Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

June 3, 2004

TO: Small Craft Harbor Commission

FROM: Kerry Gottlieb-Silverstrom for Stan Wisniewski, Director

SUBJECT: **COMMISSION AGENDA – JUNE 9, 2004**

Enclosed is the June 9, 2004 meeting agenda, together with the minutes from your meetings of April 21, 2004 and May 12, 2004. Also enclosed are reports related to agenda items 3a, 3b, 5a, 5b, 5c and 6a.

Please call me if you have any questions or need additional information.

SW:tlh
Enclosures

13837 Fiji Way • Marina del Rey • CA 90292 • 310.305.9503 • fax 310.821.6345 • internet: http://beaches.co.la.ca.us

Los Angeles County Beaches & Harbors

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

AGENDA

SMALL CRAFT HARBOR COMMISSION MEETING
JUNE 9, 2004
9:30 a.m.
BURTON W. CHACE PARK COMMUNITY BUILDING
13650 MINDANAO WAY
MARINA DEL REY, CA. 90292

1. Call to Order and Action on Absences

2. Approval of Minutes: Meetings of April 21, 2004 and May 12, 2004

3. **REGULAR REPORTS** (DISCUSS REPORTS)

   a. Marina Sheriff
      - Crime Statistics
      - Enforcement of Seaworthy & Liveaboard Sections of the Harbor Ordinance

   b. Marina del Rey and Beach Special Events

4. **OLD BUSINESS**

   None

5. **NEW BUSINESS**

   a. Approve the Release of Request for Proposals for Improvements to Parcel 83S in Marina del Rey (RECOMMEND TO BOARD)

   b. Consent to Assignment of Leasehold Interest and Amendment to Lease – Parcel 10R (Neptune Marina) Marina del Rey (RECOMMEND TO BOARD)

   c. Joint Recommendation of the Chief Administrative Officer and Director of the Department of Beaches and Harbors to Approve and Authorize Execution of Amendment to Second Amended and Restated Lease No. 55624 – Parcel 125R (Marina City Club) Marina del Rey (RECOMMEND TO BOARD)

6. **STAFF REPORTS** (DISCUSS REPORTS)

   a. Ongoing Activities
      - Board Actions on Items Relating to Marina del Rey
      - Design Control Board Minutes
      - Public Comment Follow-Up

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) 305-9546.

Small Craft Harbor Commission
Meeting of April 21, 2004
Minutes

Commissioners Present	Excused Absences
Harley Searcy, Chairman Carole Stevens, Vice-Chairperson Russ Lesser	Joe Crail

Department of Beaches & Harbors:	Stan Wisniewski, Director Roger Moliere, Deputy Director, Asset Mgmt & Planning Bureau Joe Chesler, Chief, Planning Division Dusty Crane, Chief, Community & Marketing Services Division
Other County Departments:	Tom Faughnan, County Counsel Lt. Greg Nelson, Sheriff's Department Deputy Paul Carvalho, Sheriff's Department
Also Present:	Beverly Moore, Executive Director, MdR Convention & Visitors Bureau

1. CALL TO ORDER & ACTION ON ABSENCES

Chairman Searcy called the meeting of the Los Angeles County Small Craft Harbor Commission to order at 1:30 p.m. in the Burton W. Chace Park Community Room, Marina del Rey.

Vice-Chairperson Stevens moved and Commissioner Lesser seconded a motion to excuse Commissioner Crail from today's meeting. The motion passed unanimously.

2. APPROVAL OF MINUTES

Ms. Carla Andrus requested that the Commission not approve the March 10, 2004 minutes. She explained the reason for her request is:

> The summary comments of February 10 on the failed workshop have not been adequately addressed. Not only were six important topics crowded into a workshop after a long meeting, but the public was effectively divided by adding the pressing and sensitive issues of Kingswood's residents. They were invited to ask questions of the Archstone representatives and none of it is a matter of record. Apparently, according to the tenants, promises were made at that after-meeting to appease their anger and fears. I would like to know what was represented at that meeting. Further, the workshops were not introduced and no record was made of the verbal questions and comments offered. Mr. Wisniewski simply said good questions were offered, but too few and it was not the input for which he had hoped. I had some questions for EDAW representatives and I went to the workshop believing that these questions, ideas and comments would be addressed. We need to reschedule these workshops and make the questions, ideas and comments a matter of record. We need to appreciate the importance of these topics by putting them on next month's agenda with an introduction and status report. It is very disappointing not to see even one of these topics on this agenda. What happened? Was it all for show? To say we had a workshop is so much more expedient than really having one.

Chairman Searcy asked Mr. Wisniewski whether he wanted to respond to Ms. Andrus' comments. Mr. Wisniewski responded that he didn't hear Ms. Andrus state that the minutes are inaccurate. Mr. Wisniewski explained that the minutes are a historical record of the meeting's proceedings and he encourages their approval if the Commission believes them to be accurate.

Chairman Searcy said that it sounds as though, according to Ms. Andrus, discussions between Archstone representatives and Kingswood tenants occurred after the February meeting had adjourned. Chairman Searcy said that, in his opinion, such discussions are not under the Commission's purview and since the Commissioners were not a party to them, he doesn't understand why the discussions would be included in the minutes.

In response to Ms. Andrus' comments that workshops "were not introduced" at the February meeting, Chairman Searcy informed her that he announced at the February meeting that the workstations would be available to the public.

Chairman Searcy asked Mr. Wisniewski whether any of the questions and/or comments posed at the workstations should be an agenda topic at the May meeting. Mr. Wisniewski responded that he didn't believe so since a summary of the public's written comments and the public's completed Question/Comment forms were already provided to the Commission at the March meeting. Copies of these documents were placed on the public information table at the March meeting.

Vice-Chairperson Stevens suggested that members of the public contact the Commission Secretary if they wish to purchase a tape of the February meeting.

Commissioner Lesser noted that the heading of the March 10 minutes should be changed from "Evening Meeting of March 10, 2004" to "Meeting of March 10, 2004 since the March meeting was a regularly scheduled 9:30 a.m. meeting.

Vice-Chairperson Stevens moved and Commissioner Lesser seconded a motion to approve the March 10, 2004 minutes as corrected. The motion passed unanimously.

3. REGULAR REPORTS

a. Marina Sheriff's Department Report

-- Crime Statistics

Lt. Greg Nelson introduced himself as the new Harbor Master who replaced Lt. Edmonds. Lt. Nelson noted that there isn't a spike in any one area of crime. He commented that a homicide recently occurred in the Ladera Heights area and is being investigated.

-- Enforcement of Seaworthy & Liveaboard Sections of the Harbor Ordinance

Deputy Carvalho reported that no new Notices to Comply were issued in March, which can be attributed to the number of vessels already at the docks. There are now 19-20 vessels. He said that there probably won't be any new Notices to Comply issued until the disposal of the 19-20 vessels that are currently at the Sheriff's docks. Staff, however, would follow up on the notices that were already issued. He said that the Department is in the process of obtaining funds to dispose of the vessels and he anticipates that approximately half of them would be disposed of within the next month.

Vice-Chairperson Stevens asked Deputy Carvalho whether it is true that the Sheriff's Department is facing a 30% budget cut. Deputy Carvalho responded that he assumes there will be a reduction, however, he isn't sure of its extent. Vice-Chairperson Stevens asked whether Deputy Carvalho knows how the budget cuts would affect the Marina Sheriff's station. Deputy Carvalho responded that he doesn't know, however, he assumes the station would remain open since he hasn't heard anything to the contrary.

b. **Marina del Rey and Beach Special Events**

Mr. Wisniewski reported that the Marina del Rey Outdoor Adventures' Harbor Kayaking Program is a fun activity that's scheduled on Saturdays during April, May, June, September and October. The Special Events report also includes the Del Rey Yacht Club's Open House scheduled for April 17-18 and the California Yacht Club Sunset Series scheduled for April 21-September 1. Mr. Wisniewski noted that the Sunset Series is a remarkable sight. The Santa Monica Bay Halibut Derby is scheduled for April 17-18 and the Fisherman's Village Weekend Concert Series will occur on Sundays, April 18 and April 25. The report also includes beach activities.

4. **OLD BUSINESS**

a. **Enforcement of Harbor Ordinance - Liveaboards**

Mr. Wisniewski informed the Commission that this item is a follow up to Chairman Searcy's question from the March meeting regarding whether, under the Harbor Ordinance, the Department could require a different degree of sustainable proof than the lessee and request the lessee to pay rent to the Department for illegal liveaboards. Mr. Faughnan informed the Commission that the Department does not require a different degree of sustainable proof than the lessee. The ordinance governs whether someone is a liveaboard and requires that a person remain more than three days within a given week. This is what the lessee looks at to determine whether or not to charge rent. The lessee is obligated to collect rents and the Department has been working with the lessees to improve the monitoring methods for liveaboards.

Vice-Chairperson Stevens said that Dolphin Marina posts signage on every gate to every dock on Basin C and Basin D stating only liveaboards with permits are allowed. She said that the other lessees with docks should be encouraged to do the same since this method is very effective. Mr. Wisniewski said that he would discuss Vice-Chairperson Stevens' suggestion with the lessees at the next Lessee's Association meeting.

Mr. Wisniewski commented that he personally would not find Dolphin Marina's posting method particularly effective since hideaboards are violating their slip rental agreement and a sign on a gate entrance would not make any difference or deter them. Mr. Wisniewski said that, perhaps, it would be effective for the signage to identify the slip numbers of authorized liveaboards on a particular gangway. He said that he would pass the suggestion onto the lessees.

Chairman Searcy opened the floor to public comment.

Ms. Andrus said that Mr. Wisniewski's comment is another erosion of the boaters' rights in the Marina. She informed the Commission about a letter in the April 9 issue of the Argonaut regarding the unfair enforcement of seaworthy ordinances in terms of liveaboards, weekenders and hideaboards. Ms. Andrus read a prepared statement:

> All boats should be seaworthy and enforcement of this ordinance should be uniform. In this letter [in the Argonaut], I read with concern that the writer's marina has a lease agreement that does not distinguish a boater's right to stay on his or her boat for more than three consecutive days. This has always been the policy and rightfully so. Boaters should have the right to stay on their boats. They own them. They insure them with the anchorage. They pay for the anchorage and a boat is to be enjoyed. The small craft harbor was created for such uses. These marinas should not be able to dictate which days you can use your boat. That is another erosion of the public's benefit, to mitigate the management problems. Instead, the marinas should consider more effective and less invasive management tools, such as electronic parking and gate passes would be better tools and valet parking to help the marinas manage their problems. Bar Harbor

has attempted regulation with a memo suggesting that if you don't have a liveaboard parking sticker you can only legitimately park in this marina Friday, Saturday and Sunday or be towed away. To hear Mr. Moliere complain that it's difficult to manage the hideaboard issue because of the proof you have to have in a court of law is not an excuse. The boaters need protection for their interest in this public Marina and you have a burden of proof. It is really a problem of management. These problems come with the territory. Some of the marinas are able to deal with these issues and if the lessees cannot manage their marinas, perhaps, they are in the wrong business. So, instead of managing the marinas we make more ordinances to erode the rights of the boaters. I hope that's not the agenda today, as Stan just indicated, putting more burden on the liveaboards. It's ridiculous. Let the managers manage the docks. We're not dockmasters. Let the dockmasters handle it. Let them do it through parking passes or electronic passes. You can easily see who is coming in and out, what days they are there. It's all done electronically. The Department has already been successful in eliminating hundreds of small boat slips and boating opportunities in favor of yachts and parking for apartment units. This has created more hideaboard problems. Mr. Searcy, I think your suggestion has the strongest language for the offending marinas. That would be that you legitimize those people who would gladly pay the extra liveaboard fee and I believe that the Department has estimated a 2% hideaboard figure. That's lost revenue and with the electronic devices you could start collecting that revenue.

b. <u>Marina del Rey Slip Replacement - Status</u>

Mr. Moliere reported on a follow up to the Commission's request in March that staff report on the number of slips that were replaced or soon to be replaced in the Marina. He informed the Commission that the Department has had an aggressive program to encourage the replacement of boat slips, many of which are reaching the end of their useful life. Staff provided a report to the Commission, which includes a table that identifies the number of slips that have already been replaced and those that will be replaced within the next few years. Mr. Moliere explained that the table shows approximately 1,000 slips have been replaced and over the next 4-5 years the Department has a high degree of assurance that a total of 3,000 plus slips will be replaced, which constitutes approximately 65% of the Marina's inventory. Mr. Moliere said that the Department believes that even more slips will be replaced because the lessees see clearly that the cost of ongoing maintenance on older docks starts to overwhelm the cost of new docks.

Commissioner Lesser complimented staff on its excellent report. He asked whether anything could be done to expedite the process of slip replacement of the remaining 35% inventory. Mr. Wisniewski responded that improvements are being made in this regard. He said that he recently signed a letter for submission to the Board of Supervisors for a new lease inspection service contract that will increase the number of inspectors to two people. This additional staff is needed to stay on top of the situation because of the aging docks that remain in place. As these docks get older the number of deficiencies grow and there is an increased need for staff. Mr. Wisniewski said that a good strong inspection program would help to ensure that lessees ultimately see the economic benefits of replacing rather than repairing old docks.

Chairman Searcy noted that the staff report doesn't indicate the size of the slips that were replaced and will be replaced in the future. He requested staff to provide this information at the May meeting. Mr. Moliere responded that staff would comply with this request.

Chairman Searcy opened the floor to public comment.

Mr. John Davis, speaking on his own behalf, said:

First of all, I would like to bring up the falsehood that Mr. Moliere has presented that there are lease extensions. These are new leases crusading as lease extensions. We all know it and it's disingenuous and dishonest to say to the public that these are lease

extensions. They are leases that supersede existing leases. Secondarily, the reason these docks need to be replaced is because the Department of Beaches and Harbors has purposely avoided issuing notices of default, letting these docks deteriorate to the point where they have caused injury and potential death in the recent past. The fact that the dock inspector is no way qualified to inspect such docks and the fact that the County of Los Angeles Department of Beaches and Harbors has no way to verify that the lessees received their inspection reports and the fact that the Director has continually over the past several years failed to issue notices of default. You can walk any of the docks and see the dock deficiencies. The Director fails to issue notices of default. There is no way that the Department has to determine whether the lessees have even received the reports by Beaches and Harbors. Mr. Moliere pointed this out when I requested some of the dock inspection reports for Deauville Marina. I asked, 'how do you verify?' There is no verification that the lessees received the inspection reports. Finally, you need to very much consider the fact that if you're going to issue any type of proposals to put docks on the federal easement you would have to get federal permits and the Coastal Commission would have to swear an affadavit saying that these projects were in compliance with the Coastal Act and given the fact that these are excluded lands the Coastal Commission has no regulatory jurisidiction to issue permits for docks in the main channel. Finally, the Rivers and Harbors Act of 1945 governs the Rivers and Harbors Act of 1954, which approved the inlet at Playa del Rey. The 1945 Rivers and Harbors Act says that the governor or his delegates would be the liaison between the United States and the state of California. The question is, has the governor delegated that authority to the Los Angeles County Department of Beaches and Harbors and is the Los Angeles County Department of Beaches and Harbors seeking millions of dollars from the U.S. government under the 1954 authorization?

Mr. Robert Varney, a boater, informed the Commission that the people who are waiting for slips and those people who were displaced when the slips were removed are not given any consideration and don't have the ability to reintegrate into the society of Marina del Rey. He said that he had a slip for a year until his slip was condemned along with several other slips. Mr. Varney said that he then tried to rent a transient slip at Chace Park and was told by staff that he could not remain there because he has a marina eviction.

Chairman Searcy requested a response from Mr. Wisniewski on Mr. Varney's allegation that Chace Park does not rent to people who are evicted from slips in the Marina. Mr. Wisniewski asked Mr. Varney when he lost his slip and what was the size of his slip. Mr. Varney responded that he lost his slip approximately 3 ½ months ago and it was a 25' slip.

Mr. Wisniewski informed the Commission that there are many vacant 25' slips, however, Mr. Varney tries to use the transient docks as his permanent slip location. Chace Park employees have informed Mr. Varney that this practice isn't allowed. Mr. Wisniewski added that Mr. Varney has visited the Beaches and Harbors' administration building to discuss his concerns and he took up a lot of staff time. The last time that Mr. Varney came to the administration building Mr. Wisniewski suggested that he submit his concerns in writing so that staff could respond. Mr. Varney became belligerent and began raising his voice and becoming disruptive. Mr. Wisniewski said that, as a result, Mr. Varney is no longer welcome at the Department's headquarters.

Chairman Searcy asked whether there are 25' slips available for rent. Mr. Wisniewski responded that there are such slips for rent and Mr. Moliere can provide Mr. Varney with a list after today's meeting. Chairman Searcy suggested that Mr. Varney and other members of the public speak to Mr. Moliere after the meeting if they are interested in obtaining the list of docks that have 25' boat slips available.

Mr. Wisniewski commented that Mr. Moliere could provide the list, however, Beaches and Harbors' staff don't determine whether Mr. Varney's or anyone else's boat is seaworthy. Mr. Moliere added that the public should also be aware that credit worthiness and past history of tenancy are important considerations when leasing a slip.

Chairman Searcy informed members of the public that if they are turned down because of their credit history they have the right to obtain a copy of the credit report and challenge it. Chairman Searcy added that if an individual is turned down for any reason, the person should get the reason(s) in writing and if the dock's staff refuses to put the reason in writing, the Commission should be informed of it.

Mr. Varney said that he's been on a waiting list for slips throughout the Marina and learned that brokers obtained slips ahead of him. He also was turned down for having an old boat that was dated before 1974 and the anchorages would not accept boats that were older than 1975. Mr. Varney said that he received the rejection in writing, which he has with him today.

In response to Mr. Wisniewski's comment that Mr. Varney behaved inappropriately at the Department's administration building, Mr. Varney said that he visited the office and had a calm demeanor, however, when he was speaking calmly with two staff people, Mr. Wisniewski began screaming at him and asked when Mr. Varney was going to stop wasting staff time. Mr. Varney commented to the Commission that this was the only time that Mr. Wisniewski has ever spoken to him on the three occasions that he has encountered Mr. Wisniewski.

Ms. Andrus said that the replacement of slips speaks volumes about the degraded conditions of the Marina. She commented that when Chairman Searcy first began serving on the Commission, he showed interest in the spirit and soul of Marina del Rey. However, Chairman Searcv now behaves as though he feels everything has become too repetitive. Ms. Andrus informed the Commission that the issues she is bringing up today would continue to be brought up because boaters and tenants are being hurt and their lives are being turned upside down. She said that the Commissioners and Department staff don't realize the anguish and fear that residents are experiencing by the Department not enforcing maintenance issues and now the Department is trying balance everything on the backs of the boaters and residents by eroding their rights and ignoring their grievances.

Ms. Andrus also commented that the Commissioners were supposed to do a dock walk, however, a walk alone won't be enough now because the docks are so deteriorated that the Commissioners will have to put on diving suits to explore them. She added that staff isn't counting the slips correctly. For example, with the end ties, "they'll" tell you that three small boats can be fitted on them and the slips are counted as three small slips instead of counting them as one large slip. If a small boater wants to use the end tie, he/she will have to pay the whole slip fee. She said that the Department should be fairer in its representation of the slip numbers.

Further, Ms. Andrus said that she also would like to see improvement in the way the public is treated. She said that the February 10 workshops exemplified the Department's desire to distance itself from the public and to push the public aside.

Chairman Searcy addressed Ms. Andrus' comments. He said that many facilities in the Marina are quite old and many residents, such as the Kingswood tenants, have gone without improvements or rent increases to their complexes for years. For years, the tenants had the benefit of not having to pay increased rents, however, they also had to live with no improvements to their complex. He commented that it is unfortunate that some people will be displaced during building renovations, but it cannot be avoided. There are efforts to make things as harmonious as possible for residents, but not everyone will be happy.

Chairman Searcy also informed Ms. Andrus that he remains a dedicated commissioner and is doing the best job that he can. He said that it's a two-way street as far as the Commission's interaction with the public is concerned. The Commission has a difficult job. There are members of the public who don't want any changes in the Marina and some of the public don't want certain members of the population to have access to the Marina's facilities. Chairman Searcy emphasized that the Marina is a part of Los Angeles County and is open to all of its residents.

Chairman Searcy added that people have also questioned jurisdictional issues concerning the County's right to operate the Marina or develop in the Marina. In response to these concerns, County Counsel staff spent a lot of time researching the matter and, ultimately, developed a well-reasoned legal brief. However, the public expressed dissatisfaction with County Counsel's response. Chairman Searcy emphasized that change is difficult, but it has to happen and improvements have to be made. He reiterated that not everyone is going to be happy with all of the development occurring in the Marina, but Commission members are doing the best job that they can and will continue to do so.

Mr. Brian Harr suggested that when slips at the lessees' docks remain vacant for a certain length of time the lessee could be mandated to report the vacancy to the Department so that Chace Park will have the opportunity to rent the slips, perhaps on a daily or weekly basis, to its overflow transient tenants. Chairman Searcy informed Mr. Harr that the idea doesn't sound half bad as far as making slips available on a rolling basis. However, it would have to be voluntary and something that the lessees want to do.

Mr. Wisniewski said that the Department has spoken to lessees about offering, on a cooperative basis, their vacant slips during the summer months to Chace Park tenants on occasions when Chace Park docks are full. This has worked in the past, but the lessees did it on a volunteer basis. Mr. Wisniewski added that one of the reasons there are plans to expand Chace Park is to bring more slip space under County control so that additional transient facilities could be added if needed. He said that negotiations have already begun with lessees to build transient facilities at their docks.

Mr. Wisniewski commented that the biggest demand is for slips to accommodate boats 35' and above. These slips are very few and far between. There is a surplus of boat slips below 30'. The Department has placed a moratorium on converting more slips that are below 30' to the larger sizes because of the concern that, even though there is a 7-8% vacancy factor for small slips, this vacancy factor might go away tomorrow.

Mr. Harr said that he previously made his suggestion to Paul Wong and Mr. Wong pointed out that the problem is that if someone uses a lessee's slip on a transient basis, it might be hard for the lessee to get the person to leave. Mr. Harr said that this situation would not occur if the slip was rented on a night-to-night basis, like a hotel, and the tenant knew beforehand that he would have to leave.

Commissioner Lesser requested staff to estimate the number of people who come to Chace Park to rent a transient slip and are turned away. Mr. Wisniewski responded that he didn't have this figure but could obtain it. He explained that the primary issue at the transient docks is the turning away of the Ballona Creek boaters who cannot find permanent moorage in Marina del Rey. These boaters bring their vessels to Chace Park's 4-hour dock and try to leave them there on an ongoing basis.

Mr. Wisniewski said that there is a need for additional transient facilities, particularly for the large vessels for which the Marina typically does not have room. He said that the Department is currently negotiating with the lessees concerning these facilities. Mr. Wisniewski added that he would remind the lessees of the voluntary program to make transient docks available. This program is particularly useful during the summer months when special events are scheduled at Chace Park and overflow docks are needed.

Commissioner Lesser commented that a lot of the original leases did not have the teeth in them that the new leases have as far as maintenance requirements is concerned and this caused a lot of problems, which are currently being corrected. He said that the new leases are far more effective and improve the way maintenance problems are handled. Hiring additional inspectors will help expedite the process of refurbishing the docks that aren't going to be replaced right away and, hopefully, over time, the entire Marina will have new docks.

Mr. Wisniewski commented that people should not lose sight of the fact that 65% of the slip inventory has been replaced or is in the process of being replaced.

5. NEW BUSINESS

a. Concession on County-Owned or Operated Beaches and Burton Chace Park

Mr. Wisniewski said that the Department is requesting the Commission to recommend Board approval of the Café Lorelei proposal to provide concession services at Burton Chace Park. He said the Beach Commission has already given its recommendation for the beach concession proposals.

Mr. Wisniewski asked Mr. Paul Wong, Chief, Asset Management Division, for the number of bids the Department received for the Chace Park concession. Mr. Wong responded that three bids were received. Mr. Wisniewski commented that the recommended concessionaire also operates a café next to the health facility at Holiday Harbor and she is a delightful and energetic person.

Mr. Wisniewski said that the concession agreement is for a five-year period. In the past, the contract was for a two-year period and maintenance was the County's responsibility. Through Paul Wong's and his staff's efforts, the contract period was extended to five-years, maintenance of the facility is now the responsibility of the concessionaire and the County's gross revenues is estimated to increase by $92,000 annually.

Chairman Searcy opened the floor to public comment.

Ms. Carla Andrus said that she shares Mr. Wisniewski's enthusiasm for Café Lorelei and commented that it's good that a local entity was awarded the bid. She said that Café Mermaid is a local business that is connected to the community and the concessionaire has sensitivity to the community's needs and desires. The café has a warm and inviting atmosphere as well as an interesting and exciting menu.

Mr. John Davis said:

> This is clearly a formerly submerged land of the state of California. Director Victor Adorian sent a letter to the State Lands Commission, which I submitted to this Commission at the night meeting. It was a letter from Victor Adorian to the State Lands Commission stating that we all know that Marina del Rey was dry land and that would you please give us a blanket letter stating that these were not public trust lands. Clearly from all of the U.S. Army maps and U.S. geological survey maps and several old surveys, these were formerly submerged lands. Under the Public Resource Code, the Lands Commission is required to own all formerly submerged or currently submerged lands. So, my question is, what right does the County have to issue a lease on lands that should be owned by the Lands Commission? That's my first question. Secondarily, there is no indication that I see in this report of how many square feet would be given to...a lessee or concessionaire. We don't see any amount of space...is it a way for the County to get its nose under the door and build a building, etc.? Where is the square footage...or do we even know how much square footage there is? That concludes my testimony and I'm very much anxious to know about whether the State Lands Commission returned that letter to Victor Adorian saying, 'no, these are not public trust lands,' because if they are formerly submerged and the County is issuing leases on them and the County is claiming to own them, they certainly should be in the hands of the Lands Commission.

Chairman Searcy asked whether the Department has information on the space that Café Lorelei would utilize. Mr. Moliere responded that the individual concession contracts define the space and copies of the agreement are placed on the public information table.

Mr. Robert Varney commended Café Lorelei's concessionaire and said that the concession would be a welcome addition to Chace Park.

Vice-Chairperson Stevens moved and Commissioner Lesser seconded a motion to recommend Board approval of awarding Café Lorelei the Burton Chace Park concession. The motion passed unanimously.

b. Contract for Marina del Rey Water Shuttle Service

Mr. Wisniewski said that staff submitted to the Commission the proposed contract for the Marina del Rey Water Shuttle Service. The service is expanded and will operate for two years. The contract term is from May 28, 2004 through September 5, 2005. Patrons will be charged $2.00 per trip. Three boats will operate with a fourth boat on holidays and Thursday evenings to improve service to the pre-concert series in Chace Park. The maximum compensation under the contract is $311,821, which the Director is authorized to increase by 20% if the service is expanded.

Mr. Wisniewski pointed to a map on display that identified the shuttle locations. He said that there would be sites at Fisherman's Village, Chace Park, Marina Beach/Parcel 91 dock, the Fire Station dock and the Dolphin Marina and Marina Harbor docks. Three shuttles would operate on a continuous basis and a fourth shuttle would be used on heavy days.

Mr. Wisniewski said that the Department received one proposal for the shuttle service and it was from the same gentleman who operated the service last year. The Department has secured a loan from the Quality and Productivity Commission's Investment Fund for the operation of the program and the Department has an option under the contract to purchase the vessels to reduce program costs. He said that 13,300 riders used the shuttle last year and he hopes for a significant increase this year due to the expanded service.

Chairman Searcy asked whether the Commissioners had questions or comments on this agenda item. The Commissioners indicated that they had no comments or questions. Chairman Searcy opened the floor to public comment. Hearing none, he entertained a motion on the item.

Commissioner Lesser moved and Vice-Chairperson Stevens seconded a motion to recommend Board approval of the proposed contract for the Marina del Rey Water Shuttle Service. The motion passed unanimously.

Mr. Wisniewski commented that he is particularly delighted that there weren't any negative comments from the community regarding the shuttle service. He said that the program was extremely well received and was used by many people, some of whom could not have afforded to rent a boat and were pleased that the shuttle provided an inexpensive way to see the Marina.

6. STAFF REPORTS

a. Ongoing Activities Report

-- Board Actions on Items Relating to Marina del Rey

Mr. Wisniewski informed the Commission that there is an additional item that Mr. Chesler wants to share with the Commission. Mr. Chesler said that on May 7, 2004 the County would receive a ceremonial check for $1.75 million for the second phase of the Marina Beach Water Quality Improvement Project. The Department is working with Supervisor Knabe's office to staff the event. Mr. Chesler said that staff would send a notification of the event to each Commissioner.

-- Design Control Board Minutes

Mr. Wisniewski reported that the March 25, 2004 Design Control Board minutes were submitted to the Commission and copies were placed on the public information table.

-- Oil Seepage on Admiralty Way

Mr. Chesler reported that recently there was a line breakage on a 4-inch oil line that is operated by Southern California Gas Co. The location of the breakage is the corner of Palawan and Admiralty Ways in front of the Harbor House restaurant. The Fire Department and the Office of Emergency Services responded to the breakage immediately. Through tremendous effort and research, the line's owners were located and the site was cleaned. There were only 15 barrels of oil that were released and those were properly contained and discharged. The street and line were repaired and are back in operation.

Chairman Searcy opened the floor to public comments.

Mr. John Davis, speaking on behalf of the Sierra Club, said:

> As you know, there has been a lot of development proposed and approved by this Commission over in this same area that the pipeline goes near and is adjacent to. The County never revealed the fact that this pipeline existed in the EIR, for instance, for Deauville and Bar Harbor. Also, this report is absolutely misleading. I spoke to the Division of Oil and Gas Resource's person who is administering this leak and he said that the origin of the condensate...was Del Rey 10, not in Venice...the condensate was through the line that is owned by Sempra Energy. So, there's no question who owns the line, it's Sempra Energy. The line was supposed to have been abandoned some time ago, but it was never decommissioned. So, according to the Department of Oil and Gas Resources, it's not supposed to be used for anything right now and it should be decommissioned. Del Rey 10, according to the state and not the County, that should know better, the State Department of Oil and Gas Resources says that it's Del Rey 10. Del Rey 10 is supposed to be a monitoring well for the underground gas storage facility, which is only according to the maps of the Southern California Gas Company. It's supposed to extend slightly into the harbor. However, the Department of Oil and Gas Resources states that they use this well not just for monitoring, but to depressurize the underground gas storage facility when necessary and then float combustible gas, along with gas condensate, perhaps oil, to Sempra.
>
> The problem with Del Rey 10 is, as we look at its production records, there is no record of anything being produced, whether it's releasing pressure from the Gas Company or oil condensate. There's no record whatsoever and Sempra is the one that's supposed to report what's produced or extracted from that well to DOGERT [?]. It's showing zero production, however, Sempra admits that it flows gas through here to equalize pressure on the underground storage facility, which is not supposed to be under the Marina in the first place. So, as we ask ourselves, during the course of the EIR for Deauville and Bar Harbor, did the County know this line existed and if they did, why did they not present that information at the Department of Regional Planning? As these lines are old or damaged by corrosion, they're damaged by seismic activity. They often times leak and they go right through residential areas right along Admiralty. We ask ourselves, are these people safe and is the County purposely withholding information regarding these lines and the fluids transmitted through them from the public so as to encourage developers to develop without having to meet the legal constraints? My final comment is, when the County of Los Angeles finds out that there is a toxic substance that is leaked it is supposed to report that to the governor's Office of Emergency Services. I would like to know if the County transmitted the fact that it knew a toxic substance was released to the governor's Office of Emergency Services as required by law?

Commissioner Lesser asked whether Mr. Davis' comments are accurate. Mr. Moliere responded that the pipeline is an unused line and has been for a number of years. Mr. Moliere said that it is not an active line. Del Rey 10, to which Mr. Davis referred, is an equalization line and does not pump.

Mr. Moliere explained that the Gas Company has indicated that it would abandon the line, which the Gas Company is in the process of doing. The small leak was only about 20 gallons and was condensate that had built up over the course of time. Initially, the line was not part of the map for the general system and, therefore, there was difficulty finding who owned it because it was a different division of Southern California Gas and Sempra. Once that was found, the repairs were done. He said that the Department has worked with the Gas Company to make sure that the pipeline is properly mapped and part of the Dig Alert system. The company is in the process of abandoning the pipeline.

Mr. Wisniewski informed the Commission that staff would report to the Commission when the pipeline's abandonment has occurred.

Ms. Andrus commented that she spoke to a Gas Company representative and she also did a videotape. Ms. Andrus offered to share the tape with the Commission. Ms. Andrus said that the representative informed her that there are active oil wells at the site, low producing wells, from which the company does not receive much revenue. She asked whether the Department reported the matter to the correct parties, particularly the governor's Office of Emergency Services.

Ms. Andrus requested that the public be given an opportunity to see the maps that identify the location of the pipeline along Admiralty Way. She commented that there is a lot of subsidence in the area and the public would like to have an idea of what is occurring underground.

Vice-Chairperson Stevens asked staff how far the pipeline extends. Mr. Wisniewski responded that he did not know the pipeline's extent, however, there are maps that document the underground lines in the Marina and staff would tell the Commission at the May meeting where to access this information.

b. Marina del Rey Convention and Visitors Bureau

Ms. Moore reported that business picked up in early 2004. Hotel occupancies in January were at 73% compared to 66% in 2003. In February, hotel occupancy was up to 71%, compared to 66% last year. The market strength that existed prior to September 11, 2001 hasn't been regained, however, Ms. Moore said that she's optimistic that 2004 will be a very good year for tourism growth.

Further, Ms. Moore reported that the Visitors Bureau is adding two international trade exhibitions to its schedule in an effort to focus on generating more foreign tourism business from international tour operators. The Bureau's research shows that Marina del Rey welcomes visitors from all over the country and world, particularly the United Kingdom, Japan, Canada and Germany are very important sources of visitors to the Marina. The two shows that the Bureau staff is attending will provide them the opportunity to meet with the owners and product managers of the international tour companies from those markets. She said that with a strong Euro right now against the weakening U.S. dollar, it is an advantage for foreign travelers to come to the United States.

Additionally, Ms. Moore reported that within the next couple of days a new coalition, comprised of the Marina Visitors Bureau and the Convention and Visitors Bureaus of Santa Monica, West Hollywood and Beverly Hills, is hosting a group of French and British travel writers on a tour through Marina del Rey.

7. COMMUNICATION FROM THE PUBLIC

Chairman Searcy opened the floor to public comment.

Mr. Rigopollos informed the Commission that he has been a hideaboard in the Marina for approximately six years. He said that marinas know exactly who are legal and illegal liveaboards. Dockmasters have free reign to treat illegal liveaboards as they wish since the illegal liveaboards have no rights. He said that he could not afford to live as a legal liveaboard when he first arrived in the Marina and, overtime, the Marina has become his home. Mr. Rigopollos was kicked out of Mariner's Bay in December after his dog attacked someone else's dogs. Since the eviction, Mr. Rigopollos has

been back and forth between the anchorage, guest docks and Sheriff's Department. He was arrested after being accused of trespassing on the docks at Mariner's Bay. Also, his boat and car were impounded. Mr. Rigopollos said that, despite all of this misfortune, he is not against the County, but he would like to see improved relations between the public and the entities that operate here. He said that he has a feeling that the sheriffs and Beaches and Harbors' staff are frustrated with him and biased against him. Mr. Rigopollos said that he would like a meeting between all of the parties and a more mature way of addressing the issues.

Mr. Rigoppollos also informed the Commission that the new island slips in Basin A have dangerous gangways leading down to the central area where the boats are located. He said that the gangway doesn't have a dock area built underneath it and when a boat takes on a lot of windage and its motor fails, the boat can be pushed underneath and face a lot of compression and scissoring action that could maim someone. He suggested that a barrier be installed so that when a boater starts heading toward the gangway there is something to fend off on the water level.

Mr. Brian Harr said that anyone with a boat and a slip who wants to liveaboard and is willing to obtain the necessary permit and pay the required cost should be allowed to do so. He said that he read a quote from Paul Wong in the Argonaut stating that the Marina doesn't have a quota for the number of liveaboards that are allowed here. Mr. Harr said that many people believe that there is a quota. Also, there are waiting lists for liveaboards in the Marina and docks that will accept liveaboards are hard to find.

Mr. Harr said that a lot of boats in the Marina don't have current registrations. He suggested that if the Department wants to get rid of some of the boats in the Marina, all that it needs to do is require boat owners to have current registration and valid insurance. He also suggested that one way to get rid of "floating apartments," which have nothing to do with boating, is to require boaters to demonstrate their boats' functionality.

Mr. Harr also commented that Chace Park's docks should not be restricted to a seven day maximum stay since many of the docks are empty a lot of the time anyway. He said that lifting this restriction would provide the County with increased revenue. Mr. Harr again suggested that the Department request lessees to avail their slips to Chace Park's transient tenants when needed. He said this would be another way to generate revenue.

Commissioner Lesser said that he recalls receiving information from a previous meeting that the Marina's percentage of liveaboards either compares favorably or close to the marinas in the surrounding area. He asked whether there is a limit to the number of liveaboards allowed. Mr. Wisniewski responded that there really isn't a limit. Commissioner Lesser asked whether there is a size requirement. Mr. Wisniewski responded that it is pretty much up to the lessees. Mr. Wisniewski added that, in general, there is a 10% liveaboard rate in the Marina. This is not per any law or requirement from the County.

Commissioner Lesser asked whether the lessees could be required to take more or take less liveaboards. Mr. Wisniewski responded "no" and said that the County could not impose such a requirement.

Commissioner Lesser asked Mr. Wisniewski how many people did he think with boats in the harbor would like to become liveaboards but are not allowed. Mr. Wisniewski responded that there are many people who would like to liveaboard since it is an inexpensive way to live on the water. He said that there is a delicate balance since liveaboards bring a valuable service to an anchorage because they add security. He said that you don't, however, want them overwhelming a facility because if they are not active recreational boaters they frustrate the mission of the harbor.

Mr. Tom Costel said that he represents an informal committee of Kingswood tenants and in meetings with the tenants they referred to a discussion they had with Archstone representatives at the February Small Craft Harbor Commission meeting. Subsequent to the meeting, the tenants were "given

documents regarding evictions...that don't seem to be in compliance with what representations were made by Archstone-Smith." Mr. Costel asked whether he could address this matter "offline" with the Commission. Mr. Wisniewski suggested that Mr. Costel speak with Mr. Moliere and if, after speaking to Mr. Moliere, Mr. Costel doesn't feel the Department is addressing the tenants' concerns, Mr. Costel could address the Commission.

Vice-Chairperson Stevens commented that she recalls the discussion between Archstone representatives and Kingswood tenants occurred after the Commission meeting had adjourned. The Commission, therefore, has no idea what promises were made or what was said between the parties.

Mr. Costel clarified that he isn't stating what definitely occurred at the Commission meeting, but is relaying what some of the Kingswood tenants told him. The tenants told him that the verbal representations made at the meeting are not being met. Mr. Wisniewski said that it doesn't matter whether commitments were made privately or formally before the Commission, the Department would like to be informed if there is a lease violation.

Ms. Andrus said that workshops were held after the February Commission meeting and the workshops and the Kingswood issue divided the public and the workshops were a failure. She asked when the issue of the need for more workshops will be addressed. Ms. Andrus also reiterated that the discussions that occurred at the workstations should have been included in the minutes because that is the only way the public would know what promises were made to Kingswood tenants.

Ms. Andrus said that, relative to EDAW, she had a conversation with "David" about way finding and this discussion was also excluded from the minutes. She said that she had suggested during the conversation that, if the intent is to inform the public about the Marina, perhaps, freeway signs directing people to the Marina could be used. Ms. Andrus said that she had hoped the Visitors Bureau would support this idea. She commented that EDAW was paid $170,000 by the public, yet the EDAW consultants have never been introduced to the public. Ms. Andrus said that she happened to be at a Design Control Board meeting when EDAW was introduced and its representatives expressed interest in meeting with the public, yet they have failed to do so.

Ms. Andrus stressed the need to include every issue in the minutes that was discussed during meetings and workshops. She also stated that the lessees in the Marina appear to have more power than the Commission and this fact is disappointing. She questioned why the lessees aren't on the Commission since they have so much power. She suggested that someone who represents the tenants join the Commission, which might improve dialogue and help to resolve the serious issues.

Mr. Varney said that that he has lived in the Marina for 30 years and at one time owned one of the Marina's nicest floating homes, which he lost in a battle with one of the marinas. When he lost his home, he became a transient at the docks. He said that he's been made into a really bad character. He's received 16 citations since he lost his slip at Tahiti Marina. He asked the Commission whether he is the type of person who makes trouble. Mr. Wisniewski responded that he has had personal experience with Mr. Varney over a period of several months and it isn't right for someone to both take up the amount of staff time that Mr. Varney has taken and to continue to violate the law.

Mr. Varney said that before losing his home no one had even heard of him in the Marina and he never caused any trouble. He said that he operated a non-profit agency for the homeless for over 16 years and for 30 years he raised money for charities. He stressed that he isn't a bad person or the type of person who doesn't belong in the Marina. Mr. Varney informed the Commission that he is a good citizen and his father, his brother and himself have all done military service.

Mr. Varney said that the first time he was arrested occurred when he occupied the 4-hour dock at Chace Park. He stayed a few minutes over the limit because of boat problems and when he tried to explain to staff the reason for remaining over the limit, they contacted the Sheriff's Department. Mr. Varney then tried to explain to the sheriff why he had violated the 4-hour limit and the sheriff wrote him a citation anyway. Mr. Varney said that when he signed the citation and attempted to go take care of

his boat, the sheriff pointed a gun in his face and told Mr. Varney that he was under arrest. Mr. Varney added that the Sheriff's Department informed him that Beaches and Harbors' staff wants the sheriffs to write him citations.

Chairman Searcy told Mr. Varney that he feels compassion for his situation, but Mr. Varney was already advised that if his boat was taken illegally he should obtain legal assistance, which Mr. Varney says he has done. Chairman Searcy also informed Mr. Varney that the Commission cannot resolve the issue of his having experienced a downturn in life.

Mr. Varney said that it's not just about him and his problems, but also the conspiracy of agencies that are trying to get rid of people they don't think belong in the Marina. Mr. Varney said that he would report to the Commission on how cooperative Beaches and Harbors' staff is the next time he visits the Department.

Mr. John Davis said, speaking on his own behalf:

> One of the reasons that you feel frustration is because you're feeding us a line of crap. The County is trying to quick claim, subdivide...at a surplus property. Look at the grand jury report of 1981, which you are entirely disregarding. In fact, I think that it's time for a new grand jury investigation. As you know, per the document that I submitted to you at the last night meeting, Congresswoman Jane Harman has asked the U.S. Justice Department to step in and look at the lands transactions that occurred in the creation of Marina del Rey. In relation to Commissioner Stevens' question about where that line goes, it goes all the way along Via Marina and Admiralty. The County should know about this and it should have been brought up at Regional Planning. The question is, does the County own the mineral rights under Marina del Rey and, if they do, are they leasing those mineral rights to operators and, if so, we like to see who the operators are and if they're producing low level volumes of oil and pumping into that line without informing Regional Planning and the environmental watershed section.
>
> To correct Stan again, Stan made the claim that the majority of demand is for boats in the 35' range, however, the Department of Boating and Waterways has issued a report that says that is the case in most of California, with some exceptions. Marina del Rey is an exception Stan. Demand for boat slips in Marina del Rey is the exception to the Department of Boating and Waterways' report and it is for boats much smaller than 35', so you were partially right, but in relation to Marina del Rey, you are dead wrong and the authority is the Department of Boating and Waterways' report, not any document produced by the County of Los Angeles. Your evaluation committee is in violation of the Brown Act. It is making decisions regarding land use without including the public. As you know, the County has been recently sued by the L.A. Times and the Times won. There is a statute now, I mean there is a precedent, and this evaluation committee must comply with the Brown Act and hold its meetings in the light of day. The Lands Commission is supposed to own all submerged and formerly submerged lands according to the Public Resources Code. Why is that not the case in Marina del Rey? The state Harbor Code requires fair and reasonable rents. Why are we using market rates? The Constitution of the state of California guarantees every citizen the right to walk on and fish off public docks. These are public docks. Why are they gated and why is the County of Los Angeles absolutely and knowingly violating the constitution of the state of California in this respect? Finally, in regard to deferred maintenance, lessees are to be punished for not maintaining their properties in a safe fashion, but this Commission has knowingly substituted Policy Statement 25 and rewarded the lessees by giving them perks that enable them to sell their leases in some cases and make money for violating safety provisions and it is a disgusting matter and I think the entire situation is being run like a business and it is going to be brought to an abrupt halt because it is no longer encapsulated by the County. There are other higher powers involved.

8. ADJOURNMENT

Chairman Searcy adjourned the meeting at 3:15 p.m.

Respectfully submitted,

Toni Minor
Commission Secretary

Small Craft Harbor Commission
Meeting of May 12, 2004
Minutes

Commissioners Present	Excused Absences
Harley Searcy, Chairman Carole Stevens, Vice-Chairperson Joe Crail	Russ Lesser

Department of Beaches & Harbors:	Stan Wisniewski, Director Roger Moliere, Deputy Director, Asset Mgmt & Planning Bureau Joe Chesler, Chief, Planning Division
Other County Departments:	Tom Faughnan, County Counsel Captain Sam Dacus, Sheriff's Department Deputy Paul Carvalho, Sheriff's Department
Also Present:	Beverly Moore, Executive Director, MdR Convention & Visitors Bureau

1. CALL TO ORDER & ACTION ON ABSENCES

Chairman Searcy called the meeting of the Los Angeles County Small Craft Harbor Commission to order at 9:43 a.m. in the Burton W. Chace Park Community Room, Marina del Rey.

Vice-Chairperson Stevens moved and Commissioner Crail seconded a motion to excuse Commissioner Lesser from today's meeting. The motion passed unanimously.

2. APPROVAL OF MINUTES

Chairman Searcy said that approval of the April 21, 2004 minutes would be deferred to the June 9 Commission meeting since there isn't a quorum of Commissioners present who attended the April meeting.

3. REGULAR REPORTS

a. Marina Sheriff's Department Report

-- Crime Statistics

Captain Dacus reported that the summer generally brings an increase in crime and there is approximately a 17% increase in overall crime with the largest being in the area of vehicle burglaries. Captain Dacus said that there is also an increase in residential burglaries and in most of the cases that he reviewed the burglars were people that the residents knew.

Captain Dacus also reported that the West End Commander's meeting has resumed. These meetings provide an opportunity for captains from the Marina Station, Culver City, Santa Monica, Beverly Hills, the Airport and a couple of L.A.P.D. stations to share resources. He said that this group has successfully shared information, some of which has led to the arrest of people involved in crimes from various areas. The California Highway Patrol (CHP) is also involved with this group and law enforcement officers are now using Code 100 to alert the CHP when crimes occur in their areas.

Further, Captain Dacus reported that the Sheriff's Department will experience budget cuts but would try to compensate by utilizing techniques to show officer visibility since this more than anything else has a tendency to reduce crime.

Captain Dacus reported that the Sheriff's Department received approval for a Department of Boating and Waterways' grant to outfit a 42' boat, the "Yellow Tail," (that the Sheriff's Department obtained from the Department of Fish and Game) for use in homeland defense. The Airport police also received approval for a boat to use in homeland defense. He said that both the Sheriff's Department and Airport police are awaiting final authorization from the Secretary of Homeland Defense, Tom Ridge.

Captain Dacus said that the Airport police boat is a regional resource and they are discussing the possibility of having the boat stationed in the Marina area, which will probably require the Board of Supervisors' approval. The boat would be a shared resource between the Sheriff's Department and other agencies in the area.

In response to Vice-Chairperson Stevens' question from the April meeting regarding the impact of budget cutbacks on the Sheriff's Department, Captain Dacus informed the Commission that there is no definitive answer to this question, however, he knows that there will be an impact in many areas and the Sheriff's Department will continue to provide to the best of its ability the level of law enforcement that's sufficient for the area.

-- **Enforcement of Seaworthy & Liveaboard Sections of the Harbor Ordinance**

Deputy Carvalho reported that no new Notices to Comply were issued last month, however, staff conducted a follow-up on ten outstanding Notices to Comply. He said that the Department hasn't heard from all of the owners, but it appears that some of them who received notices will be able to make the necessary repairs to bring the vessels into compliance with the ordinance and a few of the owners have asked for and were granted an extension.

Deputy Carvalho further reported that there are 17 vessels at the docks. Seven are still awaiting disposal and 10 are awaiting lien sale procedures. To date this year, 28 vessels have been disposed of, which is a substantial amount compared to last year.

b. Marina del Rey and Beach Special Events

Mr. Wisniewski requested that the Commission receive and file the report. Chairman Searcy asked whether the Commissioners had questions concerning the report. Hearing none, Chairman Searcy said that the Marina del Rey and Beach Special Events Report would be received and filed.

4. OLD BUSINESS

a. Marina del Rey Slip Replacement

Mr. Wisniewski said that in response to Chairman Searcy's request at the April meeting, staff prepared and submitted to the Commission a report on the Marina del Rey slip replacement.

Chairman Searcy noted that the report shows a reduction of the total number of slips from 5,246 to 4,791. He asked Mr. Wisniewski to explain the reduction. Mr. Wisniewski explained that the reduction is attributable to the redevelopment of the anchorages on Parcels 111 and 112 as well as Parcels 12 and 15. The Department supported both lessees' proposals to build larger slips, which eliminated some of the smaller slips. Mr. Wisniewski said that staff informed the California Coastal Commission that the Department would not pursue additional reductions in slip numbers until the Department could fully study and resolve the impact on small boat slips.

Chairman Searcy asked whether this means that the numbers are frozen at this point. Mr. Wisniewski responded that they are frozen with the exception of the number of slips that will be lost as a result of engineering requirements. He said that there is only so much water area and, in some cases, space is taken by double slips and Americans with Disabilities (ADA) requirements.

Chairman Searcy opened the floor to public comment.

Mr. Robert Olsberg, Santa Monica Windjammers Yacht Club member and small boat owner, asked the Department to explain the need for the replacement of small slips. Mr. Olsberg said that most of the sailors in the Marina are day sailors who, in general, don't take extensive trips to places, such as Avalon or Santa Barbara. Most of the Marina's sailors are here for pleasure craft enjoyment and local fishing. Mr. Olsberg said that he doesn't see the need for larger slips at this time, especially since 80% of the Marina's boat owners are day sailors.

Mr. Wisniewski responded that there is an unmet need for slips generally in the 35' and over category and there is still a vacancy factor for smaller slips. However, until the Department is able to fully evaluate the impact of converting additional smaller slips to larger slips, the Department would not support such a change. He said that the vacancy factor is a good cushion to ensure the accommodation of small boaters. The Department does not want to negatively impact the small boater and would not support any additional development proposals. He added that the reason the Department supported the two previous proposals (for Parcels 12/15 and 111/112) was because there is a fairly strong demand for larger slips in Marina del Rey.

Mr. John Davis said:

> The Director is providing false and misleading information to this Commission. That could be easily proven. He is stating that his Department has determined that there is a large vacancy for small slips and an unmet demand for 35' - 40' slips. This contradicts a survey done by the California State Department of Boating and Waterways, which says that Marina del Rey is an exception to that rule and the demand is for smaller slips not larger slips. It seems the County Department of Beaches and Harbors is stepping over its jurisdiction and making these determinations when they've already been made by the Department of Boating and Waterways. I don't know if the Director has even taken a look at this important document that's been available for at least two years, but I have it here. It's in PDF form downloaded from the Department of Boating and Waterways' website. I would like you to take this and print it and I would like the Commissioners to read this and read the exception, which is Marina del Rey, and you will see the Executive Director is providing you with false and misleading information that contradicts the Department of Boating and Waterways' study.
>
> The document says it breaks down the size of the slips as they relate to the projected construction. That attempts to preordain the projected construction that would contradict the needs that were determined by the Department of Boating and Waterways. I don't understand how this happened. Again, we see a line that says 'no additional reduction in slip numbers would be supported by the Department' until we make the determination, but that predordains the fact that it would happen. It should be, if, instead of until. Again, the Department of Boating and Waterways' study needs to be examined in order to do what the Director just said, which is to fully study the issue of small boat slips. You must study the Department of Boating and Waterways' evaluation of the demand and needs for slips in Marina del Rey that I present to you today.
>
> Even though compliance with the Americans with Disabilities Act (ADA) is now a federal rule and not just a recommendation, it applies to small boat slips, which are in higher demand in Marina del Rey as well as larger slips. To say that there will be a reduction in boat slips or the size of boat slips due to the ADA rule is frivolous and unsupported by fact or reason. There are no types of measuring indications that could validate such a claim. Also, on the issue of these proposed docks, under the state constitution, you can't gate them. People are allowed to fish from them. So, to close, I would recommend highly that this Commission print the Department of Boating and Waterways' study, evaluate it independently and compare it with the Director's comment to see if he is providing false and misleading comments to this Commission. I will submit it to the Secretary to retain for the record.

Mr. Robert Olsberg, Santa Monica Windjammers Yacht Club member and small boat owner, asked the Department to explain the need for the replacement of small slips. Mr. Olsberg said that most of the sailors in the Marina are day sailors who, in general, don't take extensive trips to places, such as Avalon or Santa Barbara. Most of the Marina's sailors are here for pleasure craft enjoyment and local fishing. Mr. Olsberg said that he doesn't see the need for larger slips at this time, especially since 80% of the Marina's boat owners are day sailors.

Mr. Wisniewski responded that there is an unmet need for slips generally in the 35' and over category and there is still a vacancy factor for smaller slips. However, until the Department is able to fully evaluate the impact of converting additional smaller slips to larger slips, the Department would not support such a change. He said that the vacancy factor is a good cushion to ensure the accommodation of small boaters. The Department does not want to negatively impact the small boater and would not support any additional development proposals. He added that the reason the Department supported the two previous proposals (for Parcels 12/15 and 111/112) was because there is a fairly strong demand for larger slips in Marina del Rey.

Mr. John Davis said:

> The Director is providing false and misleading information to this Commission. That could be easily proven. He is stating that his Department has determined that there is a large vacancy for small slips and an unmet demand for 35' - 40' slips. This contradicts a survey done by the California State Department of Boating and Waterways, which says that Marina del Rey is an exception to that rule and the demand is for smaller slips not larger slips. It seems the County Department of Beaches and Harbors is stepping over its jurisdiction and making these determinations when they've already been made by the Department of Boating and Waterways. I don't know if the Director has even taken a look at this important document that's been available for at least two years, but I have it here. It's in PDF form downloaded from the Department of Boating and Waterways' website. I would like you to take this and print it and I would like the Commissioners to read this and read the exception, which is Marina del Rey, and you will see the Executive Director is providing you with false and misleading information that contradicts the Department of Boating and Waterways' study.
>
> The document says it breaks down the size of the slips as they relate to the projected construction. That attempts to preordain the projected construction that would contradict the needs that were determined by the Department of Boating and Waterways. I don't understand how this happened. Again, we see a line that says 'no additional reduction in slip numbers would be supported by the Department' until we make the determination, but that predordains the fact that it would happen. It should be, if, instead of until. Again, the Department of Boating and Waterways' study needs to be examined in order to do what the Director just said, which is to fully study the issue of small boat slips. You must study the Department of Boating and Waterways' evaluation of the demand and needs for slips in Marina del Rey that I present to you today.
>
> Even though compliance with the Americans with Disabilities Act (ADA) is now a federal rule and not just a recommendation, it applies to small boat slips, which are in higher demand in Marina del Rey as well as larger slips. To say that there will be a reduction in boat slips or the size of boat slips due to the ADA rule is frivolous and unsupported by fact or reason. There are no types of measuring indications that could validate such a claim. Also, on the issue of these proposed docks, under the state constitution, you can't gate them. People are allowed to fish from them. So, to close, I would recommend highly that this Commission print the Department of Boating and Waterways' study, evaluate it independently and compare it with the Director's comment to see if he is providing false and misleading comments to this Commission. I will submit it to the Secretary to retain for the record.

Ms. Andrus' testimony to the Commission included reading from the Parcel 12/15 (Deauville Marina and Bar Harbor) lease as follows:

> The ultimate object of this lease is the complete and continuous use of the premises herein demised by and for the benefit of the public. The immediate object being the development and realization of the greatest possible revenue therefrom. It is agreed that said immediate and ultimate objects are consistent and compatible according to the lease covenants and agrees that he will operate the said premises fully and continuously to the end so that the public may enjoy maximum benefit and the County may obtain maximum revenue therefrom. In the event of any dispute or controversy relating hereto this lease shall be construed with due regard to the aforesaid objects.

Ms. Andrus then provided the following comments:

> Although Two-Partnership has been paying $32,000 or so a month to the County for Parcel 12 or 112, I'm not sure what number that is, while it sits empty, this does not mitigate the benefit due to the public or the revenue to the County. With the rent increases on the degraded docks at Bar Harbor and your insistence that it is all in line with market value, this brings into question the revenue due the County from Parcel 11, Deauville Marina. This parcel needs to be reassessed unless we're being asked to further subsidize Doug Ring and the double standards he enjoys. Outside of that, businesses are suffering from this long time consequence of deferred maintenance and infrastructure. It goes without saying that when you eliminate a huge part of the population, along with that goes the revenue the local businesses would have been paying to the County. There are consequences suffered due to the mismanagement that has outlasted its useful life. Something must be done. Can someone explain why Dolphin, a brand new marina, is charging less for its slips than Bar Harbor?
>
> I'd also like to submit the editor's report by David Johnson, from April 22 and May 6, for the Commissioners to read...I think he sums up pretty nicely the effects of what's going on in the Marina. I really want Stan to know that this is not a personal attack on him. I think he really knows that, but the management...maybe he came into this problem, but something has to change.

Chairman Searcy requested Ms. Andrus to give the material to the Commission Secretary so that Ms. Minor can make copies to distribute to Commission members. Ms. Andrus informed him that she already submitted the information to Ms. Minor.

5. **NEW BUSINESS**

a. Consent to Assignment of Leasehold Interest – Parcel 64 (Villa Venetia Apartments) - Marina del Rey

Mr. Moliere informed the Commission that this agenda item requests the Commission's recommendation for Board approval of the assignment of Villa Venetia Apartments from the current ownership to a group consisting principally of individuals from the Wolff Company and Lyon Capital, both of whom are experienced and prominent developers and operators of multi-family homes in Southern California. He said that the Department's responsibility begins with assessing whether the financial condition of the proposed assignee, the price to be paid for the leasehold as it relates to the development, and the management of the leasehold of the new lessee, is in the best interest of the Marina. Mr. Moliere said the Department believes that Wolff/Lyon meets these requirements; therefore, the Department is requesting the Commission to recommend Board approval of the assignment.

Vice-Chairperson Stevens asked whether staff knows why Tuxedo's management of the leasehold was for a short period of only five years. Mr. Wisniewski responded that the Department isn't aware of the reason for Tuxedo's sale of the property.

Vice-Chairperson Stevens said that Tuxedo refurbished the property but raised the rents, causing many of its tenants to leave. She asked whether the new lessee would raise the rents. Mr. Wisniewski responded that in the event the prospective lessee raises the rents it would fall under section 16 of the lease and the Department would review the proposed rents to ensure that they are within market levels.

Mr. Wisniewski informed the Commission that representatives from Wolff/Lyon are attending today's meeting to answer any of the Commission's questions.

Mr. Steve Jones, a representative of the Wolff/Lyon group, came to the podium. He informed the Commission that Tuxedo refurbished some of Villa Venetia's apartments, however, the apartments have fallen into disrepair and there will be a nominal increase in some of the rents, which will be counterbalanced by improvements to the premises.

Chairman Searcy asked Mr. Jones to explain what he means by "nominal increase." Mr. Jones responded that the nominal increase is calculated in the range of 10-15 cents per square foot. Mr. Jones also commented that the lease is quite specific about rents not exceeding fair market value.

Chairman Searcy asked whether Mr. Jones wished to disclose the reason that Tuxedo is selling the property. Mr. Jones responded that he doesn't know the reason since Tuxedo did not disclose why it was selling the property.

Mr. Wisniewski said that Wolff/Lyon, the prospective assignee, has indicated its interest in a lease extension and the Department made it clear to the assignee that the assignment does not give the assignee a first right of refusal or any ingrained right to a lease extension down the road. The amount of redevelopment is something that is yet to be negotiated. Mr. Wisniewski said that he wanted to make sure that the Commission knew that this is not a factor that is before the Commission today.

Chairman Searcy asked the remaining term on the existing lease. Mr. Moliere responded that he believes it to be 21 years.

Chairman Searcy opened the floor to public comment.

Mr. John Davis said:

> Again, the County is really making a lot of mistakes. This constitutes gifting under article 16 of the constitution. I see that a lawsuit has actually been filed regarding this matter on another parcel. The judicial outcome will directly affect all proposals for 'lease extensions,' which is in reality, new leases.
>
> The County hasn't disclosed that there is an active earthquake fault under this parcel that is under the Southern California Gas storage field and it's adjacent to several leaky oil and gas wells. It's also in a seismic hazard zone. Under article 16 of the constitution, this assignment constitutes deferred maintenance gifting by deferred maintenance never completed. Furthermore, the sale price of the assignment may not reflect the possibility that the potential lease extension 'real new lease' may not be granted due to the illegality and that the existing buildings must be recycled under the general plan and the land use plan that calls for recycling, not for demolishment and rebuilding.
>
> Should the Commission recommend the sale of this lease it may constitute further illegal gift giving under article 16 of the constitution. More over, the legality of the

length of the original lease under the state constitution and Public Resource Code regarding lease of public property may be violated and in question if you make this recommendation and you'll be doing so knowingly. The lease, by law, must end in 40 years. The original term of the lease may not be legal. The terms of these leases may end in 40 years from the day of their origin. State lease law requires that at the end of the 40 years, the premises must be returned to the County in ...clean shape, then public hearings must take place. Public hearings must be held to determine the future use of the land that is taken back by the County in ...clean shape to determine what other uses might be more suitable, such as a park.

Given the inappropriateness of residents on such a dangerous parcel and given the fact that there is an ESHA, an environmentally sensitive habitat area, for blue herons on the property, future demolishment and proposed changes may not even be able to take place because it could disrupt ESHA. I'm sure the Coastal Commission will support us on this since they have already and have already told the Department of Beaches and Harbors the fact that it's being treated as an ESHA although it may not already have been declared so.

After the County retains the land, gives the land back after the public lease period, state lease law requires an open hearing to be held to determine what the price for the lease should be. If it's to be leased, then it should be open to public bid, otherwise, it constitutes gifting under article 16 of the constitution. I recommend that you consult County Counsel to see if any of this would constitute gifting because then it would be his responsibility and not yours directly

Mr. Donald Klein asked staff for the expiration date of Parcel 64's current lease. Mr. Moliere responded that he believes the remaining term is less than 20 years rather than the 21 years he stated earlier. Mr. Moliere said that he could give the exact time to Mr. Klein after today's meeting.

Mr. Klein asked whether a lease option is involved in the assignment. Mr. Wisniewski responded that it is not.

Mr. Klein informed the Commission that the lease should mention that the location is an ESHA (Environmentally Sensitive Habitat Area) and the lessee must comply with any related requirements.

Commissioner Crail moved and Vice-Chairperson Stevens seconded a motion that the Commission endorse the Department's recommendation to the Board of Supervisors regarding the Consent to Assignment of Leasehold Interest – Parcel 64 (Villa Venetia Apartments) - Marina del Rey. The motion passed unanimously.

6. STAFF REPORTS

a. Ongoing Activities Report

-- Board Actions on Items Relating to Marina del Rey

Mr. Wisniewski informed the Commission that the report summarizes the recent Board of Supervisors action authorizing the EDAW contract. He said that EDAW is one of four of the Department's planning and design consultant firms.

Mr. Wisniewski said that the Ongoing Activities Report also includes a draft of the April 15 Design Control Board minutes as well as an update on the underground pipeline located in front of the Harbor House restaurant.

The Ongoing Activities Report also provides follow up information that was requested at the April meeting regarding Chace Park's transient docks. Mr. Wisniewski commented that the Department

doesn't currently keep statistics on the number of people who wish to use Chace Park's transient facilities, but plans to begin collecting this data.

Vice-Chairperson Stevens asked whether the part of the pipeline that leaked was disconnected or whether the entire pipeline was disconnected. Mr. Wisniewski responded that he believes the pipeline was disconnected at its various points of connection so that there could not be any transmission through the pipeline. The pipeline was also depressurized so that there would not be a build up of gases. Chairman Searcy added the report also indicates that the gas company is in the process of evaluating various methods of abandoning the pipeline.

Chairman Searcy opened the floor to public comment.

Ms. Andrus referred to the April 15, 2004 Design Control Board (DCB) minutes, Item 3A—Urban Design Guidelines-Public Workshops #2, in which Board member Susan Cloke asked Joe Chesler, Chief of the Planning Division, whether staff received public feedback regarding the proposed design guidelines. Ms. Andrus asked for clarification as to whether Ms. Cloke was referring to the public feedback obtained at the February Small Craft Harbor Commission meeting.

Mr. Wisniewski suggested that Ms. Andrus attend the next DCB meeting so that she could receive clarification from the DCB members directly. He added that if Ms. Andrus is unable to attend the next DCB meeting, she could submit her questions to the Board members in writing for inclusion in the next DCB mailing.

Ms. Andrus asked whether staff provided the DCB with the public's comments from the February Small Craft Harbor Commission meeting. Mr. Wisniewski responded that the DCB members were given the public's comments.

Ms. Andrus commented that the February workshops were a disappointment to everyone. Ms. Andrus asked when the Small Craft Harbor Commission would address the issue of scheduling more workshops with EDAW included. She requested that the Commission include this matter on the June agenda. Mr. Wisniewski informed Ms. Andrus that EDAW representatives attended the February Small Craft Harbor Commission meeting and were available to meet with members of the public at that time.

As for Ms. Andrus' comments that the workshops were a disappointment to everyone and the Kingswood issue dominated the February meeting, Chairman Searcy explained that the Commission did not try to control the Kingswood tenants or prevent them from expressing their concerns. He said that, although a number of Kingswood tenants spoke, there were also speakers on other issues. The Commission very much wanted the workshops to be an opportunity for the public to receive information on several issues and meet with consultants and lessees. Chairman Searcy added that he would like the Commission and Department to receive some recognition from the public for having made a very serious effort to provide a forum for the public to express their concerns and contribute input.

Chairman Searcy informed Ms. Andrus that the Commission would look at the issue of conducting another workshop and ways to make it as effective as possible.

For clarification purposes, Mr. Wisniewski informed the public that the design guidelines are within the DCB's jurisdiction and the DCB, rather than the Small Craft Harbor Commission, is the appropriate body to address the subject. He said that people who are interested can receive information on the draft urban design guidelines at the May 20, 2004 DCB meeting, which is scheduled for 2:00 p.m. in the Chace Park Community Room. EDAW representatives will attend the meeting and the public will have a chance to meet them.

Mr. John Davis said:

> The County spent untold tens of thousands of dollars on EDAW but the public wasn't brought in from the beginning to ask what the public thought about it. It was all done behind closed doors and only after most of the decisions had been made without public comment was the public able to have input. Now we're told that we could help twist the guidelines that are in draft form. I think that we should have been involved a lot earlier on and now we're proposing about a quarter of a million dollars to do the same thing all over again and it's a complete waste of the public's money unless they have the full ability to participate and it's not necessary to hold an EDAW workshop at either a Design Control Board meeting or Small Craft Harbor Commission meeting.
>
> Regarding the underground pipeline, I'm submitting 19 questions to the secretary that I'd like her to retain. I'd like the Department of Beaches and Harbors to answer each and every question before this Board at the next meeting.

Mr. Davis read aloud the following questions from his list:

1. How did the director determine that all of the oil and gas wells have been unhooked from the gas and oil pipeline?

2. When did the County of Los Angeles learn of the existence of the gas pipeline that has been used to transmit gas and oil?

3. Did the County provide surface easements across several leases in Marina del Rey by amendment to those leases?

4. Does the County and/or lessees receive revenues from this line? If so, how much and how are the amounts determined?

5. When did the County learn of the oil line referred to in today's report from the County?

6. Does the County and/or lessees receive revenues from this oil line?

7. Why does the County present a map from Navigation Technologies instead of using County and/or California Department of Conservation Division of Oil and Gas (DOGER) maps that more accurately show the wells that are hooked up to them?

8. Does the County of Los Angeles require NavTech to sign a non-disclosure agreement that prevents oil and gas lines hooked up to the transmission line from being disclosed to the public and, if so, why?

9. What oil and gas lines have been hooked up and are hooked up to either of these lines and where is the location of the production wells and records and how recently have these production wells been in operation?

10. Does the County of Los Angeles own or lease these wells? If so, what revenue has been generated from them for the County and/or lessees?

11. Why didn't the County enclose the existence of these wells in the environmental impact report for the Marina-Two project?

12. Why does the County claim that the gas line will be abandoned when it's already abandoned according to DOGER and what should be done is decommissioning?

Mr. Wisniewski requested that Mr. Davis submit his questions in writing so that the Department could respond to them. Mr. Wisniewski also referred to Mr. Davis' comment about twisting the urban design guidelines and Mr. Wisniewski said that it's more accurate to state that the Department is wrestling with the guidelines since they are in draft form and need to be developed.

b. Marina del Rey Convention and Visitors Bureau

Ms. Beverly Moore announced that on May 1, 2004, the Visitor Bureau's tourism website, VisitMarina.com, began offering online hotel reservations in real time, which makes it very convenient for visitors who are planning their summer vacations.

Ms. Moore also announced that the Bureau published a new version of the Marina del Rey Visitors Guide. This year's version includes a number of improvements, including all of the Marina del Rey restaurant locations. She informed the Commission that copies would be placed on the public information table and copies are available at the Visitors Information Center.

Further, Ms. Moore provided a follow up on her April report to the Commission regarding her plans to attend two international trade shows. She said that she attended these shows and held one-on-one meetings with foreign tour companies from over 17 countries. The foreign representatives were thrilled to have one central resource of visitor information in the Marina and these contacts will give the Bureau an opportunity to bid on future hotel business with these firms.

Mr. Wisniewski complimented Ms. Moore on the Visitors Guide and commented that it is the most professional brochure that he's seen produced on Marina del Rey.

Chairman Searcy opened the floor to public comment.

Mr. Davis commented that supporting hotels with County funds is a case of gifting under article 16 of the constitution. He said that the County is gifting hotel owners, who should pay for advertising themselves. He also said that the County is promoting businesses rather than the Marina as a small craft harbor.

7. COMMUNICATION FROM THE PUBLIC

Chairman Searcy opened the floor to public comment.

Mr. Davis submitted a list of questions to the Commission and requested that answers be provided at the June meeting. Mr. Davis said that he would request the Sheriff's Department to answer the questions that are within its jurisdiction.

He read aloud the following questions from his list:

1. Why isn't the Sheriff's Department enforcing certain County of Los Angeles and City of Los Angeles harbor codes?

2. Is there an uncodified statute of the state of California of 1959 that indicates the County of Los Angeles will own and operate Marina del Rey?

3. Is there an uncodified statute of the state of California whereby the County of Los Angeles was loaned $10 million from state tideland funds to acquire lands needed to construct Marina del Rey?

4. Why have several boat slips been constructed in the federal easement at the east end of the main channel without coastal development permits? Does the County receive any revenue from these slips?

5. Why isn't the testimony and materials from these hearings being transmitted to the Board of Supervisors in relation to coastal development permit recommendations from this Commission?

6. When does the RFP selection committee meet? When are notices of these meetings posted? Are these meetings open to the public as required by the Brown Act?

7. Why does the County knowingly allow lessees to charge boaters to tie their vessels next to the seawall illegally? Why doesn't the County receive revenues for such tie- ups?

8. Why is the County, in contradiction to the state constitution, the Marina del Rey bond measure, the state harbor law and U.S. House of Representatives' Document 389, charging market rates instead of fair and reasonable as required on public trust and/or public lands as dictated by Public Trust Doctrine and Public Land Doctrine?

9. Why did the Chairman of this Commission refer to a report submitted by Counsel Rick Weiss regarding ownership of Marina del Rey as a legal brief when in fact it was simply a report?

Mr. Johnny Lucero and Ms. Patricia Raye submitted a document to the Commission and said that Chace Park staff gave the document to them. The document identifies a list of dates and fees. Mr. Lucero asked the Commission to clarify the document. Chairman Searcy requested staff to copy the document and return the original to Mr. Lucero. Chairman Searcy then informed Mr. Lucero that staff would review the document.

Ms. Raye referred to the document that Mr. Lucero submitted and said:

> I want to explain this document...completely. I was given this document after trying very hard to stay here last month, the month before last, get my seven days, and I was told that, and I have documentation to prove the fact from Yahoo with regard to NOAA, I can prove that most of these days are red flag days. This was given to me after I was told that I had some days that I owed to the Park, which was true, and I owed three days because I had had some medical problems two months in a row and I hadn't paid and I kept going back to...Bernard. I sat in the office while Serge made out this document and copied it from another that was given to him by Jose. This particular document happens to be all red flag days and also...what they based it on was that we had not registered our boat properly. Well, there's a 1/18 and our boat is still registered until the end of January. Now, I can prove it. I have documentation. I have Yahoo reports that they are red flag days, which I offered to pay for. He trumped up a bill so that I could not stay here again this month, of $250.00 back bills. There are other people that he did this to but they did not receive the same bill. Johnny's name is not on it, there is just a CF number. I went to Jose and asked him to put it on a Beaches and Harbors documented paper and sign it and he said to me, 'I don't have to sign anything.' I took it [the document] that day and Clark happened to be standing on the dock. Serge walked up to him, I saw this, and I said. 'I can prove this Clark.' I showed it to him. He is a very good officer, one of the best. He said, 'you don't only have a good case Tish you have a great case. Take it to the judge.' This is proof of harassment; it's proof of boycotting, blacklisting, discrimination and breach of civil rights.

> This is a civil rights case that I'm taking to court. I'm on my seventh court date. I received my civil rights back from the sheriff, Patricia Riley, to be exact, a very good officer as well. I'm telling you that these men are simply doing their job because they're called out all the time by Jose. I have him on film telling them 'you never had so much trouble since you've been here.' I have their officers...because they're doing their jobs but they have to defer to his judgment. These men went through the academy and they're on the long haul. I believe that Officer Carvalho is on his 38th year but he has to stand in deferment to someone who hasn't even any education, no qualifications...By the way, I have medical bills now that I'm putting with the judge because I've had two nervous breakdowns due to this and the heat that he has caused them to do. It's not their fault. He is victimizing the Sheriff's Department as well.

Chairman Searcy requested staff to follow up and report at the June meeting regarding the document that was given to Mr. Lucero and Ms. Raye. Chairman Searcy also asked Tom Faughnan to keep the Commission posted if he becomes aware of any pending litigation concerning this matter.

Vice-Chairperson Stevens requested staff to report back to the Commission about the relationship between the Sheriff's Department and Chace Park's management staff.

Ms. Andrus indicated that she had a couple of questions that she would like the Department to answer. Chairman Searcy requested Ms. Andrus to submit her questions in writing so that staff could answer them. Ms. Andrus responded that she would provide the questions in writing, but she also wanted to verbally state the questions. Ms. Andrus said that she would like to have answers regarding: 1) How would Doug Ring's Deauville property be reassessed. 2) Why does the County allow Bar Harbor to charge more rent for slips while Dolphin, which is new, can charge less.

Ms. Andrus commented that if Doug Ring's property is in line with market value, the property should be reassessed. She stressed that Mr. Ring should be treated like any other lessee.

Mr. Kosta Rigopoulos, a transient boat tenant, angrily informed the Commission that his boat was impounded three times over the last three months and he has been continually harassed at Chace Park. Mr. Rigopoulos said that when he addressed the Commission in April his boat had been impounded from Chace Park's 4-hour dock and it took him two weeks to retrieve it at a cost of $330. He said that he has spent approximately $1,000 in boat-related fees and his boat has received damage because there's no where to dock it.

Mr. Rigopoulos asked the Commission to tell him who is responsible for writing the ordinance that prevents Chace Park from renting slips to people who have a marina eviction. Mr. Faughnan responded that the adopted written policy of the Department is that the transient docks are to be used on a temporary basis. The docks should not be used on a permanent basis, as a number of people have been attempting to use them.

Mr. Rigopoulos said that he read a rule that's in a book located in the Chace Park office that if "you're ejected from a Marina del Rey slip...you're not allowed to use Burton Chace Park." Mr. Rigopoulos said that people are only allowed to use Chace Park for seven days a week and these seven days make a huge difference. He also informed the Commission that his boat is currently on the 4-hour dock.

Chairman Searcy asked Mr. Moliere whether the rule that Mr. Rigopoulos referred to exists. Mr. Moliere responded that there are a variety of rules and the Department would be happy to report back on them at the June meeting.

Chairman Searcy informed Mr. Rigopoulos that staff would report on the rules at the June meeting.

Mr. Rigopoulos commented that the Sheriff's Department is in a bind because it relies on what Beaches and Harbors' staff tells it. He said that approximately half of the Sheriff Department's staff

members understand the boaters' needs and knows the appropriate way to conduct themselves. The other half needs to understand that not every boater is trying to cheat the system. Some boaters are stuck and have limited financial resources and the current situation in the Marina is critical.

Mr. Rigopoulos said that he obtained a list of Marina anchorages from staff at Beaches and Harbors, but will possibly obtain a slip at King Harbor.

Chairman Searcy requested staff to report at the June meeting regarding Chace Park's transient dock policy. He said that staff needs to clarify what the transient docks are for and whether there is a policy that states boaters with a prior marina eviction are unable to use the transient docks at all. Chairman Searcy added that, if there is such a policy, staff should check whether it is enforceable.

8. ADJOURNMENT

Chairman Searcy adjourned the meeting at 11:06 p.m.

Respectfully submitted,

Toni Minor
Commission Secretary

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

MARINA DEL REY STATION

PART I CRIMES- MAY 2004

Part I Crimes	MARINA AREA (RD'S 2760-2763)	EAST END (RD'S 2764-2768)
Homicide	0	0
Rape	0	1
Robbery: Weapon	1	5
Robbery: Strong-Arm	0	0
Aggravated Assault	0	4
Burglary: Residence	4	15
Burglary: Other Structure	3	1
Grand Theft	7	2
Grand Theft Auto	2	10
Arson	1	0
Boat Theft	0	0
Vehicle Burglary	1	11
Boat Burglary	0	0
Petty Theft	6	3
Total	**25**	**52**

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

Source- LARCIS, **Date Prepared** – May 6, 2004
CRIME INFORMATION REPORT - OPTION B

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
MARINA DEL REY STATION
PART I CRIMES- MAY 2004

	West Marina 2760	East Marina 2761	Lost R.D. 2762	Marina Water 2763	Upper Ladera 2764	County Area 2765	Lower Ladera 2766	Windsor Hills 2767	View Park 2768	TOTALS
Homicide										**0**
Rape					1					**1**
Robbery: Weapon		1					1		4	**6**
Robbery: Strong-Arm										**0**
Aggravated Assault					1		1	1	1	**4**
Burglary: Residence		3	1			1	2	6	6	**19**
Burglary: Other Structure		3					1			**4**
Grand Theft	3	1		3			2			**9**
Grand Theft Auto					2		1	3	6	**12**
Arson		1								**1**
Boat Theft										**0**
Vehicle Burglary	1						1	4	7	**13**
Boat Burglary										**0**
Petty Theft	3	1	2				1	1	1	**9**
REPORTING DISTRICTS TOTALS	**7**	**10**	**3**	**3**	**4**	**1**	**10**	**15**	**25**	**78**

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

Source- LARCIS, **Date Prepared – May 6, 2004**
CRIME INFORMATION REPORT - OPTION B

MARINA DEL REY HARBOR ORDINANCE
SEAWORTHY & LIVEABOARD COMPLIANCE REPORT

	April	May
Liveaboard Permits Issued	2	2
Warnings Issued (Yellow Tags)	0	0
Notices to Comply Issued	0	0

Total Reported Liveaboards By Lessees - 547
Total Liveaboard Permits Issued - 439
Percentage of Compliance - 80

No new Warnings were issued in the month of May.

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

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

Number Of Unseaworthy Vessels Demolished

To date, one hundred and sixty nine (169) vessels have been removed from the marina for disposal. Currently, eleven (11) vessels are ready for disposal and eight (8) are awaiting lien sale procedures.

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

June 3, 2004

TO: Small Craft Harbor Commission

FROM: Kerry Gottlieb-Silverstrom for Stan Wisniewski, Director

SUBJECT: **ITEM 3b - MARINA DEL REY AND BEACH SPECIAL EVENTS**

MARINA DEL REY

MARINA DEL REY FOURTH OF JULY FIREWORKS

The traditional fireworks extravaganza over the main channel in Marina del Rey will be presented on Sunday evening, July 4, starting promptly at 9:00 p.m. This event is sponsored by the Los Angeles County Department of Beaches and Harbors. The fireworks are choreographed to patriotic music, which will be broadcast by radio station KXLU 88.9 FM in sync with the pyrotechnic display. The music will be relayed over loudspeakers in Burton Chace Park for those watching there. Parking is available in County lot #4 on Mindanao Way and County lot #5 on Bali Way for a reasonable fee. Fireworks may also be viewed at Fisherman's Village and throughout Marina del Rey.

For more information call: Marina del Rey Visitor Center at (310) 305-9545.

THE MARINA DEL REY SUMMER CONCERT SERIES 2004

Presented by Arrowhead Mountain Spring Water
July 8 – August 28
7:00 p.m. – 9:00 p.m.
Waterside at Burton Chace Park
13650 Mindanao Way

The new season of Marina del Rey Summer Concerts begins with the first Thursday classical concert on July 8, with a concert by the Marina del Rey Summer Symphony conducted by Maestro Frank Fetta, featuring 19-year-old violin prodigy, Lindsay Deutsch, playing "Chaconne" by John Corigliano, featured in the recent film, "The Red Violin." She will also play the haunting "Meditation" from the opera "Thais" by Massenet. The orchestra will play de Falla's, "Three-cornered Hat Suite No. 2," Chadwick's "Symphonic Sketches: Noel, Jubilee," and Dvorak's "Symphony No. 9 (From The New World)."

The first Saturday pops concert is scheduled for July 17 and will feature jazz sensation Rene Marie and her trio.

Parking is available in County lot #4 on Mindanao Way and County lot #5 on Bali Way for a reasonable fee.

For more information call: 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 p.m. – 5:00 p.m.

Saturday, June 12
Michael John & The Bottom Line, playing Jazz

Sunday, June 13
Dirk K., playing Jazz

Saturday, June 19
Scott Sechman & Dave James, playing Acoustic Funk

Sunday, June 20
Eric Vincent & The Diamond Cutters, Tribute to Neil Diamond

Saturday, June 26
The Angerson's, playing Pop & Rock

Sunday, June 27
Hammersmith, playing Jazz

For recorded information call: (310) 823-5411.

BEACH EVENTS

VENICE BEACH
1800 Ocean Front Walk

Friday, June 11 from 2:00 p.m. – 6:00 p.m.
Saturday, June 12 and Sunday, June 13
9:00 a.m. – 11:00 a.m.

The Core Tour Sports and Music Festival is a high-energy, extreme sports event. Free admission. The Tour will have several different activities and competitions that will entertain and thrill the spectators of each community and interest. Be sure to stop by the Arrowhead Mountain Board Dirt Bash and cheer on athletes in the "Arrowhead Best Trick Contest" and the "Arrowhead It's Better Up Here High Air Contest."

For more information call: Sandbox Marketing at (949) 218-7861 or visit events website at www.coretour.com

SW:tm

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

June 2, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director
Kerry Gottlieb-Silverstein for

SUBJECT: ITEM 5a – Approve the Release of Request for Proposals for Improvements to Parcel 83S – Marina del Rey

Item 5a on your agenda pertains to the Request for Proposals for Improvements to Parcel 83S, which is located at the northeast corner of Fiji Way and Admiralty Way. The attached Board letter contains background information on our request for authorization to release the Request for Proposals.

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

SW:pw

Attachment

13837 Fiji Way • Marina del Rey • CA 90292 • 310.305.9503 • fax 310.821.6345 • internet: http://beaches.co.la.ca.us

Los Angeles County
Caring for Your Coast
Beaches & Harbors

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

June 15, 2004

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:

APPROVE THE RELEASE OF REQUEST FOR PROPOSALS FOR IMPROVEMENTS TO PARCEL 83S IN MARINA DEL REY (4th DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the release of the attached Request for Proposals for Improvements to Parcel 83S.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Request for Proposals (RFP) is intended to seek competitive proposals for development of Parcel 83S in Marina del Rey in connection with efforts to facilitate a development that promotes visitor-serving uses.

In furtherance of the goals of the second-generation development contemplated in the Marina del Rey Asset Management Strategy (AMS) adopted by your Board on April 15, 1997, the Department has issued six previous development solicitations for the second generation of development in Marina del Rey. The proposed development of improvements on this parcel will continue to further the goal of creating more visitor-serving uses, a focus of both the AMS and the Marina del Rey Local Coastal Program (LCP).

The development opportunity for this County-owned parcel is the construction and operation of visitor-serving improvements, on a stand-alone basis or in conjunction with the

adjacent parcel's uses, consistent with the subject parcel's specific designation for "Visitor-Serving/Convenience Commercial" as set forth in the LCP.

It is expected that responses to this RFP process may include proposals to provide visitor-serving improvements, such as parking, landscaping, retail, restaurant and/or other public facilities. As stated in the RFP, the proposal that will be recommended to your Board for award of an exclusive right to negotiate for an unsubordinated ground lease will be required to include a landscaped park-like perimeter on both the Fiji Way and Admiralty Way sides of the parcel.

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 will provide County a stream of revenue and the visitor-serving improvements, to be constructed by the proposer, will further the aims of AMS.

FISCAL IMPACT/FINANCING

This is a solicitation effort to obtain proposals that will maximize County revenue and accomplish the planning of Marina del Rey improvements on the subject parcel. A full financial analysis will accompany any subsequent project recommended to your Board. Other than budgeted consultant's costs to evaluate responses to the RFP, no County funds are presently contemplated to finance any costs associated with this request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

RFP Parcel

This RFP pertains only to one County-owned parcel, Parcel 83S. There is no lease agreement in effect on the parcel. The site contains approximately 13,982 square feet of land area and no water area and is improved with one bench and seven by-permit-only,

non-public parking spaces. The parcel lies within Development Zone 9 as defined by the LCP, and is designated for visitor-serving commercial uses.

Land Use Designation and Entitlements

It is expected that the successful proposer will benefit from the priority given to visitor-serving uses in Marina del Rey. Because the land area of the subject parcel is comparatively small, it is expected that sufficient entitlements will be available for a significant range of projects. Depending on the land use and scope of development proposed for the site, an LCP amendment may nonetheless be necessary to accomplish a given project plan, albeit unlikely. In issuing this RFP, the County will make no representation that any entitlements will, in fact, be obtained or that, in obtaining them, developers may not be subject to a wide range of conditions and requirements not now provided in the LCP.

The Small Craft Harbor Commission is scheduled to consider the Director's recommendation that your Board approve and authorize the release of the attached RFP at its meeting of June 9, 2004. We will advise your Board of the Commission's recommendation prior to your consideration of this request. The solicitation has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

This development solicitation does not authorize any development of the involved County property, let alone the development of a particular project. The County is not committed to approving any new development through the release of this solicitation. In the event the solicitation yields a proposed development plan, the appropriate environmental documentation will be prepared when sufficient information regarding the proposed project is known in conjunction with the County's land use entitlement process. Any selected developer will be required to apply for and obtain all necessary land use and coastal development permits.

CONTRACTING PROCESS

An evaluation committee, selected by the Director of the Department, will review proposals submitted in response to the RFP and recommend to the Director a developer with whom to pursue exclusive negotiations in the event it determines a proposal is worthy of pursuit. The Director will then request your Board to authorize exclusive negotiations with a recommended developer for a lease or lease option to design, finance, develop and operate the project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no current impact on other projects and services due to the issuance of the RFP.

CONCLUSION

Approve and authorize release of the attached RFP and forward one adopted copy of this Board letter to the Department.

Respectfully submitted,

Stan Wisniewski

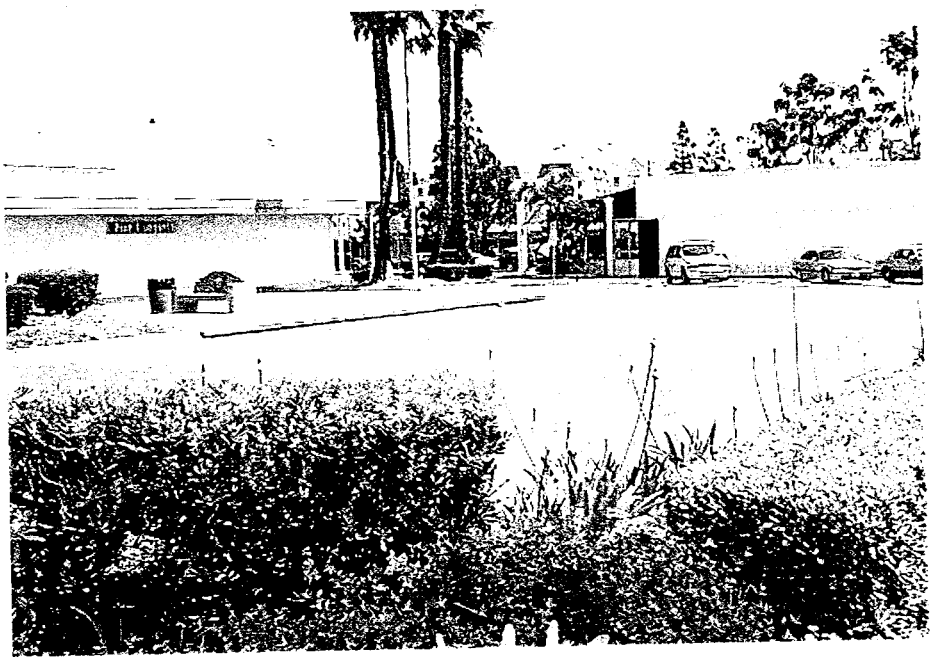
Stan Wisniewski
Director

Attachments (1)

c: Chief Administrative Officer
County Counsel

RM:pw

REQUEST FOR PROPOSALS
FOR IMPROVEMENTS TO PARCEL 83S
MARINA DEL REY



(SAMPLE IMAGE – FOR ILLUSTRATIVE PURPOSES ONLY)

ISSUED BY COUNTY OF LOS ANGELES
DEPARTMENT OF BEACHES AND HARBORS
MARINA DEL REY, CALIFORNIA
JUNE 2004

EXECUTIVE SUMMARY

COUNTY OBJECTIVES

The County of Los Angeles seeks proposals for the ground lease and development of improvements to Parcel 83S, Marina del Rey. The primary objective of this project is the provision of visitor-serving uses. A further objective of this project is the provision of a landscaped park-like perimeter on the Fiji Way and Admiralty Way sides of the parcel. Information about this solicitation may be obtained from the Los Angeles County Department of Beaches and Harbors at http://beaches.co.la.ca.us

The County manages Marina del Rey pursuant to the goals and objectives set forth in the Marina del Rey Local Coastal Program ("LCP") and the Marina del Rey Asset Management Strategy ("AMS"). The successful proposer is responsible for recognizing the goals of both the LCP and AMS.

SITE DESCRIPTION

Parcel 83S (the "Project Site") is situated on the northeast corner of the intersection of Fiji Way and Admiralty Way, which is located in the eastern portion of Marina del Rey. The Project Site contains approximately 0.321 acres of land area. Current improvements are limited and consist of a paved parking area, public bench and related hardscape and minor landscaping treatments. Although the parcel contains curb cuts at its Admiralty Way and Fiji Way perimeters, current access to the site is obtained principally via two driveways situated on the adjacent Parcel 50. Due to the limited distance between the existing parcel curb cuts and the intersection of Admiralty and Fiji Ways, proposers are advised to seek guidance from the County's Departments of Public Works (Traffic Division) and Regional Planning to determine whether intended uses will be able to obtain appropriate vehicular access.

DEVELOPMENT OPPORTUNITY

The County's preferred use of the site is for visitor-serving improvements. The improvements proposed may be constructed on a standalone basis or in conjunction with visitor-serving uses on adjacent or nearby parcels. The LCP allows uses consistent with the development category "Visitor Serving/Convenience Commercial." These terms are defined in the LCP, and include various uses.

TRANSACTION STRUCTURE

This Request for Proposals process may culminate in the exclusive right to negotiate an unsubordinated ground lease providing for minimum rents and percentage rents to the County. The County will not subordinate its fee interest or rental payments.

SUBMISSION SCHEDULE AND FORMAT

The proposer shall prepare one original and nine copies (except large-scale drawings and exhibits, if included in the package) of a Proposal Package in 8.5" x 11" format. Proposals must be organized following the Submission Requirements section and must include at least the requested information. Responses must be submitted not later than 5:00 p.m. on Monday, July 19, 2004.

PROPOSER'S CONFERENCE

Monday, June 28, 2004 at 9:00 a.m.
Burton W. Chace Park Community Building
13650 Mindanao Way
Marina del Rey, California

Attendance at the Proposer's Conference is not mandatory for proposers; however, questions regarding this Request for Proposals and the overall project will only be addressed at this meeting or for a limited time afterward in follow-up correspondence that will be shared with all proposers on record. An information packet containing additional background materials is available for purchase from the Los Angeles County Department of Beaches and Harbors.

TABLE OF CONTENTS

EXECUTIVE SUMMARY
- County Objectives ii
- Site Description ii
- Development Opportunity ii
- Transaction Structure ii
- Submission Schedule and Format iii
- Proposer's Conference iii

1. PROJECT OVERVIEW
   - 1.1 The Development Opportunity 1
   - 1.2 Project Site 1
   - 1.3 Proposal Evaluation and Selection 1
   - 1.4 Project Considerations 2
   - 1.5 Transaction Structure 3
   - 1.6 Submission Schedule, Format and County Contact 3

2. BACKGROUND AND CONTEXT
   - 2.1 General Background 4
   - 2.2 Ongoing Redevelopment Efforts 4
   - 2.3 Overview of Marina del Rey 5
   - 2.4 Asset Management Strategy (AMS) 5
   - 2.5 Local Coastal Program Overview: Introduction to Marina Entitlements 6
   - 2.6 Recent Private Investment in the Marina 6
   - 2.7 Marina Governance 7
   - 2.8 Marina Capital Projects 7

3. PROJECT DESCRIPTION
   - 3.1 Ultimate Aim of the Improvements 8
   - 3.2 Illustrative Project Plans 8
   - 3.3 Project Buildout 8
   - 3.4 Site Description of Project Parcel 9
   - 3.5 Description of Adjacent and Nearby Parcels 10
   - 3.6 Local Market Description 11
   - 3.7 Site Utilization 11
   - 3.8 Suggested Guiding Principles for Boat Central Project Design 11
   - 3.9 Availability of Project Entitlements 12
   - 3.10 Potential LCP Amendment 12
   - 3.11 No Availability of Public Financing 12
   - 3.12 Proposals that Include Parcels Requiring Lease Extensions 12
   - 3.13 Confidentiality 12

4. OVERVIEW OF TERMS
4.1 Rent 13
4.2 Additional Lease Terms 14
4.3 Proposer's Responsibilities 14
4.4 Property Condition/Site Conditions-Restrictions 15
4.5 Entitlement Issues 15
4.6 Application Process 16

5. PROPOSAL SUBMISSION AND REVIEW
5.1 Developer's Orientation Conference 17
5.2 Proposal Package 17
5.3 Conditions and Limitations 17
5.4 Development Components 18
5.5 Submittal of Alternate Proposals 18
5.6 Overview of Contents of Proposal 18
5.7 Evaluation Committee 18
5.8 Evaluation Criteria 19
5.9 Evaluation Process 19
5.10 Final Award by Board of Supervisors 19

EXHIBITS
Figure 1 – Parcel included in Project Site: Parcel 83S 1
Figure 2 – Aerial Photograph of Vicinity of Project Site 2
Figure 3 – Diagram of Project Site 3
Figure 4 – Location of Marina del Rey 4
Figure 5 – Area of Project Site 8
Figure 6 – Minimum Buildout of Project Site 8
Figure 7 – Sketch of Existing Improvements on Project Site 9
Figure 8 – Dimensions of Project Site 10
Figure 9 – Examples of Percentage Rents by Use Category for Properties in Marina del Rey 13

APPENDIXES
Appendix A – Policy Statement: Leasehold Term Extension – Marina del Rey 20
Appendix B – Process for Managing Lease Extension Proposals 26
Appendix C – Coordination with Lease Extension Proposals 29
Appendix D – Asset Management Strategy (AMS) Map 31
Appendix E – Entitlement Matters 32
Appendix F – Aerial Photograph of Marina del Rey 37
Appendix G – Contents of Proposal 38
Appendix H – Selected County Contract Terms and Conditions 42
Appendix I – Financial Information Release Authorization 44
Appendix J – CBE Forms 45
Appendix K – Notice to Proposers Regarding the California Public Records Act 48
Appendix L – Project Summary Form 49
Appendix M – Financial Worksheet Formats 50

1. PROJECT OVERVIEW

1.1 THE DEVELOPMENT OPPORTUNITY

The County of Los Angeles (the "County"), through its Department of Beaches and Harbors ("DBH" or the "Department"), seeks proposals for the ground lease and development of improvements to Parcel 83S, Marina del Rey. The County seeks a development team that will provide the expertise, experience and financial ability to plan, construct and operate visitor-serving uses. A further objective of this project is the provision of a landscaped park-like perimeter on the Fiji Way and Admiralty Way sides of the parcel.

The Marina del Rey Land Use Plan (the "LUP"), a component of the Los Angeles County Local Coastal Program (the "LCP"), allows uses consistent with the development categories "Visitor Serving/Convenience Commercial." These terms are defined in the LUP, and include a range of visitor-serving uses such as amusement rides, boat rentals, ice cream shops, parking lots, restaurants and tourist information centers, as wells as a variety of convenience commercials uses and other uses subject to additional permits.

1.2 PROJECT SITE

Parcel 83S (the "Project Site") is situated on the northeast corner of the intersection of Fiji Way and Admiralty Way, which is located in the northeast quadrant of Marina del Rey. As shown in Figure 1, Parcel 83S comprises the Project Site, which contains 0.321 acres of land area. Current improvements are limited and consist of a paved parking area, public bench and related hardscape and minor landscaping treatments.

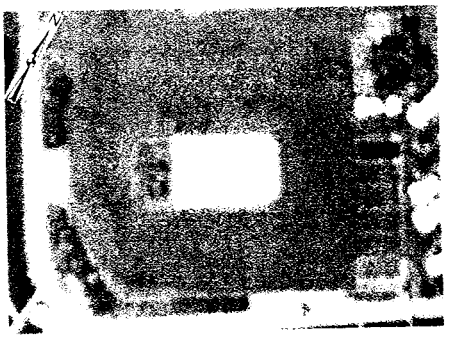


Figure 1.
Parcel Included in Project Site: Parcel 83S

The aerial photograph in Figure 2 illustrates the vicinity of Parcel 83S. The parcel is accessible from the northbound lane of Admiralty Way and the westbound lane of Fiji Way. Although the parcel contains curb cuts at its Admiralty Way and Fiji Way perimeters, current access to the site is obtained principally via two driveways situated on the adjacent Parcel 50. Due to the limited distance between the existing parcel curb cuts and the intersection of Admiralty and Fiji Ways, proposers are advised to seek guidance from the County's Departments of Public Works (Traffic Division) and Regional Planning to determine whether intended uses will be able to obtain appropriate vehicular access. Figure 3 includes a diagram of the vicinity of the Project Site.

1.3 PROPOSAL EVALUATION AND SELECTION

The County will consider all proposals against the standards generally set out in this RFP and, to the extent competing proposals are submitted, will judge proposals against each other. Proposers are expected to set forth a plan that maximizes utilization of the Project Site while at the same time providing the minimum buildout requirements as set forth in Section 3.

Respondents are further encouraged to submit multiple proposals if they have more than one possible development solution. The County will also entertain proposals that incorporate parcel(s) adjacent to the Project Site, provided the proposer can demonstrate control of such parcel(s). While respondents are encouraged to propose a level of development that is most suited to the success of the overall project,

priority consideration will be given to plans that both meet minimum buildout requirements and maximize utilization of the Project Site. The County will enter into negotiations for a ground lease with the selected developer.

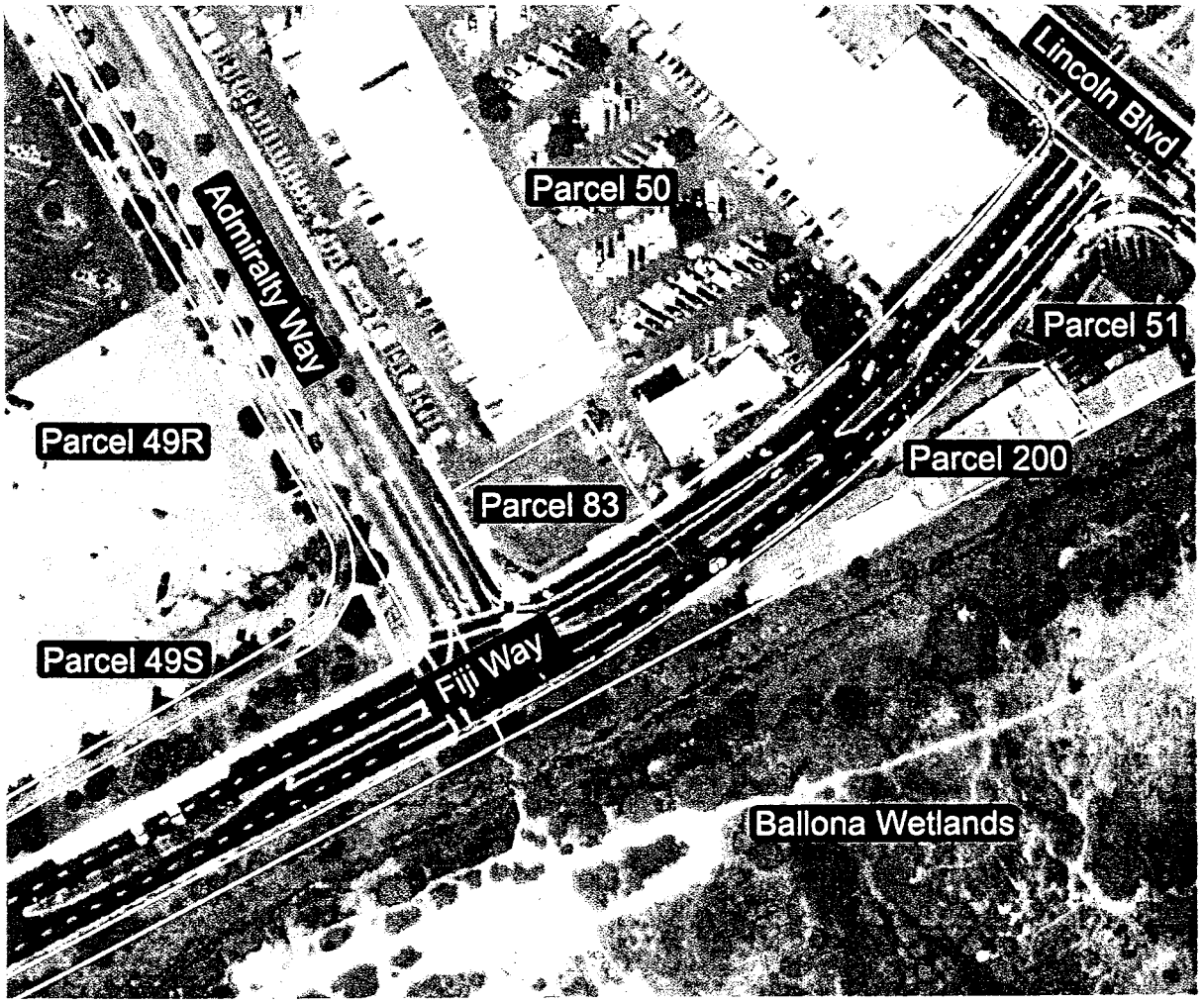


Figure 2. Aerial Photograph of Vicinity of Project Site

1.4 PROJECT CONSIDERATIONS

The County manages Marina del Rey pursuant to the goals and objectives set forth in the Marina del Rey Local Coastal Program ("LCP") and the Marina del Rey Asset Management Strategy ("AMS"). The successful proposer is responsible for recognizing the goals of both the LCP and AMS. Among these goals, and the focus of this RFP, is improved site utilization. Through the provision of additional land area, the County expects to facilitate the process of redevelopment in Marina del Rey.

In furtherance of AMS goals, the County contemplates a number of planned redevelopment projects and related public improvements in the vicinity of the Project Site. The scope, funding and schedule of these potential redevelopment projects and public improvements are in various stages of analysis, evaluation and negotiation, and thus details are not yet finalized. Nonetheless, a number of these potential improvements may complement development on the Project Site and therefore discussions of these projects are included for informational purposes.

1.5 TRANSACTION STRUCTURE

The County will accept proposals for a long-term unsubordinated ground lease. Length of lease term will be considered based upon circumstances and demonstrated need for lease term length as it relates to project viability. However, the lease term shall in no event exceed the statutory limit (99 years), and the Department considers 60 years as the reasonable upper limit of recommendable new leases for most projects in the Marina.

1.6 SUBMISSION SCHEDULE, FORMAT AND COUNTY CONTACT

Responses are due no later than 5:00 p.m. Pacific Time on Monday, July 19, 2004. The application process and application contents are discussed herein, principally in Sections 3, 4 and the Appendix.

Submissions are to be delivered to the County Contact:

Delivery Address:
County of Los Angeles
Department of Beaches and Harbors
Attn: Alexander E. Kalamaros, CCIM
13837 Fiji Way
Marina del Rey, CA 90292

Contact Information:
Phone: 310.577.7961
Fax: 310.821.6345
Email: akalamar@dbh.co.la.ca.us
Internet: http://beaches.co.la.ca.us

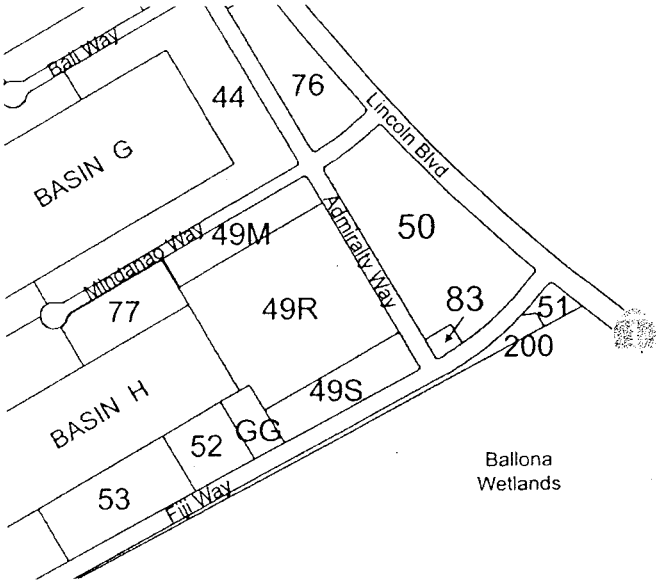


Figure 3.
Diagram of Project Site

2. BACKGROUND AND CONTEXT

2.1 GENERAL BACKGROUND

Marina del Rey is located on the Pacific coast within metropolitan Los Angeles (Figure 4). The County of Los Angeles (the "County") owns the land and water area that comprises Marina del Rey proper. Marina del Rey (the "Marina") is situated in an unincorporated area of the County. In the late 1950s the Marina was dredged and in the 1960s the Marina was improved with landside and water developments. Most of this land and water area has been developed under ground leases administered by the Department.

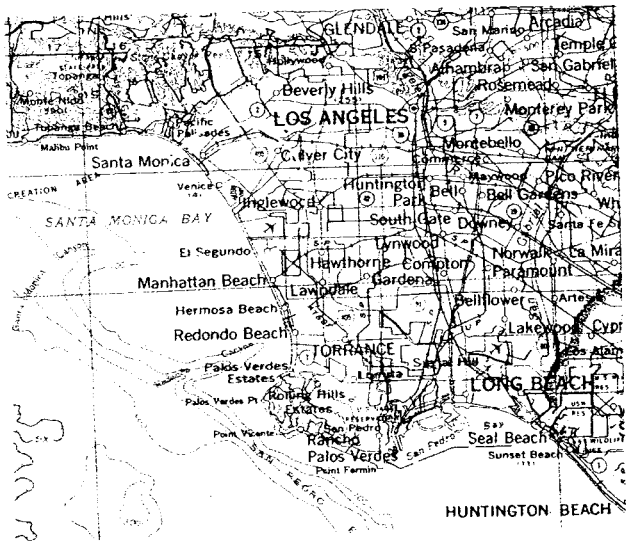


Figure 4. Location of Marina del Rey

Development in the Marina is governed by the LCP, which was certified by the California Coastal Commission in 1996. The Board of Supervisors of the County adopted the AMS in 1997 to reflect the County's objectives and goals in seeking to maintain and enhance the Marina's reputation as a premier recreational boating harbor with attractive residential, shopping and dining facilities and overnight accommodations. In 2001, the County established the Marina del Rey Convention and Visitors Bureau to promote the general guidelines and programs for achieving the visitor-serving objectives of the LCP.

2.2 ONGOING REDEVELOPMENT EFFORTS

The Department has previously issued several other solicitations in connection with the first phase of Marina redevelopment. These solicitations have resulted in negotiations for over twenty new development and renovation projects with a value in excess of one billion dollars that collectively total 3,577 apartments, 1,641 hotel rooms and 1,544 boat slips. Of the total 3,577 new apartments, 1,656 units will replace apartments that are approximately thirty-years old, and the remaining 1,921 units will constitute new additions to existing parcels. The 1,544 new boat slips will replace 2,052 slips that are approximately thirty-years old, and will utilize the same water area but will provide larger slip sizes, on average, reflecting the demand of the boating community and will provide improved boater amenities. Additionally, a limited amount of new retail, office, restaurant and storage space has been proposed, together with a new 2+ acre park on the Marina's west side.

2.3 OVERVIEW OF MARINA DEL REY

Marina del Rey is one of the largest small craft harbors under unified management in the United States. Of the total approximately 800 acres within the Marina, there are approximately 150 acres of water area and approximately 250 acres of land area under long-term unsubordinated ground leases. Marina del Rey is the home of over 50 major commercial leaseholds and over 300 subleases. Major components of Marina del Rey include the following:

- Approximately 5,300 boat slips;
- Approximately 6,000 rental apartment units;
- 600 luxury condominiums;
- Six hotels with a total of over 1,000 rooms; and
- Approximately 1,000,000 square feet of commercial space including office, retail and restaurants.

2.4 OVERVIEW OF ASSET MANAGEMENT STRATEGY (AMS)

In the AMS adopted in 1997 for the Marina, the County addressed some of the critical issues for preserving and enhancing the location's prestigious identity, dealing with second-generation development and ensuring that when the majority of existing Marina leaseholds recycle, the Marina will be a viable, exciting area capable of continuing to produce substantial revenues for the County, while serving the needs of both the recreational boater and the community at large for water-oriented recreation.

The four main elements of AMS are:

- A long-term vision for the Marina that establishes it as a vibrant urban waterfront development;
- Catalytic development projects that will draw people on a regional basis, spur further leasehold development and set a standard for design quality;
- Development mechanisms to encourage leasehold redevelopment proposals consistent with the long-term vision; and
- Other mechanisms to encourage refurbishment and ensure quality maintenance of those leaseholds that will not be redeveloped during the remaining terms of their leases.

There are five characteristics common to successful waterfront developments in the Marina that the County wishes to achieve. These five characteristics are:

- A powerful sense of place;
- An accessible waterfront, both physically and visually;
- An exciting mix of inter-related, water-oriented uses;
- A multi-modal transportation system that facilitates pedestrian activity and alternative forms of travel; and
- A varied, high-quality residential environment.

Consistent with the above goals, creating a sense of place and an enhanced visitor-serving environment are two of the major objectives of this RFP.

2.5 LOCAL COASTAL PROGRAM OVERVIEW: INTRODUCTION TO MARINA ENTITLEMENTS

The Marina del Rey LCP governs development in the Marina. The LCP was adopted by the Los Angeles County Board of Supervisors and effectively certified by the California Coastal Commission in 1996. The last comprehensive amendment to the LCP established the potential for a limited amount of additional development within the Marina based on the capacity of local transportation arteries to handle additional traffic. For planning purposes, this additional development potential is allocated among fourteen Development Zones ("DZs") rather than to individual parcels. Aggregate development in the Marina, as well as development within each DZ, is regulated by the allocation of evening (p.m.) peak hour traffic trips.

Information regarding entitlements as set forth in the LCP is presented here for informational purposes only. The LCP specifies maximum buildout, open space requirements, viewshed protection, parking requirements, traffic limitations and other types of entitlement issues. The LCP is available for review at the Marina del Rey Public Library, the DBH office or the Los Angeles County Regional Planning Department ("DRP") and is available for purchase at the DBH office. The LCP maybe be viewed online at: http://beaches.co.la.ca.us/bandh/marina/development.htm

A significant element in the application and development process will be treatment of entitlement issues. A brief overview of LCP/Regional Planning/Coastal Commission Requirements is set forth in Appendix E.

2.6 RECENT PRIVATE INVESTMENT IN THE MARINA

There has been a significant amount of recent investment in the redevelopment of leased properties located in the Marina. Since 1990, this investment has resulted in the following projects:

- Construction of the Ritz-Carlton Hotel;
- Remodel of existing guest rooms at the Marina Marriott Hotel;
- Remodel of Dolphin Marina apartments and replacement of anchorage facility;
- Construction of 128 new Panay Way apartment units;
- Remodel of the Del Rey Yacht Club facilities;
- Replacement of 150 existing slips at the California Yacht Club;
- Remodel of existing Bay Club apartments;
- Remodel of the Red Onion Restaurant into FantaSea Yacht Charters;
- Remodel of Charley Brown's Restaurant into Tony P's Dockside Grill;
- Remodel of Reuben's Restaurant into Harbor House Restaurant;
- Remodel and expansion of Shanghai Red's Restaurant;
- Remodel of The Boat Yard to add ship chandlery;
- Construction of a new boathouse for Loyola Marymount University;
- Remodel of interiors, exterior and landscaping of Oakwood Apartments;
- Construction of 1,052 apartments and new boat slips at Parcels 12 and 15 (in progress);
- Construction of 120 new apartments and new boat slips and remodel of 853 existing apartments at Parcels 111/112 (in progress); and
- Construction of 99 new apartments and new boat slips at Parcel 20 (in progress).

2.7 MARINA GOVERNANCE

Marina del Rey is situated in an unincorporated portion of Los Angeles County and therefore is under the direct jurisdiction of the County Board of Supervisors (the "Board"). When the Marina was developed, the Board created the Small Craft Harbor Commission ("SCHC") to oversee activities and recommend leases and policy matters to the Board. The SCHC consists of five members appointed by the Board. The SCHC recommends actions regarding Marina del Rey to the Board, which has the power to make decisions and direct activity.

Ongoing administration is the responsibility of DBH, which oversees all County-owned or controlled beaches as well as all land and water area encompassed by Marina del Rey. Within the Marina, DBH manages and administers over 50 ground leases covering hotel, restaurant, office, residential, retail, harbor, anchorage, parking and concession uses. The Department's scope of activities entails significant asset management responsibility due to the size and complexity of the leasehold and concession interests, which it manages. The County's powers and rights in its governmental capacity are not affected by its leasing to proposers or developers in its proprietary capacity.

2.8 MARINA CAPITAL PROJECTS

The County and various other agencies responsible for the ongoing administration and improvement of the Marina provide capital improvements to the area's infrastructure. These recent and planned investments provide a significant level of support for new development and include the following:

- The U.S. Army Corps of Engineers (the "Corp") has jurisdiction over the construction of shoreline structures and other activities in the water areas of Marina del Rey. Between 1994 and 1996 the Corps and the County spent $5.5 million to dredge nearly 300,000 cubic yards of material to maintain the Marina's entrances.
- An additional 700,000 cubic yards of waterway dredging began in 1998 and was completed in 2000 with a total projected cost of $7.7 million.
- A $23.5 million project to reinforce all 758 panels of the Marina seawall was completed in 2000.
- The County is currently in the planning process of Phase I implementation of a Marina-wide landscape and lighting redesign of roadway medians and multiple entry parcels.
- The County is currently planning for the widening of Admiralty Way from four to five lanes between Fiji Way and just west of Bali Way and six lanes from just west of Bali Way to Via Marina.
- The County, along with state and regional traffic authorities, is working on plans to extend the Marina Freeway (State Route 90) from its current terminus at Lincoln Boulevard to a point on Admiralty Way near the public library.
- The County is working on the planned expansion of Chace Park to create a public park over ten acres in area after expansion.

3. PROJECT DESCRIPTION

3.1 ULTIMATE AIM OF THE IMPROVEMENTS

The ultimate aim of the Parcel 83S Improvements project is to facilitate the overall process of Marina del Rey redevelopment through the provision of added visitor-serving improvements. To the extent possible on this relatively small site, additional aims may include recreation and visitation of the retail, restaurants and public facilities in the immediate vicinity. The successful proposal will make effective use of existing available entitlements. By maximizing connections to the surrounding area, the project will provide a quality project environment while serving to implement the LCP and AMS.

3.2 ILLUSTRATIVE PROJECT PLANS

As shown on the cover page and in Figure 5, the implementation of improvements in the area of the Project Site varies, depending on site conditions and intensity of the proposed use. However, it is expected that the successful proposer will respond to this RFP with a plan for new visitor-serving improvements.

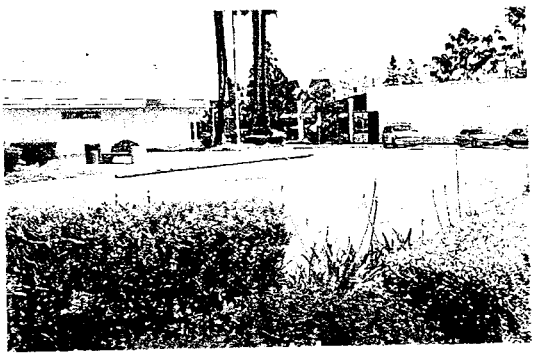


Figure 5. Area of Project Site

3.3 PROJECT BUILDOUT

Based on preliminary feasibility estimates, it is estimated that the Project Site is suitable for at least nominal buildout. The potential further addition of a landscaped park-like perimeter on the Fiji Way and Admiralty Way sides of the parcel may be possible with a design and site plan that complements planned development in the immediate vicinity. The project is to be designed to serve the needs of both the users of the improvements and visitors to the area.

Figure 6. Minimum Buildout of Project Site

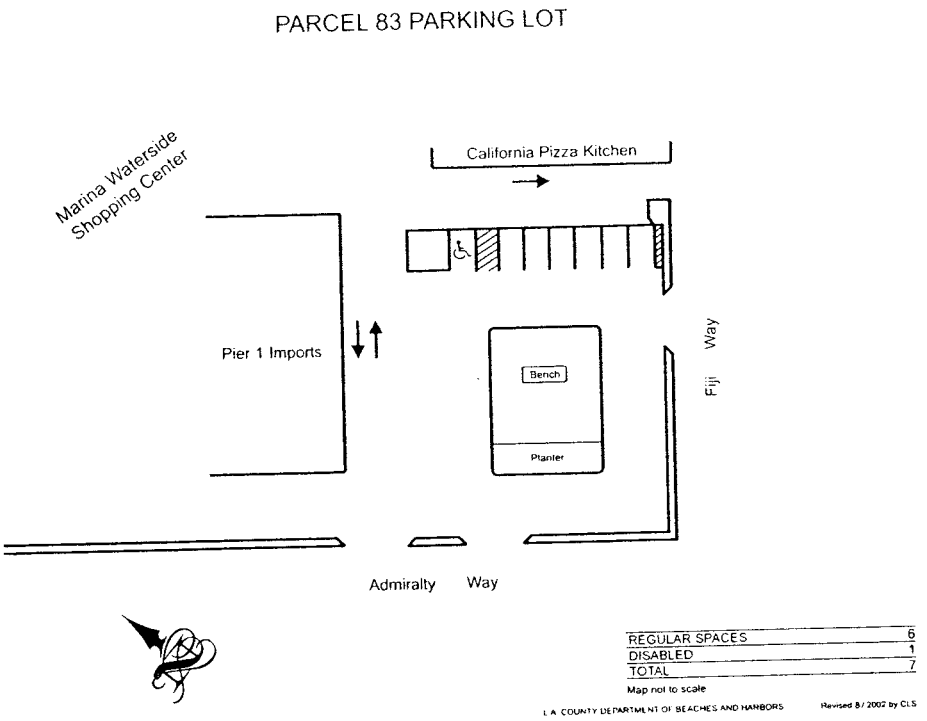
Land Area Only (No Water Area)
▪ Provision of visitor-serving improvements and any required related parking ▪ Landscaped perimeter treatment

3.4 SITE DESCRIPTION OF PROJECT PARCEL

Figure 7 shows a sketch of the existing improvements on the Project Site. Figure 8 shows the dimensions of the Project Site. A description of the Project Site follows:

- **Parcel 83S** is currently a parking lot with a bench and planter. There is no lease agreement in effect on the parcel. The site contains approximately 13,982 square feet of dry lot area. Parcel 83S lies within Development Zone 9 and is designated for visitor-serving commercial uses. Although the parcel contains curb cuts at its Admiralty Way and Fiji Way perimeters, current access to the site is obtained principally via two driveways situated on the adjacent Parcel 50. Due to the limited distance between the existing parcel curb cuts and the intersection of Admiralty and Fiji Ways, proposers are advised to seek guidance from the County's Departments of Public Works (Traffic Division) and Regional Planning to determine whether intended uses will be able to obtain appropriate vehicular access.

Figure 7. Sketch of Existing Improvements on Project Site



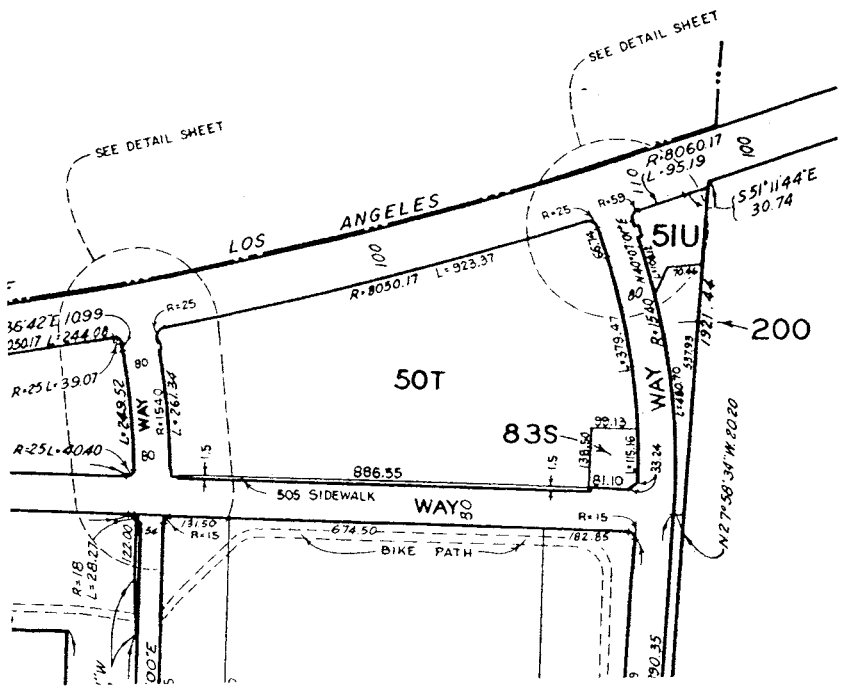


Figure 8. Dimensions of Project Site

3.5 DESCRIPTION OF ADJACENT AND NEARBY PARCELS

- **Parcel 50**, also known as Marina Waterside Shopping Center, is located to the north and east of Parcel 83S and is the only parcel that abuts Parcel 83S. Parcel 50 contains approximately three dozen retail spaces housed in three buildings. Portions of this parcel are planned to undergo construction, including the expansion of the anchor tenant's space, the addition of second story façade elements, traffic recirculation and landscaping improvements. Construction is expected to commence as early as Fall 2004. This parcel contains approximately 423,681 square feet of dry lot area.

- **Parcel 49** lies to the west of Parcel 83S, across Admiralty Way. Parcel 49 contains the Marina's public boat launch, as well as public parking, dry-stack storage and a portion of the South Bay Bike Trail. This parcel contains approximately 738,699 square feet of dry lot area and 41,800 square feet of wet lot area.

- **Parcel 200** is located south of Parcel 83S across Fiji Way. Parcel 200 contains a power utility substation and is closed to the public. This parcel contains approximately 25,754 square feet of dry lot area.

- **Parcel 51** lies to the southeast of Parcel 83S across Fiji Way. Currently Parcel 51, situated at the corner of Lincoln Boulevard and Fiji Way, is undergoing redevelopment and is planned to serve as a gateway "parkette"to the Marina. This parcel contains approximately 22,440 square feet of land.

- **Playa Vista Area A** is an area of land that is situated to the south and southwest of Parcel 83S across Fiji Way. This area was recently acquired by the State of California and has been mentioned for use as a State park. Although not open to the public, the area provides a visual attraction to users of the South Bay Bike Trail along Fiji Way, and provides an attraction for birdwatchers and other wildlife enthusiasts.

3.6 LOCAL MARKET DESCRIPTION

Situated on the northeast corner of Marina del Rey, Parcel 83S enjoys proximity to the main shopping center and to the only public boat launch in Marina del Rey. The public boat launch parking lot contains approximately 234 automobile spaces and 152 dry slips for boat storage and is the main entry point for the public boating community to the Marina. The Waterside Shopping Center is the largest retail center in the Marina and contains the Marina's only supermarket, generating a high flow of traffic from both the local community and visitors to the Marina.

The South Bay Bike Trail ("SBBT") runs approximately 26 miles, generally along the beach, from a southern point of the Santa Monica Bay near Redondo Beach to the north rim of the Santa Monica Bay in the Pacific Palisades community. SBBT is a major public attraction for bicycle, in-line skating, running, walking and other exercise enthusiasts. As one of the areas major outdoor public amenities, the SBBT draws a large number of visitors to and through the Marina, a number of whom choose to exit and enter at the corner of Admiralty Way and Fiji Way and pass by Parcel 83S in order to stop at the adjacent shopping center.

In Marina del Rey, there are approximately 20 commercial vessels in operation, ranging in capacity from 20 persons to over 200 persons. These commercial vessels provide daily services including sportfishing tours, whale-watching charters, Catalina charters, dinner cruises, special events, and on-the-water film production, among others.

3.7 SITE UTILIZATION

The primary land use regulations for Marina del Rey are contained in the LCP, which is comprised of the Marina del Rey Land Use Plan and the Marina del Rey Local Implementation Program. In 1996, the California Coastal Commission and the County of Los Angeles approved a comprehensive amendment to the LCP. Currently, the LCP permits principal uses on the subject Parcel shown in the Appendix.

3.8 SUGGESTED GUIDING PRINCIPLES FOR PROJECT DESIGN

Based on the information previously described, including the LCP and the AMS, and a strong desire to create the best possible project, the following principles are suggested for project design, to the extent possible on this relatively small parcel:

- Vision consistent with the AMS and LCP
- Facilities that encourage project use by recreational and commercial visitors
- Emphasis on physical environmental quality
- Secure and comfortable layout

Respondents are also advised that the Department has published a set of design guidelines in draft form that may further inform the design process. However, these draft guidelines have not been approved by the County and are subject to change. The draft guidelines may be viewed online at: http://beaches.co.la.ca.us/bandh/marina/development.htm

In addition to these examples of guiding principles, respondents are advised to review Section 5 of this RFP, which includes a brief explanation of the criteria on which proposals will be judged.

3.9 Availability of Project Entitlements

Given the parcel size and potential uses, entitlements for the Parcel 83S Improvements project are expected to be available by virtue of the priority given to visitor-serving uses in Marina del Rey. Proposers are advised to consult with the Department, and the County Department of Regional Planning, to determine if sufficient entitlements are available for any proposed project use or use intensity, and in addition, whether the proposed use is within the parameters of the LCP and other relevant regulations.

3.10 LCP Amendment

If an amendment to the LCP is required, additional requirements for regulatory approvals by the Marina del Rey Design Control Board ("DCB"), the County Department of Regional Planning ("DRP"), and the California Coastal Commission ("CCC"), as well as recommendation by the Small Craft Harbor Commission ("SCHC") and approval of the Los Angeles County Board of Supervisors ("BOS") will be needed and, respondents are advised to consult with the Department of Regional Planning to assess the complexity, scope and length of time it may take to achieve the approvals needed to complete the project. Respondents should consider a time estimate in accordance with requirements of the various regulatory bodies including the DCB, SCHC, DRP, BOS and CCC.

3.11 No Availability of Public Financing

While some form of public-private partnership is anticipated, the County may reject proposals that require public financial participation. Respondents should clearly specify any projected contingency, need or desire for public financing related to submitted proposals.

3.12 Proposals that Include Parcels Requiring Lease Extensions

In cases where a respondent chooses to submit a proposal that includes one or more existing leaseholds, additional requirements will apply. These requirements are covered in detail in the Appendix.

3.13 Confidentiality

Details of the proposals submitted in response to this RFP will remain confidential and will not be released to others prior to the Director's recommendations being presented to the Small Craft Harbor Commission. To preserve confidentiality, some information may be marked "CONFIDENTIAL" or "PROPRIETARY" and the County will recognize such designation to the extent permitted under the Public Records Act (see the Notice to Proposers Regarding the Public Records Act" set forth fully in Appendix).

4. OVERVIEW OF TERMS

The County will only accept proposals for a long-term, unsubordinated ground lease. Following are terms and conditions, which should be incorporated in the proposals.

4.1 RENT

Base minimum rent shall be generally equivalent to 75% of projected rent generated from percentage rent. Percentage rents shall be based on gross revenue per a schedule established in each ground lease, subject to adjustment over the term of the lease. In the following Figure 9, examples of percentage rents by use category are presented. Rent proposals will be evaluated within the context of uses that are proposed and/or the relationship to adjacent or complementary uses.

Figure 9.
Examples of Percentage Rents by Use Category for Properties in Marina del Rey

Use Category	*Range*		*Prevailing Rate*
	Low	*High*	
Boat Storage (landside)	10.0%	27.0%	20.0%
Hotel/Motel Rooms	7.5%	8.0%	7.5%
Restaurant (Average of Food & Beverage)	3.0%	5.0%	3.5%
Apartment	9.0%	12.5%	10.5%
Slips	20.0%	33.0%	25.0%
Retail	1.5%	4.0%	2.0%
Office	7.5%	12.5%	11.0%
Vending/Telephone Commissions	25.0%	25.0%	25.0%
Cocktail Lounge	10.0%	10.0%	10.0%
Commissions - Service Enterprises	20.0%	20.0%	20.0%
Valet Parking Fees	5.0%	7.5%	7.5%
Parking Fees	20.0%	20.0%	20.0%
Miscellaneous sales	1.0%	5.0%	5.0%

4.2 Additional Lease Terms

The County will require that the following additional terms, among others, be incorporated into any ground lease:

- Participation by the County in the proceeds from the transfer/sale of the leasehold interest based upon the higher of: (a) a fixed percentage of the sale price, or (b) a fixed percentage of net profit from the sale;
- Participation by the County in proceeds from the refinancing of the leasehold interest based upon a fixed percentage of refinance proceeds not reinvested in the leasehold or used to retire existing financing;
- Late payment charges for any type of rent or payment due to the County including a fixed percentage of the amount due plus interest;
- Provisions for County assignment consent and recapture rights;
- Periodic adjustment of minimum and percentage rents to market levels;
- Disclosure of beneficial ownership;
- Maintenance standards and liquidated damages for failure to adhere to these standards;
- General liability insurance coverage and periodic insurance requirement readjustment;
- Security deposit; and
- Fund for removal of improvements at termination of lease.

4.3 Proposer's Responsibilities

The selected development team will be responsible for payment of all costs and expenses in connection with the project including, but not limited to: costs associated with securing necessary entitlements and environmental documentation; ground clearing, site preparation and construction of new buildings; maintenance; underground utilities; insurance and taxes; permits and inspection fees; costs and mitigation fees associated with the development; and architectural, environmental, engineering and other related work. Developer will be responsible for all brokerage fees, if any. The County will not pay any broker's fees or finder's fees.

The selected developer or development team will be required to:

- Select the development team;
- Obtain all necessary entitlements and permits;

- Coordinate, manage and facilitate the review of the project by the DCB, the Regional Planning Commission, the County's Board of Supervisors, the California Coastal Commission and the local community, as well as assist DBH in responding to community issues or concerns that may arise;

- Manage the work effort of the entire development team, the architect, the general contractor, and construction manager (if any) during construction;

- Subsequent to completion, manage the daily operations of the commercial facilities in a professional manner to maintain high standards of operational quality, including contractual agreements with experienced operators if necessary to do so; and

- Market the development.

In summary, the selected development team will be required to address the multitude of issues and complete the multitude of tasks required to develop and operate the proposed development.

4.4 PROPERTY CONDITION/SITE CONDITIONS-RESTRICTIONS

Environmental investigations, tests, reports or remediation through various governmental agencies may be required for redevelopment of the Project Site. A due diligence period, if necessary, will be provided during negotiations between the County and the selected developer. All costs of any such investigation will be borne by the selected developer. Rights of review and approval of the results of such investigations, if required, will be given to the selected developer. If the selected developer, acting in good faith, disapproves the results of such investigation, negotiations with the County may be terminated prior to the end of the due diligence period. If not terminated, the responsibility for clean-up of contamination or toxic materials will rest with the selected developer and will not be the responsibility of the County.

Although the parcel contains curb cuts at its Admiralty Wand Fiji Way perimeters, current access to the site is obtained principally via two driveways situated on the adjacent Parcel 50. Due to the limited distance between the existing parcel curb cuts and the intersection of Admiralty and Fiji Ways, proposers are advised to seek guidance from the County's Departments of Public Works (Traffic Division) and Regional Planning to determine whether intended uses will be able to obtain appropriate vehicular access.

4.5 ENTITLEMENT ISSUES

A significant element in the application and development process will be treatment of entitlement issues. A brief overview of LCP/Regional Planning/Coastal Commission Requirements is set forth in Appendix E.

Respondents should be aware that respondents might be subject to a wide range of conditions not contemplated in this RFP in connection with obtaining entitlements for a proposed project. As circumstances dictate, DBH will participate in DCB, LCP, Regional Planning and other necessary regulatory proceedings, however, while the County is a necessary co-applicant, sponsoring and obtaining LCP amendments and/or other regulatory approvals is the sole responsibility of the successful proposer.

4.6 Application Process

4.6.1 Detailed Response Information

Proposers must submit complete responses by 5:00 p.m. Pacific Time on Monday, July 19, 2004 in the form set forth in Appendix H, "Contents of Proposal."

The proposal should be sent to the County Contact as described in Section 1, to the following address:

County of Los Angeles Department of Beaches and Harbors
Attn: Alexander E. Kalamaros, CCIM
13837 Fiji Way
Marina del Rey, CA 90292

4.6.2 Response Schedule

Release of RFP	June 15, 2004
Developer's Orientation (9:00 AM at Burton W. Chace Park Community Building, Marina del Rey)	June 28, 2004
Proposals Due	July 19, 2004
County schedules interviews	To be determined
Evaluation Committee issues recommendation to Director	To be determined
Director recommends selection of entity with which to negotiate exclusively	To be determined
Small Craft Harbor Commission reviews Director's recommendation	To be determined
Board of Supervisors selects entity with which to negotiate exclusively	To be determined

5. PROPOSAL SUBMISSION AND REVIEW

5.1 DEVELOPER'S ORIENTATION CONFERENCE

Prior to submitting a proposal in response to this RFP, interested potential respondents should attend the Developer's Orientation Conference. At this meeting, DBH staff will provide an overview of this RFP. DBH's economic and legal consultants, as well as representatives from the Regional Planning Department and the Department of Public Works will be invited to answer questions regarding this RFP. If the applicant chooses to proceed with a project, the proposal submittal process outlined in Sections 4 and 5 and the Appendix should be followed. Proposals in response to this RFP will be due to the County no later than the submittal deadline set forth in Section 1.6.

Notwithstanding a recommendation of a department, agency, individual, or other entity, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine the proposals, if any, which best serve the interests of the County. The Board is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision to award, or not award, a new lease or lease extension.

5.2 PROPOSAL PACKAGE

Proposers must submit 10 copies, in 8.5" x 11" three-ring loose-leaf binders with up to five graphic exhibits in 11" x 17" format, folded to fit within the 8.5" x 11" three-ring format. **All pages must be numbered.** The sealed envelope must state "RFP Submittal." Proposals submitted by electronic mail or facsimile will not be accepted. Proposals are due by 5:00 p.m. Pacific Time on the submittal deadline date set forth in Section 1.6 to the County Contact as described in Section 1. DBH reserves the right to request additional information during the RFP review period.

5.3 CONDITIONS AND LIMITATIONS

This RFP does not represent an offer or commitment by the County of Los Angeles to enter into an agreement with a proposer or to pay any costs incurred in the preparation of a response to this request. The responses and any information made as part of the responses will not be returned to proposers. This RFP and the selected proposer's response to this RFP, may, by reference, become a part of any formal agreement between the proposer and the County resulting from this solicitation.

The proposer shall not collude in any manner or engage in any practices with any other proposer(s) that may restrict or eliminate competition or otherwise restrain trade. Violation of this instruction will cause the proposer's submittal to be rejected by the County. The prohibition is not intended to preclude joint ventures or subcontracts that are identified in the proposal.

All proposals submitted must be the original work product of the proposer. The copying, paraphrasing, or otherwise using of substantial portions of the work product of another proposer is not permitted. Failure to adhere to this instruction will cause the proposal to be rejected.

The County has sole discretion and reserves the right to reject any and all proposals received with respect to this Request for Proposals and to cancel the Request for Proposals at any time prior to entering into a formal lease agreement.

The County reserves the right to request clarification of the RFP or additional data without changing the terms of the RFP.

5.4 DEVELOPMENT COMPONENTS

Please identify each of the major components of the proposed development, *e.g.* retail, parking, etc. Proposals must include detailed, parallel information for each of these components.

5.5 SUBMITTAL OF ALTERNATE PROPOSALS

Respondents may desire that alternative RFP proposals on a given parcel(s) receive consideration in the event their primary proposal is rejected. The County will consider such provided the respondent's alternate proposal is submitted in a separate document and is labeled with the subtitle "ALTERNATE PROPOSAL." Alternate Proposals:

- Must be completely self contained;
- May not include references to any outside documents; and
- Must be turned in on the same submission schedule as all other proposals.

5.6 OVERVIEW OF CONTENTS OF PROPOSAL

In general, all proposals will have nine required sections as shown below and in the order as set forth in the Appendix. The sections are set forth here in summary format.

- SECTION 1 - DEVELOPMENT CONCEPT
- SECTION 2 - PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES
- SECTION 3 - COST ESTIMATE
- SECTION 4 - FINANCIAL PROPOSAL AND PROJECTIONS
- SECTION 5 - DEVELOPMENT TEAM INFORMATION, PAST EXPERIENCE (FOR EACH COMPONENT) AND FINANCIAL INFORMATION
- SECTION 6 - STATEMENT OF FINANCIAL QUALIFICATIONS AND RESPONSIBILITY OF DEVELOPER
- SECTION 7 - DISCLOSURE OF BENEFICIAL OWNERSHIP
- SECTION 8 - OTHER REQUIRED FORMS
- SECTION 9 - ADDITIONAL REQUIREMENTS FOR PROPOSALS WHICH INCLUDE LEASE EXTENSIONS

5.7 EVALUATION COMMITTEE

The evaluation of the proposal responses will be conducted by an "Evaluation Committee" selected by the Director of Department of Beaches and Harbors. The Evaluation Committee may include DBH staff members, representatives of other County agencies and departments and/or non-County personnel who may have demonstrated expertise in pertinent development fields.

The Evaluation Committee will rank and recommend proposals to the Director who will, in turn, make his recommendations to the Small Craft Harbor Commission ("SCHC") and to the Board of Supervisors. Neither the Director, nor the SCHC, nor the Board is bound by the recommendations of the Evaluation Committee. The Los Angeles County Board of Supervisors has the ultimate authority and responsibility for the selection of a developer, if any, for proposed development on the Project Site and any related parcels.

5.8 EVALUATION CRITERIA

The County's primary evaluation criteria are: (1) revenue enhancement, (2) implementability, (3) implementation of AMS, including consideration of impact on and/or enhancement of usability by Marina visitors, (4) upgrading the east side of the Marina, and (5) creativity. The objective is to enhance the Marina as a desirable location and provide a cohesive theme for new private development and public facilities as well as to improve the County's revenue flow. Implementability means that the County must be satisfied that the responding development team has the ability to fully complete the project in an expeditious manner. The County will consider:

- Entitlement risk;
- Financial risk;
- Income enhancement, within the context of the uses proposed for the site and with relation to any proposed combination with adjacent or nearby sites/uses;
- Creativity and quality;
- Design and construction capability;
- Project management capability;
- Property management capability;
- Successful marketing and operating experience of the developer and, if applicable, the operator of the project;
- The marketing image, financial strength and management systems of, if applicable, the operator of the project;
- Extent to which existing lessee has complied with all terms and conditions of its lease;
- Compatibility with the goals and objectives of the Marina del Rey Asset Management Strategy, including pedestrian orientation and visitor-serving objectives, and related non-monetary public benefits; and
- Experience in public/private projects.

5.9 EVALUATION PROCESS

The initial review will compare all proposals for compliance with the submission requirements. Any proposals with significant omissions may be rejected and the proposers will be notified of their failure to comply with the requirements of the RFP process. The County reserves the right to request that proposers bring their submissions into compliance within a very short time period after notification.

A detailed, point-by-point comparison will be made of all complete proposals. Requests for clarification may be sent to certain proposers. Proposers may be asked to attend an interview by the Evaluation Committee.

Based on the evaluation criteria, the proposals will be rated by the Evaluation Committee, which will recommend the selected proposer to the Director, who will in turn make his recommendations to the SCHC and the Board of Supervisors.

5.10 FINAL AWARD BY BOARD OF SUPERVISORS

Notwithstanding a recommendation of a department, agency, commission, individual, or other person, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal, if any, best serves the interests of the County. The Board is the ultimate decision-making body and makes the final determinations necessary to arrive at a decision. The Board reserves the right to reject any and all proposals.

APPENDIX A

DEPARTMENT OF BEACHES AND HARBORS

POLICY STATEMENT

Leasehold Term Extension - Marina del Rey

The County's policies and official goals/objectives with regard to granting lease extensions to Marina del Rey leaseholders are:

1. Redevelopment and making the properties economically and physically competitive (e.g., competitive with the new hotels, condominiums, slips and retail buildings in the new Playa Vista project and other new Westside projects). Redevelopment will be rigidly defined to differentiate it from deferred maintenance, refurbishing or extensive redecoration.

2. Redevelopment of leasehold uses to ensure long-term economic viability of the improvements, increased County revenue, and enhancement of public facilities.

3. It is understood that the Local Coastal Plan (LCP) restricts some leaseholds from redeveloping to higher density, or modifying existing land use. The County will consider sponsoring, in concert with the affected leaseholders, an amendment to the LCP when:

   - The proposed project and amendment will trigger redevelopment.

   - Redevelopment may be an upgrade of facilities such as providing larger units, not just higher density.

   - The proposed redevelopment will enhance the County's revenue stream and create public facilities.

   - All proposed leasehold LCP amendments have been sufficiently reviewed and processed appropriately which will include public hearings. The County is desirous of combining all LCP amendments into one planning amendment and environmental assessment, but at appropriate intervals may consider sponsoring additional amendments when they will ensure leasehold viability and increased County rent.

4. Receipt of fair consideration by the County for the extension (in addition to fair market rent).

   - The County will require a lease extension fee equal to the value of granting the extension.

   - The County will require a guarantee that redevelopment will commence promptly and within a specific, prescribed time frame.

   - Redevelopment of a leasehold interest satisfactory to the County will entitle the lessee to a rent credit of part of the lease extension fee for a limited, prescribed period of time. Assurance of the County's continuity of annual rental income flow will be paramount in determining the timing of the partial credit.

- The purpose of the extension fee and redevelopment requirements is to provide each lessee with an incentive to redevelop.

- Only where redevelopment is not physically or legally possible, will the County consider alternative requirements for lease extension if the leasehold's current use meets the objectives and permitted uses of regulatory agencies and, in the County's judgment, the facilities meet appropriate building codes and economic and physical viability is ensured during the extended lease term.

5. Ensuring payment of fair market rents commensurate with the new value of the lease including its extension.

6. Securing County financial participation in sale, assignment or refinancing of leasehold interests.

7. Payment for County administrative costs associated with lease extension and other lease related costs.

8. Staging of rental arrangements and physical redevelopment to ensure continuity of County rental income flow.

9. Retention of 50 percent of the additional funds resulting from lease extension to upgrade physical infrastructure of the Marina.

10. Processing a master LCP amendment covering as many parcels as possible.

The department understands that if a lease term extension is granted, certain property or possessory interest taxes may be increased due to reassessment of the leasehold. The role of the department is to act as a traditional landlord and it will only take into account fair economic rent and the direct rental revenue paid to the County. The County will not adjust rent or in any way agitate or modify future rent adjustments due to higher property or possessory interest taxes that may result from a lease extension.

Certain regulatory procedures (i.e., LCP requirements) must be resolved prior to entering into a binding agreement for lease extension containing higher leasehold land use density or leasehold land use modifications.

BASIS FOR POLICY STATEMENT

1. Purpose

The purpose of this Policy Statement is to provide a standard basis for discussing lease term extensions and to ensure that the County will receive fair economic value for such extension and for its leased property within Marina del Rey.

It is anticipated that lease term discussions on Marina del Rey leaseholds will be requested by various lessees as the remaining term in the original lease declines. These requests may arise because of the lessees' desire to refinance, sell, assign, or redevelop the leasehold. In some cases there may be an insufficient remaining term of the lease to maximize these desires.

Redevelopment is considered by the County to be the primary justification for a lease term extension.

2. Basic Assumptions

2.1 Policy Assumptions

- Redevelopment of the leaseholds should be coupled with any lease extension commitments.
- Environmental assessment may be required.
- The County is not obligated to agree to lease extensions for any or all lessees.
- No redevelopment increasing leasehold land use density or leasehold land use modifications will occur without mitigating traffic options such as a bypass.
- Lease extension discussions will be expensive and time consuming to the County.
- A preponderance of leaseholds will not be able to significantly intensify use or density under the land use provisions of the current LCP.
- The Assessor will reassess the property with an extension.

3. Prerequisite for Lease Extension

2.2 The lease term extension must be tied to a commitment acceptable to the Director and Board of Supervisors to redevelop the property. A major purpose of this policy is to ensure that the improvements will be modernized and of sufficient quality to remain attractive, competitive, and physically and economically viable during the extended term of the lease.

- County must conclude that redevelopment is feasible under existing regulatory control on a case-by-case basis or that land use modification can be accomplished through an amendment of the LCP. In either case, the County will require fair consideration for a lease extension.

- Redevelopment must enhance the County's income stream, and public facilities.

2.3 No long term extension containing the higher leasehold land use density or leasehold land use modifications will be offered until the Marina del Rey bypass or other traffic mitigation measures are approved by the appropriate regulatory agencies.

4. Amendment to the Local Coastal Plan (LCP)

4.1 The County will consider sponsoring an amendment to the LCP.

If the County is successful in its attempts to amend the LCP, part of the lease extension fee paid by the lessee may be credited against future rent when redevelopment occurs.

5. Conditional Parcels

These policies may be withheld or modified with respect to those parcels for which other policies or lease extension amendments have been executed, those properties which have recently been redeveloped and meet appropriate building codes and quality standards which ensure viability of the facilities or meet objectives of regulatory agencies.

CRITERIA CONTEMPLATED FOR INCLUSION IN REQUESTING LEASE EXTENSION

MARINA DEL REY

1. All requests for lease term extension are to be submitted in writing to the Director of the department and shall include documents describing the lessee's existing financial statement and condition, value of the property, purpose for lease term extension, construction scheduling for redevelopment, and total construction costs and economic projections.

2. Application Fee

Upon application for the lease extension, in addition to any other compensation payable such as retroactive rent, increases in base rent, etc., the lessee shall pay to the County a single application fee for its administrative costs, associated with review of the project for economic feasibility, environmental assessment and legal assistance as well as County staff time.

3. Economic Terms

3.1 Minimum Rent

Minimum rent shall be adjusted periodically based on prior total annual rent paid to the County.

3.2 Fair Market Rental Rates

A revision of all percentage and minimum rent to reflect fair market value as of date the extension is granted. Where applicable, the payment of retroactive rent will be made by the lessee based on the new fair market rental rate percentages. The newly adopted arbitration clause clarifying dispute resolution mechanisms will be added to those leases not already including it.

3.3 Lease Extension Fee

The County will receive an extension fee commensurate with the value of granting the extension.

3.4 Participation in Sale or Transfer of the Leasehold

The County will participate in the proceeds from the sale or transfer of leasehold interest so as to: 1) assure adequate compensation for administrative costs incurred by the department; and 2) share in profits from these leasehold sales or transfers.

3.5 Participation in Refinancing

The County will receive an appropriate share of proceeds from refinancing, which are not used for leasehold improvements in the Marina.

3.6 Administrative Costs

In addition to the above economic terms, the lessee shall agree to pay for various offsetting or special administrative costs including, but not limited to:

3.61 Environmental studies.

3.62 Late rental payment penalties, including audit deficiencies.

3.63 Increased security deposits.

3.64 Increased minimum rental payments.

3.65 Increased County insurance requirements, including business interruption insurance.

3.66 Costs for County lease assignment reviews.

4. Time Frame for Lease Extension

Will be tied to resolving transportation requirements established in the LCP.

APPENDIX B

Adopted 3/21/95

PROCESS FOR MANAGING LEASE EXTENSION PROPOSALS

The Board of Supervisors of the County of Los Angeles (Board) has approved an amendment to the Marina del Rey Local Coastal Plan (Amended Plan) allowing for an increase in development density in Marina del Rey. The Amended Plan divides the Marina into 14 Development Zones (DZs), each containing several leaseholds, with development potential being allotted by DZs, rather than by individual parcels. The Amended Plan must be reviewed and approved by the California Coastal Commission (CCC) to become effective.

In order to encourage timely redevelopment during this process, the Department of Beaches and Harbors (Department) is willing to enter into negotiations for extending the terms of current ground leases with interested lessees and/or other interested parties, but will not submit a "Memorandum of Understanding for Lease Extension" (MOU) to the Board until after the CCC's adoption of the Amended Plan. Two or more lessees may compete for development potential within a given DZ.

All lease extension negotiations will require the payment of an application fee to fully cover the Department's costs to analyze the applicant's proposal. Once general agreement is reached, an MOU will be prepared for submission to the Small Craft Harbor Commission (SCHC) for review and to the Board for approval. The MOU will outline the basic terms to be further negotiated as a part of a lease extension amendment (Lease Extension Amendment).

Upon Board approval of this MOU, the lessee will pursue a Coastal Development Permit (CDP) and other entitlements through the Department of Regional Planning (DRP). Once these entitlements are issued, the Department will enter into good faith negotiations with the lessee for a Lease Extension Amendment that will be based upon the terms set forth in the MOU.

In order to provide an opportunity for all interested parties, the Department will require each applicant to abide by the following process:

PROCESS

Informal Meeting

Prior to submitting a formal proposal, the lessee should request meetings with the Department and the DRP's "One-Stop" processing center. The Department will outline the County's financial/planning goals for Marina del Rey, and the DRP will clarify whether or not the proposed project is within the parameters of the Amended Plan and will help the lessee understand the various steps and procedures required by the permit process. No fees will be assessed by either department for these initial meetings.

Proposal Submission

If the lessee chooses to proceed with the Project, ten copies of a proposal shall be submitted to the Department. The proposal shall be responsive to the Board-approved Marina del Rey Lease Term Extension Policy (Attachment 2). In addition, the applicant shall submit:

A. A description of the proposed project.

B. A description of the entitlements required to complete the project. If the required entitlements are in excess of the development potential for the DZ, the applicant shall detail its plan for securing increased entitlements. It should be noted that if an applicant's proposal requires further substantial amendments to the Amended Plan, an MOU will not be forwarded to the Board prior to approval of these additional amendments to the CCC.

C. The basis for leasehold valuation.

D. Evidence of financial and physical feasibility of the proposed project.

E. The Department's initial fee of $10,000 as a deposit against its costs of reviewing, negotiating and preparing the MOU and Lease Extension Amendment documents. This fee is payable upon submission of a proposal. Additional funds may be required to ensure that all of the Department's costs are recovered. Any unexpended funds will be refunded to the applicant.

MOU Negotiation

Once the proposal is received, the Department will review the proposal and coordinate the appropriate meeting(s) between the lessee and County staff and/or its consultants to clarify the terms of the proposal – primarily its financial, planning, and legal aspects. Upon clarification, the Department will negotiate in good faith to reach agreement on an MOU that the Department can recommend to the SCHC and the Board.

Notice to Other Lessees

Upon receipt of any proposal requesting development potential permitted under the Amended Plan, the Department will notify all other lessees in the affected DZs that such a proposal for use of that potential has been received. If any other lessee has an interest in submitting a competing proposal, the Department should be notified in writing within 30 days so that the Department can schedule initial meetings with the interested party.

It is the intent of the Department to select the best proposal for use of the development potential within each DZ. Therefore, the Department may negotiate simultaneously with two or more lessees seeking the same entitlement within the same DZ, but only one MOU will result from such negotiations.

Rejected Proposals

If the Department rejects a proposal, it will forward its comments to the Board by memorandum, with copies going to the SCHC and the applicant. The applicant's proposal and a summary of analyses performed by staff or outside consultants will be attached to the memorandum.

Process After MOU Execution By the Board

After the Board and applicant have executed an MOU, the applicant should secure a CDP and all required entitlements. Once all permits and entitlements are secured, the Department will enter into good faith negotiations on a Lease Extension Amendment based on the MOU. The proposed Lease Extension Amendment will be forwarded to the SCHC for its review and to the Board for its consideration. If the Department and lessee cannot agree upon the terms of the Lease Extension Amendment, or if the Board rejects such Lease Extension Amendment, the Department may reopen negotiations with other interested parties.

Parcels Not Currently Under Long Term Leases

After the Amended Plan is approved by the CCC, the Department will seek lessees for development of certain Marina del Rey parcels not currently under long-term leases. If the same development potential within a DZ is sought by a prospective as well as a current lessee, the Department will recommend an MOU to the SCHC and the Board with the party, which it determines offers the best overall proposal to the County.

APPENDIX C

Coordination with Lease Extension Proposals

DEFINITION OF A "COMBINED PROJECT"

Certain proposals may include plans for combining RFP parcels and existing leaseholds into a single development project. Such a project is termed a "Combined Project." A Combined Project is a project that aggregates one or more RFP parcels together with one or more other parcels with existing leases into a single, unified development project. In order to clearly distinguish proposals that contain a Combined Project, all respondents submitting a Combined Project must label any response document with the subtitle "COMBINED PROJECT."

ADDITIONAL REQUIREMENTS FOR PROPOSALS THAT INCLUDE LEASE EXTENSIONS

If applicable, please provide the following information for proposals that include development on parcels for which a lease extension is requested.

- Proposed extension fee, which should be calculated in accordance with current County policy. For further explanation, please refer to Item 4 of the document titled POLICY STATEMENT: Leasehold Term Extension - Marina del Rey, incorporated as Appendix A.

- Detailed plan for any existing structures that are to remain or are to be rehabilitated, including assurances that the leasehold will maintain a strong competitive position in the market for these existing or rehabilitated facilities for the duration of any extended lease.

- Lease extensions and associated new leases must have a common expiration date.

- Rent structure on retained or reconstructed improvements, if any.

- Evidence of site control: if proposing entity is in any way different from current lessee, even if lessee is a partial owner, please provide a copy of any contractual arrangement as well as the amount and character of consideration to current lessee.

- County Recovery of Lease Extension Costs

  The County will recover its processing costs and costs of any required appraisal in accordance with the provisions of AMS and its adopted lease extension policies. For further explanation, please refer to the document titled Process for Managing Lease Extension Proposals, dated 3/21/95 and incorporated as Appendix B.

SINGLE, UNIFIED PROPOSALS MUST INCLUDE BOTH RFP AND RELATED LEASE EXTENSION DATA

Respondents submitting a Combined Project are not required to submit separate RFP and lease extension proposals and should file a single, unified proposal.

While respondents should submit a single, unified proposal for their Combined Project and thereby eliminate duplicating information that overlaps in the RFP and lease extension proposal, respondents must assure that all necessary project and financial data are included.

The following checklist identifies key sections in the RFP document and related lease extension information that will assist the respondent in assembling the required information.

- Appendix A, Policy Statement: Leasehold Term Extension – Marina del Rey
- Appendix B, Process for Managing Lease Extension Proposals
- Appendix C, Coordination with Lease Extension Proposals
- Related lease extension information, namely:
    a) Identification of leased properties
    b) Proposed ownership and operation
    c) Lease extension terms proposed
    d) Summary of key elements in associated response to RFP

RESPONSIBILITY FOR LEASE EXTENSION DOCUMENTATION

While an effort has been made in this document to identify the major technical elements needed in the response to this RFP, all lease extension respondents should read all applicable documents in their entirety and are responsible for meeting all requirements set forth in the County Lease Extension Policy, which is included as an attachment to this RFP.

TIMING OF LEASE EXTENSION EXPIRATION

Lease extensions and associated new leases must have a common expiration date.

TREATMENT OF RETAINED LEASEHOLD IMPROVEMENTS

As a general rule, the County expects full redevelopment of all leaseholds for which lease extensions are granted or development proposals are awarded. Neither existing land nor water improvements are to be retained. All existing improvements, whether situated on parcels subject to this RFP or on adjacent or nearby parcels as a part of a Combined Project response to this RFP, should be completely replaced with new or fully reconstructed improvements.

However, if any existing structures are to remain, the respondent must provide the same detailed information for each class of retained improvements. Any proposal to retain leasehold improvements must explain how the respondent plans to assure the County that these structures will remain competitive for the full duration of the lease term.

SUBMITTAL OF ALTERNATE PROPOSALS

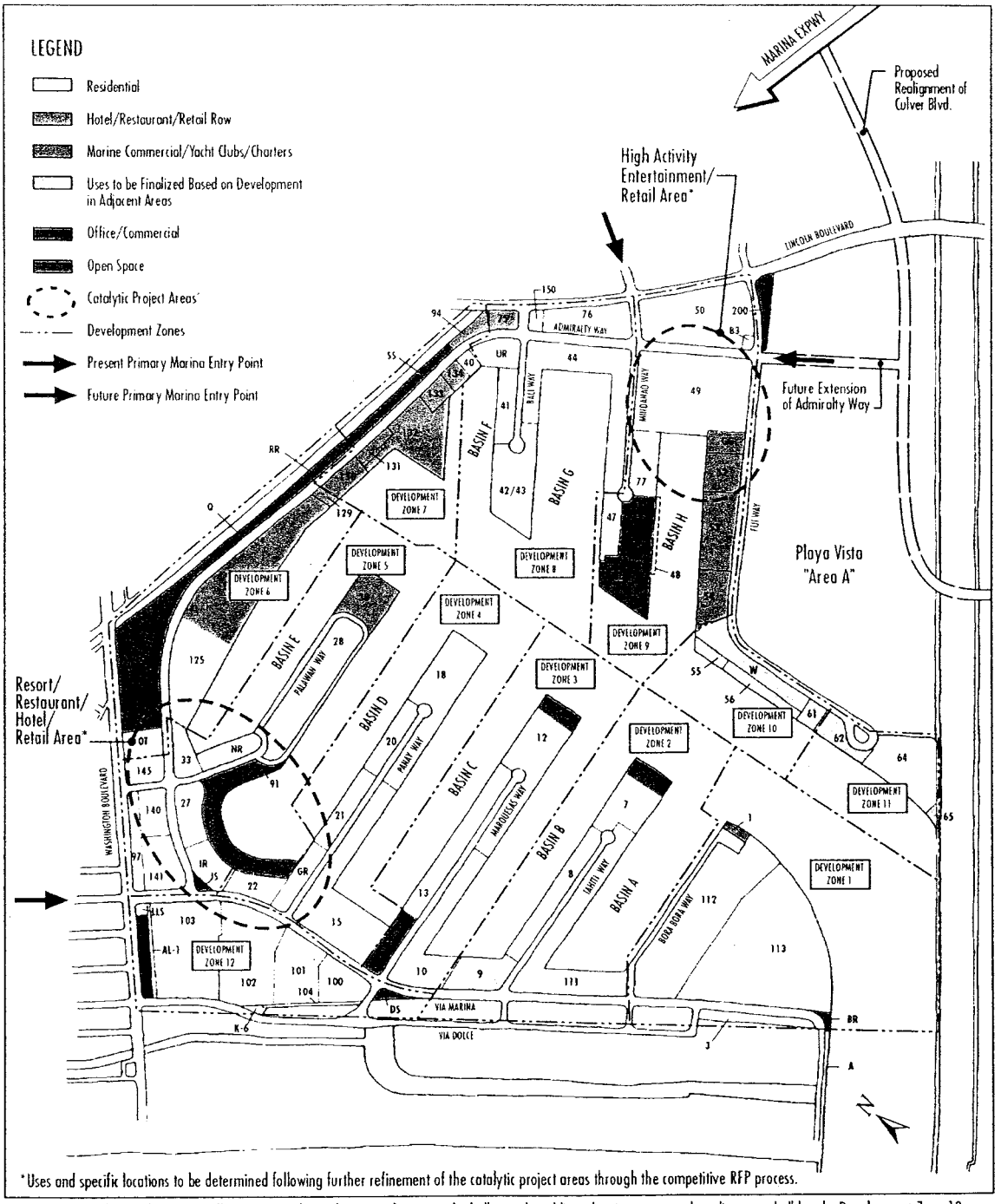
Respondents may desire that alternative RFP proposals on a given parcel(s) receive consideration in the event their Combined Project is rejected. The County will consider such provided the respondent's alternate proposal is submitted in a separate document and is labeled with the subtitle "ALTERNATE PROPOSAL." Alternate Proposals:

- Must be completely self contained;
- May not include references to any outside documents; and
- Must be turned in on the same submission schedule as all other proposals.

APPENDIX D

Asset Management Strategy (AMS) Map

Marina del Rey Asset Management Strategy
Land Use Designations and Development Zones



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

Note: Per the Local Coastal Program, all new projects located on waterfront parcels shall provide public pedestrian promenades adjacent to bulkheads. Development Zone 13 contains only the parkway along Fiji Way. Development Zone 14 contains parcels 51 and 200. Development Zones 13 and 14 are not diagramed above. 02/13/01

APPENDIX E

Entitlement Matters

Overview of Marina del Rey Entitlements

A significant element in the application and development process may be treatment of entitlement issues, if modification of existing entitlements through an LCP amendment is required. A brief overview of LCP/Regional Planning/Coastal Commission Requirements is thus set forth below.

Respondents should be aware that respondents might be subject to a wide range of conditions not contemplated in this RFP in connection with obtaining entitlements for a proposed project. As circumstances dictate, DBH will participate in LCP, Regional Planning and other necessary regulatory proceedings; however, while the County is a necessary co-applicant, sponsoring and obtaining LCP amendments and/or other regulatory approvals is the sole responsibility of the successful proposer.

The March 1996 LCP Amendment for Marina del Rey marked several changes in the land use regulation of the Marina. Broadly speaking, these changes addressed four critical issues. They are as follows:

(1) Height limitation zones were established to limit development on individual parcels;

(2) View corridor requirements were established so that views of the water would be preserved;

(3) Entitlements for additional development were, with only a few exceptions, allocated among a series of 12 Development Zones (DZs) rather than assigned to individual parcels; and,

(4) Aggregate development in the Marina as well as development within each DZ was regulated by the allocation of p.m. peak hour traffic trips with a total of 2,750 such traffic trips being allocated to all additional development within the Marina. The allocation of trips and traffic planning was the primary factor in using DZs as a device for allocating additional entitlements.

Prospective Entitlement Processing

Proposals that are fully consistent with the existing designations and regulations contained in the LCP will require review by the Design Control Board for design features, as well as issuance of a Coastal Development Permit and all other normal ministerial and other reviews and approvals associated with obtaining a building permit and other code compliance. However, depending on the specific nature of the proposal, other discretionary land use entitlements, such as a Conditional Use Permit, may be required. Any project that requires a change in the LCP will require an LCP amendment. Prior discussions with representatives of the Los Angeles County Regional Planning Department familiar with the LCP indicate that projects requiring the interchange or movement of entitlements from adjacent DZs may not present the same challenge in achieving approvals as may be required for more extensive changes. Land use changes to marine commercial uses, which are likely the emphasis of any changes involved in the project, are likely to be viewed favorably in light of Coastal Commission policies so long as high priority uses (e.g. boating, public parking, etc.) are protected or relocated. The process by which such

amendments would be processed is outlined below and involves approval by both the California Coastal Commission and the County of Los Angeles.

Outline of General Entitlement Process

- Review by DBH Design Control Board
- Prepare Application(s) for Entitlements including Coastal Development Permit, if necessary
- Submit to Los Angeles County Regional Planning Department
- Environmental and Permit Review Process
- Public Hearings at Los Angeles County Regional Planning Commission
- Planning Commission Decision
- Additional Public Hearing/Board of Supervisors Decision (if required)
- Additional Public Hearing/Coastal Commission Decision (if required)
- Additional Review by DBH Design Control Board

County Role in Seeking Modifications to Zoning or LCP

Selected applicants with proposal concepts that require amendments to current zoning and/or the LCP will have the responsibility for obtaining such amendments. The County, in issuing this RFP, makes no representations that such modifications will in fact be obtained or that, in obtaining them, the developer may not be subject to a wide range of conditions and requirements not described in the LCP.

DBH will make available its best understanding of the origins of the policies embodied in the current LCP and zoning and prior interpretations of these policies in connection with earlier entitlement processing, and will, to the extent that DBH does not see any conflict with its long term asset management growth objectives, consent to and support the required applications in the entitlement process. In addition, DBH will identify key staff members with whom to consult at both the California Coastal Commission and the Los Angeles County Department of Regional Planning.

Any assistance provided by the County in its proprietary capacity shall be without prejudice to exercising its powers and rights in its governmental capacity.

LCP/Regional Planning/Coastal Commission Requirements

The RFP references the requirements regarding entitlements imposed by the LCP, including the required reviews by the County's Design Control Board, Regional Planning Department, reviews associated with code compliance and building permit issuance and the involvement and review by the California Coastal Commission in appropriate circumstances.

The RFP makes it clear that applicants are responsible for obtaining all necessary entitlements and permits from appropriate County and/or state agencies and that any proposal that requires an LCP amendment should be discussed with a representative of the Regional Planning Department familiar with the LCP.

The provisions of the LCP regarding allocation of entitlements, view corridor requirements, building height limitations and limitations on both aggregate development in the Marina and development within each DZ are also discussed and an outline of the general entitlement process is presented.

In addition, applicants should be aware that the LCP, planning agencies and other state, regional and/or local authorities might impose a variety of other conditions and/or fees related to proposed development projects. In appropriate cases, these matters may include, but are not limited to the following:

- Traffic impact fees
- School impact fees to Los Angeles County Unified School District
- Fish & Game Department fees
- Mitigation monitoring fees
- Sewer impact fees
- Park impact fees
- Hostel impact fees (hotel/motel development)

The LCP also imposes an "Improvement Phasing Schedule for Internal Category 1 Improvements" which provides that certain specified road improvements must occur in phases coinciding with new development so that no new development is occupied before construction of improvements which would mitigate the same amount of impact such development has on traffic within Marina del Rey.

In addition, the LCP imposes an "Improvement Planning Schedule for certain Sub-regional Traffic (Category 3) Improvements". In general, these provisions require that if the traffic trips generated by new or intensified Marina development, along with other previously approved development, exceed 50% of the total anticipated additional external trips to be generated by new or intensified Marina development, additional development that generates external trips shall not occur until certain traffic improvements which mitigate those trips has been approved and funded by the appropriate agencies.

To date, only minimal new development has been fully approved. However, a number of new development proposals are either in negotiation and/or have entered the entitlement process. If a substantial number of the projects currently in negotiation are eventually granted entitlements at their maximum requested levels, the 50% limit may be attained and any new projects that may generate additional external trips will not be permitted to move forward until the above reference traffic improvements have been approved and funded.

The requirements discussed in the preceding two paragraphs relating to required Category 1 and Category 3 traffic improvements are independent of other LCP requirements and all new developments, regardless of their status relating to the 50% threshold or other traffic improvement or phasing requirements, are still subject to all provisions regarding payment of traffic impact fees and other appropriate conditions and/or fees relating to proposed projects.

Potential proposers are advised to consult with Regional Planning Department representatives familiar with the LCP in order to asses the terms and conditions which may be imposed upon construction and occupancy of proposed development and for advice regarding any permits, fees or other requirements which may impact their projects.

Development Zones Affected by the Proposed Project

Depending on the proposed development program, the amount of entitlements necessary to complete a proposed project may vary. As shown in Figures E-1 and E-2 below, one or more development zones may be impacted by the proposed project.

Figure E-1

Alternative Scenario	*Development Zones Potentially Affected*
83S	Mindanao DZ-9
Nearby parcels	Possibly: Bali DZ-8 Fisherman's Village DZ-10 North Shore DZ-13 Fiji Way DZ-14

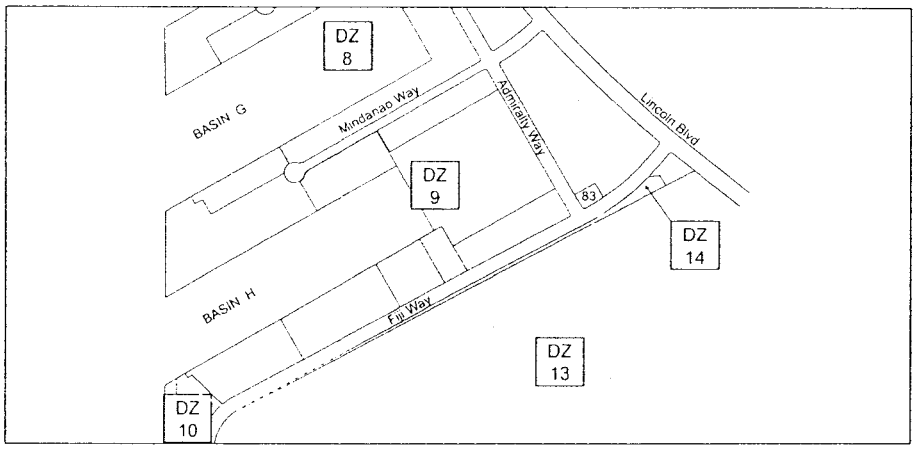


Figure E-2.
Development Zones Potentially Affected

Promenade Requirements on Project Site

The LCP requires that a 28-foot wide pedestrian promenade be provided and maintained along all bulkheads in Development Zone 9, which contains Parcel 83S. However, this requirement does not apply to Parcel 83S, as Parcel 83S does not contain any water area or bulkheads.

Height Limits and View Corridor on the Project Site

As shown in Figure E-3, and in the LCP, site-specific development guidelines limit the height of the Parcel 83S Improvements project to 45 feet.

Figure E-3. Height Limits on Parcel 83S

Parcel	*Height Limit – Base Case (20 percent view corridor)*	*View Corridor Bonus Available?*	*Height Limit – Maximum Case (40 percent view corridor)*
Parcel 83S	45 feet	No	45 feet

Land Use Designation, Total Area and Entitlement Matters Relating to Project Site

As shown in Figure E-4 below, the total project area consists of approximately 0.321 acres of land area, with no water area, for a total area of approximately 0.321 acres. The current zoning for Parcel 83S is designated as "Visitor-Serving/Convenience Commercial."

Figure E-4. Existing Land Use Designation (Zoning) of Parcel 83S

Parcel	*Land Use Designation*	*Land Area*	*Water Area*	*Total Area*
83S	Visitor-Serving/ Convenience Commercial	13,982 sf (0.321 acres)	0 sf (0.0 acres)	13,982 sf (0.321 acres)

Existing Facilities /Potential Site Restrictions

There is presently one bench and seven permit-only, non-public parking spaces (6 regular parking spaces and 1 disabled parking space) on the Project Site. The provision of parking on this parcel has been restricted and is not otherwise available to the public, and therefore is not subject to LCP requirements for on-site replacement. Although the parcel contains curb cuts at its Admiralty Way and Fiji Way perimeters, current access to the site is obtained principally via two driveways situated on the adjacent Parcel 50. Due to the limited distance between the existing parcel curb cuts and the intersection of Admiralty and Fiji Ways, proposers are advised to seek guidance from the County's Departments of Public Works (Traffic Division) and Regional Planning to determine whether intended uses will be able to obtain appropriate vehicular access.

Potential Public Amenities on the Project Site

The County envisions improvements to the Project Site that will add visitor-serving uses to Marina del Rey. To this end, it is expected that related hardscape and landscape treatments would be provided in addition to the planned improvements and related parking. In addition, any facilities necessary to conform to the Americans with Disabilities Act ("ADA") will be required, thereby encouraging the use of the facility by the most diverse population possible.

The County further envisions that a landscaped park-like perimeter on the Fiji Way and Admiralty Way sides of Parcel 83S may be feasible in connection with the improvements proposed. To the extent that further improvements are possible, respondents may wish to consider public amenities that would serve the needs of visitors to Marina del Rey. Such features have the potential to increase the attractiveness of the project to both public users and regulatory agencies charged with project review.

Availability of Draft Design Guidelines

Respondents are also advised that the Department has published a set of design guidelines in draft form that may further inform the design process. However, these draft guidelines have not been approved by the County and are subject to change. The draft guidelines may be viewed online at: http://beaches.co.la.ca.us/bandh/marina/development.htm

APPENDIX F

Aerial Photograph of Marina del Rey

APPENDIX G

Contents of Proposal

SECTION 1 - DEVELOPMENT CONCEPT

a) Overall Approach

Please submit a brief (one page maximum) narrative description of your vision and approach to the development of the proposed project. The description should include summary statements of the key design features, operational strategies, target markets and financial assumptions needed to successfully construct and operate the project.

b) Design Description

Please submit a summary building program and description of the improvements to the Project Site. Development teams should submit a narrative description of the buildings and other uses on the site, the locations of the building(s) and other uses, the estimated square footage devoted to each building and the approximate building footprints.

c) Preliminary Site Plan

Please submit a preliminary site plan that visually illustrates the Design Description as described above. While a detailed and precise completed site plan is not required at this time, a preliminary site plan is necessary to properly evaluate each proposal.

d) Design Graphic

Please submit at least one graphic image, in color, of the exterior of the proposed facility. The graphic may be in the form of a draft perspective, elevation, or other form of pictorial rendering that will demonstrate the visual character of the design and the resulting building mass. While a detailed and precise completed elevation is not required at this time, a preliminary design graphic is necessary to properly evaluate each proposal.

SECTION 2 - PROJECT TIMETABLE AND CRITICAL ENTITLEMENT ISSUES

The proposal should include a general, but complete development timetable showing the various planning and entitlement steps, construction duration, estimated starting period and any future phases contemplated. A general outline of the entitlement process is provided in the Appendix. As to acquiring the entitlements necessary for execution of the proposed development plan, please provide a narrative description of the issues the proposer has identified as critical. Also, please be sure that the timetable of approximate dates for obtaining these entitlements is realistic – in requesting both the narrative and timetable, the goal of the County is to assess the proposer's understanding of the entitlement process rather than solicit an impossibly tight schedule for this process.

SECTION 3 - COST ESTIMATE

For each component of the proposed development, please include an estimate of development costs and a consolidated cost estimate.

SECTION 4 - FINANCIAL PROPOSAL AND PROJECTIONS

Please provide a description of proposed lease terms including a suggested minimum and percentage rents for the entire project and the basis for periodic adjustments of minimum rents and percentage rents. Also provide preliminary development pro formas and estimates of the operating and projected County revenues for the first 10 years of project operation. Please submit this information in the format specified in the Appendix, which is also available online. Developers may use Microsoft Excel or a similar program to model their financial projections. The County appreciates receiving both financial projections and cost estimates on disk (or by email) in addition to the hard copy format submitted with the proposal.

SECTION 5 - DEVELOPMENT TEAM INFORMATION, PAST EXPERIENCE (FOR EACH COMPONENT) AND FINANCIAL INFORMATION

a) Identification of Development Team

As more specifically described below, the name, address, and principal contact for the development team should be provided. Should your proposal include a joint venture, similar information should be submitted for other key members of your development team, including financial partners and other team members. Please include an organizational chart reflecting the roles and responsibilities of the Development Team. Resumes of key team members, any relevant brochures describing your company and its operation, history and projects, as well as and other relevant information for the key members of your team, should also be included in your submission.

Specifically, your submission should include the following information:

Lead Development Team

Provide an overview of your firm including the number of years you have been in business, the firm's development focus, parent company relationship, the number of professionals and location offices in the Los Angeles region for the County's project, and the identity of key members of the lead development firm.

In addition, you should illustrate the organization of the lead development firm for your proposed team and provide resumes of managing partner and project manager for the County's project and a description of the role of the top three members of your firm.

Describe in detail the level of commitment the proposed executive in charge and project manager for the County's project. It is imperative that all respondents identify the executive in charge and project manager for this project and specify the duration of the development and predevelopment phases.

The Proposed Multi-Disciplinary Team

The County does not require the lead developer to formalize its relationship with each team member, but to provide one to three alternatives that your firm is likely to contract with if selected. This includes at a minimum:

- Architect and Construction Company or Design/Build Firm
- Facility Operator

Optional team members may include:

- Civil Engineer
- Traffic Planner
- Landscape Architect
- Financial Consultant
- Marine Consultant
- Property Manager

b) Experience with developments similar to the project proposed

Please indicate the following information for three recent projects with which the lead developer has been involved:

- Project name;
- Location;
- Size and configuration (e.g., number of units, amenities and parking, etc.);
- Approximate cost;
- Date opened;
- Approximate current market value, occupancy rate and average monthly storage rental rate;
- Ownership pattern (e.g., build and hold; build and sell; develop only; etc.);
- Financing structure; and
- References for private and public sector parties involved in the project, including phone numbers.

To the extent that the lead developer expects the County to rely on the credentials of any certain team member other than the prime developer, please provide the information requested above for those team members. The specific project references should preferably be ones on which the team member worked with the lead developer.

The proposer may wish to mark some information, such as financial statements, as "CONFIDENTIAL" or "PROPRIETARY." As such, it will be treated by the County in accordance with the California Public Records Act, as detailed in the Appendix.

SECTION 6 - STATEMENT OF FINANCIAL QUALIFICATIONS AND RESPONSIBILITY OF DEVELOPER

Please indicate the following information:

- Name, address, telephone and fax numbers of the responsible party;
- Is the developer a subsidiary of, or affiliated with, any other corporation, corporations, partnerships or firms? If so, please specify. If the developer is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary;
- Names and addresses of three financial references, including a primary bank;
- Has the developer entity or its officers, principal members, shareholders or investors, or any of its parent, subsidiary or affiliated entities or other interested parties been adjudged bankrupt, either voluntary or involuntarily, within the past ten years? If so, explain; and
- Is there pending litigation against the developer entity or its officers, principal members, shareholders or investors, or any parent, subsidiary or affiliated entities or other interested parties other than minor personal injury suits involving claims under $250,000? If so, explain.
- Financial statements for the previous three years for the proposed entity with whom the County will contract.

SECTION 7 - DISCLOSURE OF BENEFICIAL OWNERSHIP

The developer must indicate the names of all beneficial owners of 5% or more of the proposed lessee entity; corporate names will not suffice.

SECTION 8 - OTHER REQUIRED FORMS

Proposer must complete a Financial Information Release Authorization form, a Firm/Organization Information form and a CBE Sanctions form as provided in the Appendix.

SECTION 9 - ADDITIONAL REQUIREMENTS FOR PROPOSALS WHICH INCLUDE LEASE EXTENSIONS

Respondents wishing to submit proposals that include existing Marina del Rey leaseholds must provide an additional, separate section that includes information as described in Appendix C, "Coordination with Lease Extension Proposals."

APPENDIX H

Selected County Contract Terms and Conditions

ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS

Proposers will assure they will comply with subchapter VI of the Civil Rights Act of 1964, 42 USC Section 2000a through 2000e (17), to the end that no person shall, on the grounds of race, religion, color, sex, age, physical disability, marital status, political affiliation or national origin be excluded from participation in, be denied the benefits of, nor be otherwise subjected to discrimination under any contract granted by the County nor any project, program or activity supported by any such contract.

COMPLIANCE WITH COUNTY LOBBYING REQUIREMENTS

Each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010 retained by any Proposer hereunder, shall full comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160.

GRATUITIES

It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision or the consideration may secure more favorable treatment for the Proposer in the award of a contract or that the Proposer's failure to provide such consideration may negatively affect the County's consideration of the Proposer's submission. A Proposer shall not give, either directly or indirectly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of a contract.

A Proposer shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in the Proposer's submission being eliminated from consideration.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Contractor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Contractor.

CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Contractor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Contractor.

CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS

Should Contractor require additional or replacement personnel after the effective date of the Contract to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff after the effective date of this Contract.

LOBBYISTS

Each County Lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, shall fully comply with County Lobbyist Ordinance, Los Angeles County Code 2.160. Failure on the part of any County Lobbyist or County lobbying firm to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

June 3, 2004

TO: Small Craft Harbor Commission

FROM: Kerry Gottlieb-Silverstrom for Stan Wisniewski, Director

SUBJECT: ITEM 5b – Assignment of Leasehold Interest And Amendment to Lease – Parcel 10R (Neptune Marina) – Marina del Rey

Item 5b on your agenda pertains to the proposed assignment of leasehold interest in Parcel 10R from Neptune Marina to Legacy Partners Neptune Marina L.P., and the proposed ninth amendment to the lease. The attached Board letter contains background information on our recommendations to consent to the proposed assignment and the lease amendment.

Your Commission's endorsement of our recommendations to the Board of Supervisors, as contained in the attached letter, is hereby requested.

SW:pw

Attachment

13837 Fiji Way • Marina del Rey • CA 90292 • 310.305.9503 • fax 310.821.6345 • internet: http://beaches.co.la.ca.us

June 15, 2004

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:

CONSENT TO ASSIGNMENT OF LEASEHOLD INTEREST AND AMENDMENT TO LEASE - PARCEL 10R (NEPTUNE MARINA) - MARINA DEL REY
(4th DISTRICT)
(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that approval of the proposed assignment of the leasehold interest and amendment of the lease for Parcel 10R, Lease No. 5574, is categorically exempt under the California Environmental Quality Act pursuant to Classes 1(r) and 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.

2. Approve and authorize the Chairman of the Board to sign the attached Consent to Assignment of Lease (Consent) (Exhibit A) for Parcel 10R from Neptune Marina, a California limited partnership (Neptune), to Legacy Partners Neptune Marina L.P., a Delaware limited partnership (Legacy).

3. Approve and authorize the Chairman of the Board to sign the attached Amendment No. 9 to Lease No. 5574 (Amendment) (Exhibit B) which: (1) expands the definition of an assignment under Section 22 of the original lease; (2) allows for a retroactive adjustment of percentage rents for boat slips; and (3) provides for an increase in liability insurance coverage.

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. Neptune is now requesting the County's consent to the assignment of its leasehold interest in Parcel 10R, commonly known as the Neptune Marina Apartments, to Legacy. Department policy provides that the County's approval or denial of any assignment will be based on the following criteria: (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) management of the leasehold by the new lessee being in the best interests of the Marina as a whole.

Our review has found: (a) Legacy, 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; (b) the $20,000,000 sale price appears to be fair for the leasehold interest and improvements thereon; and (c) Legacy has the required experience to operate the leasehold consistent with the Marina's interest. The general partner of Legacy is the founder of several successful commercial and residential real estate development and management companies, including Legacy Partners Commercial, Inc. and Legacy Residential Partners, Inc., with the latter having experience developing more than 51,000 multifamily units during its 30-year history, and currently owns and manages more than 30,000 multifamily units throughout the Western United States.

With regard to the Amendment, Section 22 of the lease currently defines an assignment as the change in one or more general partners in a limited partnership and/or the sale or transfer of 50% or more of the stock in a corporation that owns the leasehold. Since the proposed new lessee is a limited partnership with a limited liability company as one of its limited partners, it is appropriate to expand the definition of an assignment in the lease beyond limited partnerships and corporations in order to cover similar changes that may be undertaken by a limited liability company. Therefore, the proposed amendment, requested by the County as a condition of the assignment, specifies that the change in one or more of the managing members, or the sale, assignment, or transfer of fifty percent or more of the ownership interests of a limited liability company, shall also be considered an event of assignment subject to the County's approval. Moreover, the Amendment also expands the definition of assignment to include a series of additional transfers.

As an additional condition of the assignment, lessee has agreed to an adjustment in the percentage rent for slips to 25%, retroactive to May 4, 1993, plus interest. County has already received $162,185 as additional rent, and upon completion of the assignment, will receive an additional payment representing interest on the retroactive rent.

Finally, lessee has further agreed to maintain a higher level of commercial general liability insurance coverage on the leasehold. The new coverage will increase the single limit per occurrence from the existing $1,000,000 requirement to $10,000,000, and the aggregate requirement from $2,000,000 to $20,000,000, as recommended by the Chief Administrative Office's Risk Manager.

Implementation of Strategic Plan Goals

These recommendations are consistent with the County's Strategic Plan Goals of Fiscal Responsibility and Service Excellence. The County will realize additional revenues from lessee's agreement to pay a higher boat slip and liveaboard percentage rent retroactive to 1993, while allowing the transfer of the leasehold interest to accommodate a bona fide financial transaction and retaining appropriate control of the leasehold to protect the County's interests.

FISCAL IMPACT/FINANCING

The County has received $162,186 as retroactive rents and will receive an additional amount as interest payment on the retroactive rent after consummation of the assignment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 4, 1962, the County entered into a 60-year lease for the premises currently known as Parcel 10R, Neptune Marina Apartments, with the lessee, consisting of Stanton Jay Platt, Samuel Leeds, and George R. Platt. On February 22, 1972, your Board approved an assignment of interest in Parcel 10R to Neptune Marina, a California limited partnership.

The parcel is currently improved with 136 apartment units and 184 boat slips on 7.3 acres of land and 4.7 acres of water leasehold area.

The proposed assignee is a Delaware limited partnership, having Legacy Partners 2598 L.P., a California limited partnership, as its general partner, and AIGGRE Residential Fund Chelsea I LLC, a Delaware limited liability company, and AIRE Investments Inc., a

Delaware corporation, as its limited partners. The attached Exhibit C illustrates the proposed ownership structure.

The Consent and the Amendment have been approved as to form by County Counsel. At its meeting held on June 9, 2004, the Small Craft Harbor Commission voted to _____ the Director's recommendation that your Board consent to the assignment of the leasehold interest and amendment of the lease.

ENVIRONMENTAL DOCUMENTATION

Approval of the assignment of the leasehold interest and amendment of the lease is categorically exempt under the California Environmental Quality Act pursuant to Classes 1(r) and 4(j) 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 Chairman of the Board sign all copies and have the Executive Officer acknowledge the Chairman's signature. Please send two executed copies of each of the documents to the Department of Beaches and Harbors.

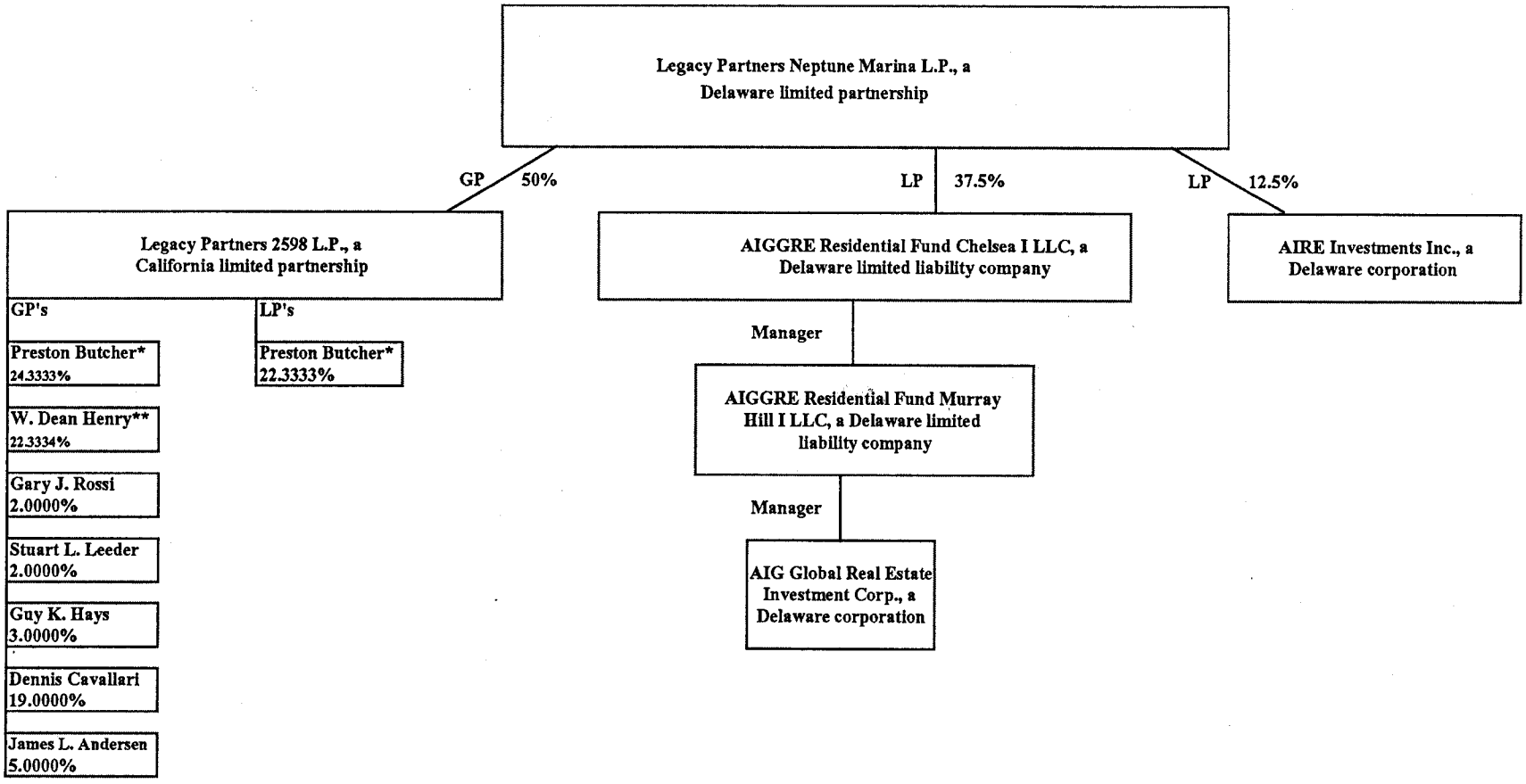
Respectfully submitted,

Stan Wisniewski, Director

SW:RM:pw
Attachments (3)

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

EXHIBIT C



*as trustee of the Preston Butcher Legacy Partners Business Assets Revocable Trust u/d/t dated May 12, 2003
**as trustee of the W. Dean Henry Legacy Partners Business Assets Revocable Trust u/d/t dated February 20, 2004

F:\$le\30720002\Organizational Chart.xls

EXHIBIT A

CONSENT TO ASSIGNMENT OF LEASE

The COUNTY OF LOS ANGELES (County), lessor under that certain lease No. 5574, dated May 4, 1962, as amended applicable to those certain premises commonly known as Parcel 10R, Marina del Rey Small Craft Harbor, described in the attachment hereto and incorporated herein by this reference, does hereby consent to the assignment of said Lease by the present lessee, NEPTUNE MARINA, a California limited partnership (Assignor), to LEGACY PARTNERS NEPTUNE MARINA L.P., a Delaware limited partnership (Assignee), in accordance with that certain Assignment of Lease and that certain Acceptance of Assignment of Lease prepared in connection with the proposed assignment contemplated thereby. It is further understood and agreed that the County's consent to the proposed assignment described herein 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 above referred to is complete and irrevocable in all respects within 120 days of the date of execution by the County of this Consent to Assignment of Lease and executed copies of the Assignment of Lease and Acceptance of Assignment of Lease have been provided to County's Director of Beaches and Harbors.

B. This Consent to Assignment is contingent upon Assignee'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.

C. This assignment, having once become complete and irrevocable in all respects, shall thereafter be fully binding upon the Assignee whether or not the Assignor and Assignee 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.

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

E. Subject to the County's audit rights for periods after December 31, 1999, Assignor has paid to County the additional principal amounts of percentage rent payable for the period from May 4, 1993 (the "Retroactivity Date") through the end of April, 2004 as a result of the retroactive application of an increase to 25 percent of total percentage rents payable by Assignor for boat slip and

liveaboard gross receipts under subsection 13(a) of the Lease (the "Reconciliation Amounts"). In addition to the Reconciliation Amounts, Assignor is required to pay to County interest on the Reconciliation Amounts as required under the terms of the Lease. As of the date of this Consent to Assignment, there is a dispute between the parties as to the amount of the interest required to be paid to County on the Reconciliation Amounts. County has asserted that the total amount of interest payable on the Reconciliation Amounts is $89,496.00. This Consent to Assignment is contingent upon Assignor and/or Assignee placing $89,496.00 in escrow, disbursable to the County, as the total amount owed to the County for interest payable on the Reconciliation Amounts, subject to further agreement of the parties. Assignor and Assignee shall be jointly and severally liable to County for the payment of the interest payable on the Reconciliation Amounts, and County reserves all of its rights in connection therewith. County has previously completed an audit of gross receipts under the Lease for periods through December 31, 1999. County is currently in the process of performing an audit of gross receipts for the period from December 31, 1999 through December 31, 2003 and reserves the right to also audit gross receipts for periods on and after January 1, 2004. County reserves its rights to collect additional Reconciliation Amounts (and interest thereon) for periods after December 31, 1999 if any such audit reveals an understatement of gross receipts under subsection 13(a) as amended by Amendment No. 9 referenced below.

F. This Consent is contingent upon the execution and delivery by Assignee of that certain Amendment No. 9 to Lease No. 5574 to be entered into between Assignee and County with respect to the Lease.

Dated this _____ day of _____, 2004.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

EXHIBIT B

AMENDMENT NO. 9 TO LEASE NO. 5574
PARCEL NO. 10R – MARINA DEL REY

THIS AMENDMENT TO LEASE ("Amendment") made and entered into this ____ day of _____, 2004 (the "Effective Date").

BY AND BETWEEN — COUNTY OF LOS ANGELES, hereinafter referred to as "County"

AND — LEGACY PARTNERS NEPTUNE MARINA L.P., a Delaware limited partnership, hereinafter referred to as "Lessee"

WITNESSETH

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 5574 under the terms of which County leased to Lessee's predecessor in interest that certain real property located in the Marina del Rey Small Craft Harbor, County of Los Angeles, State of California, now commonly known as Parcel 10R, which leasehold premises (the "Premises") are more particularly and legally described in Exhibit "A" attached to and incorporated in said lease, as amended (the lease and all amendments are collectively hereafter referred to as the "Lease"); and

WHEREAS, Section 15 of said Lease provides that as of May 4, 1993, and as of May 4 of every tenth (10^{th}) year thereafter (each a "Rental Adjustment Date"), the square foot rental, percentage rentals and liability insurance requirements (collectively, the "Adjusted Rentals") shall be readjusted by Lessee and County in accordance with the standards established in said Section 15; and

WHEREAS, an arbitration was conducted to determine rental rates with respect to the Adjusted Rentals which are to apply for the ten (10) year period commencing on May 4, 1993 (the "1993 Rental Adjustment Date"), however, the parties have agreed, notwithstanding the arbitration, on rates for boat slips and liveaboard; and

WHEREAS, the parties have also reached agreement with respect to the Adjusted Rentals which are to apply for the ten (10) year period commencing May 4, 2003 (the "2003 Rental Adjustment Date"), whereby the Adjusted Rentals set forth in this Amendment No. 9 shall also apply for the ten (10) year period commencing on the 2003 Rental Adjustment Date, and that the readjustment of rents set forth herein constitutes the readjustment of rents required under the Lease; and

WHEREAS, Section 22 of the Lease provides that subject to enumerated exceptions, Lessee may not assign all or any part of its interest in the Lease without the prior written consent of the County; and

WHEREAS, in consideration of the County's approval of the transfer of the Lease to Lessee, the parties desire to amend Section 22 of the Lease to define what changes shall be considered an event of assignment under said Section, including changes in management and ownership of a limited liability company; and

WHEREAS, Section 26 of the Lease provides for the periodic adjustment of the amounts of liability insurance that Lessee is required to maintain under the Lease and the parties hereto have reached agreement as to the amount of liability insurance to be maintained by Lessee as of the Effective Date hereof;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and conditions contained herein, the parties, and each of them, agree as follows:

1. Square Foot Rental. The parties agree that there shall be no adjustment to the square foot rental as provided under Section 12 of the Lease, which shall be applicable as well for the ten (10) year period commencing on the 2003 Rental Adjustment Date.

2. Percentage Rental. Commencing as of the 1993 Rental Adjustment Date and continuing through the ten (10) year period commencing on the 2003 Rental Adjustment Date, subsection (a) of Section 13 (PERCENTAGE RENTALS) of the Lease is deemed deleted and the following subsection is substituted therefor:

> "(a) Twenty-Five Percent (25%) of gross receipts from the rental or other fees charged for the use of boat slips (including live-aboard charges), anchorages, moorings, dockside gear lockers, dockside storage space, and such other facilities and services ancillary thereto as are provided in common to all tenants."

Effective as of the 1993 Rental Adjustment Date and continuing through the ten (10) year period commencing on the 2003 Rental Adjustment Date, Subsection 13(c)(8) of the Lease shall be deleted. All other categories of percentage rental or fees shall remain at their present levels.

3. Assignment and Sublease. Commencing as of the Effective Date, Section 22 (SUBLEASES, ASSIGNMENTS, AND SUCCESSORS) is amended by adding the following at the end of such Section 22:

> "For purposes of this Section 22, the following shall constitute an assignment of this Lease by Lessee and shall require the prior written consent of County (collectively, "Changes of Ownership"):

(1) any transfer by Lessee of a five percent (5%) or greater direct ownership interest in the Lease, (2) the execution by Lessee of a sublease pertaining to all or substantially all of the Premises ("Major Sublease"), or the transfer by the sublessee under a Major Sublease of a five percent (5%) or greater direct ownership interest in such Major Sublease, (3) any transaction or series of related transactions not described in (1) or (2) above that constitute an Aggregate Transfer (as defined below) of fifty percent (50%) or more of the beneficial residual interests in Lessee or a Major Sublessee, or (4) a Change of Control (as defined below) of Lessee or a Major Sublessee. Notwithstanding the foregoing, with respect to any Aggregate Transfer of beneficial residual interests in Lessee by AIG Global Real Estate Investment Corp., or any person or entity that directly or indirectly controls, is controlled by, or is under common control with AIG Global Real Estate Investment Corp. (collectively, an "AIG Entity"), the phrase "fifty percent (50%) or more" in clause (3) above shall be changed to "more than fifty percent (50%)."

"For purposes hereof, "Aggregate Transfer" shall refer to the total percentage of the shares of stock, partnership interests, membership interests or any other equity interests (which constitute beneficial residual interests in Lessee or a Major Sublessee, as appropriate) transferred or assigned in one transaction or a series of related transactions occurring since the most recent assignment or Change of Ownership requiring County's consent (but without double counting successive transfers of the same interest in the case of a transaction or series of related transactions involving successive transfers of the same interest). Isolated and unrelated transfers shall not be treated as a series of related transactions for purposes of the definition of Aggregate Transfer.

"For purposes hereof, "Change of Control" shall refer to a transaction whereby the transferee acquires a beneficial residual interest in Lessee or a Major Sublessee which brings its cumulative beneficial residual interest in Lessee or a Major Sublessee, as appropriate, to over fifty percent (50%).

"Notwithstanding anything to the contrary contained herein, Changes of Ownership resulting from the following transfers shall not require the County's consent ("Excluded Transfers"):

> "(a) a transfer by any direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the Effective Date, to any other direct or indirect partner, shareholder or member of Lessee (or of a limited partnership, corporation or limited liability company that is a direct or indirect owner in Lessee's ownership structure) as of the

Effective Date, including in each case to or from a trust for the benefit of the immediate family (as defined in subsection (c) below) of any direct or indirect partner or member of Lessee who is an individual;

"(b) a transfer to a spouse in connection with a property settlement agreement or decree of dissolution of marriage or legal separation, as long as such transfer does not result in a change in the management of Lessee;

"(c) a transfer of ownership interests in Lessee or in constituent entities of Lessee (i) to a member of the immediate family of the transferor (which for purposes of this Lease shall be limited to the transferor's spouse, children, parents, siblings and grandchildren), (ii) to a trust for the benefit of a member of the immediate family of the transferor, (iii) from such a trust or any trust that is an owner in a constituent entity of Lessee as of the Effective Date, to the settlor or beneficiaries of such trust or to one or more other trusts created by or for the benefit of any of the foregoing persons, whether any such transfer described in this subsection (c) is the result of gift, devise, intestate succession or operation of law, or (iv) in connection with a pledge by any partners of a constituent entity of Lessee to an affiliate of such partner;

"(d) a transfer of a beneficial residual interest resulting from public trading in the stock or securities of an entity, where such entity is a corporation or other entity whose stock or securities are traded publicly on a national stock exchange or is traded in the over-the-counter market and whose price is regularly quoted in recognized national quotation services;

"(e) a mere change in the form, method or status of ownership (including, without limitation, the creation of single purpose entities) so long as the ultimate beneficial ownership remains the same as of the Effective Date, or as otherwise excluded in accordance with sections (a) through (d) above;

"(f) any transfer consummated pursuant to Section 12.02(a) of the Limited Partnership Agreement of Lessee in the form of such partnership agreement existing as of the Effective Date and delivered to County on or prior to the Effective Date;

"(g) any transfer resulting from a condemnation by County; or

"(h) any assignment of the Lease by Lessee to a parent, subsidiary or affiliate of Lessee in which there is no change to the direct and indirect beneficial ownership of the leasehold interest.

"In addition, except for Excluded Transfers, the following shall also require the prior written consent of County: (A) the addition, removal or replacement of one or more general partners or managing members in a Lessee which is a limited partnership or limited liability company, except (y) by death, insolvency, incapacity, resignation (except for a sole general partner, if any), or removal of a general partner or managing member and his replacement by a vote of the limited partners, the remaining general partners or remaining members, or (z) if any general partner or managing member owning more than fifty percent (50%) of the interests of the partnership or limited liability entity acquires the interest of another general partner or managing member owning fifteen percent (15%) or less of the interests in the partnership or limited liability entity; or (B) the sale, assignment, or transfer of fifty percent (50%) or more of the stock, partnership interests or limited liability company interests in an entity which owns, or is a general partner or managing member of an entity which owns, an interest in this Lease; provided, however, that with respect to any sale, assignment or transfer of an AIG Entity or ownership interests therein, the phrase "fifty percent (50%) or more" in clause (B) above shall be changed to "more than fifty percent (50%)." Lessee shall provide County with any information reasonably requested by County in order to determine whether to grant approval of the matters requiring County's consent under this paragraph. The limitations and approval requirements set forth in this paragraph as to Lessee's interest under the Lease shall also apply with respect to any sublessee's interest under a Major Sublease.

"For purposes hereof, "beneficial residual interest" shall refer to the ultimate direct or indirect ownership interests in Lessee (or a Major Sublessee, as applicable), regardless of the form of ownership and regardless of whether such interests are owned directly or through one or more layers of constituent partnerships, corporations, limited liability companies or trusts."

4. Insurance. Commencing as of the Effective Date and continuing through the 10-year period commencing on the 2003 Rental Adjustment Date, the second paragraph of Section 26 of the Lease is deleted and the following substituted therefor:

"Lessee shall maintain in full force and effect during the Term of this Lease, commercial general liability insurance coverage, together with premises operations, products, completed operations, advertising, independent contractor and contractual liability coverages, including liquor liability, with a combined single limit of not less than Ten Million

Dollars ($10,000,000) per occurrence, Twenty Million Dollars ($20,000,000) annual aggregate. Lessee agrees that County and its respective Board of Supervisors and members thereof, and County's officers, agents, employees and volunteers, shall be named as additional insureds under such liability insurance policy or policies. The insurance described in this paragraph shall provide coverage on a "primary basis" with respect to the additional insureds, regardless of any other insurance or self-insurance that such additional insureds may elect to purchase or maintain."

5. Concurrent Assignment. This Amendment No. 9 is to be executed concurrently with the assignment of the leasehold estate from Neptune Marina, a California limited partnership, to Legacy Partners Neptune Marina L.P., a Delaware limited partnership. If the assignment does not occur, this Amendment shall be null and void and shall have no effect on the subject leasehold.

6. No Other Modifications. Except as herein specifically amended, all terms, conditions and provisions of the Lease shall be and continue to remain in full force and effect and are unmodified, and each of the parties hereto reaffirms and reacknowledges its respective obligations under the Lease as amended hereby.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the County has, by order of its Board of Supervisors, caused this Amendment to Lease to be subscribed by the Chairman of the Board, and the Lessee has executed same the day and year first hereinabove written.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

LEGACY PARTNERS NEPTUNE MARINA L.P., a Delaware limited partnership

Legacy Partners 2598 L.P., a California limited partnership, its general partner

By: _____
Dennis Cavallari, general partner

Attest:

Violet Varona-Lukens
Executive Officer of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

BY: _____
Deputy