

June 30, 2005

TO: Small Craft Harbor Commission
FROM: Kerry Silverstrom, Chief Deputy Director
SUBJECT: **COMMISSION AGENDA – JULY 7, 2005**

Enclosed is the July 7, 2005 meeting agenda, together with the minutes from your meetings of May 25, 2005 and June 8, 2005. Also enclosed are reports related to Agenda Items 3a, 3b, 5a, 5b, 6a and 6b.

Please feel free to call me at (310) 305-9527 if you have any questions or need additional information.

KS:tm

Enclosures

SMALL CRAFT HARBOR COMMISSION

SPECIAL MEETING

AGENDA

JULY 7, 2005

9:30 a.m.

BURTON W. CHACE PARK COMMUNITY ROOM

13650 MINDANAO WAY

MARINA DEL REY, CA. 90292

1. Call to Order, Action on Absences and Pledge of Allegiance
2. Approval of Minutes: Meetings of May 25, 2005 and June 8, 2005
3. **REGULAR REPORTS** (DISCUSS REPORTS)
 - a. Marina Sheriff
 - Crime Statistics
 - Enforcement of Seaworthy & Liveaboard Sections of the Harbor Ordinance
 - Pedestrian/Bike/Vehicle Accidents
 - b. Marina del Rey and Beach Special Events
 - c. Marina del Rey Convention and Visitors Bureau BY DIRECTOR (PRESENTATION EXECUTIVE OF MdR CVB)
4. **OLD BUSINESS**
 - a. None
5. **NEW BUSINESS**
 - a. Joint Recommendation with the Chief Administrative TO (RECOMMEND BOARD OF SUPERVISORS)
Officer to Enter Into Exclusive Negotiations for an Option and Long-Term Lease for Development of Parcels 52R and GG (Dock 52 Public Parking) – Marina del Rey

- b. Consent to Assignment of Leasehold Interest and Amendment to Lease – Parcel 103 (Oakwood Garden Apartments) – Marina del Rey

(RECOMMEND TO BOARD OF SUPERVISORS)

6. **STAFF REPORTS**
REPORTS)

(DISCUSS

a. Ongoing Activities

- Board Actions on Items Relating to Marina del Rey
- Design Control Board Minutes
- Marina del Rey Local Coastal Program Periodic Review
- Response to Public Concerns

b. Update on Floating Home Issues

7. **COMMUNICATION FROM THE PUBLIC**

8. **ADJOURNMENT**

PLEASE NOTE:

1. The Los Angeles County Board of Supervisors adopted Chapter 2.160 of the Los Angeles Code (Ord. 93-0031 § 2 (part), 1993), relating to lobbyists. Any person who seeks support or endorsement from the Small Craft Harbor Commission on any official action must certify that he/she is familiar with the requirements of this ordinance. A copy of the ordinance can be provided prior to the meeting and certification is to be made before or at the meeting.
2. The agenda will be posted on the Internet and displayed at the following locations at least 72 hours preceding the meeting date:

Department of Beaches and Harbors' Website Address:
<http://beaches.co.la.ca.us>

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

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

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

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

Si necesita asistencia para interpretar esta informacion llame al (310) 305-9547.

MARINA DEL REY HARBOR ORDINANCE SEAWORTHY & LIVEBOARD COMPLIANCE REPORT

	May	June
Liveboard Permits Issued	2	4
Warnings Issued (Yellow Tags)	0	0
Notices to Comply Issued	0	0

Total Reported Liveboards By Lessees - 578
Total Liveboard Permits Issued - 471
Percentage of Compliance - 81

No new Warnings were issued in the month of June.

No new Notices to Comply were issued in the month of June.

No new citations were issued for violations of 19.12.1110 L.A.C.C. (liveboard permit) or 19.12.1060 L.A.C.C. (unseaworthy vessel) in the month of June.

Number Of Impounded Vessels Demolished

To date, one hundred and sixty five (165) vessels have been removed from the marina for disposal. Currently, twenty one (21) vessels are ready for disposal and eleven (11) are awaiting lien sale procedures.

1 SUMMARY OF BOAT CENTRAL RFP RESUBMISSION RESPONSES

Category	<i>Pacific</i>	<i>BoatYard</i>	Waterfront
Dry Stack Spaces	345	360	360
Mast-Up Spaces	30	30 on Parcel 53	30
Trailer Storage Spaces	24	None	None
Wash-Down Areas	3	3	10
Boat Repair Facility	1,600 square feet	Yes – by using existing repair facility now located on Parcel 53	Yes (shown on plan but area not specified)
Entry, Office, Common Area	Yes	Yes	Yes – on water area
Promenade	Yes	Yes	Yes
Net Present Value of Ground Rent to County (Over 20 Years)	\$5 million	\$5 million	\$3 million
Parking Method	Surface and valet	Surface on RFP Parcels and Parcel 53	Valet on surface and platform lifts
Base Parking Ratio	0.33	0.25	0.47 (valet)
Managed Parking Ratio	0.38	0.50 on three parcels	0.47 (valet)
Regulatory Requirement	Parking permit required	Parking permit required	Parking permit required
Sheriff / Department Slips	Keep current layout	Yes – number of slips and location not identified	Keep current layout
Sheriff Building	3,000 square feet, plus loft and 2,175 square foot yard area	2,800 to 10,000 square feet	10,000 square feet
Cost to Sheriff	Expenses only	\$90,000 plus expenses	Expenses only
Short Term Dock Space	Yes	Yes	Yes
Mast-up Hoist / Lift	New 5-ton Hoist	Existing Lift & Boom Crane on Parcel 53	Existing hoist to remain
Total Cost Equity & Debt (Percent Equity)	\$7.5 million \$1.8 million & \$5.7 million (24%)	\$8.3 million \$1.3 million & \$6.8 million (19%)	\$10.7 million \$4.0 million & \$6.7 million (37%)
View Corridor (%)	203 feet (51%)	113 feet (28%)	180 feet (45%)
Max Bldg. Height.	70 feet	52 feet	75 feet
Dock Boat Queuing	65 boats (up to 100 boats) ²	30 boats (up to 65 boats) ²	18 boats (up to 36 boats) ²
Launching Capacity	10 boats per hour ³ (expandable to 18+)	16 boats per hour	12 boats per hour
Dry Stack Building Size	42,150 square feet	50,960 square feet	28,200 square feet

¹Data extrapolated from original submissions and interview information and provided for general comparison purposes only.

²Normal boat queuing capacity (maximum queuing capacity)

³Capacity using two elevators (capacity if two additional elevators are installed)

June 29, 2005

Captain Calvin Aubrey
Area Commander
California Highway Patrol
West Los Angeles Area
6300 Bristol Parkway
Culver City, CA 90230-6945

Dear Captain Aubrey:

ACCIDENT STATISTICS FOR MARINA DEL REY

The Los Angeles County Small Craft Harbor Commission is, among its other responsibilities, charged with the duty of reviewing proposed Marina del Rey development at its monthly meetings and passing on its recommendations to the Los Angeles County Board of Supervisors.

At recent meetings, a number of speakers have expressed concerns over what they perceive to be an increase in the number of traffic accidents in the Marina, particularly along Admiralty Way. Consequently, our Commission would like to bring an increased awareness of the facts relating to these concerns to its monthly deliberations.

This letter is to request a report or other documentation of the vehicle, bicycle and pedestrian accidents that occurred within California Highway Patrol (CHP) jurisdiction on Marina roadways, highlighted on the attached map, within the past year. We also request this information be provided on an ongoing basis, either quarterly or semi-annually.

We certainly do not intend to request specially prepared documents or reports or to otherwise unduly add to your workload, and would be pleased to receive the raw data in whatever format the CHP regularly uses in collecting this information.

As our next regular meeting is scheduled for Thursday, July 7, 2005, it would be most helpful if the data could be transmitted to us prior to that date so that it can be shared with attendees at the meeting.

The information can be e-mailed to the SCHC's secretary, Toni Minor, at tminor@dbh.co.la.ca.us, or transmitted by fax to (310) 821-6345 if that is more convenient.

Please call Ms. Minor at (310) 305-9516 if you have any questions regarding this request.

Thank you for your cooperation.

Very truly yours,

Harley Searcy, Chairman
Small Craft Harbor Commission

HS:tm
Attachment

June 30, 2005

TO: Small Craft Harbor Commission
FROM: Kerry Silverstrom, Chief Deputy Director
SUBJECT: **ITEM 3b - MARINA DEL REY AND BEACH SPECIAL EVENTS**

MARINA DEL REY

THE MARINA DEL REY SUMMER CONCERT SERIES 2005

Presented by Arrowhead Mountain Spring Water

July 7 – August 27

7:00 pm – 9:00 pm

Waterside at Burton Chace Park

13650 Mindanao Way

The free summer concerts at the park are back. The series features Thursday evening classical concerts with the Marina del Rey Summer Symphony, conducted by its Music Director Frank Fetta, and guest soloists. On alternate weeks, Saturday pop concerts feature celebrated musical entertainers.

The 2005 season lineup is as follows:

Thurs., July 7: Music of Tchaikovsky and Turina. Also, Spanish dancers Miguel Bernal and Batista and Los Angeles Opera mezzo-soprano Suzanna Guzmán join Maestro Fetta and the Marina del Rey Summer Symphony in a performance of Manuel de Falla's masterpiece, "El Amor Brujo."

Sat., July 16: Pam Tillis, Grammy winner and country music star, appears in concert with her seven-piece band.

Thurs., July 21: Duo-pianists Xin Xin and Sebastian Koch are soloists in "Concerto in D minor for two pianos" by Francis Poulenc. The orchestra performs music of Chabrier, Barber, and Borodin.

Sat., July 30: The Henry Mancini Institute Orchestra presents a concert of film, stage and jazz masterpieces conducted by Grammy and Emmy-winner Patrick Williams, the Institute's Artistic Director. Doc Severinsen is the special guest artist.

Thurs., Aug. 4: An evening with the Los Angeles Opera; Maestro Fetta and the Marina del Rey Summer Symphony are joined by Christopher

Campbell and Shana Blake Hill of the Los Angeles Opera in excerpts from the operas of Giacomo Puccini.

- Sat., Aug. 13: New York Voices, one of the most popular groups in contemporary jazz, appear in concert with their instrumental quartet.
- Thurs., Aug. 18: Maestro Fetta and the Marina del Rey Summer Symphony present a special program of orchestral masterpieces by Shostakovich, Ravel and Respighi.
- Sat., Aug. 27: Singer Cleo Laine and the John Dankworth Group, legends in the world of music, appear in concert.

Concertgoers are invited to come early and enjoy outdoor dining at the Café Lorelei Food Court in the Park. Parking at a reasonable rate is available in County Lot 4 near the venue and County Lot 5 on Bali Way. Marina Coast Link Water Shuttle Service to and from the concert site from various locations throughout the Marina is provided for \$2.00 per person one way, operating from 5 pm to 11 pm on Classical Thursdays and 11 am to midnight on Pop Saturdays.

OLD FASHIONED DAY IN THE PARK

Sunday, July 24
10:00 am – 3:00 pm
Burton Chace Park
13650 Mindanao Way

This annual event offers vintage yachts to tour, antique and classic cars and motorcycles to view, ship models and modelers to admire, vintage steam engines to watch, and FREE steam launch rides in the harbor to enjoy. The event is free and open to the public.

For information call: Jim Butz at (626) 335-8843 or the Marina del Rey Visitor Center at (310) 305-9545.

FISHERMAN'S VILLAGE WEEKEND CONCERT SERIES

Sponsored by Pacific Ocean Management, LLC

All concerts from 2:00 pm – 5:00 pm

Saturday, July 9

Michael Haggins Group, playing Smooth Jazz

Sunday, July 10

The Kid & Nic Show, playing Americana

Saturday, July 16

Michael John & the Bottom Line, playing High Energy Blues

Sunday, July 17

Sullivan Hall Band, playing R&B

Saturday, July 23

Jimbo Ross, Blues Violist

Sunday, July 24

The Elements, playing Jazz and R&B

Saturday, July 30

La Cat, playing Reggae

Sunday, July 31

Hammer Smith Band, playing Jazz

For more information call: Jillian Peterson at (310) 822-6866.

BEACH EVENTS

VENICE CENTENNIAL SHOWCASE FESTIVAL

July 8 through July 10

Venice Arts and City of Los Angeles Department of Recreation and Parks
Venice Beach

Pier Life Exhibit - Friday, July 8, from 5:30 pm to 7:30 pm, on the Venice Pier, end of Washington Blvd. Come and see this photographic exhibit of life at the pier and enjoy the exhibits and refreshments.

For more information call: Venice Arts at (310) 578-1745.

Showcase Festival – Saturday, July 9, and Sunday, July 10, from 10:00 am to 7:30 pm, on the Venice Boardwalk. Festival will include skate dancing, chainsaw juggling, skateboarding, graffiti art, children's art workshops, rides and activities.

Surf Contest – Saturday, July 9, 6:30 am at the Venice Beach breakwater where Windward Avenue meets the sea. Over 140 contestants will be competing in eight divisions. Awards ceremony following at the main stage located on the Venice

Boardwalk at Windward Avenue. Contest proceeds to benefit local ocean/water safety youth programs. Entry forms available at local area surf shops.

For festival and surf contest information call: City of Los Angeles Department of Recreation and Parks at (310) 396-6764.

SURFER'S WALK OF FAME/SUNSET CONCERT AT THE BEACH

Sunday, July 31

5:30 pm

City of Hermosa Beach

South side of the Hermosa Beach Pier

This summer's inductees to the Surfer's Walk of Fame, who have yet to be announced, will receive their plaques on the Hermosa Pier on Sunday, July 31, at 5:30 pm. The induction will be followed by a free beach concert at 6:00 pm featuring Ambrosia with a Neil Diamond cover band to open.

2005 INTERNATIONAL SURF FESTIVAL

Friday, August 5, Saturday, August 6, and Sunday, August 7

Sponsored by Arrowhead Mountain Spring Water, the Chambers of Commerce and Cities of Hermosa Beach, Manhattan Beach, and Redondo Beach and the Los Angeles County Department of Beaches and Harbors

Hermosa Beach (1300 the Strand)

Manhattan Beach (4500 the Strand)

The International Surf Festival is an exciting series of events that include the Los Angeles County Lifeguard Championship Competition, surfing, body surfing, paddleboard, volleyball, sand castle design and fishing derby competitions. Event viewing is free with participation fees for certain of the events.

For a complete schedule of events and dates, visit <http://www.surffestival.org>.

KS:DC:mc

June 30, 2005

TO: Small Craft Harbor Commission

FROM: Kerry Silverstrom, Chief Deputy Director

SUBJECT: *ITEM 5a - APPROVAL OF RECOMMENDATION TO AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER AND DIRECTOR OF THE DEPARTMENT OF BEACHES AND HARBORS TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH PACIFIC MARINA DEVELOPMENT/ALMAR MANAGEMENT, INC. FOR AN OPTION AND LONG-TERM LEASE FOR DEVELOPMENT OF PARCELS 52R AND GG - MARINA DEL REY*

Item 5a on your agenda pertains to a recommendation to the Board of Supervisors by the Chief Administrative Officer and the Director of the Department of Beaches and Harbors to authorize exclusive negotiations with Pacific Marina Development/Almar Management, Inc. for developing a dry-stack boat storage facility on Parcels 52R and GG.

Attached is a copy of the Board letter that explains the details of the proposed recommendation. The exhibit to the Board letter is a copy of the evaluation committee's recommendation letter to the Director.

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

KS:gb
Attachment

July 19, 2005

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:

AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER AND DIRECTOR OF THE DEPARTMENT OF BEACHES AND HARBORS TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH PACIFIC MARINA DEVELOPMENT/ALMAR MANAGEMENT FOR AN OPTION AND LONG-TERM LEASE FOR DEVELOPMENT OF PARCELS 52R AND GG - MARINA DEL REY

**(4th DISTRICT)
(3 VOTES)**

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:

1. Authorize the Chief Administrative Officer (“CAO”) and Director of the Department of Beaches and Harbors (“Director”) to proceed with exclusive negotiations with Pacific Marina Development/Almar Management (Almar) for development of Parcels 52R and GG in Marina del Rey.

PURPOSE AND JUSTIFICATION OF RECOMMENDED ACTION

Pursuant to your Board’s authorization, the Department of Beaches and Harbors (“Department”) issued a Request for Proposals (“RFP”) for development of boat dry-stack and related facilities on Marina del Rey Parcels 52R and GG in April 2003. At your Board’s further direction, the RFP was subsequently re-issued on March 1, 2005, with proposals limited to the three responsive proposers to the original RFP. The new solicitation clarified the original RFP’s language relating to parking requirements and again solicited proposals for new dry boat storage and allied uses, including mast-up storage, boat wash-down and repair facilities, as well as replacement of the existing Sheriff’s boatwright facility and the docks shared by the Sheriff and the Department’s maintenance vessels. The RFP also provided the opportunity for a combined project

that could include parcels adjacent to or near the proposed project site, so long as such proposals demonstrated control of any such adjacent parcel. All three prior qualifying respondents timely submitted new proposals and were in turn evaluated by an evaluation committee formed for the purpose of reviewing the proposals. Approval of this item by your Board would authorize the CAO and Director to proceed with exclusive negotiations with Almar, the recommended proposer, for an option and long-term ground lease for development of Parcels 52R and GG.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan Goals of Fiscal Responsibility and Service Excellence in that the resulting lease would provide the County with an enhanced stream of revenue and eliminate the need for capital spending to upgrade the joint Sheriff/Department boat docks and the Sheriff's Boatwright facilities, as same will be replaced by the respondent. Furthermore, the resulting project will provide additional boat storage spaces and servicing facilities to small boaters, an important aim as well of the Marina's Local Coastal Program (LCP), as well as the County goal of Service Excellence.

FISCAL IMPACT/FINANCING

The recommended Almar proposal offers improved County lease revenue on each of the parcels to be redeveloped. Existing income to the County from Parcel 52R, largely utilized for auxiliary parking, was approximately \$23,000 for fiscal year 2004/2005. County-operated Parcel GG is currently used for administrative offices by the Department, the County Sheriff's boatwright shop and auto servicing/repair facility, and for docks used by the Sheriff and the Department's maintenance vessels, and thus provides no current County income. The Department will be responsible for relocating its administrative and maintenance facilities, while the Sheriff will be responsible for relocating its auto servicing/repair facility. Income to the County after completion of construction and stabilization of the proposed project is projected to increase from \$23,000 per year to approximately \$409,000 annually, an annual increase of approximately \$386,000.

If negotiations are authorized, the County will incur costs for economic and legal consultants utilized in the negotiations and preparation of documents for the proposed project.

FACTS AND PROVISIONS/ LEGAL REQUIREMENTS

Three proposals from qualifying development teams were received prior to the resubmission deadline and were reviewed by an evaluation committee appointed by the Director. The evaluation committee was composed of the Department's chief negotiator, one of the Department's economic advisors, one of the Department's marine engineering consultants, one of the Department's design consultants and a member of the Chief Administrative Office's Asset Management Division. In addition, the evaluation committee was advised by staff of the County's Department of Regional Planning.

The three proposals received and evaluated were provided by: 1) Almar; 2) Harbor Real Estate, LLC/Westrec (“BoatYard”); and 3) Waterfront Investors, L.P. (“Waterfront”). Each of the proposers met the Board’s qualifications as set forth in your directive of February 8, 2005. The Evaluation Committee reviewed and analyzed each proposal in detail and also conducted interviews with each of the proposer teams, after which it scored and ranked each proposal on the bases of the criteria set forth in the RFP. Details relating to the evaluation committee’s assessment of each proposal is set forth in its recommendation letter to the Director, attached as Exhibit 1. Also attached as Exhibit 2 is a summary comparative chart that provides a side-by-side comparative of relevant portions of each proposal.

All three proposals were judged by the evaluation committee to have been submitted by well-qualified development teams, and each proposal met the base RFP criteria. As shown in the following Table 1, the Almar proposal received the highest evaluation committee score and was recommended for exclusive negotiation by the evaluation committee. The committee also recommended, in the event that negotiations with Almar do not prove successful, negotiations should in such case proceed with BoatYard, the second highest scoring respondent.

Table 1 – Evaluation Committee Scoring

<i>Element</i>	<i>Almar</i>	<i>BoatYard</i>	<i>Waterfront</i>
Revenue Enhancement (30 points possible)	27	26	19
Project Implementability (30 points possible)	27	27	24
Project Implementation of Asset Management Strategy (15 points possible)	14	12	11
Creativity and Marina Upgrade (25 points possible)	24	21	17
TOTALS (100 points possible)	92	86	71

The recommended Almar proposal calls for construction of an architecturally attractive dry-stack boat storage building situated primarily on land, which also extends 105 feet out over the water area of the leasehold (the water area of Parcels 52/GG extends to 200 feet from the

bulkhead). The design maximizes boat storage and allows for much larger view corridors than the competing plans, and also minimizes building mass. As situated, the in-water elements also provide ample navigation and maneuvering area between the dry stack project and the launch ramp. By employing a relatively quiet electric overhead crane system to store, launch and retrieve boats (rather than a diesel-engine forklift as proposed by the other two respondents), the Almar proposal achieves a quiet, space-efficient operation that maximizes both storage capacity and view corridors to the water from the street edge of the project site. The covered building area contains 345 dry-stack boat storage spaces, storage space for 24 trailers, a 1,600 square foot boat maintenance and repair facility and a 2,400 square foot office/lobby building that is also proposed to be used for sailing and navigation classes and seminars. The project also contains a staging area for 65 vessels, 1,250 lineal feet of docking facilities, an ADA-compliant boat boarding ramp, 30 mast-up sailboat surface storage spaces, two double-spaced small boat wash-down facilities for use by the public and one wash-down facility for mast-up boats, 131 parking spaces, and a 28 foot wide pedestrian promenade that further widens to 35 feet on the westernmost side of the leasehold where a public picnic area is also provided. Other features include a 5-ton capacity boat launch hoist, and a separate 3,000 square foot building, with additional loft space above, for use as the Sheriff's boatwright shop, fronted by a 2,175 square foot outdoor yard area, as well as replacement docks for Sheriff's boats and the Department's maintenance vessels.

Regulatory Amendments Required

This proposed project will require an amendment to the Marina del Rey Local Coastal Program ("LCP"), approved by the California Coastal Commission in 1996, in that the LCP currently designates Parcel 52R and GG for Public Facility and Water use. The proposed development will likely involve a change in zoning to Marine Commercial with a Waterfront Overlay Zone designation to accommodate the proposed project.

Upon receipt of the evaluation committee's report, and prior to submitting this recommendation, Department staff and the Department's Coastal consultant met with staff of the California Coastal Commission and commenced discussions with Coastal Commissioners to review the recommended Almar proposal, particularly with reference to over the water construction, site lines and view corridors, and other issues of compliance with Coastal Commission and LCP standards. Based upon the discussions, the Department is confident that obtaining a coastal development permit from the Coastal Commission for the project is highly achievable.

The three Commissioners present at the Small Craft Harbor Commission meeting held on July 7, 2005 were unable to reach consensus on this matter and, thus, no action was taken.

ENVIRONMENTAL DOCUMENTATION

Development of the proposed dry stack boat storage facility and related improvements will require the issuance of various land use entitlements, including coastal development permits and an LCP amendment. A full environmental review will be conducted as part of the land-use entitlement process. The issuance of permits authorizing any of the proposed construction will be contingent upon completion of the land use entitlement and/or environmental review process. Exercise of any option for

a long term lease approved by your Board as a result of the exclusive negotiations recommended by this letter will be contingent upon the successful completion of these regulatory processes.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Parcels 52R & GG contain approximately 3.09 acres of land area and 1.16 acres of water area and includes 400 feet of water frontage. County-operated Parcel GG is currently used for temporary administrative offices by the Department and as a Department maintenance facility and also houses the Sheriff's boatwright shop and docks for both the Sheriff's Harbor Master vessels and the Department's maintenance vessels. Parcel 52R is currently used as a pick-up and drop-off area for charter boat operations and for temporary public parking. The County will assume responsibility for the relocation of its administrative and maintenance offices located on Parcel GG, while replacement facilities for the Sheriff's boatwright operation and the Sheriff and Department docks will be relocated on-site as part of the proposed project. The temporary public parking and charter boat pick-up activities of Parcel 52R will be moved to Parcels 55, 56 (Fisherman's Village) and W as part of a proposed new project at a newly combined location.

CONCLUSION

Authorize the CAO and Director to proceed with exclusive negotiations for an option and long-term ground lease to develop, construct and operate a dry stack boat storage project, on Parcels 52R and GG in Marina del Rey, and forward one adopted copy of this Board letter to the Department of Beaches and Harbors.

Respectfully submitted,

Stan Wisniewski
Director

David E. Janssen
Chief Administrative Officer

SW:RM:GB:tm

Attachments (2)

c: Executive Officer, Board of Supervisors
County Counsel

July 19, 2005

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

Dear Supervisors:

**CONSENT TO ASSIGNMENT OF LEASE
AND MAJOR SUBLEASE AND APPROVAL OF AMENDMENT TO LEASE
PARCEL 103T (OAKWOOD APARTMENTS) – MARINA DEL REY
(FOURTH DISTRICT)
(4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed assignment of Lease No. 73713, as amended and restated, affecting the leasehold interest in Parcel 103T and the proposed Amendment No. 2 to Amended and Restated Lease No. 73713 are categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1 (r) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Approve and authorize the Chair to sign the attached Consent to Assignment of Lease and Major Sublease (Consent) for assignment of the Parcel 103T lease from Oakwood–Marina del Rey, LLC, a Delaware limited liability company (Oakwood), to ASN Marina, LLC, a Delaware limited liability company (ASN), and for approval of the “Residential Master Lease” between ASN and Oakwood.
3. Approve and authorize the Chair to sign the attached Amendment No. 2 to Amended and Restated Lease No. 73713 (Amendment), amending various provisions of the lease in order to clarify definitions and obligations under the lease to aid in the implementation of lease provisions and provide for the adjustment of the furnishings replacement sinking fund.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Marina del Rey leases provide that the County's consent is required on most lease assignments and that such consent may not be unreasonably withheld. Oakwood is requesting the County's consent to assign Lease No. 73713 as amended and restated, affecting the leasehold interest in Parcel 103T, commonly known as the Oakwood Apartments, to ASN. The Department recommends approval or denial of any assignment based on a review of the following: (a) the financial condition of the assignee; (b) the price to be paid for the leasehold as it relates to the improvements or potential development thereon; and (c) the management of the leasehold by the new lessee being in the best interest of the Marina as a whole.

Our review has found: (a) ASN, the proposed assignee, is a single purpose entity formed for the purpose of owning and operating the leasehold and has adequately demonstrated its financial ability to provide for the continued operation and maintenance of the leasehold by its capital infusion of \$34,800,000 for the acquisition of the leasehold and a guaranty of lease from its parent company, Archstone-Smith Operating Trust, a publicly traded real estate investment trust based in Maryland; (b) the \$84,000,000 sales price appears to be fair for the leasehold interest and improvements thereon; and (c) the proposed assignee will retain the management services of Oakwood, the current lessee, to continue the day-to-day operation of the leasehold.

Additionally, the County's consent is being sought for a major sublease referred to as the Residential Master Lease, in which ASN is the master sublessor and Oakwood is the master sublessee. The Residential Master Lease calls for Oakwood to continue to be responsible for management of the leasehold operation for a term of seven years. The Residential Master Lease constitutes a "Major Sublease" under the terms of the Lease and requires County's consent prior to its effectiveness. Copies of the Consent, Assignment and Acceptance of Assignment are attached as Exhibits 1 through 3, respectively.

The Amendment clarifies certain lease provisions relating to: a) return of unused security funds at the end of lease term; b) verification of excess percentage rent payments; c) the definition of gross receipts; d) the definition of restricted uses; and e) definitions of "affiliate" and "control" as they relate to leasehold transfers. The Amendment also recognizes that the lessee need not continue to fund a furniture replacement sinking fund if furnished units are not offered on the leasehold. None of the amended lease provisions adversely affect the County's economic or security protections or payment obligations under the lease, but are proposed for purposes of clarification and to aid in the implementation of existing lease provisions and obligations.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan Goals of Fiscal Responsibility and Service Excellence. The lease assignment will generate a "Net Proceed Share" in an amount of \$4,200,000 payable to the County and allows the transfer of the leasehold interest to accommodate completion of a bona fide financial transaction, while maintaining appropriate management of the leasehold.

FISCAL IMPACT/FINANCING

The County will not incur an expense from this transaction. The County will receive a \$4,200,000 Net Proceed Share upon closing of the transaction, as satisfaction of the requirement of the lease.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 18, 1968, the County and Oakwood's predecessor in interest entered into Lease No. 73713 for the premises currently known as Parcel 103T, Oakwood Apartments. This lease, which was to expire on March 31, 2022, was amended and restated on November 29, 2001, to extend the term through March 31, 2042.

Parcel 103T is currently improved with 597 residential apartment units with related amenities on 11.4 acres of land area in Marina del Rey. The parcel does not have any water area.

The proposed assignee, ASN, is a single purpose entity created to hold and operate the leasehold interest of Parcel 103T. Archstone-Smith Operating Trust (ASOT), a Maryland based real estate investment trust (REIT), is the sole member of ASN. ASOT is a publicly traded REIT with assets of approximately \$9.3 billion that owns, acquires, develops and manages high-quality multi-family residential communities throughout the United States. ASOT will guaranty the performance of ASN under the Lease.

In addition to clarifications identified above, the Amendment also replaces the names of designated parties to be notified as to certain lease events with the names and addresses of the new lessee parties. A copy of the Amendment is attached as Exhibit 4.

The Small Craft Harbor Commission at its meeting of July 7, 2005 _____ the Director's recommendation that your Board consent to the assignment of the lease and the Major Sublease, and approve the Amendment. County Counsel has reviewed and approved the Consent and Amendment as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed lease assignment and Amendment are categorically exempt under the provisions of the California Environmental Quality Act pursuant to Class 1 (r) of the County's Environmental Document Reporting Procedures and Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

Attached are three copies each of the Consent and the Amendment. Please have the Chair sign all copies and have the Executive Officer acknowledge the Chair's signature. Please return two executed copies of each of the documents to the Department of Beaches and Harbors along with an approved copy of this letter.

Respectfully submitted,

Stan Wisniewski

Director

SW:SP:tm
Attachments (4)

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

+

CONSENT TO ASSIGNMENT OF LEASE AND MAJOR SUBLEASE

THE COUNTY OF LOS ANGELES ("**County**"), lessor under that certain lease No. 73713, dated November 29, 2001, as amended ("**Lease**"), applicable to that certain premises known as Parcel 103T, Marina del Rey Small Craft Harbor, described in Exhibit "A" attached hereto and incorporated herein by this reference, does hereby consent to the assignment of said Lease by the present lessee, OAKWOOD - MARINA DEL REY, LLC, a Delaware limited liability company ("**Oakwood**"), to ASN MARINA, LLC, a Delaware limited liability company ("**Archstone**"), in accordance with that certain Assignment of Lease and Deed and that certain Acceptance of Assignment of Lease prepared in connection with the proposed assignment contemplated thereby (the "**Assignment**"). County further agrees that upon the effective date of said Assignment, Oakwood and its predecessor, Marina del Rey Country Club Apartments, a California general partnership, shall be fully relieved of, and released from, any and all obligations to County under the Lease accruing on or after the effective date of said Assignment. It is further understood and agreed that County's consent to the Assignment is subject to the following express conditions:

A. This Consent to Assignment shall be null and void and of no further force or effect, until and unless the Assignment is complete and irrevocable in all respects within forty-five (45) days after the date of execution on behalf of the County of this Consent to Assignment of Lease.

B. This Consent to Assignment is contingent upon Archstone's assumption and agreement to perform all obligations past, present and future, created by the terms, covenants and conditions of said Lease on the part of the lessee therein named to be performed, as set forth in the Acceptance of Assignment relating to the Assignment, and as otherwise required under the Lease.

C. This Consent to Assignment is contingent upon payment to County by Oakwood of the Net Proceeds Share payable to County in connection with the Assignment pursuant to Section 4.8 of the Lease. Such payment shall be made through escrow immediately following the close of escrow of the Assignment.

D. This Consent to Assignment is contingent upon the execution and prompt delivery to County by Archstone-Smith Operating Trust, a Maryland real estate investment trust, of the Guaranty of Lease, a copy of which is attached hereto as Exhibit "B", immediately following the close of escrow of the Assignment.

E. The Assignment, having once become complete and irrevocable in all respects, shall thereafter be fully binding upon Archstone whether or not Oakwood and Archstone have entered into a separate agreement or understanding to which the County is not a party and which provides for or otherwise purports to affect the Assignment, and whether or not in such event any party thereto alleges, claims or otherwise shows or proves that there has been a breach, default, violation, or termination of any such separate agreement.

F. Archstone has delivered to the County that certain Residential Master Lease (the "**Master Sublease**") to be entered into with Oakwood Marina del Rey Lessee, LLC, a Delaware limited liability company ("**Master Sublessee**"), and dated concurrently with the Assignment. The County hereby consents to the Master Sublease, a copy of which is attached hereto as Exhibit "C", under the provisions of Section 11 of the Lease.

G. Archstone shall not make any further assignment or sublease of the Lease, nor any portion thereof, without the written consent of the County as lessor having first been obtained thereto in accordance with, and to the extent required by, the provisions of Section 11 of the Lease.

Dated the ___ day of _____, 2005.

COUNTY OF LOS ANGELES

By: _____

Its: _____

ATTEST:

By: _____

APPROVED AS TO FORM
BY COUNTY COUNSEL

RAYMOND G. FORTNER, JR.,
COUNTY COUNSEL

By: _____
Deputy County Counsel

EXHIBIT "A"

Legal Description

EXHIBIT "B"

Amendment to Lease

EXHIBIT "C"

Guaranty of Lease

June 30, 2005

TO: Small Craft Harbor Commission
FROM: Kerry Silverstrom, Chief Deputy Director
SUBJECT: **AGENDA ITEM 6a - ONGOING ACTIVITIES REPORT**

BOARD OF SUPERVISORS ACTIONS ON ITEMS RELATING TO MARINA DEL REY

At its June 28, 2005 meeting, the Board of Supervisors approved economic consulting services contracts with Allan D. Kotin and Associates and Keyser Marston Associates, Inc. at an aggregate annual County cost not to exceed \$160,000, plus additional costs subject to reimbursement.

Also at its June 28, 2005 meeting, the Board of Supervisors approved a motion introduced by Supervisor Knabe that authorizes the Department to pay up to approximately \$93,000 to the California Highway Patrol (CHP) and Los Angeles City (Police Department and Department of Transportation) for traffic services provided by these entities in connection with the Marina del Rey July 4th Fireworks Show, the first time the Department has been required to pay for such services from its sister agencies.

At its June 21, 2005 meeting, the Board of Supervisors approved and instructed the Chair to sign the Consent to Assignment of Lease for Parcel 33R from Marina Investment Company, a joint venture, to The Waterfront-Marina del Rey, a Delaware Limited Liability Company; approved Amendment to Lease agreement no. 10665, which defines changes in management and ownership of a limited liability company that will be considered an event of assignment under the lease; also approve and instruct the Chair to sign Amendment to Lease agreement upon presentation by the Director.

Also at its June 21, 2005 meeting, the Board of Supervisors, acting as the governing body of the County Flood Control District, approved and instructed the Chair to sign the amendment to cost-sharing agreement with the U.S. Army Corps of Engineers to complete the sediment study for the Marina del Rey and Ballona Creek Feasibility Study; also authorized the Acting Director of Public Works to expend \$100,000 and the Director of Beaches and Harbors to contribute \$100,000 in-kind services to complete the study.

At its June 14, 2005 meeting, the Board of Supervisors approved and instructed the Chair to sign:

- Amendment extending the term of the Option to Amend Lease No. 13508 with respect to Parcels 95S and LLS (Marina West Shopping Center), Marina del Rey, reflecting an additional three-month extension of the option expiration to October 8, 2005, for a supplemental fee of \$31,666.50.
- Amendment to Lease No. 13509 and Memorandum of Lease with Gold Coast Shopping Center, LLC, for Parcel 97R (Marina Beach Shopping Center), Marina del Rey, reflecting a revised, more costly renovation plan, an additional extension fee, and an eight-year extension of the current term to 2056.
- Second Amendment to Option Agreement and joint escrow instructions for lease nos. 6734 (Parcel 44U) and 11140 (Parcel 77W), Marina del Rey, granting an extension of time in which the County may exercise its rights and options, upon payment of the stated option prices, to acquire Parcel 77W and a portion of Parcel 44U.
- Amendment extending the term of the Option to Amend Lease for Parcel 140V (Admiralty Apartments), Marina del Rey, for an initial term of three months and thereafter, on a month-to-month basis for an additional three months, as needed, for a total period of up to six months to August 12, 2005; and establish a supplemental option fee of \$16,666.50 for the initial three months, plus \$5,555.50 per month for the remaining three months, for a total amount up to \$33,333.

The items relating to Parcels 95S/LLS, 97R, 44U/77W and 140V were previously considered and recommended by your Commission.

DESIGN CONTROL BOARD MINUTES

The minutes from the June 16, 2005 meeting are attached.

MARINA DEL REY LOCAL COASTAL PROGRAM PERIODIC REVIEW

The California Coastal Commission (CCC) held a public hearing on June 7, 2005 regarding the Marina del Rey (MdR) Local Coastal Program (LCP) Periodic Review. The hearing was opened and continued. CCC staff presented their report, provided background on the MdR LCP and its implementation and highlighted the findings and recommendations contained in the 144-page staff report and recommendation. In addition to being an examination of how the County is implementing the LCP, CCC staff emphasized that the Periodic Review was also an opportunity to examine new information and changed circumstances since the LCP's certification in order for the LCP to remain relevant and current. Comments from the public and Coastal Commissioners focused mostly on environmentally sensitive habitat areas (ESHA), water quality, potential public safety issues, recreational boating, and public access.

The County did not make a formal presentation at that time; however, we advised the Commission that due to the late receipt of the staff report, the County supported the recommendation to open and continue the hearing and expressed our appreciation for the cooperative working relationship that has developed between the County and the Commission

staff. We anticipate the hearing will be continued until November 2005, which coincides with the next CCC meeting in the Los Angeles area.

RESPONSE TO PUBLIC CONCERNS

Traffic Circulation on Admiralty Way: During your Commission's last meeting a member of the public repeated her request that Admiralty Way traffic circulation be studied and new traffic signals installed at specific intersections. Subsequent to the meeting the same person contacted the County Department of Public Works ("DPW"), Traffic and Lighting Division, to make the same request. DPW has completed its review of the accident history for the Admiralty Way and conducted a field check to see if the roadway, signs, and pavement markings in the area were visible and in good condition. The street lighting in the area was also reviewed to ensure that the lights in the median followed current County standards. Based on the latest data available, DPW has determined that "the roadway, signs, and pavement markings were appropriate, visible, and in good condition. Visibility along the roadway was also good in all directions."

DPW plans to share the findings of its review with public and private entities such as the Southern California Edison Company and suggest ways to further improve the situation, if any.

Accommodation of Liveaboards During Dock Reconstruction: At your Commission's last meeting Eric Huff, a tenant at Panay Way Marina, raised concerns about being evicted due to pending dock reconstruction/reconfiguration. Our investigation indicated that there were apparent misunderstandings between Mr. Huff and his dockmaster. It is now our understanding that he is not being evicted, is being provided a temporary slip during reconstruction, and has been provided with the option of moving back into the new docks after construction is completed.

Mr. Huff also distributed to the Commission an article printed in the June 2005 edition of the Sea Magazine relating to the Long Beach Marina expansion. Mr. Huff suggested that during dock reconstruction, tenants be permitted to relocate to the transient docks as they do in Long Beach. The situation in Long Beach differs greatly from the Marina in that it is a city-owned and operated facility where all slips are under city control. Long Beach's Downtown Marina has more than 1,700 slips and its Los Alamitos Bay Marina has more than 1,800 slips. With a combined total of more than 3,500 slips, it is possible to coordinate creation of additional transient slips to accommodate boats being displaced by construction and referring boaters from one marina to the other. In Marina del Rey, the marinas are owned and operated by independent lessees and each marina is much smaller in size.

We believe the lessees are making every effort to accommodate their quality tenants by working with other lessees to make temporary slips available and completing construction work as quickly as possible. They want their tenants to return. This is a good business practice for the lessees. It allows them to efficiently rent all of their new slips to quality tenants without having to spend a large sum to attract new prospects and screen them in the hope of finding good tenants.

During one of the more recent dock reconstructions at Parcel 112, construction was phased and boater displacement was kept to a minimum. We understand on Parcel 20, Panay Way Marina, dock reconstruction will also be phased with only one of the six docks being out of service at any given time, each for a period of 40 to 51 days.

KS:tm

Attachment

June 30, 2005

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director

SUBJECT: ITEM 6b – UPDATE ON FLOATING HOME ISSUES

In an effort to preserve Marina del Rey for recreational boating, the Board of Supervisors approved an ordinance in 1995 amending Los Angeles County Code Chapter 19.12, Harbor and Maritime Ordinance relating to the seaworthiness of vessels, to prohibit additional floating homes from mooring in the Marina. The ordinance provides for a ten-year seaworthiness exemption to qualifying floating homes moored in the Marina as of the effective date of the ordinance amendment. The ten-year period was provided to give the owners a fair opportunity to recover investments made in their floating homes. The Board of Supervisors considered and rejected a proposal for a twenty-year exemption before approving the amendment.

Concerns expressed by other boaters over the blockage of views, shadows on neighboring slips, damage to docks during storms, and the change in the character of the Marina from a recreational boating facility to a residential floating home facility were some of the reasons identified for the passage of the floating home amendment to the seaworthy vessel ordinance. The impact of residential use of vessels on water quality was also cited.

At several of your Commission's recent meetings, issues concerning "floating homes" were raised by several speakers. In particular, Mr. Robert Weinmeier, through his attorney, Jonathan Balfus delivered a letter dated May 2, 2005, in which Mr. Weinmeier proposed the creation of by-laws for the regulation of slips for floating homes. We considered his request and concluded that such an action is neither necessary nor practical due to a variety of factors, including the fact that marinas are owned and operated by many different entities with varied configuration and physical characteristics. Staff recently met with Mr. Weinmeier to better understand his concerns. We facilitated communication with his dockmaster, after which Mr. Weinmeier acknowledged that all of his issues had been satisfactorily addressed. We have since received a letter from Mr. Weinmeier requesting that we not pursue the issues raised in his May 2, 2005 letter.

After hearing the one-sided accounts from owners of floating homes, one lessee who has experience dealing with floating homes wrote to us after your Commission's last meeting sharing the following comments:

“The issue regarding houseboats and floating homes is that these tenants typically do not move from their slips and often times allow their boat's propulsion system and navigational equipment to deteriorate. When this happens, their vessels are

not properly maintained and become eyesores as well as hazards to the marinas in which they lease...

As time goes on and the value of these houseboats and floating homes decreases the owners are faced with the decision of spending thousands of dollars to repair their vessels. About two or three times a year [a lessee with repair facilities] will end up stuck with a house boat or floating home which was brought to the yard for repairs and abandoned after the estimate was provided.”

In the aforementioned situation, the lessee became liable for disposing of the vessels. The typical disposal cost for a 40-foot boat is about \$5,000 to \$10,000 including storage, title clearance, demolition, and haul fees.

Separately, we have polled 22 other jurisdictions/marina operators regarding the presence of floating homes in their marinas and whether they have any policy protecting floating homes. Again, it is important to clarify the distinctions between floating homes and houseboats. The former are floating objects manufactured for the sole purpose of being used as abodes and are not capable of navigating. The latter are vessels that are manufactured to be seaworthy, are suitable for navigational purposes, and can be used as abodes. Marina del Rey does not prohibit houseboats. The following table shows the result of our survey.

ANCHORAGE NAME	LOCATION	FLOATING HOMES ALLOWED?		NOTES AND COMMENTS
		YES	NO	
Balboa Marina	Newport Bay		X	
Bayside Marina	Newport Bay		X	
Lido Yacht Anchorage	Newport Bay		X	No Liveaboards of any type
Bayshore Marina	Newport Bay		X	
Redondo Beach Marina	King Harbor		X	
Long Beach Marina	Alamitos Bay		X	
Cerritos Bahia Marina	Alamitos Bay		X	
King Harbor Marina	King Harbor		X	Houseboat too not allowed
Peter's Landing	Huntington Beach		X	
Sunset Aquatic Marina	Huntington Beach		X	
Ventura West	Ventura		X	
Ventura Isle Marina	Ventura		X	Houseboat too not allowed
Island Yacht Anchorage	LA/LB Harbor	X		One existing
Pacific Yacht Landing	LA/LB Harbor		X	
Anacapa Isle Marina	Channel Island Harbor		X	Houseboat too not allowed
Ventura County Marina	Channel Island Harbor	X		1 only, trying to remove
Peninsula Yacht Anchorage	Channel Island Harbor		X	
Monterey Harbor	Channel Island Harbor	X		1 grandfathered in, no new allowed
Santa Barbara Harbor		X		A few, attempting to remove
Port of Redwood City	Redwood City		X	
Sausalito		X		See code for conditions
Port of San Francisco	San Francisco Bay	X		

Our research confirms that Marina del Rey has been accommodating floating homes above and beyond accommodations provided in other jurisdictions.

KS:PW:tm