours,

SANTOS H. KREIMANN, DIRECTOR

Paul Wong, Chief
Asset Management Division

To enrich lives through effective and caring service

LOS ANGELES COUNTY
Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

May 4, 2009

Mr. Wesley Little and Mrs. Lynda Little
41163 Rimfield Drive
Palmdale, CA 93551

COMMENTS REGARDING MARINA DEL REY SLIP SIZING STUDY AND MARINA DEL REY SLIP PRICING AND VACANCY STUDY

Dear Mr. and Mrs. Little:

Thank you for submitting comments regarding the Marina Del Rey Slip Sizing Study and the Marina Del Rey Slip Pricing and Vacancy Study. We appreciate your participation in the public comments portion of the two above-mentioned studies. We intend to request the consultants to attach your comments to the studies as an exhibit. Your specific concerns regarding your slip fee increase were addressed in a separate letter sent to you on March 26, 2009.

Thank you for your input.

Very truly yours,

SANTOS H. KREIMANN, DIRECTOR

Paul Wong, Chief
Asset Management Division

To enrich lives through effective and caring service

Los Angeles County Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

May 4, 2009

Mr. Raymond J. Fisher
13080 Mindanao #98
Marina Del Rey, CA 90292

COMMENTS REGARDING MARINA DEL REY SLIP SIZING STUDY AND MARINA DEL REY SLIP PRICING AND VACANCY STUDY

Dear Mr. Fisher:

Thank you for your participation with the public review portion of the two above-mentioned studies. Specifically, we appreciate you for coming to the March 11, 2009, meeting and for your March 15, 2009, letter setting forth your comments regarding the Marina Del Rey Slip Sizing Study and the Marina Del Rey Slip Pricing and Vacancy Study. It is very important for us to hear from the public, and we appreciate individuals like you who take the time to come forward with comments.

We intend to request our consultants to attach your comments set forth in your letter as an exhibit to the studies. Thank you again for your participation.

Very truly yours,

SANTOS H. KREIMANN, DIRECTOR

Paul Wong, Chief
Asset Management Division

Paul Wong

From: Paul Wong
Sent: Wednesday, May 06, 2009 7:53 AM
To: 'andy bessette'
Subject: RE: slip size and pricing studies

Hello, Andy:

We have received your comments regarding the Marina del Rey Slip Sizing Study and the Marina del Rey Slip Pricing and Vacancy Study. We intend to request the consultants to attach your comments to the studies as an exhibit.

Paul Wong
(310) 305-9512

From: andy bessette [mailto:bessette_andy@yahoo.com]
Sent: Wednesday, April 22, 2009 10:05 AM
To: Paul Wong
Subject: slip size and pricing studies

Hello Paul,

following are my comments regarding the recent slip size and pricing studies:

These studies are a complete fabrication, ordered virtually word-for-word by the developers, purposely laden with misinformation, erroneous data and conclusions, their principle intent being to mislead the public and lend credence to the county's pitiful planning, cover-up their price gouging, and hide the decimation of small boat slips and the gentrification of this marina. The pricing study does not represent what is now being paid by slip renters, but has been created to increase the lessees' property values and force out the boaters of normal or modest means.

The sizing study has been written to deliberately hide the true numbers of slips lost due to the developers' land-grabbing of the related boat-owner parking; to disguise the county's failure to honestly manage this marina; and to glorify the developers' rapacious redevelopment plans. In a word, it shows to what lengths the county is willing to stoop...in their desperation for money. And it showcases the level of corruption which has become "acceptable" to the leaders of our unfortunate community, and their indifference to the needs of the boaters for whom the marina was built.

Shame on you all.

Respectfully,

Andy Bessette
Marina Boatowners Association

To enrich lives through effective and caring service

June 4, 2009

Los Angeles County Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

TO: Small Craft Harbor Commission

FROM: Santos H. Kreimann, Director

SUBJECT: **ITEM 4b – DOCK RECONFIGURATION PLAN FOR CHACE PARK PENINSULA**

The Dock Reconfiguration Plan for Chace Park Peninsula was on your Commission's May 13, 2009 agenda. Although your Commission decided to hold the item for discussion in June, the public was given the opportunity to comment, and a number of people spoke on the matter.

As a reminder, this dock reconfiguration plan includes the water area of Parcels EE (Chace Park), 45 (waterside area to be acquired from Parcel 44 lessee), 47 (former Santa Monica Windjammers Yacht Club docks), 48 (The Boathouse), 77, and 49 (launch ramp docks). All of the existing docks are to be replaced with new modern concrete docks in a phased replacement program to be carried out over several years. Due to the poor condition of the existing slips, the first phase will begin with the westerly end of Parcel 47 and continue in phases to the easterly end of Parcel 45, with the current slips at Parcels EE, 48 and 77 to follow. Timing for reconstruction of the launch ramps at Parcel 49 is contingent on funding, which is presently being pursued.

Parcels 45 and 47 currently contain 332 slips, 110 of which are in double slips (55 double slips), and have an average slip size of 27.33 feet. The proposed plan increases the average slip size to 37 feet and reduces the number of slips to 188 slips, resulting in a loss of 144 smaller slips. This loss of slips can be attributed to a number of factors, including increased access as required by the Americans with Disability Act; wider slip widths and fairways as required by the Department of Boating and Waterways; and the fact that nearly all of the slips in Parcel 45 are 30 feet and under, with most of these slips configured as obsolete double slips. These factors have caused the loss of slips as well as the loss of one dock each in both Parcel 45 and Parcel 47.

The County-operated transient slips in Parcel EE will be reconfigured and expanded from 23 existing slips to thirty 32-foot slips, 12 of which will be located on the adjacent Parcel 48 and are currently only available to the Department and the Sea Scouts. Also, there will be an additional fourteen 57-foot slips available at Parcel EE for month-to-month use in the future. An additional 190 feet of side tie dock space will be added at Parcel EE for a total of 550 feet, which will be used to accommodate larger transient boats and summer season WaterBus docking. At Parcel 48, a 140-foot side tie dock

will be available for four-hour transient use and another 142-foot side tie will be available for other purposes.

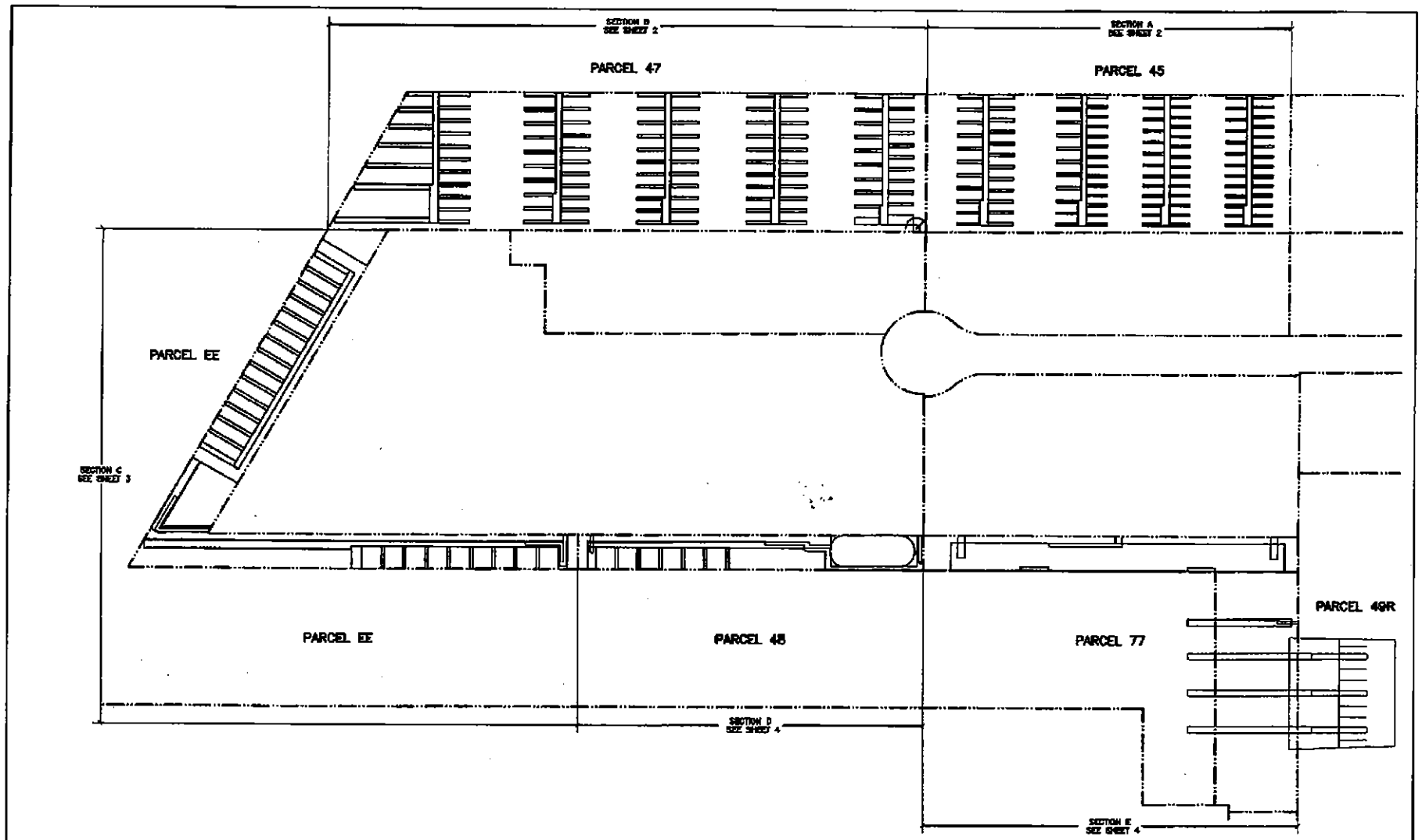
Parcel 77 originally had fourteen 28-foot slips that were removed over ten years ago, well before the County gained control of the parcel; the one remaining dock will be replaced with a 485-foot floating dock that can store up to 20 rowing shells from 25 feet to 65 feet long and 162 small boats up to 18 feet long in a system of racks built on the dock, which will allow for easy launching and retrieval. This space will be available for both public month-to-month use and Department program use.

Finally, the Department proposes to add a fourth dock at the Parcel 49 launch ramp that can be used as a dinghy dock or a staging dock.

We request that your Commission find that the proposed dock configuration plan for Chace Park peninsula is in conformance with the recommendations as set forth in the Slip Sizing Study report and that it is an appropriate plan that provides slips for small, medium and large boats, expands the transient dock capacity, and expands affordable boating uses in the marina including increased capacity for rowing and personal water crafts.

SHK:pw

Exhibit (1)



PROPOSED MARINA PLAN
SCALE: 1" = 60'

0 60
FEET

PRELIMINARY PLAN FOR REVIEW AND COMMENTS

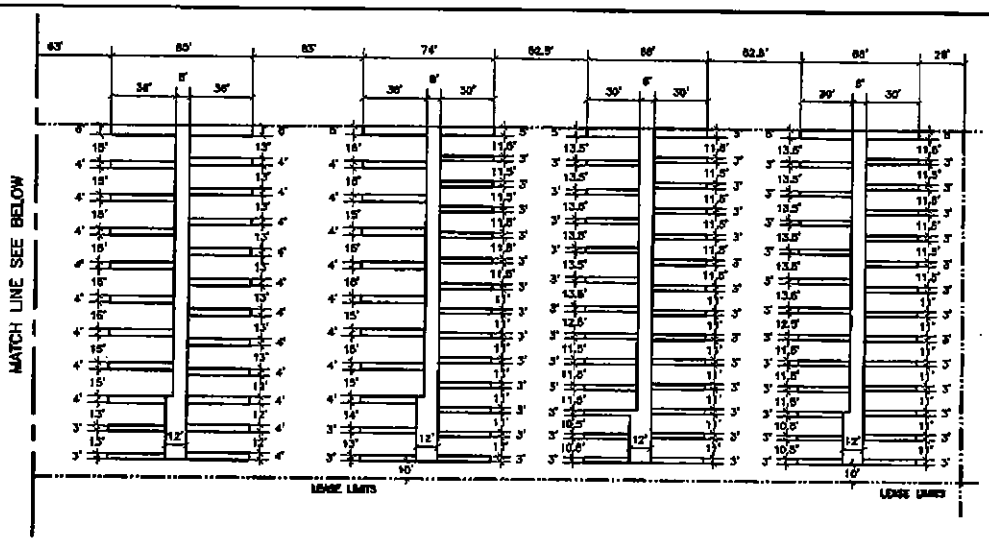
NOBLE

COUNTY OF LOS ANGELES, DEPT. OF BEACHES & HARBORS

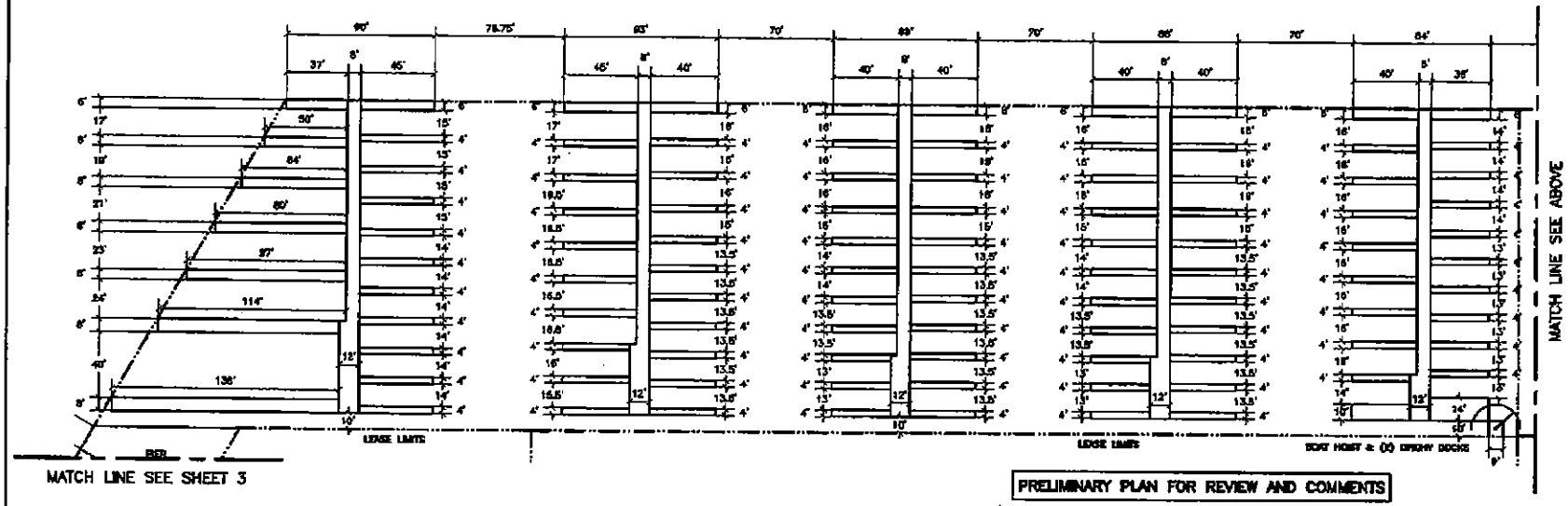
VERSION 2 PROPOSED MARINA PLAN

REDEVELOPMENT PLANS FOR MARINA DEL REY

SHEET 1 OF 4
JOB NO. 828-30
SCALE 1" = 80'
DATE 04 NOV. 08



SECTION A PROPOSED MARINA DETAIL
SCALE 1" = 30'



MATCH LINE SEE SHEET 3

SECTION B PROPOSED MARINA DETAIL
SCALE 1" = 30'

PRELIMINARY PLAN FOR REVIEW AND COMMENTS

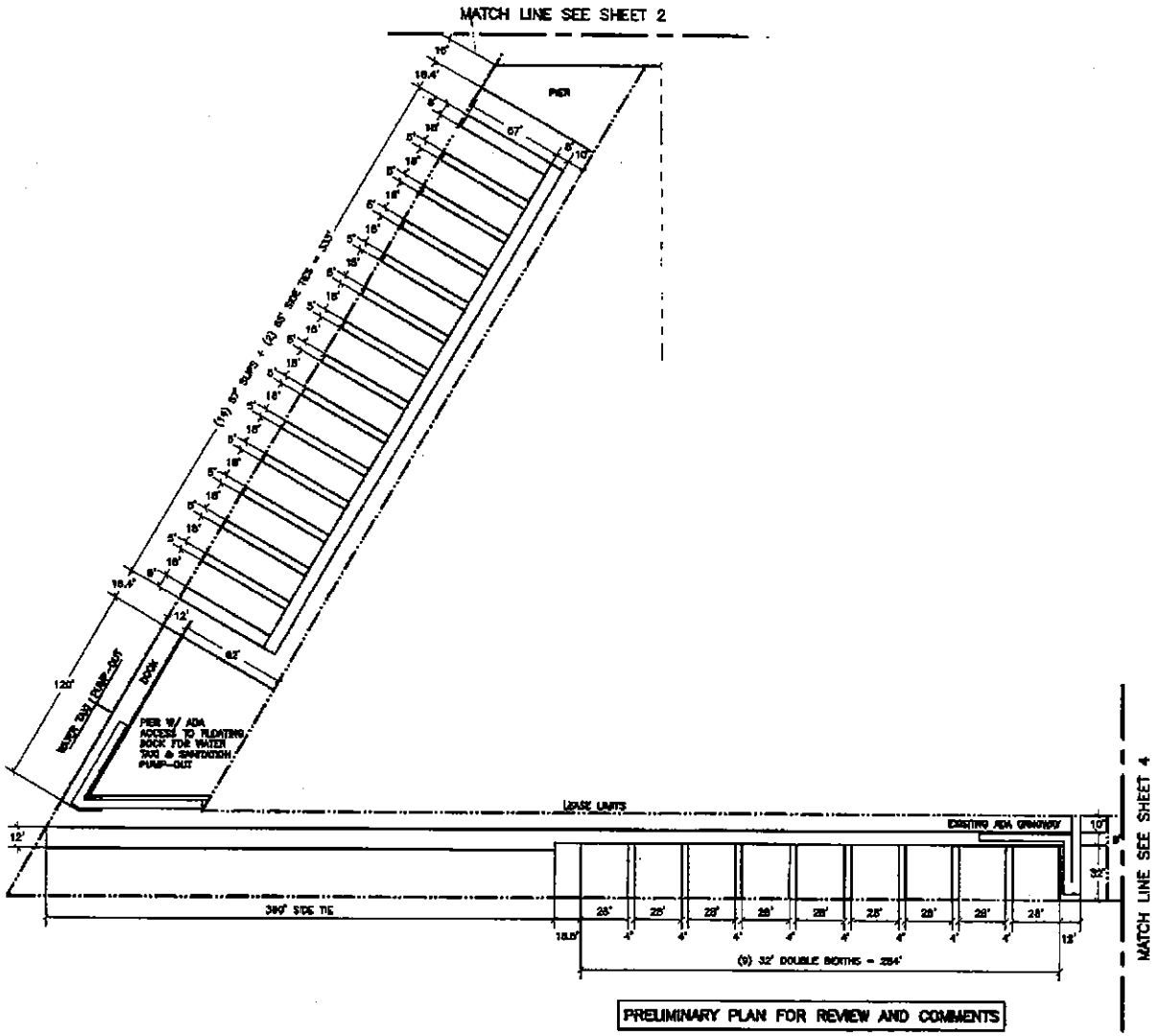
NOBLE CONSULTANTS, INC.

COUNTY OF LOS ANGELES, DEPT. OF BEACHES & HARBORS

VERSION 2 PROPOSED MARINA DETAILS

REDEVELOPMENT PLANS FOR DURTON CHASE PARK

SHEET 2 OF 4
JOB NO. 922-58
SCALE 1" = 30'
DATE 04 NOV. 08



PRELIMINARY PLAN FOR REVIEW AND COMMENTS

SECTION C PROPOSED MARINA DETAIL
SCALE: 1" = 30'

0 30
FEET

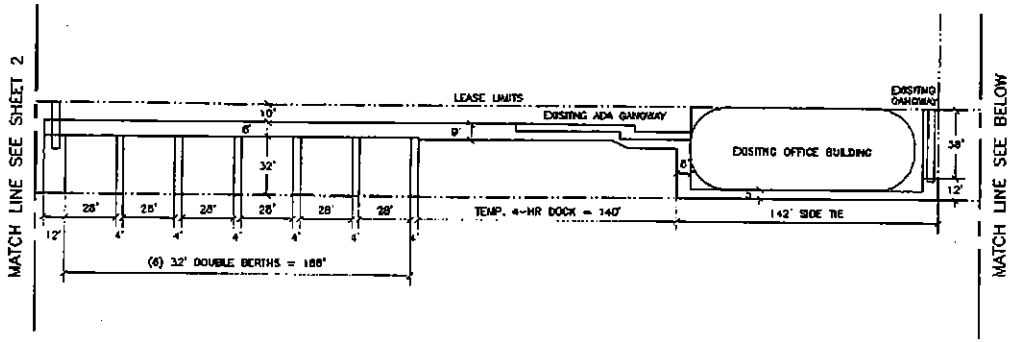
NOBLE

COUNTY OF LOS ANGELES, DEPT. OF BEACHES & HARBORS

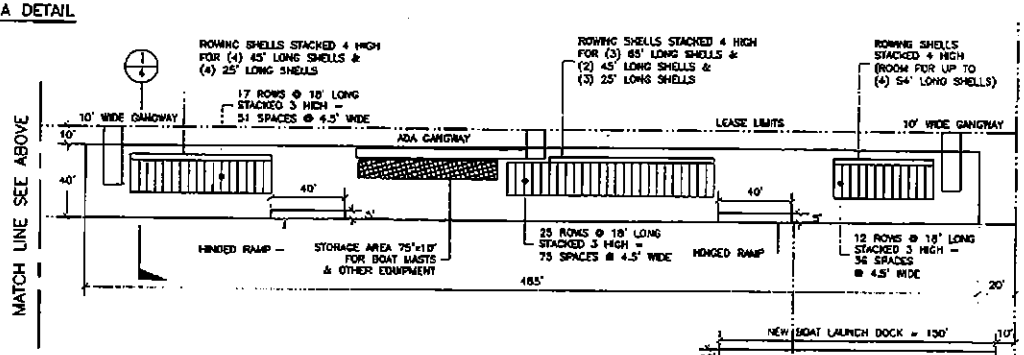
VERSION 2 PROPOSED MARINA DETAILS

REDEVELOPMENT PLANS FOR BURTON CHACE PARK

SHEET 3 of 4
JOB NO. 928-38
SCALE 1" = 30'
DATE 04 NOV. 05

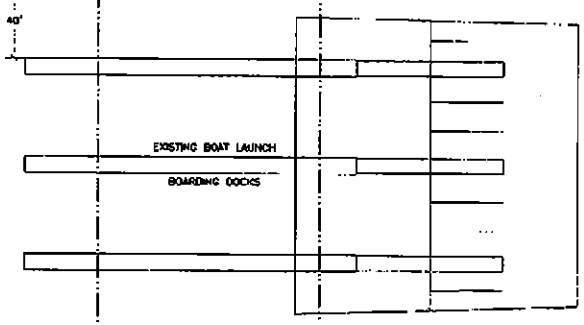


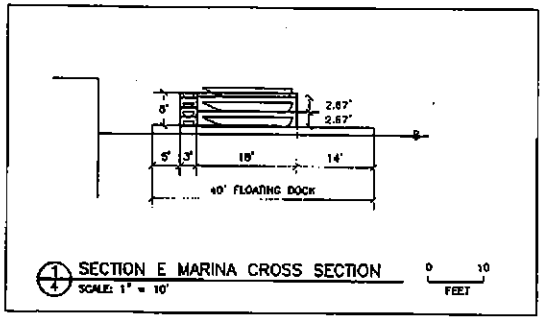
A/4 SECTION D PROPOSED MARINA DETAIL
SCALE: 1" = 30'



B/4 SECTION E PROPOSED MARINA DETAIL
SCALE: 1" = 30'

0 30
FEET





1/4 SECTION E MARINA CROSS SECTION
SCALE: 1" = 10'

0 10
FEET

PRELIMINARY PLAN FOR REVIEW AND COMMENTS

NOBLE CONSULTANTS INC.

COUNTY OF LOS ANGELES, DEPT. OF BEACHES & HARBORS

VERSION 2 PROPOSED MARINA DETAILS

REDEVELOPMENT PLANS FOR BURTON CHACE PARK

SHEET 4 OF 4
JOB NO. 928-38
SCALE AS SHOWN
DATE 07 APR 09

To enrich lives through effective and caring service

LOS ANGELES COUNTY
Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

June 4, 2009

TO: Small Craft Harbor Commission

FROM: Santos H. Kreimann, Director

SUBJECT: ITEM 5a – APPROVAL OF AMENDMENT NO. 1 TO LEASE NO. 75629 – PARCEL 1S (FUEL DOCK) - MARINA DEL REY

Item 5a on your agenda pertains to an amendment to the Parcel 1S (Fuel Dock) lease that confirms the lessee's exercise of its option to extend the term of the lease for an additional 55 years, changes the rent structure for fuel sales from a percentage of gross receipts to a flat fee of $.15 per gallon, and incorporates revised site and development plans.

Attached is a copy of the Board letter that explains the details of the proposed lease amendment. A copy of the proposed lease amendment is attached as an exhibit to the Board letter.

Your Commission's endorsement of the Director's recommendation to the Board of Supervisors to approve the proposed amendment as contained in the attached letter is requested.

SHK:ks
Attachment (1)

DRAFT

June 30, 2009

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

Dear Supervisors:

DEPARTMENT OF BEACHES AND HARBORS:
APPROVAL OF AMENDMENT NO. 1 TO LEASE NO. 75629
PARCEL 1S (FUEL DOCK) - MARINA DEL REY
(FOURTH DISTRICT)
(4 VOTES)

SUBJECT

Request approval of a lease amendment that confirms the lessee's exercise of its option to extend the term of the Parcel 1S (Fuel Dock) lease for an additional 55 years, changes the rent structure for fuel sales from a percentage of gross receipts to a flat fee of $.15 per gallon, approves a change in ownership structure of the lessee, and incorporates revised site and development plans.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Regional Planning Commission, acting on behalf of the County, has previously considered and adopted a negative declaration for the proposed landside redevelopment/replacement project contemplated by Amendment No. 1 to Lease with respect to Parcel 1S (Fuel Dock), attached as Exhibit A, and that the Executive Officer of the Coastal Commission determined that the waterside redevelopment/replacement project involves no potential for any adverse effect, either individually or cumulatively, on coastal resources and is consistent with the policies of section 30200, et seq. of the Coastal Act.

2. Authorize the Chairman to execute the attached Amendment No. 1 to Lease to: a) grant an extension of the option date to a date concurrent with your Board's approval of Amendment No. 1; b) acknowledge the

satisfaction by Lessee or waiver by County of all conditions to exercise of the option; c) accept and acknowledge the valid, timely and proper exercise of the option by lessee; d) extend the term of the existing lease on Parcel 1S by 55 years to enable redevelopment of the improvements thereon; e) approval and incorporation of the change in ownership of the Lessee; f) modify certain other terms and provisions of the Lease relating to rent and the redevelopment work.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Pursuant to exclusive negotiations authorized by your Board on April 5, 2005, a new five-year lease ("Lease") was negotiated with a new lessee entity, Del Rey Fuel, LLC, a California limited liability corporation ("Lessee"), for Parcel 1S (Fuel Dock), which includes a redevelopment program for the leasehold subject to several conditions, including the following: any landside development be limited in height to that of the existing structure, food service be limited to takeout service only, and the new development remain within the leasehold parcel boundaries. Simultaneously, your Board granted an Option to Amend Lease Agreement ("Option") to extend the term of the Lease by 55 years upon demonstration that the Lessee had satisfied all of the conditions for exercise contained in the Option, including receipt of all planning, zoning, environmental, and other entitlement approvals required to be obtained from governmental authorities for the construction of the development project. Unlike the structure of most of the Marina redevelopment leasehold deals, which require an option to be exercised before an amended and restated lease is executed, the County executed the short term (five-year) Lease concurrent with the Option to facilitate the provision by Lessee to the boating public of uninterrupted fueling services while it pursued its development approvals.

The Option expiration date, after extensions by both the Director of the Department of Beaches and Harbors ("Director") and your Board, was May 2, 2009. During the entitlement process, Lessee has worked diligently to obtain the necessary entitlements to permit the exercise of the Option but has encountered delays in securing financing for the project due to the current economic crisis. Almost all marina lenders have exited the market and, as a result, Lessee has been unable to obtain a construction loan commitment.

To avoid loss of the Option to extend the lease, Lessee has negotiated financing with SCM Del Rey Partners, LLC to contribute equity (instead of the more traditional construction loan) and has negotiated a change in ownership of Lessee to add SCM Del Rey Partners, LLC as a new member of the Lessee limited liability company with a 50% interest therein, so as to be able to commence redevelopment of the project in a timely manner. The Department of Beaches and Harbors has reviewed the change of ownership in accordance with the assignment standards of the Lease, including a review of the new member's financial condition, and recommends approval thereof.

Negotiations between Lessee and SCM Del Rey Partners, LLC have taken longer than anticipated. As a result, Lessee was unable to provide evidence of its financing until after the May 2, 2009 expiration of the Option. Lessee has requested an extension of the outside date to exercise the Option to a date concurrent with your Board's approval of the Amendment No. 1 to Lease ("Amendment No. 1").

Additionally, to satisfy underwriting requirements in today's financial market for permanent financing and to bring the rental structure more in conformity with current rent structures for fuel docks in Southern California, Lessee has proposed changing the rent structure for gross receipts generated by the sale of fuel from a percentage rent (6% of gross revenues) to a flat fee of $.15 per gallon, effective upon completion of the redevelopment. All other revenue will be subject to the same percentage rents as were previously approved. The County's economic consultant has reviewed and analyzed the requested change and has concluded that the impact to the County will be relatively minor at current market prices, even allowing for some further increase in fuel prices. The consultant also stated that whatever minor and possibly temporary ground rent savings that might accrue to Lessee from the change in rent structure, they would represent only a minor fraction of the substantially increased construction costs the Lessee will incur to comply with much more stringent fuel delivery regulations enacted subsequent to Lessee's entering into the Option. Furthermore, County's economic consultant points out that the economics of fuel operations and the wide practice in public marinas of charging a fixed rent per gallon of fuel sold both suggest that a recurrence of high fuel prices would not enrich the Lessee at County expense, because dollar profit margins tend to remain constant but unit sales tend to decrease, resulting in a decline in Lessee's total dollar profits.

An additional important non-economic factor in determining whether to implement the change in the rent structure is that a fuel dock is a critical service facility to boaters in a marina. Without a fuel dock, boaters will be required to travel to other marinas to buy fuel, which will make Marina del Rey less attractive as a convenient, low cost place for recreational boating.

Upon satisfaction of all the conditions set forth in the Option, the Option provides that Amendment No. 1 will be executed to memorialize the exercise of the option to extend the term. The changes discussed above are included in Amendment No. 1 that your Board is now being requested to approve. Other changes included in Amendment No. 1 are: a) a revised site plan and development plan; b) a new legal description to reflect the actual footprint of the fuel dock (as the original dock was constructed outside the legal boundaries of the parcel); c) elimination of the requirement that Lessee obtain its building permit prior to exercise of the Option, in order to accommodate the required timing for the admission of Lessee's new equity member; and d) an extension of the existing lease reversion provisions to provide that if Lessee fails to commence construction within 120 days of its exercise of the Option, then, at County's election, the

lease termination date will automatically revert back to April 30, 2011, the extension will terminate, and Lessee will have no right to redevelop the parcel.

Implementation of Strategic Plan Goals

The recommended action will allow the Lessee to proactively redevelop its leasehold improvements, which will result in fulfillment of Strategic Plan Goal No. 1, "Operational Effectiveness", as the project will provide a sustained financial resource to the County, and Strategic Goal No. 3, "Community and Marketing Services", as the redevelopment will provide a convenient place for boaters to refuel the vessels.

FISCAL IMPACT/FINANCING

Parcel 1S paid a total rent of $261,310 for Fiscal Year (FY) 2007-08. Annual rent to the County is projected to reach $244,000 at stabilization, a 6% decrease in rent from the FY 2007-08 level. The reason for the decrease in rent is that FY 2007-08 was a time of historically high fuel prices from which the County received more rent than anticipated. Our economic consultant notes that even with no change in fuel sales rent (from percentage rent to a flat fee rental structure), total County rent from the sale of fuel would still decline due to the fall in fuel prices.

Operating Budget Impact

There is no operating budget impact as a result of this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the Lease for Parcel 1S commenced on May 10, 2006 and currently expires on April 30, 2011. Upon execution and delivery of Amendment No. 1, the term of the Lease will be extended to April 30, 2066.

Lessee is an entity established jointly by Harbor Real Estate Limited Partnership, a Delaware partnership, the current lessee of Parcel 53 (The BoatYard), and Westrec Marina Management, Inc., a California corporation.

Extension of the existing Lease is authorized by Government Code Sections 25907 and 25536. The extended lease term does not exceed the maximum 99-year period authorized by California law.

At its meeting of June 10, 2009, the Small Craft Harbor Commission _____ the Director's recommendation that your Board approve the attached Amendment No. 1, which has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

On March 24, 2008, the Executive Director of the Coastal Commission issued a waiver of Coastal Development Permit ("CDP") requirements for the waterside redevelopment/replacement project, having determined that the waterside project involves no potential for any adverse effect, either individually or cumulatively, on coastal resources and is consistent with the policies of section 30200, et seq. of the Coastal Act. On May 14, 2008, the Regional Planning Commission considered and adopted a negative declaration for the proposed redevelopment/replacement project contemplated by the Lease and Amendment No. 1 prior to approving the landside CDP and Conditional Use Permit for the project, concluding that the proposed project will have no significant effect on the environment. The proposed Amendment No. 1 does not raise any new or different environmental impacts.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

Please authorize the Executive Officer of the Board to send two copies of the executed Amendment No. 1 to Lease to the Department of Beaches and Harbors.

Respectfully submitted,

Santos H. Kreimann
Director

SK:PW:ks

Attachments (1)

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

AMENDMENT NO. 1 TO LEASE AGREEMENT
PARCEL 1S – MARINA DEL REY SMALL CRAFT HARBOR
(LEASE NO. 75629)

THIS AMENDMENT NO. 1 TO LEASE AGREEMENT ("Amendment") is made and entered into as of _____, 2009 ("Effective Amendment Date") by and between COUNTY OF LOS ANGELES ("County") and DEL REY FUEL, LLC, a California limited liability company ("Lessee").

RECITALS

WHEREAS, County and Lessee entered into Lease Agreement (Lease No. 75629) dated May 2, 2006 (the "Lease"), pursuant to 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, commonly known as Parcel 1S;

WHEREAS, County and Lessee entered into Option to Amend Lease Agreement dated May 2, 2006 (the "Option Agreement"), pursuant to which County granted to Lessee an option to extend the Term of the Lease through April 30, 2066 (the "Option") upon the terms and conditions set forth in the Option Agreement;

WHEREAS, the Outside Date for the exercise by Lessee of the Option was previously extended to May 2, 2009;

WHEREAS, County and Lessee desire to enter into this Amendment to (a) acknowledge the satisfaction or waiver by County of all conditions to the exercise of the Option by Lessee; (b) acknowledge the extension of the date for Lessee's exercise of the Option until the Effective Amendment Date and permit Lessee's exercise of the Option pursuant to and in accordance with the terms of this Amendment; and (c) modify certain terms and provisions of the Lease.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Lessee agree as follows effective as of the Effective Amendment Date:

1. Capitalized Terms. All capitalized terms used in this Amendment and not otherwise defined herein shall have the same meanings given to such terms in the Lease.

2. Exercise of Option. The parties hereby agree that the date by which Lessee must exercise the Option is hereby extended to the Effective Amendment Date. County acknowledges that all conditions to the exercise of the Option by Lessee have been either satisfied by Lessee or waived by County. By its execution and delivery of this Amendment, Lessee hereby exercises the Option. By its execution and delivery of this Amendment, County hereby accepts and acknowledges the valid, timely and proper exercise of the Option by Lessee. From and after the Effective Amendment Date, the

"Option Effective Date" under the Option Agreement shall be the Effective Amendment Date.

3. Extension of Term. The Term of the Lease is hereby extended such that the "Expiration Date" under the Lease is amended to be 11:59 p.m. on April 30, 2066.

4. Modification of Legal Description of Premises. Exhibit A attached to the Lease is hereby replaced with the legal description attached to this Amendment as Exhibit A.

5. Modifications to Redevelopment Work. The following modifications are hereby made to the Redevelopment Work to be performed by Lessee under the Lease:

5.1 Exhibit B attached to the Lease is hereby replaced with the new Development Plan attached to this Amendment as Exhibit B.

5.2 Clause (b) of the first paragraph of Section 5.1 of the Lease is amended such that the number of single-loaded slips required to be constructed by Lessee is changed from 8 to that number shown on Exhibit A-1 attached to Exhibit B attached to this Amendment.

6. Modification to Rental Rate for Sale of Fuel. Conditioned upon, and effective as of the date of, the substantial completion of the Redevelopment Work, subsections 4.2.2(k) and 4.2.2(l) of the Lease are hereby amended in full and replaced with the following:

"(k) Fifteen cents ($0.15) per gallon of gasoline, diesel fuel, mixed fuel or other fuel sold from or at the Premises;

(l) SIX PERCENT (6%) of Gross Receipts from the sale of non-fuel petroleum products from or at the Premises;"

Notwithstanding any contrary provision of Section 4.3 of the Lease, in no event shall the rental to be paid by Lessee with respect to fuel sales under subsection 4.2.2(k) of the Lease ever be readjusted pursuant to the Fair Market Rental Value adjustments under Section 4.3 of the Lease to an amount less than fifteen cents ($0.15) per gallon, and if the actual Fair Market Rental Value attributable to fuel sales is less than fifteen cents ($0.15) per gallon, then the restriction set forth in this sentence shall have no effect on the determination of the Fair Market Rental Value percentages for the other categories of Gross Receipts set forth in subsection 4.2.2 or the amount of any other rent payable by Lessee under the Lease.

7. Modification to Capital Improvement Fund. Clause (b) of the fourth paragraph of Section 5.13 of the Lease is amended in full and replaced with the following: "(b) $0.01 per gallon of fuel sold from or at the Premises, modified (but never decreased below $0.01 per gallon) every five (5) years after the CO Date by the

same percentage change as the percentage change in the ENR Index during the preceding five (5) year period."

8. Parity of Operation/Rent. County agrees that during the remaining Term of the Lease (as extended herein) it will not hereafter enter into any new lease, lease amendment, lease extension, option to lease or option for lease extension with respect to any other property owned by County located in the Marina del Rey Small Craft Harbor for the development and operation during the Term of this Lease of a fuel service dock facility serving boats or other watercraft (a "Competing Lease Transaction") by a lessee or operator (a "Competing Lessee") unless the requirements set forth in paragraphs (I), (II) and (III) below are satisfied with respect to such Competing Lease Transaction. For purposes of clarification, as of the Effective Amendment Date of this Amendment the previous lease extension option pertaining to the redevelopment of Parcels 55, 56 and W has expired by its terms. Any renewal of such lease extension option, new lease extension option, lease amendment or new lease pertaining to Parcels 55, 56 and W that would permit the lessee of Parcels 55, 56 and W to redevelop such property to include a fuel service dock facility will constitute a Competing Lease Transaction. Notwithstanding any contrary provision of this Section 8, the operation of a "fuel service dock facility" shall not include the sale or dispensing of fuel by a lessee or operator for "topping off" of small vessels used for pleasure use that are stored or occupy slips at the property from which the fuel is sold or dispensed.

(I) The Competing Lease Transaction shall require that the Competing Lessee's fuel service dock facility must include high-speed pumps for not less than four (4) different fuel types, except that (x) four (4) different fuel types at each individual pump shall not be required as long as facilities for such different fuel types are made available at such property in a manner so as to avoid unreasonable delay in service, and (y) with the Director's prior reasonable consent, the Competing Lessee shall have the right from time to time to provide service for less than four (4) different fuel types if less than four (4) fuel types are then used by boating consumers in the Marina del Rey Small Craft Harbor.

(II) The Competing Lease Transaction shall require that the Competing Lessee's fuel service dock facility shall be required to be open every day of the year for at least the minimum hours of operation approved by County from time to time, except for such holidays during which commercial businesses in Marina del Rey are customarily closed, and except to the extent the Competing Lessee is prevented from doing so due to force majeure or due to temporary interruption for maintenance and repair, renovation, alteration or improvement work, but only during the period reasonably required to complete such work.

(III) The Competing Lease Transaction shall require the payment of rent by the Competing Lessee with respect to fuel sales that is not less than the rent required to be paid by Lessee under this Lease with respect to fuel sales. For purposes of this paragraph (III), the amount of any rent abatement, rent deferral, rent concession or other monetary concession granted by County to the

Competing Lessee under a Competing Lease Transaction that relates or pertains to the rent payable with respect to fuel sales (as opposed to the rent payable with respect to other operations on the applicable property) shall be taken into consideration in calculating the rent payable by the Competing Lessee under such Competing Lease Transaction. However, if the improvements on the property under any Competing Lease Transaction include not only the operation of a fuel service dock facility, but also other improvements, then any rent abatement, rent deferral, rent concession or other monetary concession granted in connection with the development, use or operation of such other improvements shall not be taken into consideration for purposes of this paragraph (III).

Notwithstanding any contrary provision of this Section 8, (a) the restriction set forth in the first paragraph of this Section 8 shall be applicable (and County shall be bound thereby) only during such time as Lessee is operating its fuel service dock facility on the Premises open to the public in a manner consistent with the provisions of paragraphs (I) and (II) above and in material compliance with the other requirements of the Lease, and an uncured Event of Default by Lessee under the Lease does not exist; and (b) any Competing Lease Transaction entered into at a time when the restriction set forth in the first paragraph of this Section 8 is not applicable (including any lease or lease extension subsequently executed pursuant to an option to lease or option for lease extension executed at a time when the restriction set forth in the first paragraph of this Section 8 is not applicable) shall be exempt from the requirements of this Section 8. In addition, (a) to the extent that County waives the application to Lessee's operations under this Lease of any of the requirements set forth in paragraph (I) or (II) above, such waived requirement shall not be applicable (or no longer applicable) to a Competing Lease Transaction; (b) during any period during which a Director consent under clause (y) of paragraph (I) is in effect with respect to a Competing Lease Transaction, Lessee's obligations under Section 3.1(i)(I) of the Lease shall be modified to be consistent with such Director consent; and (c) during any period during which a Director approval under paragraph (II) above is in effect that results in minimum hours of operation for a Competing Lease Transaction that are less than the minimum hours of operation then required under Section 3.4 of the Lease for Lessee's fuel dock service operation, the minimum hours of operation required under Section 3.4 of the Lease for Lessee's fuel dock service operation shall be changed to such reduced hours.

9. Modification to Section 3.1 of the Lease. Section 3.1 of the Lease is hereby amended to add the words "in the Marina del Rey Small Craft Harbor" after the words "boating consumers" in clause (i)(II) of such Section 3.1.

10. County's Inducement. In connection with Lessee's exercise of the Option, County hereby confirms its waiver of the condition to exercise of the Option that Lessee shall have satisfied all conditions to the issuance of any building permit required for the construction of the Redevelopment Work. In consideration of County's waiver of the foregoing condition, and in acknowledgment that the principal inducement to County to extend the Term of the Lease pursuant to the Option is the timely performance by Lessee of the Redevelopment Work, if Lessee fails to commence construction of the

Redevelopment Work within one hundred twenty (120) days after the Effective Amendment Date, then in addition to any other right or remedy that County may have in connection with such failure to timely commence construction of the Redevelopment Work, upon written notice by County to Lessee, the Lease shall be automatically amended such that the terms and provisions of the Lease revert back to the terms and provisions of the Lease prior to Lessee's exercise of the Option and prior to the parties' execution of this Amendment (including, without limitation, the expiration of the Term of the Lease on April 30, 2011). The terms and provisions of this Section 10 shall be in addition to and not in limitation of, the terms and provisions of Section 5.6 of the Lease, including without limitation, subsection 5.6.3 thereof. For purposes of clarification, in the event the Lease is amended in accordance with subsection 5.6.3 of the Lease, the terms and provisions of the Lease (as amended under such subsection 5.6.3) shall be the terms and provisions of the Lease existing prior to Lessee's exercise of the Option and prior to the parties' execution of this Amendment (including, without limitation, the expiration of the Term of the Lease on April 30, 2011).

In order to reduce the amount of time that the docks on the Premises are taken out of service, Lessee intends to have the floats fabricated off-site and then installed in the Premises on a pre-fabricated basis. For purposes of the one hundred twenty (120) day construction commencement date requirement set forth in the immediately preceding paragraph, the commencement of the off-site fabrication of the floats shall constitute commencement of construction of the Redevelopment Work if all of the following requirements are satisfied: (a) fabrication shall mean the actual off-site construction of the floats, and not merely the manufacture, supply or acquisition of the individual component parts or materials that are subsequently combined to produce the floats; (b) fabrication must have commenced with respect to at least all of those floats to be installed in the first phase of installation, as approved by Director; (c) fabrication must continue on a diligent, continuous basis until the completion of the last stage of fabrication prior to transport to the Premises; (d) upon the completion of clause (c) the floats must be installed in the Premises on a timely basis in accordance with the phasing schedule approved by Director; and (e) after the off-site float fabrication commences, any other on-site demolition or construction work pertaining to the Redevelopment Work that, based on the phased construction schedule approved by Director, is to be commenced prior to the on-site installation of the pre-fabricated floats, shall be commenced and diligently performed in accordance with such approved construction schedule. At Director's request, Lessee shall establish to Director's reasonable satisfaction Lessee's compliance with the requirements set forth in clauses (a) through (e) above. For purposes of clarification, County acknowledges that the requirement in the second sentence of Section 5.1 of the Lease that Lessee proceed to demolish the Improvements located on the Premises and perform the Redevelopment Work promptly following the Lessee's exercise of the Option is hereby modified to reflect the terms and provisions of this paragraph.

11. Change of Ownership of Lessee. Lessee represents and warrants to County as follows as of the Effective Amendment Date:

(a) prior to or concurrent with the full execution and delivery of this Amendment, the ownership of Lessee has changed such that (i) immediately prior to such change, the ownership of Lessee consisted of the following two members: The Schem Revocable Family Trust held a 51% membership interest in Lessee and The JMM Schem Irrevocable Trust held a 49% membership interest in Lessee; and (ii) as of the Effective Amendment Date, the ownership of Lessee now consists of the following three members: The Schem Revocable Family Trust now holds a 25.5% membership interest in Lessee, The JMM Schem Irrevocable Trust now holds a 24.5% membership interest in Lessee, and SCM Del Rey Partners, LLC now holds a 50% membership interest in Lessee;

(b) the manager of Lessee is Greg Schem;

(c) SCM Del Rey Partners, LLC is owned by the members listed on Exhibit C attached to this Amendment;

(d) the manager of SCM Del Rey Partners, LLC is Somera Capital Management, LLC;

(e) the financials statements and other information disclosed by Lessee to County regarding Lessee's members were true and correct as of the date of such disclosure on June 1, 2009 (or as of the date of such financial statements if dated as of a different date), and there has been no material adverse change to the financial condition of Lessee's members between the date of such disclosure (or the date of such financial statements if dated as of a different date) and the Effective Amendment Date;

(f) Lessee has delivered to County a true and correct copy of its Amended and Restated Operating Agreement dated as of June 1, 2009, and effective as of the Effective Amendment Date ("Lessee's Operating Agreement"); as of the Effective Amendment Date, Lessee's Operating Agreement is in full force and effect and constitutes a valid and binding agreement enforceable in accordance with its terms;

(g) The only monetary consideration paid by SCM Del Rey Partners, LLC for its membership interest in Lessee is the obligation of SCM Del Rey Partners, LLC to make certain capital contributions to Lessee in accordance with the terms and provisions of Lessee's Operating Agreement, such capital contributions shall be used to pay for Applicable Costs (as defined in Section 4.8.1 of the Lease), and no portion of such capital contributions shall be distributed to the other members of Lessee except for reimbursements to the other members of Lessee for organizational, formation, due diligence and transaction expenses not to exceed an aggregate of $25,000; and

(h) The execution and delivery of this Amendment on behalf of Lessee has been approved by SCM Del Rey Partners, LLC and has been authorized by all

necessary limited liability company (or other corporate, partnership or trust action, as applicable) on the part of all direct or indirect members or owners of beneficial interests in Lessee.

The admission of SCM Del Rey Partners, LLC as a member of Lessee constitutes a Change of Ownership under Section 4.6 of the Lease. Conditioned upon the truth and accuracy of the foregoing representations and warranties, County hereby approves such Change in Ownership and agrees that no Net Proceeds Share shall be payable to County in connection with such Change of Ownership. In accordance with Section 4.6 of the Lease, Lessee shall pay to County the Actual Costs incurred by County in connection with its review and processing of the Change of Ownership described in this Section 11, provided that such costs shall not be duplicative of the costs to be reimbursed to County pursuant to Section 12 of this Amendment.

In acknowledgment of the Change of Ownership described in this Section 11, the following two additional modifications are hereby made to the Lease:

(i) All references to "Effective Date" in Sections 4.6.2, 4.6.3 and 4.7.1 of the Lease are hereby changed to "Effective Amendment Date"; and

(ii) The third sentence of Section 4.8 of the Lease is hereby amended in full and replaced with the following: "With respect to each Financing Event, the Net Proceeds Share (if any) shall be equal to twenty percent (20%) of the Net Refinancing Proceeds from such Financing Event; provided, however, that there shall be no Net Proceeds Share payable with respect to the first Financing Event as long as such first Financing Event occurs not later than the third (3rd) anniversary of the CO Date."

12. County Costs. Within thirty (30) days after written request from County, Lessee shall reimburse County for the Actual Costs (as defined in the Lease) incurred by County in the review, negotiation, preparation and documentation of this Amendment, to the extent not paid by Lessee prior to the Effective Amendment Date.

13. No Other Modifications. This Amendment is intended to supersede and replace the form of First Amendment to Lease attached as Exhibit A to the Option Agreement. Except as expressly set forth in this Amendment, all terms, conditions, and provisions of the Lease remain in full force and effect and are unmodified, and each of the parties reaffirms and acknowledges its respective obligations under the Lease as amended hereby.

14. Counterparts. This Amendment may be signed in any number of counterparts. Each counterpart represents an original of this Amendment and all such counterparts shall collectively constitute one fully-executed document.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, County and Lessee have entered into this Amendment as of the date first set forth above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

DEL REY FUEL, LLC,
a California limited liability company

By: _____
Gregory F. Schem, its Manager

ATTEST:

SACHI HAMAI,
Executive Officer of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN,
Acting County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

MUNGER, TOLLES & OLSON LLP

By: _____

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

LEASE PARCEL NO. 1S:

All of Parcels 1, 2 and 3, as shown on Los Angeles County Assessor's Map No. 88, recorded in Book 1, Pages 53 to 70, inclusive, of Assessor's Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles and that portion of Parcel 905, as shown on said map, within the following described boundaries:

Beginning at the northeasterly corner of said Parcel 3; thence easterly along the easterly prolongation of the northerly line of said Parcel 3 to a line parallel with and 15.00 feet easterly, measured at right angles, from the easterly line of said Parcel 3; thence southerly along said parallel line, a distance of 280.15 feet to a line parallel with said northerly line; thence westerly along said last mentioned parallel line to said easterly line; thence northerly along said easterly line, a distance of 280.15 feet to the point of beginning.

Together with a right of way for ingress and egress to be used in common with others over those portions of Parcels 5, 8 and 22, as shown on said map, within the following described boundaries:

Beginning at the intersection of the southwesterly line of said Parcel 22 with a line parallel with and 65 feet southeasterly, measured at right angles, from the northwesterly line of said last mentioned parcel; thence North 58° 22' 54" East along said parallel line, a distance of 201.83 feet to the beginning of a curve concave southerly, having a radius of 26 feet, tangent to said parallel line and tangent to a line parallel with and 40 feet southerly, measured at right angles, from the northerly line of said Parcel 8; thence easterly along said curve through a central angle of 31° 37' 06" and an arc distance of 14.35 feet to said last mentioned parallel line; thence EAST along said last mentioned parallel line, a

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distance of 1347.72 feet to the beginning of a curve concave southwesterly, having a radius of 24 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 101 feet westerly, measured at right angles, from the most westerly line in the westerly boundary of said Parcel 1; thence southeasterly along said last mentioned curve through a central angle of 90° 00' 00" and an arc distance of 37.70 feet to said last mentioned parallel line; thence SOUTH along said last mentioned parallel line, a distance of 182.00 feet to the beginning of a curve concave northeasterly, having a radius of 10 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 256 feet southerly, measured at right angles, from the southerly line of Parcel 6, as shown on said map; thence southeasterly along said last mentioned curve through a central angle of 90° 00'00" and an arc distance of 15.71 feet to said last mentioned parallel line; thence EAST along said last mentioned parallel line, a distance of 104.81 feet to the southerly prolongation of the most easterly line in said westerly boundary; thence NORTH along said southerly prolongation and said most easterly line to a line parallel with and 226 feet southerly, measured at right angles, from said southerly line; thence WEST along said last mentioned parallel line to the beginning of a curve concave to the northeast, having a radius of 4 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 71 feet westerly, measured at right angles, from said most westerly line; thence northwesterly along said last mentioned curve through a central angle of 90° 00' 00" and an arc distance of 6.28 feet to said last mentioned parallel line; thence NORTH along said last mentioned parallel line, a distance of 174.00 feet to the beginning of a curve concave southwesterly, having a radius of 24 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 24 feet southerly, measured at right angles, from said southerly line; thence northwesterly along said last mentioned curve through a central angle of 90° 00' 00" and an arc distance of 37.70 feet to said last mentioned parallel line; thence EAST along said last mentioned parallel line, a distance of 36.00 feet to the beginning of a curve concave southwesterly, having a radius of 24 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 35 feet westerly, measured at right angles, from said most westerly line; thence southeasterly along said last mentioned curve through a central angel of 90° 00' 00" and an arc distance of 37.70 feet to said last mentioned parallel line; thence SOUTH along said last mentioned parallel line, a distance of 174.00 feet to the beginning of a curve concave northwesterly, having a radius of 4 feet, tangent to said last mentioned parallel line and tangent to a line parallel with and 226 feet southerly, measured at right angles, from said southerly line; thence southwesterly along said last mentioned curve through a central angle of 90° 00' 00" and an arc distance of 6.28 feet to said last mentioned parallel line; thence EAST along said last mentioned parallel line to said most easterly line; thence NORTH along said most easterly line to the easterly terminus of that certain course having a bearing and distance of due WEST 13.81 feet in the generally westerly boundary of said Parcel 1; thence WEST along said course, a distance of 13.81 feet to the southerly terminus of said most westerly line; thence NORTH along said most westerly line, a distance of 30.94 feet to a point, said point being the easterly terminus of a curve concave northeasterly and having a radius of 5 feet, tangent at the northerly terminus thereof to a line parallel with and 5 feet westerly, measured at right angles, from said most westerly line; thence northwesterly along said last mentioned

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curve through a central angle of 90° 00' 00" and an arc distance of 7.85 feet to said last mentioned parallel line; thence NORTH along said last mentioned parallel line, a distance of 88.00 feet to a line parallel with and 8 feet southerly, measured at right angles, from said southerly line; thence WEST along said last mentioned parallel line, a distance of 1484.13 feet to a line parallel with and 33 feet southeasterly, measured at right angles, from said northwesterly line; thence South 58° 22' 54" West along said last mentioned parallel line, a distance of 218.34 feet to said southwesterly line; thence South 31°45' 28" East along said southwesterly line to the point of beginning.

APPROVED AS TO DESCRIPTION

November 15, 2007

COUNTY OF LOS ANGELES

By _____

SUPERVISING CADASTRAL ENGINEER III
Mapping and Property Management Division

This real property description has been prepared in conformance with the Professional Land Surveyors Act. The signatory herein is exempt pursuant to Section 8726 of the California Business and Professions Code.

EXHIBIT B

DEVELOPMENT PLAN

EXHIBIT C

OWNERSHIP OF SCM DEL REY PARTNERS, LLC

SCM Del Rey Partners, LLC, a California limited liability company ("**SCM**"), will be owned by Hurricane Hole Investments, LLC, a California limited liability company ("**HHC**"), with respect to a 90% membership interest in SCM, and approximately five (5) other individuals that in aggregate will own the remaining 10% membership interest in SCM.

Steven Firestone and Julie Lubin are two of the three managing members of HHC. They are also owners and executives of Somera Capital Management, LLC. The other managing member of HHC is Robert Feinberg, who is also a member in HHC and has been a close family friend of Steven Firestone for over 30 years.

HHC is owned by (a) Robert and Tamsen Firestone, Trustees for the Robert and Tamsen Firestone Family Trust, with respect to a 24.4% membership interest in HHC, (b) Daniel Firestone, Trustee for the Dan Firestone Living Trust, with respect to a 14.2% membership interest in HHC, (c) Gil Varon, Trustee for the Gil Varon Revocable Trust with respect to a 14.2% membership interest in HHC, and (d) approximately seventy-two (72) other individuals and trusts, comprised of trusts for family members and close friends, which own the remaining 47.2% membership interest in HHC.

To enrich lives through effective and caring service

LOS ANGELES COUNTY Department of Beaches & Harbors

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

June 4, 2009

TO: Small Craft Harbor Commission

FROM: Santos H. Kreimann, Director

SUBJECT: **ITEM 6a - ONGOING ACTIVITIES REPORT**

BOARD ACTIONS ON ITEMS RELATING TO MARINA DEL REY

At its May 12, 2009 meeting, the Board of Supervisors awarded a one-year contract, with two option periods of two years each, to Hornblower Yachts, Inc. for Marina del Rey WaterBus service between seven points in the Marina for residents and visitors during the summer months. In 2009, the service will run from June 26 through September 7.

At its May 19, 2009 meeting, the Board of Supervisors, acting as the Governing Body of the Los Angeles County Flood Control District, entered into a 20-year agreement with the Mountains Recreation and Conservation Authority for portions of Ballona Creek to be used for recreational purposes. In a separate action at that same meeting, the Board approved allocation of $1.5 million in Second District Proposition A dollars for three Ballona Creek projects:

(1) Ballona Creek Trail and Bike Path Phase II Project, consisting of improvements to the entrances of the existing trail and bike path, including upgraded fencing and gates, native plant landscaping and irrigation, educational/interpretive displays, and seating and drinking fountains;

(2) Ballona Creek Milton Street Park Phase I Project, consisting of the construction of a new 1.2 acre linear park located between Ballona Creek bike path and Milton Street adjacent to the Marina del Rey Middle School, including trails, picnic areas, educational components, watershed improvements, and native landscaping; and,

(3) Ballona Creek to Parks Connection Loop Phase I Project, consisting of new trails, decorative gates, wayfinding and connection route signage, and artwork at three connection gateways outside of Marina del Rey.

At its May 26, 2009 meeting, the Board adopted the Marina Sewer Maintenance District Service Charge Annual Report for Fiscal Year (FY) 2009-10 to allow for the continued collection of sewer charges with annual property taxes at the FY 2008-09 levels.

At its June 2, 2009 meeting, the Board authorized and approved amendments to three contracts with TranSystems, Noble Consultants, Inc., and Halcrow, Inc. for harbor engineering consulting services, which will increase the annual aggregate Board-approved contract amounts by $250,000 per year toward additional services particularly for Marina Accumulative Capital Outlay (ACO) Fund public infrastructure projects, such as refurbishment of the public boat launch facility with new docks and a wider entrance and exit, as well as dock improvements along the Chace Park Peninsula.

Also at its June 2, 2009 meeting, the Board confirmed that a water shortage emergency exists and authorized implementation of the Phased Water Conservation Plan at the Phase II Shortage level, requiring a 15% reduction in water use in Marina del Rey.

REGIONAL PLANNING COMMISSION'S CALENDAR

There are no Marina del Rey matters scheduled for consideration by the Regional Planning Commission.

VENICE PUMPING PLANT DUAL FORCE MAIN PROJECT UPDATE

There is no update with respect to this project. The City of Los Angeles is continuing to review whether the traffic section of the Environmental Impact Report (EIR) for the project will need to be revised. If revisions are considered significant by the City, the EIR will be recirculated.

OXFORD BASIN PROJECT UPDATE

As a part of its continued efforts to reach out to the community with respect to this project, the County's Department of Public Works (DPW) is scheduled to make a presentation to the Marina del Rey Convention and Visitors Bureau on June 4, 2009. Otherwise, DPW continues to work on refinements of the project concept, with the goal of producing renderings of alternatives this month.

REDEVELOPMENT PROJECT STATUS REPORT

The updated Marina del Rey Redevelopment Projects Descriptions and Status of Regulatory/Proprietary Approvals report is attached.

UNLAWFUL DETAINER ACTIONS

For the month of June, Parcel 28W (Mariner's Bay) reported the filing of one case for failure to pay rent.

DESIGN CONTROL BOARD MINUTES

The minutes from the Design Control Board's April meeting have not been approved.

SLIP RENT ADJUSTMENT FOR PARCEL 47

Slip rent for the Parcel 47 anchorage is due for adjustment on July 1, 2009. The adjustment is based on the formula approved by the Board of Supervisors last year, which adds to the current rent one-third of the increase deferred from last year, plus the weighted average increase that occurred at comparable parcels over the past year, which ranges from 0% for smaller slips to 4.4% for end-tie and special slips.

SHK:ks
Attachments

Marina del Rey Redevelopment Projects
Descriptions and Status of Regulatory/Proprietary Approvals
As of June 3, 2009

Map Key	Parcel No. -- Project Name/Lessee	Lessee Name/ Representative	Redevelopment Proposed	Massing and Parking	Status	Regulatory Matters
1	42/M3 -- Marina del Rey Hotel/ Pacifica Hotels	Dale Marquis/ Mike Barnard	* Complete renovation and dock replacement	No changes	Proprietary -- Term sheet under negotiation Regulatory -- To be determined	
2	44 - Pier 44	Michael Pashaie/ David Taban	* Build 5 new visitor serving commercial and dry storage buildings * 91,090 s.f. visitor serving commercial space * 143 slips + 5 end ties and 234 dry storage spaces	Massing -- Four new visitor-serving commercial buildings, maximum 30' tall and one dry stack storage building, 65'5" tall. 771.5 lineal feet view corridor proposed (259.73 required) Parking -- 381 at grade parking spaces will be provided with shared parking agreement (402 parking spaces are required)	Proprietary -- Term sheet under negotiation Regulatory -- Initial DCB review during the October 2008 meeting. Item was continued and is pending a second review	Shared Parking Agreement
3	52/GG - Boat Central/ Pacific Marina Development	Jeff Pence	* 345-vessel dry stack storage facility * 30-vessel mast up storage space * 5,300 s.f. Sheriff boatwright facility	Massing -- 70' high boat storage building partially over water and parking with view corridor Parking -- All parking required of the project to be located on site, public parking to be replaced on Parcel 56	Proprietary -- Term sheet approved by BOS on July 2006; SCHC approved Option March 2007; BOS approved Option May 2007 Regulatory -- DCB, on May 2007 (continued from March 2007 meeting; April meeting cancelled) DISAPPROVED project. Regional Planning application filed December 2008.	LCP amendment to rezone site to Boat Storage and to transfer Public Facility use to another parcel.
4	55/56/W -- Fisherman's Village/ Gold Coast	Michael Pashaie/ David Taban	* 132-room hotel * 65,700 square foot restaurant/retail space * 30-slip new marina * 28 foot-wide waterfront promenade	Massing -- Nine mixed use hotel/visitor-serving commercial/retail structures (eight are 1 or 2-story and one 60' tall hotel over ground floor retail/ restaurant), parking structure with view corridor Parking -- All parking required of the project to be located on site; must include parking for adjacent Parcel 61 lessee (Shanghai Reds) and replacement parking from Parcel 52	Proprietary --Lease documents approved by BOS December 2005 Regulatory -- DCB hearing May 2006, item continued; approved in concept July 2006. Regional Planning application filed May 2007	Shared Parking Agreement Variance for reduced setbacks
5	1 -- Marina del Rey Landing/ Harbor Real Estate	Greg Sehern	* New fuel dock facility with high-speed pumps and automatic payment * 3,300 square-foot dock mart and restrooms * New marina with 10 slips and transient berths * Public promenade and public view decks	Massing -- 1-story structure on the dock and on landside, each 19' tall Parking -- All parking required of the project to be located on site	Proprietary -- Lease documents approved by BOS May 2006 Regulatory -- DCB conceptual approval May 2007; DCB approved final design with conditions August 2008; Regional Planning Commission approved CDP and CUP on May 14, 2008. CCC approved waterside improvements March 2008.	
6	7 -- Tahiti Marina	Kamran Hakim	* Building refurbishment and relocating landside boating facilities * Docks will be reconstructed	Parking -- Possible slight reduction of parking due to relocation of landside boating facilities. Impact is currently unknown.	Proprietary -- Term sheet under negotiation Regulatory -- To be determined	
7	8 -- Bay Club / Decron Properties	David Nagel	* Building refurbishment, no new construction * Docks will be reconstructed	No changes	Proprietary -- Term sheet approved by BOS August 2008 Regulatory -- DCB continued from July 2008 and approved concept August 2008. Site Plan Review application filed with DRP on 12/4/08	
8	9 -- Woodfin Suite Hotel and Vacation Ownership/ Woodfin Hotels	Jack Illes	* 19-story, 288-room hotel (152 hotel rooms and 136 timeshare suites) * 6-story, 360-stall parking structure * New public transient docks * 28 foot-wide waterfront promenade * Wetland park	Massing -- 19-story hotel with 5-story parking structure, 225' tall, on northern half of parcel with view corridor and wetland park on southern half Parking -- All parking required of the project to be located on site	Proprietary -- Term Sheet approved by BOS February 2007 Regulatory -- DCB initial hearing May 2006, approved in concept June 2006; Regional Planning application filed November 2006; RP Commission heard the matter on 10/29/08 and continued the item.	Timeshare component Wetland
9	10/FF -- Neptune Marina/ Legacy Partners	Sean McEachern	* 526 apartments * 161-slip marina + 7 end-ties * 28 foot-wide waterfront promenade * Replacement of public parking both on and off site	Massing -- Four 55' tall clustered 4-story residential buildings over parking with view corridor Parking -- 103 public parking spaces to be replaced off site	Proprietary -- Term sheet approved by BOS August 2004; lease documents approved by BOS August 2008 Regulatory -- DCB initial hearing May 2006, approval in concept June 2006; Regional Planning application filed November 2006; RP Commission heard the matter on 10/29/08 and continued the item.	LCP amendment to allow apartments on Parcel FF, remove Open Space category, and to transfer development potential from other development zones Parking permit to allow 103 replacement public parking spaces off site Variance for enhanced sigage and reduced setbacks
10	100/101 -- The Shores/ Del Rey Shores	Jerry Epstein/ David Levine	* 544-unit apartment complex * 10 new public parking spaces	Massing -- Twelve 75' tall 5-story residential buildings Parking -- All parking required of the project to be located on site plus 10 public beach parking spaces	Proprietary -- Lease extension Option approved by BOS December 2006 Regulatory -- Regional Planning approval June 2006; BOS heard appeal February 2006; and approved project March 2007. Per court order, EIR redone as to grading; BOS approved EIR 12/16/08; Plancheck application filed	
11	95/LLS -- Marina West Shopping Center/ Gold Coast	Michael Pashaie/ David Taban	* 72-unit apartment complex * 10,000 square-foot restaurant * 22,400 square-foot commercial space * Gateway parkette on Parcel LLS	Massing -- One 42' tall retail building, three 60' tall mixed-use residential/retail buildings and parkette Parking -- All parking required of the project to be located on site	Proprietary -- Term Sheet approved by BOS October 2007 Regulatory -- DCB initial hearing May 2006; item then on June, July, and September agenda; conceptual approval granted November 2006	
12	145 -- Marina International Hotel/ Pacifica Hotels	Dale Marquis/ Mike Barnard	* Complete renovation	No changes	Proprietary -- Term sheet under negotiation Regulatory -- DCB initial hearing November 2008; conceptual approval granted January 2009	
13	OT -- Admiralty Courts/ Goldrich & Kest Industries	Jona Goldrich/ Sherman Gardner	* 114-unit senior retirement facility * 5,000 square feet of retail space * Replacement public parking both on and off site * Public accessway from Washington to Admiralty	Massing -- One 5-story residential (senior) building over ground-floor retail and parking, 65' tall Parking -- All required project parking to be located on site; 92 public parking spaces to remain on site, 94 public parking spaces to be replaced off site near Marina Beach	Proprietary -- Lease documents approved by BOS July 2008. Regulatory -- DCB conceptual approval August 2005; Regional Planning application filed May 2006	LCP amendment to create Senior Retirement Facility Land Use Category and rezone OT as Senior Retirement Facility with Mixed Use Overlay Zone, and transfer development potential between Development Zones Parking permit for senior retirement facility and to allow some replacement public parking off site.
14	33/NR -- The Waterfront	Ed Czuker/Derek Jones	* 292 apartments * 32,400 square-foot restaurant/retail space * Rooftop observation deck * Replacement public parking both on and off site	Massing -- Three 5-story mixed use residential/retail buildings (two 44' tall and one 61' tall) with view corridor Parking -- All required project parking to be located on site; 69 public parking spaces to be replaced on site.	Proprietary -- Lease documents in process and economic terms being negotiated Regulatory -- DCB concept approval August 2004; revised project to DCB on August 2008, then December 2008 where it was continued	LCP amendment to add Mixed Use Overlay Zone, rezone NR to Visitor Serving/Commercial, and Variance for increased height and reduced setbacks Parking permit to allow some replacement public parking off site
15	27 -- Jamaica Bay Inn/ Pacifica Hotels	Dale Marquis/ Mike Barnard	* 69 additional hotel rooms * Renovate balance of property * Marina Beach Promenade	Massing -- 4-story, 45' tall, hotel expansion with view corridor Parking -- All parking required of the project to be located on site	Proprietary -- Lease documents approved by BOS May 2006 Regulatory -- DCB conceptual approval October 2005 and final design approval August 2008; Regional Planning application filed December 2005 and Commission approved August 2007. Plancheck application filed	
16	IR -- Marriott Residence Inn/ Pacifica Hotels	Dale Marquis/ Mike Barnard	* 147-room hotel * Replacement of public parking both on and off site * Marina Beach Promenade	Massing -- Two hotel buildings above parking, 45' tall, with view corridor Parking -- 197 public parking spaces to remain on site, 20 or 89 public parking spaces to be replaced off site depending on intersection project	Proprietary -- Lease documents approved by BOS Oct 2006 Regulatory -- DCB approved in concept February 2006; Regional Planning application in preparation	LCP amendment to rezone site from Parking to Hotel Parking permit to allow some replacement public parking off site.
17	21 -- Holiday Harbor Courts/ Goldrich & Kest Industries	Jona Goldrich/ Sherman Gardner	Phase 1 * 5-story, 29,300 square-foot mixed-use building (health club, yacht club, retail, marine office) * 92-slip marina * 28 foot-wide waterfront promenade and pedestrian plaza Phase 2 (Parcel C) * Westernmost portion of land to revert to County for public parking	Massing -- One 56' tall commercial building with view corridor Parking -- All parking required of the project to be located on site, including 54 replacement spaces from OT and Parcel 20 boater parking	Phase 1 Proprietary -- Lease documents approved by BOS July 2008 Regulatory -- DCB conceptual approval obtained August 2005; Regional Planning application (landside) filed September 2006 Phase 2 (Parcel C). DCB hearing March and April 2006, item continued	LCP Amendment to transfer parking from OT to 21 CDP for landside from Regional Planning CDP for waterside from Coastal Commission
18	19 -- Administration Building/ Dept. of Beaches and Harbors (Alternate sites being considered)	N/A	* 26,000 square-foot County administration building	Massing -- One 50' tall building consisting of 2 floors office space over 3 parking levels Parking -- All parking required of the project to be located on site	Proprietary -- Lease documents in process with Parcel 20 lessee for parcel reversion Regulatory -- DCB agenda May 2006 and November 2006; DCB workshop held January 2007	See Item #2 above

Note: Height information for projects will be shown as information becomes available.