Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

July 7, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director Stan Wisniewski

SUBJECT: **COMMISSION AGENDA – JULY 14, 2004**

Enclosed is the July 14, 2004 meeting agenda, together with the minutes from your meetings of May 12, 2004 and June 9, 2004. Also enclosed are reports related to agenda items 3a, 3b, 4a, 5a, 5b 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
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

AGENDA

SMALL CRAFT HARBOR COMMISSION MEETING
JULY 14, 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 May 12, 2004 and June 9, 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**

   a. Report – Kingswood Village Apartments-- Rent/Renovation Issues (DISCUSS REPORT)

5. **NEW BUSINESS**

   a. Approval of Amendment No. 10 to Lease #11525 -- Parcel 75 (Marina Professional Bldg) Adjusting Rental and Insurance Rates and Providing for Installation of Telecommunication and Fiber Optic Cable Apparatus – Marina del Rey (RECOMMEND TO BOARD)

   b. Adoption of a Resolution and Authorization of Applications to the California Department of Parks and Recreation for funding through the Land & Water Conservation Fund for the Bali Gateway Park and Fiji Gateway Park (RECOMMEND TO BOARD)

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

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

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

   b. Marina del Rey Convention and Visitors Bureau (PRESENTATION BY EXECUTIVE DIRECTOR OF MdR CVB)

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 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.

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

Small Craft Harbor Commission
Meeting of June 9, 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 Julie Carpenter, Planning Division
Other County Departments:	Tom Faughnan, County Counsel Captain Sam Dacus, Sheriff's Department Deputy Paul Carvalho, Sheriff's Department

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 Lesser seconded a motion to excuse Commissioner Crail from today's meeting. The motion passed unanimously.

2. APPROVAL OF MINUTES

Commissioner Lesser moved and Vice-Chairperson Stevens seconded a motion to approve the April 21, 2004 minutes. The motion passed unanimously.

Chairman Searcy said that action on the May 12, 2004 minutes would be deferred to the July 14 Commission meeting since there isn't a quorum of Commissioners present who attended the May meeting.

7. COMMUNICATION FROM THE PUBLIC (Part 1) – Pertaining to the Kingswood Village Apartments

Chairman Searcy announced that he would pull "Communication from the Public," Item 7, from its agenda order and the Commission would hear it in two parts. Part 1 of the item would be heard early to allow the many Kingswood tenants attending today's meeting the opportunity to express their concerns regarding Kingswood Village Apartments. Some of the tenants had requested the opportunity to speak early so that they could go to work as soon as possible. The Commission would hear Part 2 of Item 7 in the regular agenda sequence.

Before requesting the first speaker to come to the podium, Chairman Searcy recognized former Los Angeles City Councilman Nate Holden as an attendee today and welcomed him to the Commission meeting.

Mr. David Hittelman, a tenant at Kingswood Village apartments, came to the podium and informed the Commission that he represents approximately four-dozen Kingswood Village Apartment tenants.

Chairman Searcy asked Mr. Hittelman whether he is the tenants' counsel. Mr. Hittelman responded "no" and explained that by "represent," he doesn't mean that he is the tenants' counsel, but is their spokesman at today's meeting.

Mr. Hittelman gave the following testimony:

> The issue that is at hand in the immediate sense are the current evictions that are going on and the potential for rent increases where nobody has a true understanding

of the rent increases and the impact that they're going to have on them monetarily. The issue right now is that they've started evictions on buildings. People are moving out. They're doing current renovations. There are no permits that we can see posted. There is essentially permitted work that is supposed to be going on as far as the deferred maintenance but I can see no permit posted. There is current demolition going on. There are dumpsters in the alleyway behind the property. There are no permits posted. Along with just the general issue with the evictions for the proposed improvements...on top of that, people are being asked to come back at unknown rents. They're being told you have to move out but your rent is now gonna be...and it seems to be a sliding scale. I'm not sure if Mr. Moliere or anybody in the County has seen what those rent increases are, but back in the...February 10 meeting minutes you were told by George Lloyd that there was a potential for rent increases and at that point I would have thought that that the County would have had discussions in that regard or at least the Commissioners or their appointed deputies would have done something in that respect.

The real issue does become the fact that people are not in any way trusting what Archstone says about the improvements, what the rent increases are going to be because they have been disingenuous in all their representations. As you know, also in the meeting minutes that are here, they have had a very disingenuous presentation where they say one thing to the County and to the Commission to get what they want. We have documents that people will present later or during the course of the meeting to show that they've done otherwise.

The concern is that, ultimately, what does the County or Small Craft Harbor Commission do? We don't see...there's no inspections. We haven't seen any in five years for the deferred maintenance for the building. What happened to those funds that were paid to the County? There are clear code violations right now that exist in the elevator lobbies and the towers. There's a life safety issue that's still not being addressed. The first thing that Archstone did was demo units to get potential rent increases as opposed to going after the life safety issues that should be the predominant concern of the County.

In that respect, we know that already one lawsuit has been filed and we don't know if the County or Commissioners have any response today. I don't represent a law firm in that respect. I just know that through publications and having tracked it down that I've got a copy of it that I'd like to submit to the Commissioners just so that I know it's been submitted for record and that you guys can see what they're talking about because ultimately it does come down to whether or not Archstone has the ability to recoup their investments in the renovation they're proposing right now. The terms of your lease extensions don't specifically...their ability to recoup their investment, not the County's investment in the property.

A separate concern is the County's fiduciary responsibilities to the tenants. It's not the business that manages these properties that should be your concern, it's how the tenants that are on these properties are being managed, being dealt with by these companies. Again, I go back to Archstone being very disingenuous in their representations. People do not like going to the office. People are fearful that if they complain there will be retribution. In that respect, when you look at the lawsuit regarding the actual Archstone purchase of this property, where is the County again in their fiduciary responsibilities to the people who are paying to you for that asset? Because this is a County asset. It does not become Archstone property. They did not buy it. They manage it for you, for us, and that's why we came.

We thought when Archstone came on board, being a reputable firm, that we would see improvements immediately. We actually saw a hardening of the stance in the management office about their openness to discuss things with the tenants. We see them being very flippant in their responses when people are seriously addressing concerns about rent increases.... Unfortunately, Kingswood failed in raising their

rents appropriately. You failed in getting that asset from Kingswood. You should have been saying, 'hey, we know what market rent is. Kingswood, we want to get that from you.' You have the ability to raise the rent anytime you please and you failed to tell them to do that. Archstone comes along, and these people, after the course of a decade, we've lived with the privilege of not having a rent increase, but also in some respects, have been paying for that.

There was no deferred maintenance going on. Somehow, those funds were still being paid to the County and deferred maintenance went away. I've been living there for five years and I've seen very minimal work except for the degradation of the water heating system. They've now put in either an energy management system that has considerably depleted the water supply or they've done something to just make sure that it's more economical. In that respect, that's why I asked you, who at the County is responsible for looking at these properties and inspecting them in the course of the work once the leasehold has taken over?

I know you have other people here who are about to ask for approval for leaseholds, extensions or a takeover lease or improvements on a property. Does the County just say, 'hey, just go about your business. Just make sure you give us a check at the end of the month?' That's sure what it seems like to a lot of us here in the Marina. You're only concerned about the dollar that comes in. You're not concerned about the people who are paying. Ultimately, again, that's your asset.

Mr. Arthur Roberts, Kingswood resident for 20 years, came to the podium and said:

I had the good fortune last night to have a long phone call with Richard Fine, who is the lead attorney for the Marina Tenants Association and Coalition to Save the Marina. He told me that the lawsuit deals with the gift of public funds, that Archstone paid $87 million for the Kingswood Apartments. Our lawsuit says that they can't use $87 million as the basis to raise the rents, not $87 million. They can only raise rents, according to Section 16 of their lease based on their investment in the property and their claimed investment costs of $24 million. $24 million over twenty years is a little over $1 million a year. Divided by 700 apartments is $1428 per apartment a year or roughly $120 per month. I can give you all a copy of this after. That's what a fair rent increase would be.

Because the Marina is County land, the County has an obligation to control rents. If they don't, they've also given the property away, which is a violation of the California constitution and a gift of public funds to Archstone. There is nothing in the present lease, the one that Archstone took over from Kingswood, that allows for a lease extension. Beaches and Harbors approved the new lease. Under Section 16 of the present lease between Archstone and the County, the County is supposed to be supervising the rents. There is a cap. They are only supposed to get a reasonable return on their investments. The County has a responsibility to limit the rent increases and the County is not doing this.

Mr. Roberts pointed to one of his Kingswood neighbors sitting in the audience and said that this neighbor received a notice that his rent would increase from $1800 to $3070, which is a 71% increase.

Additionally, Mr. Roberts commented that he asked at the February 2004 Commission meeting whether the Kingswood tenants would be protected from such drastic increases and Chairman Searcy assured him that the increases would be reasonable. Mr. Roberts said that the increase from $1800 to $3700 is not reasonable, but atrocious.

Chairman Searcy requested Mr. Roberts to give staff a copy of the notice. Mr. Roberts responded that he would provide staff with a copy.

Mr. Roberts continued:

> The County has given Archstone a new 20-year lease and Beaches and Harbors has approved and recommended a new lease for no money compared to a lease that's worth $87 million over the last 18 years of the present lease that Kingswood had with the County.... Archstone paid $2.1 million; this is from a phone call with Richard Fine, our wonderful lawyer, this morning, for an option for a 20-year lease, which they will pay no money.
>
> Second and finally, Beaches and Harbors Commission is approving these horrendous rent raises at Kingswood for Archstone when there is no basis under the present lease for such a rent raise. So, in my phone call from Richard...he said to me, 'either someone is very dumb, or someone is getting paid off, or maybe there's a third reason and we have the right to know the answer why did this happen.' I mean, I question, do any of you live at Kingswood? Do any of you live in the Marina and how would you feel if your rent or mortgage was being raised 70%?

Ms. Julie Schaller, a Kingswood tenant, said to the Commission:

> I'm here basically to just ask for some help from the Commission. I moved to the Marina last August because the same situation happened to me in Hermosa Beach. My rent was raised 48%. I was not told of any renovation when I moved in. I came to the first meeting here and Archstone outlined how they were going to do the renovation and I listened. They said they were going to do the safety first, the elevators, the fire alarms and all of those things. Then they were going to go to the garden and the following year they would do the tower apartments. Well, that hasn't happened like that. I haven't seen any work in the elevators. We have a security guard that we weren't aware of that's walking around at night. He told me that he's required by the fire marshal to be there because the fire alarms are not working in one of the buildings.
>
> My rent personally is being raised 55%. It's a one-bedroom, going from $1400 to $2170. I'm a teacher. I work in the community. I took the day off today because I think this is important. I first made a call to the office and they told me after we came to the first meeting, 'oh you're a honey, don't worry, don't worry. I heard about you. You already had this happen to you once. Your rent is high enough. Don't worry, it will be a minimum increase.' When I went down to see her [office worker] two weeks ago, she pulled out a paper and said, 'oh well, it will be going up to $2170.' I said, 'excuse me.' She proceeded to tell me that there's a brothel going on, happening in our tower building. I said, 'I'm not a young person, but I appear to be one of the younger members in the building and I haven't seen anything like that.' She said, 'we have ten people living in one and two bedroom apartments.' She said, 'excuse me for saying this but we need to get out the people that don't belong.'
>
> Obviously, I took offense because I guess I'm one of the people that don't belong. I'm a teacher. I'm giving my 290th blood donation today. I work with an animal rescue group. [I said] 'Are you saying it's because of who I am or because I don't have the money? In that case, well then, the people in the brothel can probably stay.' I said, 'I do not ever begrudge a landlord for raising rents equitably.' I said, 'would it be possible to make some allowances for the people who are living there, raise them on a rate scale every year until they come up to current rate and then the vacant apartment, you can charge whatever you're charging?' She [office worker] said, 'that would be discrimination.'

Ms. Susan Thomas, Kingswood tenant, addressed the Commission, stating:

> We lived at Kingswood for about four years. I came to the meeting when I was pregnant and before all of this happened. I didn't know when we were going to have to move. We moved out February 2003 and I had her [Ms. Thomas' infant daughter] in March. We moved back in February. We have a one-year lease. I came to the meeting. They told us they weren't going to start the tower for a year. We got a letter that it was going to be July. I still have some stuff in boxes. Now it's August. We got our letter Saturday morning. Our rent is $2300. They want to raise it to $3700 and they said that because we are on a lease we can go to another apartment until our lease is up. If we want to stay and go back to our apartment it's $3700. We were planning to move to the penthouse and they want to charge $3900. I don't know what the law is. I haven't spoken to an attorney but I've asked them, if we want to leave Archstone, how they will compensate us, and they said nothing. I said, 'excuse me,' and they said that they would give us one-month's rent to move. I need to know what our rights are. We've already told them that we plan to move to another apartment. Hopefully, by the time they get to the other side of the building, they will have this under control. We can't go from $2300 to $3700. That is totally outrageous.

Mr. Hittelman returned to the podium and said:

> I had not known about the rent increases when I approached you and now hearing what they are, I was of the understanding, and also in correspondence with Roger Moliere, that the County approves these [rent increases] before they go out to the tenants, but I guess it comes out that we have to dispute the increase. The County then does a market survey and comes back and approves or disallows the rent increase or tells them what the market rate is. Again, this goes back to my item, that you were told back on February 10, which is part of the meeting minutes that say they were going to be raising the rents. The County at that point should have known what market rate is. The County should know everyday what the market rate is.

Chairman Searcy expressed the Commission's appreciation to the tenants for sharing their concerns and providing information on the rent increases. He requested the Department's staff or Tom Faughnan, County Counsel's office, to comment on the issues the tenants raised. Mr. Wisniewski asked Mr. Faughnan to comment since there is a lawsuit involved. Mr. Faughnan informed the Commission that the County was served with a lawsuit concerning Kingswood Village Apartments on May 25, 2004, which he and the County Counsel's office will handle. His review of the lawsuit indicates that it is without merit and, since the lawsuit is pending, he cannot further discuss its allegations at today's meeting.

Chairman Searcy said that the Commission is unaware of the lawsuit's allegations and whether or not it includes the issues raised today. He commented that the rent increases are rather steep and asked whether staff could discuss them as well as the renovation schedule.

Mr. Moliere responded that he could provide information on the rent review process that is available to tenants, however, before doing so, he wished to clarify that he did in fact tell Mr. Hittelman in several long conversations, some of which resulted in correspondence, that the County does not pre-approve rents.

Mr. Moliere informed the Commission that the rent review process, as he has explained to Mr. Hittelman in great detail, enables a tenant who believes a rent increase to be inappropriate to request a review from the Department. Staff will then determine whether the rental rates are within market range. Mr. Moliere said that for Mr. Hittelman to say that Mr. Moliere told him otherwise is inaccurate. Mr. Moliere added that Mr. Hittelman did not provide him with any facts about the actual amount of the rent increases.

Chairman Searcy said the Commission received specific rent increase information this morning that Mr. Moliere apparently did not have when speaking with Mr. Hittelman. Chairman Searcy encouraged the Kingswood tenants in attendance today to contact Mr. Moliere so that Mr. Moliere can obtain more information on specific rent increases. Mr. Moliere announced his telephone number for members of the public who wish to contact him.

Mr. Wisniewski commented that Mr. Moliere adequately described the County's rent review process and Mr. Wisniewski encouraged tenants to avail themselves of the process.

Chairman Searcy assured the tenants that the Commission does not take their concerns lightly. He encouraged the tenants to remain after today's meeting to speak with Mr. Moliere if they need additional information or assistance.

Commissioner Lesser commented that, regardless of the pending lawsuit, allegations were made that should be addressed, such as work being done at Kingswood without permits and code violations not being corrected. In addition to staff responding to these concerns, Commissioner Lesser said that he would like to see specific examples of retribution against tenants who complain.

Commissioner Lesser said that several incorrect statements have been made about the County's responsibility and who the leaseholder is; however, he didn't want to address the inaccuracies at this time. He said that an Archstone representative discussed the Kingswood renovation schedule at the February 2004 Commission meeting. Commissioner Lesser requested staff to check whether Archstone has changed its schedule and whether the company told people one thing but actually did something else.

Further, Commissioner Lesser said that Archstone has a lot of experience and a very high percentage of satisfied tenants, however, something is going wrong with Kingswood and the Commission needs to know what it is. The Department has indicated that there is a rent review process in place to address the tenants' concerns about rental increases. However, Commissioner Lesser said that the Department needs to find out whether the allegations are true that work is being done without permits and people are experiencing retribution for complaining. He commented that it's the first time the Commission received the information that was shared today and important issues were raised that need to be addressed.

Mr. Faughnan informed Commissioner Lesser that the items he would like staff to address are not the subject of the lawsuit; therefore, staff is able to provide a report on these issues. Chairman Searcy requested that the report also include if the Department can look at whether a percentage of rent increase is unreasonable given in addition to just the total amount.

Chairman Searcy commented that he could be wrong but he believes an Archstone representative indicated that the rent increase would be within the 10% range. The representative also made statements about the deferred maintenance schedule for construction, etc. Chairman Searcy asked staff whether the Department approved an agreement or schedule for the new renovations, etc., that Archstone is now violating. He commented that the Commission does not like being lied to and needs to know what is going on since "there's an awful lot of smoke here."

Relative to the issue of rent increases, Vice-Chairperson Stevens referred to the Wolff/Lyon representative's statement at the May 2004 SCHC meeting that there would be a nominal rent increase of 10-15 cents per square feet at some of the Villa Venetia apartments. Vice-Chairperson Stevens asked staff to report at the July meeting on what the 10-15 cents per square feet amounts to in terms of the percentage that the rent would be increased.

3. REGULAR REPORTS

a. Marina Sheriff's Department Report

-- Crime Statistics

Lt. Greg Nelson reported that there were no significant changes in this month's crime statistics. There was, however, a significant decrease in grand theft and grand theft auto in the Marina. This decrease could be attributed to higher officer visibility in the area.

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

Deputy Carvalho reported that no new Notices to Comply were issued last month. The Department is working with the boat owners who received Notices to Comply in previous months. It appears that at least 50% of the owners will make the necessary repairs to bring their vessels in compliance with the ordinance. The remaining owners will receive citations if they don't make the necessary repairs by the deadline.

Deputy Carvalho reported that the Department has disposed of an additional six vessels since his last report to the Commission. There are still several vessels waiting for disposal but progress is being made.

b. Marina del Rey and Beach Special Events

Mr. Wisniewski noted that the report includes information on the MdR Concert Series, which begins the evening of July 8 and is sponsored by Arrowhead. Additionally, the Department is sponsoring a 4th of July fireworks over the main channel.

Mr. Wisniewski encouraged members of the public who want additional information to pick up a copy of the report from the public information table.

Mr. Wisniewski also informed the Commission that the Water Shuttle has had over 1,000 riders to date.

4. OLD BUSINESS

None.

5. NEW BUSINESS

a. Approve the Release of Request for Proposals for Improvements to Parcel 83S – Marina del Rey

Mr. Wisniewski said that staff is requesting the Commission's recommendation of the Parcel 83S Request for Proposals' (RFP) Board letter, which has been filed with the Board of Supervisors. He said that staff would inform the Board offices of the Commission's action today. Mr. Wisniewski asked Mr. Moliere to provide highlights of the RFP.

Mr. Moliere informed the Commission that Parcel 83S is the small parcel located at the corner of Fiji and Admiralty Way adjacent to the shopping center. It's approximately 14,000 square feet. The project scope proposed by the RFP is consistent with the goal of the Asset Management Strategy and Local Coastal Plan to create more visitor serving uses as a focus. The Department seeks the Commission's recommendation to release an RFP to solicit visitor serving uses for the parcel. The solicitation would include those who wish to make a proposal on a stand-alone basis or include proposals from adjacent or nearby leaseholds as long as the use itself is visitor serving. The Department is requesting that the proposals include landscaping surrounding the property since the area is now concrete and in need of improved landscaping.

Chairman Searcy did not receive any requests from the public to speak and entertained a motion on the item.

Commissioner Lesser moved and Vice-Chairperson Stevens seconded a motion to recommend Board approval of the Release of the Request for Proposals for Improvements to Parcel 83S – Marina del Rey. The motion passed unanimously.

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

Mr. Wisniewski said that sometime ago the Department issued an RFP soliciting development proposals for the Westside of Marina del Rey. Legacy Partners was recommended as one of the successful proponents and there have been negotiations with Legacy for some time. He said that Legacy Partners intends to purchase Parcel 10R, Neptune Marina, and subsequently complete its negotiation for a long-time lease extension to redevelop the parcel.

Mr. Wisniewski said that there also will be a redevelopment of Parcel 9U, which is adjacent to Neptune Marina. He explained that Parcel 9U is not a part of the Parcel 10 assignment, however, he wanted the Commission to be aware that Legacy previously proposed building apartments on Parcel FF, which is a County parking lot across from Parcel 10. Legacy also proposed building a public park as well as a hotel timeshare concept on Parcel FF. Mr. Wisniewski explained that these elements are not a part of the Parcel 10 transaction, however, he doesn't want the Commission to be blind-sided later on when it hears that the Legacy project is the subject of a lease extension, which the Department would be recommending, assuming the Department is able to come to terms with Legacy.

Mr. Wisniewski said that staff reviewed the terms of the assignment, believes it to be reasonable and consider it beneficial to bring outside interests into the Marina with the capability that Legacy has. Staff is pleased with the pace of the negotiations even though it is a little slow. He said that, hopefully, the negotiations will conclude within the next 30 days.

Chairman Searcy clarified that Mr. Wisniewski's reference to Parcel 9U and Parcel FF is informational only. These parcels are not tied to the Parcel 10 assignment before the Commission today.

Mr. Moliere explained that the Parcel 10 assignment is a transfer from the current lessee, Neptune Marina, to Legacy Partners Neptune Marina L.P. The parcel is now improved with 184 slips and 136 apartments. He said that the Department's review focused on three main issues: 1) the financial condition of the assignee; 2) the price to be paid as it relates to the improvements and for potential development; and 3) management of the leasehold.

Mr. Moliere said that staff investigated and concluded that the proposed lessee has demonstrated the financial ability to provide for the leasehold. The sale price is fair and reasonable and Legacy has the required experience to operate the leasehold, given the company has managed more than 30,000 multi-family units throughout the Western United States and, in fact, manages the Marina's Bay Club.

Mr. Moliere said that since the lease was developed at a time when there was no such thing as a limited liability company, it has been updated to clearly state that the transfer restrictions on certain kinds of entities, including partnerships, also extends to limited liability companies.

Chairman Searcy asked whether the ownership is entirely new. Mr. Moliere responded that it is an entirely new ownership. The prior owner-principal was Mr. Lou Weider and his company. Mr. Weider has a very minor trailing interest that will extinguish shortly. Mr. Moliere added that the new ownership is identified in the Board letter and is comprised of the principals of Legacy and AIG, which is a large financial company. These principals are also the equity partners.

Commissioner Lesser questioned whether in a few months the Commission would hear the Neptune tenants' concerns regarding escalating rents just as the Commission has heard from Kingswood tenants. Mr. Moliere expressed his hope that this won't be the case. Vice-Chairperson Stevens said that hoping isn't really enough. She expressed her concern about the extraordinarily large rent increases and suggested that the Department tell lessees upfront that staff

will examine proposed increases very closely. Mr. Moliere commented that a representative from Legacy Partners is at today's meeting and Mr. Moliere is sure that the representative got the message.

Commissioner Lesser requested the Legacy representative to comment on the company's plans. Mr. John Santree, Legacy's Development Manager, informed the Commission that the company's intention is to redevelop Parcel 10 as proposed in the RFP and as described by Mr. Wisniewski. Mr. Santree said the company is now in the entitlement process. Legacy will purchase the property and receive entitlements for its redevelopment. It will take approximately 2 to 2 1/2 years to complete the regulatory process. In the meantime, Legacy will maintain, manage and operate the property until it receives the necessary permits and requirements.

Commissioner Lesser commented that the Commission has seen an example of what is probably not a good landlord/tenant relationship, which doesn't seem to be a logical way to operate a business. He asked Mr. Santree whether Legacy has experienced these types of problems with any of its projects. Mr. Santree responded, "not typically."

Commissioner Lesser commented that spending funds on massive renovations typically necessitates increasing rents. Mr. Santree said that Legacy doesn't plan to renovate but to redevelop the property. The company plans to demolish and reconstruct Parcel 10R. As for Parcels FF and 9U, the plan is to develop Parcel FF and construct a park on Parcel 9U. The other development company (Woodfin), in conjunction with Legacy, will build the park and then construct a hotel on Parcel 9U.

Chairman Searcy asked Mr. Santree whether Legacy has a program to assist Parcel 10's existing tenants during the property's redevelopment. Mr. Santree responded that there would be a program to help existing tenants relocate and, if they wish, return when the units become available, which is estimated to be in approximately 20 months. The tenants have the option to return to the complex under the rental rates that would be proposed.

Chairman Searcy asked Mr. Wisniewski whether the County has a tenant relocation program or requirement with which the lessee must comply. Mr. Wisniewski responded that, as he understands it, the County ordinance does not require lessees to give tenants a relocation allowance. Such an allowance is at the discretion of the lessees. The Department encourages the lessees to work with their tenants because good tenants are very valuable and lessees should make an effort to retain them.

Chairman Searcy asked Mr. Santree whether Legacy is willing to share its relocation program with the Commission before the program's implementation. Mr. Santree responded, "yes we would."

Having received no requests from the public to speak on Agenda Item 5b, Chairman Searcy entertained a motion on the item.

Vice-Chairperson Stevens moved and Commissioner Lesser seconded a motion to recommend Board approval of the Consent to Assignment of Leasehold Interest and Amendment to Lease—Parcel 10R (Neptune Marina) – Marina del Rey. The motion passed unanimously.

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**

Mr. Wisniewski informed the Commission that an agreement was reached after many years of negotiations between the County, the Marina City Club's (MCC) lessees and tenant groups. The Board letter before the Commission today represents the combined efforts of David Janssen (County's Chief Administrative Officer), Tom Faughnan (County Counsel's office), Mr. Moliere and the Department's consultants.

Per Mr. Wisniewski's request, Mr. Moliere provided the following history and summary of the terms and conditions of the Parcel 125 agreement:

Some years ago the Board directed us to work with the condo owners to try and address a couple of issues, one of which was the fact that there is in the current lease a built in methodology for increasing rents. Even though they are condos, the condo owners do still pay what is called a shadow rent and that is the amount meant to approximate the rent the County would have gotten had the building remained apartments rather than condos. The methodology in the current lease raises that rent in accordance with a combined index that is very voluble. The condo owners have for some time felt that this is a detriment to the value of their condos because it's very difficult to determine what the shadow rent amount will be. Secondly, they had issues with the original builders. There were some issues that they would like to have seen addressed earlier rather than later by way of infrastructure and capital improvements. In order to address those, there is a mechanism that is being proposed and been created, that is purely voluntary by the way.

This is a one-time opportunity, but it does not require that individual condo owners all join in. They have the ability to either join in this or not, but in either event, there must be at least a certain percentage, that is about 80% of the total joining, in order for the program to go into effect. Those that do not join will not be under this program but will be subject to the same kind of assessment that they would have been under the current lease. In all events, there will be a significant amount of work done to the apartments that would be paid for either by virtue of the mechanism created here or by assessment to the individual owners or a combination of both. As we all know, condo owners, even though in this case there is a super structure of a lessee who, in fact, is only a conduit to the individual condo owners who are, in fact, financially responsible for the upkeep and maintenance of the building.

What we have is a program that essentially does one or two things. Number one, we have, since 1999, accumulated the amount of shadow rent over and above the level of 1999. Those amounts of increase have not been applied to general funds but have been held in a separate fund and now total about $3 million. The program here would then also freeze the shadow rent at its current rate for another three years and those amounts would also be accumulated. All of that money would be made available to the lessee/condo association for specified repairs, actually for the reimbursement thereof.

What would happen in terms of the mechanism is that the condo association would complete the capital improvements and would present the bill showing it has been paid and there are lien waivers. If it is on the approved list of the kinds of things that would add value to the building and are part of the building infrastructure, which, by the way, the County gets the building back in 2067, then those would be reimbursed to the extent that there are people who have joined in the proposed amendment. That money is repaid, with interest, to the County by virtue of a separate mechanism. The County already gets a percentage of the sale price each time a condo is sold, which is 1%. That amount would be raised to 2½%. That extra money is used to repay the amounts that are advanced, which is, in fact, the rent money to start with, with interest, over time. Separately, in order to address the valuation question, instead of a variable rate, the rate of increase of the shadow rent will be fixed starting three years from now at 3.75%, which is an approximation of the average over the years.

There are various mechanisms to make sure that things keep pace. There are, what are called, "lookbacks," to make sure that the repayment actually comes to the County. They are two in number. In 2019, there will be a "lookback" to see whether or not the 1½% has repaid the "loss" to the County for the three-year freeze period that we are proposing, the present value of that. If that has not happened, there could be a raise in that percentage increase from 2019 onward through the end of the lease to make sure that the County is fully repaid that way. There is a second provision that takes place in 2022. If all of the money that has been reimbursed to the condo association for approved repairs has not been repaid through the

> mechanism of the excess sale participation payments, that money will be immediately due and payable via assessment of the owners. So, in two instances, there are fail-safes to make sure the County does not have a loss, that it is repaid in fact with interest for all amounts that it would have gotten under the lease.
>
> Emphasizing two things: It is a voluntary program. It is a one-time opportunity. The condo owners themselves may opt in or choose not to opt in so no one is bound by this unless they choose to go in.

Chairman Searcy commented that he is glad the condo owners have the option to opt in or opt out of the program. Mr. Wisniewski said this point is key as the Commission opens the floor to public comment and will probably hear from some members of the public who are not happy with this deal. Mr. Wisniewski said the Department is recommending the amendment since it allows the condo owners the opportunity to vote whether or not they want to participate in the plan.

Vice-Chairperson Stevens asked Mr. Moliere to explain the difference between the Category A Condominum and Category B Condominium (as referenced in the Board letter). Mr. Moliere responded that the Category A Condominiums will be those owners who opt to join the plan. Category B will be those owners who opt not to join the plan and choose to remain under their current lease. He added that it is probable the Category B owners would be separately assessed for their portion of the capital improvements not reimbursed under the plan.

Additionally, Mr. Moliere said that the County would receive a widening of the promenade in the deal. He explained that, currently, the promenade is not very useful. It starts at 3½' at each end and goes to 7½'. There will be a grant of an easement so that the promenade will be widened to a uniform 12 ½' and make it more usable.

Chairman Searcy asked whether the cost of the promenade widening would be passed onto the condo owners. Mr. Moliere responded that the construction cost would not be passed onto the condo owners; however, the maintenance cost is their responsibility.

Chairman Searcy opened the floor to public comment.

Mr. Raymond Olsen, representative for the master lessee, Marina City Portfolio, L.P., came to the podium and said:

> As you are certainly aware, the work on the 4th amendment began almost four years ago. Consistent with Mr. Wisniewski's comments, the multitude of individuals and parties that were involved in this complex effort, representing the County, the homeowners and the lessee, deserve high praise for their tenacity and vision, I would say, in crafting this creative and revenue neutral solution to the serious problems that we're facing, first the former lessee, and certainly now, the current lessee, Essex, the homeowners and the County. The amendment is, as I think Mr. Moliere pointed out, consistent with the strategic plan for the Marina and certainly furthers the Department of Beaches and Harbors' effort to develop strategic partnerships with the lessees, homeowners and others participating in the Marina. I would encourage you to favorably consider the amendment.

Mr. Richard Oliver, Marina City Club Homeowners Association, informed the Commission:

> I didn't come here to renegotiate this thing. I think it's pretty well done and everything, but I did come to urge you to vote in favor of it. I can't, for the life of me, understand why it took four years to do this when Mr. Moliere just explained it so beautifully in about four minutes and I don't think that he left anything out. This is a triple win situation. It's a win for the County because, number one, at worst, the County is guaranteed to be revenue neutral and, at best, the County would be revenue positive because some 40 years before the end of the lease, this will be paid off and the County will still get the 1 1/2% extra transfer fee on the lease, so all of that money will be positive revenue to the County.

The HOA is very much in favor of this. They're going to benefit from having an intelligent increase to look forward to so they can plan their money matters. Also, the new master lessee, the Essex people, who we've had some very, very favorable experiences with so far, as a replacement to the Snyder Company, and I think that's a plus for the homeowners. They bring a lot of professionalism to the table and we're going to benefit from that. They will also benefit from this because their asset will be worth more as the deferred maintenance becomes attended to.

So far, we've mailed out these packages. There are 126 pages in these packages and it's a very complicated...extremely complicated thing. I was involved in almost all of the detail in this thing in one way or another and yet when I read it, I have to think back and look at my notes. I can imagine some of the people who are looking at it for the first time, what they're going through. We mailed out 600 of these packages, eleven days ago and, so far, we have received back, signed and notarized, over 300, about 305 as of Monday. They're coming at the rate of about 30 a day. Every one of them is in favor. Up until this morning, I had not heard of a single homeowner that was against this, not one...I understand that Councilman Holden was at the last board meeting and spoke against it. I'm kind of bewildered about that because he used to call me at home at all hours of the night encouraging me to continue on and make this happen. Two years ago, I stopped hearing from him and now we'll probably find out why he's against it.

Mr. Oliver expressed his and the other MCC homeowners' appreciation for the Department's efforts, particularly, the efforts of Mr. Wisniewski and Mr. Moliere.

Mr. Nate Holden came to the podium and said to the Commission:

This gentleman [Mr. Oliver] said that I called him day and night to get him to work on some amendments, not true. Just for the record, ...as a member of the California State Senate formerly and City Council, and having owned at least one building there for 16 years and another condo for a little less period of time, they called me and said, 'what can I do to help them?' I arranged a meeting with the Board of Supervisors and sat down and met with him and we were beginning to make some progress when he went off and hired an attorney and spent a million dollars to come up with something that's totally unacceptable.

There's no provision for voting 'no' on this proposal. If you sign it, it's a 'yes.' If it's a 'no,' you just abstain and don't send it back at all. What was left out of the initial report is that the lenders also require, 80% of them, where there is an outstanding loan on the property, they too have to concur with the amendment, which was not shared with the public here. It requires 80% of them as well.

Let me say that there is a problem here and the condo owners are reacting to it and rightfully so. From the very beginning, deferred maintenance, escalating costs of the shadow rents, outrageous. For a 2-bedroom, I pay $1300 a month just to be able to pay my lease.... Also the 1-bedroom, which I just sold, I'm gonna liquidate both of them if I have to. If I do, it's because you're forcing me out, not because I don't want to live there. The individuals who believe they're going to benefit from this, it's not true. They say it's revenue-neutral, well, in the year 2016, 2017, 2018, when they have to come up with the total amount of money where the shortfall is, they're going to pay.

Just the other day at the meeting a young lady stands up and says, 'you should have shared the information with me before I bought the place because I can't get DSL here.' It's not wired for that. There are other things that aren't there and not provided for the people who live there.

Now, for deferred rent, the California State law says that when you set up a condo program, the developer for a period of time is required to fix the problems which occur for a period of time. You have to buy insurance for that. The County of Los Angeles...shall implement the laws as established in Sacramento, we all know that. When you have a condominium conversion you have no less rights to penalties as a condo owner and you have the expectation that the repairs that are made or about to be made on the lease, you should be told what they are and what are needed, as Essex was told. I'm sure before they closed this deal they had the County and also the previous owner identify the deferred maintenance problems, what needed to be done, and what problems needed to be corrected...none of that was provided to the homeowners who bought at the time that I bought. This is something that's required. Then I could elect whether or not I was going to buy into a property that was going to require me to pay a certain portion every time they assessed me a fee for fixing the roof, putting in the air conditioner and the list of things that went on and on.

What they're reacting to is the fact that they're burdened with this deferred maintenance program. They're burdened with these additional fees and the shadow rent that goes on ad infinitum. That's what they're concerned with and they don't really know how to react to it. This board is a very sensitive board as it dealt with those tenants. The Board of Supervisors is a very sensitive board. In fact, they address the issue of the welfare of the constituent when you go down there to talk to them. I worked there for 12 years. I know how they react. If you talk to them, let them know what your concerns are, let them know what the law is. Let them know what they should have done. They should have known what the condo conversion law is. They should have not denied that information from the property owners.

Mr. Holden referred to a document [he did not give the name] and commented that he first saw the document last Thursday. Mr. Holden read, "each individual condo owner, whether or not they select a new...rent program will remain responsible for payment of all other fees and assessments pursuant to the terms of the condo sublease."

Mr. Holden then continued speaking:

They're going to have to pay anyway but is it clear and understandable to those who signed 'yes'? So, I view it as a vehicle. You talk about the promenade, well, public safety is going to be a problem. Will granting the easement to the County to widen it also provide for public access? If it does, then some...citizens...are going to be concerned about public safety. The list of concerns goes on.

As for legal challenges, they're suggesting that this may not be totally legal so they want to indemnify the County, Essex and the Homeowners Association for anything they may or may not have done wrong and the side letter, the side letter can correct the problem. It needs to be amended. I think I would support something if it was amended for clarification and understanding. That would really solve the intent...that the condo owners are in fact protected. That could be taken care of in the side letter. Well, I talked to a board member who indicated the side letter had already been signed. How can you do that and not let us know the contents of the side letter?

The real problem here, which they don't know, but I'm sharing with you now, is that the Essex Company is going to assume all of its rights and privileges to disburse the ...for repairs. They have owned lots of properties. Who's going to control the money? Where is the accountability? The homeowners won't know what's happening to them until it's done. They have no accountability. The County of Los Angeles has the responsibility to share that with the homeowner so that when they sign 'yes,' there is no provision for 'no,' but when they sign 'yes,' they should know what they're signing 'yes' to.

Yes, I'm in favor of some change. This could be a vehicle for this. You do not have 80% of the homeowners and lenders saying, 'let's go with this'.... If you're going to

send this down to the County and say, 'we're ready to go,' fine. You have to go and let the County know that they do not have 80% of the homeowners. They do not have 80% of the lenders at the time that you voted to concur with this amendment to the master lease and the condo lease.

Mr. Holden concluded by thanking the Commission for allowing him to express his concerns and for showing sensitivity to Kingswood tenants.

Dr. Sheila Ruby, Marina City Club resident, said to the Commission:

I had no intentions of speaking to you. I just came here to listen. However, I do want to tell you that having seen and having heard Nate Holden Thursday night, since I'm a board member, have been a board member last year and have also been an active board member a year before. All of those years I did not see Mr. Nate Holden at our board meetings. Yes, he does own a condo or two and he's been around.

When I heard Mr. Holden last Thursday night being very, very upsetting to all of us, speaking about negatives in relation to something we have worked on for four years, worked very, very hard, and working right now even harder to get the 80% back. By the way, let me tell you, that every one that comes back, those packages that have lenders, will definitely be approved, because unless they are approved, we're not getting them back. It's definite that we have over 300. I think right now, while I'm speaking, it's about 320.... Because we have people who live outside, who are owners away, it's not an easy task, as all of you can understand.

When we saw Mr. Holden Thursday night and when he spoke, everyone in the audience, every one of the board members was aghast, 'where were you before?' I think Mr. Holden, you heard me say to you, 'where were you 2 years ago?' The others said, '3 years ago.' They corrected me.... now that we've worked so hard and want this to go through. Every one of the board members is very positive about this. We really don't need negativism. We don't need what could have, what should have and what would have been.

Mr. Daniel Gryczman, Manatt, Phelps, Phillips, informed the Commission:

Mr. Holden is correct that the documents are very complicated and there are a lot of questions, probably, that the layman will need answers to. We have provided to all of the homeowners a hotline phone number that they can call. We have received hundreds of phone calls. We have spent many, many hours going through the documents and answering every question so that the County would not have to do it and Essex would not have to do it. The homeowners have decided to serve their members by answering all of their questions. We have not received a call from Mr. Holden to my knowledge. We would be happy to answer any questions that he has and go through it with him if there is any confusion.

Also, with respect to a 'yes' or 'no' vote, Mr. Holden is correct that in order to vote 'yes,' you sign the papers and send them in. 305 people have in effect voted 'yes.' We anticipate that we will reach the 80% and surpass it. Just so you know, on the forbearance agreement, which you approved earlier this year, we had close to 96% of the homeowners participate, which is entirely a precursor to this deal. We can expect that 96% of the homeowners at least at the property will participate. We're very hopeful that they will.

Again, just to reiterate, everyone has worked very hard on this deal. We also went on the property many times, had meetings with over 300, 400 homeowners on the property to go over all of the details. We did presentations, audio-visual presentations of the program. We had our economist with us to answer questions. We've been available all along to answer any questions that any homeowner has. I wanted to make sure that you all were aware of that.

Chairman Searcy thanked Mr. Gryczman for his information, particularly regarding the assistance that is available to Mr. Holden and other MCC residents.

Chairman Searcy said that Mr. Holden raised an interesting question and a valid concern regarding how the disbursement of funds is controlled. Chairman Searcy requested that Mr. Gryczman provide this information to Mr. Holden and other homeowners if it hasn't already been provided. Mr. Gryczman informed Chairman Searcy that there are safeguards in place and all the documents are open to public review and are on file in the Marina City Club's office. Mr. Gryczman said that he would be happy to share the information with Mr. Holden.

Mr. Holden requested to speak again because he took exception to Dr. Ruby's comment that he hasn't been seen at homeowners' meetings.

Mr. Holden came to the podium and said:

> The former president of the association and I, within the past 2 years or so, and before that, met with the Supervisor of the district. I've been trying to assist the homeowners over a period of years.
>
> If there are any safeguards in the proposal before you that deals with Essex appropriating the funds as they see fit, then it should be in the report before you that you're voting on. It should be so specified. I am going to submit, without even looking, that it is not a part of the report and the safeguards are not there. You are voting on a report that does not include the safeguards.

Mr. Moliere informed the Commission that the Board letter submitted to the Commission does include information regarding safeguards and details the fact that there has to be approved repairs (refer to Schedule W in the lease). Mr. Faughnan added that, most importantly, the letter specifies that there would be no reimbursements until the repairs are completed. There are no payments unless the repairs are completed.

Commissioner Lesser moved and Vice-Chairperson Stevens seconded a motion to recommend Board approval of the 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. The motion passed unanimously.

6. STAFF REPORTS

a. Ongoing Activities Report

In the interest of time, Mr. Wisniewski requested that this report be received and filed.

Since the Commissioners indicated that they did not have any questions regarding the report, Chairman Searcy said the report would be received and filed.

7. COMMUNICATION FROM THE PUBLIC (Part 2)

Members of the public spoke earlier during the meeting and the Commission did not receive any other requests from the public to speak under this item. Therefore, Chairman Searcy proceeded to Agenda Item 8 -- Adjournment.

8. ADJOURNMENT

Chairman Searcy adjourned the meeting at 11:11 a.m.

Respectfully submitted,

Toni Minor
Commission Secretary

MARINA DEL REY HARBOR ORDINANCE
SEAWORTHY & LIVEABOARD COMPLIANCE REPORT

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

Total Reported Liveaboards By Lessees - 551
Total Liveaboard Permits Issued - 443
Percentage of Compliance - 80

No new Warnings were issued in the month of June.

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

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

Number Of Unseaworthy Vessels Demolished

To date, one hundred and seventy two (172) vessels have been removed from the marina for disposal. Currently, seven (7) vessels are ready for disposal and nine (9) are awaiting lien sale procedures.

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

MARINA DEL REY STATION

PART I CRIMES- JUNE 2004

Part I Crimes	MARINA AREA (RD'S 2760-2763)	EAST END (RD'S 2764-2768)
Homicide	0	0
Rape	0	0
Robbery: Weapon	1	0
Robbery: Strong-Arm	0	2
Aggravated Assault	0	5
Burglary: Residence	1	13
Burglary: Other Structure	1	7
Grand Theft	9	1
Grand Theft Auto	4	6
Arson	0	0
Boat Theft	0	0
Vehicle Burglary	4	3
Boat Burglary	3	0
Petty Theft	6	4
Total	**29**	**41**

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

Source- LARCIS, **Date Prepared –** June 30, 2004
CRIME INFORMATION REPORT - OPTION B

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
MARINA DEL REY STATION
PART I CRIMES- JUNE 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										**0**
Robbery: Weapon		1								**1**
Robbery: Strong-Arm								2		**2**
Aggravated Assault					1	1		1	2	**5**
Burglary: Residence				1	3		7	3		**14**
Burglary: Other Structure		1				2	2	3		**8**
Grand Theft	4	4		1			1			**10**
Grand Theft Auto	4						1	1	4	**10**
Arson										**0**
Boat Theft										**0**
Vehicle Burglary	3	1							3	**7**
Boat Burglary		2		1						**3**
Petty Theft	3	2		1		1	2		1	**10**
REPORTING DISTRICTS TOTALS	**14**	**11**	**0**	**4**	**4**	**4**	**13**	**10**	**10**	**70**

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

Source- LARCIS, **Date Prepared – JUNE 30, 2004**
CRIME INFORMATION REPORT - OPTION B

Los Angeles County
Caring for Your Coast
Beaches & Harbors

To enrich lives through effective and caring service

County of Los Angeles
California

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

July 7, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director Stan Wisniewski

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

MARINA DEL REY

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

The 2004 season lineup is as follows:

Thursday, July 8: The Marina del Rey Summer Symphony, Frank Fetta, Music Director; 19-year-old violin prodigy, Lindsay Deutsch, soloist, plays Corigliano's *Chaconne* from *The Red Violin*

Saturday, July 17: Jazz sensation René Marie with her Trio

Thursday, July 22: The Marina del Rey Summer Symphony, Frank Fetta, Music Director, presents an orchestral concert featuring the Mussorgsky/Ravel *Pictures at an Exhibition*

Saturday, July 31: An evening with Judy Collins

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

Thursday, Aug. 5: The Marina del Rey Summer Symphony, Frank Fetta, Music Director, in an evening with the Los Angeles Opera, presenting three resident artists from the company in solo and ensemble arias from best loved operas

Saturday, Aug. 7: The Henry Mancini Institute Orchestra: A Tribute to Henry Mancini. Artistic Director, Patrick Williams, with special guest, Monica Mancini

Thursday, Aug. 19: The Marina del Rey Summer Symphony, Frank Fetta, Musical Director. Pianist Xin Xin is soloist in Rachmaninoff's *Concerto No. 3 in D minor*

Saturday, Aug. 28: The Marina del Rey Summer Symphony, Frank Fetta, Music Director, with guest star Diane Schuur: an evening of ballads with Diane and the orchestra and jazz with Diane and the Diane Schuur Trio

Concertgoers are invited to come early and enjoy outdoor dining at the new Café Lorelei Food Court in the Park. Parking at a reasonable rate is available in County Lot 4 near the venue and County Lot 5 on Bali Way. Water shuttle service to and from the concert site from five other locations throughout the Marina is provided for $2.00 per person one way by Coastlink Water Shuttle, operating from 5:00 p.m. to 11:00 p.m. on Classical Thursdays and 11:00 a.m. to midnight on Pop Saturdays.

OLD FASHIONED DAY IN THE PARK

Sunday, July 25
10:00 a.m. - 3:00 p.m.
Burton Chace Park
13650 Mindanao Way

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

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

FISHERMAN'S VILLAGE WEEKEND CONCERTS SERIES
Sponsored by Pacific Ocean Management, LLC
All concerts from 2:00 p.m. - 5:00 pm

Saturday, July 17
The Average Tom White Band, playing Jazz

Sunday, July 18
The Susie Hansen Latin Jazz Band, playing Latin Jazz

Saturday, July 24
Julie Mondin & Mark Romano, playing Smooth Jazz

Sunday, July 25
The Nick Pyzow Band, playing Pop, Folk & Jazz

Saturday, July 31
The Average Tom White Band, playing Jazz

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

BEACH EVENTS

2004 INTERNATIONAL SURF FESTIVAL
Friday, July 30, Saturday, July 31 and Sunday, August 1
Sponsored by Arrowhead Mountain Spring Water, Beach Cities Health District, the Chambers of Commerce and Cities of Hermosa Beach, Manhattan Beach, Redondo Beach
and Los Angeles County Department of Beaches and Harbors
Hermosa Beach (1300 the Strand)
Manhattan Beach (4500 the Strand)

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

For a complete schedule of events and dates, please visit their website at http://www.surffestival.org.

CALL TO THE WALL LONGBOARD SURFING CONTEST

Saturday, July 24 and Sunday, July 25
7:00 a.m. – 5:00 p.m.
Malibu Surfrider Beach
23200 Pacific Coast Highway

The Malibu Boardriders Club, a non-profit organization helping children with cancer, presents the 13th Annual "Call to the Wall" Surf Festival on July 24 and July 25. At this event, over 300 surfers representing the top West Coast surf clubs will compete in a club vs. club competition. Additionally, there will be a paddleboard race and tent displays providing information about surf clubs and local organizations. Event sponsorship revenue will benefit children of Camp Ronald McDonald for Good Times, a cost-free camp for children with cancer and their families.

For more information: Visit www.malibuboardrider.com or call (310) 457-7807.

SANTA MONICA DRIVE-IN AT THE PIER

Tuesday, July 27 – Tuesday, September 28
Santa Monica Pier

The movies are back and, by popular demand, expanded to a ten-week run! The shows will run every Tuesday night from July 27 through September 28. The screenings take place outside on the parking lot on the far south side of the pier, west of the carousel and east of the amusement park. Doors open at 7:00 p.m. Schedules will be available soon. All shows are free but tickets are required.

The Santa Monica Drive-in at the Pier is presented by the Santa Monica Pier Restoration Corporation and DEFMAN benefiting the Cancer Relief Fund.

For more information: Visit website www.smff.com or call (310) 458-8900.

SW:DC:mc

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

July 8, 2004

To: Small Craft Harbor Commission

From: Stan Wisniewski, Director Stan Wisniewski

Subject: **ITEM 4a - REPORT - ARCHSTONE KINGSWOOD APARTMENTS - RENT/RENOVATION ISSUES**

At your Commission's June meeting, and as a result of a number of concerns raised by residents, various members of your Commission requested staff to review issues relating to rental rates and proposed renovations at Parcel 102 (Archstone Kingswood Apartments). The following numbered paragraphs detail the issues/questions that were raised at the meeting – followed by the results of staff investigation - in relation to: A) questions posed by Commissioners; B) issues raised as the result of questions or statements by residents during and after the meeting; and C) information responsive to the questions relating to the range of "market rents" appropriate under the "Controlled Prices" provision of the parcel lease and Department policy.

A. Questions/Requests by Commissioners:

1. Commissioner Lesser requested that staff address the Kingswood tenants' allegations that work was being done at Kingswood without a permit (i.e., demolitions) and that code violations were not being corrected (i.e., involving the elevator and fire systems).

We conducted several site visits and also contacted the County's Department of Public Works' Building and Safety Division (BSD) - the agency charged with issuing required permits and inspecting/approving construction/renovation work - and the lessee to determine what work was in progress as well as the status of and requirements for building permits for any such work.

BSD has advised that no permits are required for most interior non-structural work. This includes the work Archstone is currently conducting with respect to interior renovation of vacant apartments. In regard to exterior work that Archstone is currently performing (e.g., replacement/repair of exterior apartment railings, window mock-ups, etc.), we are advised by BSD personnel that Archstone secured all necessary permits before proceeding. The Department has been furnished by BSD with copies of the permits issued to Archstone.

In relation to alleged code violations regarding elevators and fire systems, please see items B1 and B3, below.

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

2. Chairman Searcy and Commissioner Lesser each asked that staff check the minutes of meetings at which representatives of Archstone (the current lessee) or Kingswood (the prior lessee) testified to determine whether representations relating to the amount of rent, schedule of renovations or other matters made by such representatives were at variance with the current practice of the lessee. In particular, Chairman Searcy requested that we determine whether statements by lessee representatives were made that rent increases would be in the range of a certain stated percentage or that a certain stated schedule of renovation would be put in place.

We have carefully reviewed both the printed minutes and the verbatim tapes of the proceedings of the two meetings at which representatives of Kingswood (January 29, 2004 - Mr. Steve Massman) and Archstone (February 10, 2004 – Mr. George Lloyd) addressed your Commission. In our research of your Commission's proceedings, we have found no other recent meetings at which representatives of the current or former lessee testified.

a) Representations Regarding Rent:

In neither case did representatives of the former or current lessee indicate or represent that a stated percentage or dollar figure for proposed rent increases would be put into place. In pertinent part, the minutes indicate that Mr. Massman, at the January 2004 meeting, stated: "As buildings and individual units are remodeled, the rents would be moved toward market rents for comparable units in the Marina." Mr. Lloyd, at the February 2004 meeting, stated that "renovation will occur over a three-year period" and "rents will be in concert with the renovation, which is extensive, that is planned for this property". Mr. Lloyd additionally stated that, in relation to rent, "what is meant by fair market value is the fair market value for renovated 70's properties that are in the Marina" and further stated "I know that you are familiar with Mirabella, Chateau Marina - that's not what we consider comparable market property and I'll go on record as saying that. Properties that you need to look at - and they are available at Internet sources and other places - would be Marina Harbor, Mariner's Village, Dolphin Marina – those other 70's type buildings that exist around the Marina today." While both Mr. Massman and Mr. Lloyd also proffered further statements and responses to questions from the Commission, no further statements are found in the written or recorded minutes relating to the size of potential rent increases.

b) Representations as to Schedule of Renovations:

As above indicated, the only testimony from Archstone as to its proposed renovation schedule was that from Mr. Lloyd's appearance at your Commission's February 2004 meeting, indicating that renovations were extensive and would take place over a 3-year period. This is in conformity with the requirements and provisions of the Option and Extended and Restated Lease (Restated Lease) for the parcel, which require that all renovations mandated under the terms of the Restated Lease be completed not later than 3 years after its effective date.

Archstone has, however, published a more detailed proposed schedule of renovations and has circulated it to current tenants. A copy is attached as Exhibit 1 and details the proposed time schedule on a building-by-building basis for the garden apartments and on a unit basis for the tower apartments, as well as a schedule for proposed tower exterior work.

B. Questions/Statements Originating From Public Testimony:

In addition to statements alleging lack of appropriate permits, discussed above, the following additional matters were raised during public testimony or in comments to staff after the meeting:

1. **Elevators not working/not code compliant:**

   All elevators are currently in service, as confirmed by a number of site visits by staff over a period of several days. Staff used several different elevators each day and did not encounter any long waits nor discern any safety issues. Permits for all elevators were posted. In addition, building management indicates no reports of elevator malfunction or stoppage, but that one elevator was intermittently designated for freight use during various periods for building work.

2. **Workmen knocking on doors at 6:30 am:**

   Management indicates that no renovation work is being done except on vacant apartments and that such work does not commence prior to 8:00 am. Any tenanted apartments at which maintenance work is requested or required does not begin until maintenance staff is available, also after 8:00 am.

3. **Fire alarms not working/appearance of Fire Department mandated guards:**

   Archstone representatives advised that they conducted safety and other tests on the property when they became the new lessee and determined that fire alarm systems in two garden apartment buildings were not functioning properly. Accordingly, they have begun repair to the systems and, in the interim, have hired 24-hour per-day security guards to patrol and watch the buildings as a safety measure.

4. **Plans to turn off the pool heating now, during the summer months, to effect repairs:**

   Archstone has indicated that while the pool will undergo renovations, such work is now and has always been planned to coincide with winter months when pool use is minimal.

5. **"Evictions" of tenants in order to begin renovations and large rent increases for current tenants in unrenovated apartments:**

We have talked to numerous tenants and have confirmed that all are referring to prospective rent for the same or a similar fully renovated apartment, after completion of all work on the unit. In no case have we found an instance of a current tenant where rent has or will be raised for an unrenovated apartment.

We have been presented with no evidence of tenant evictions during the stated terms of their leases in order to make way for renovation. All notices to vacate have related either to tenants whose lease terms have ended and/or who are tenants on a month-to-month basis and who have been given 60-day notices so that work can begin. Such notices have been given in concert with an optional relocation program as follows:

A. Garden Apartments (low-rise) - When a lease term has expired (again, there have been no verified "evictions" of tenants under lease) and if the unit is slated for renovation, the tenant is offered a comparable unit elsewhere in the complex at a building that has not been renovated if he signs a new lease at his then current rent. The tenant then has the right of first refusal to move back into his former unit once it is renovated at the new market rate rent for the unit, and is also offered a $1,000 credit against such new rent. If the tenant chooses not to do so, he may remain in the unrenovated unit until such time as that unit is slated for renovation and make a decision at that time as to how he will proceed.

B. High-rise Units - The units will take about 45 days each to complete renovation and will be done in phases of 13-26 units each. Tenants whose leases run out and whose units are scheduled for renovation are given several options relating to interim moves and a $1,000 credit if the tenant agrees to move back into his original unit after renovation at the new rental rate.

Among the options given to tenants at both the high and low-rise buildings is the option to move to any other local or nationwide Archstone complex with a $1,000 rent credit upon signing a lease at the new project.

C. "Controlled Prices" Lease Provision/Range of Market Rates:

As has been related to your Commission at a number of prior meetings, while the County is the owner of the underlying fee title to all land and water area in the Marina, the individual projects are governed by ground leases that provide for the construction, maintenance and operation of the individual leaseholds by each lessee. The leases do not provide for County pre-approval of rents charged to any subtenant, whether commercial, marine or residential, but all leases, including the former and new lease for Archstone Kingswood Apartments, do contain a provision ("Controlled Prices") providing that prices charged for all facilities and services be fair and reasonable, based upon the following two considerations: first, that the property is intended to serve a public use and to provide needed facilities to the public at a fair and reasonable cost; and second, that the lessee is entitled to a fair and reasonable return upon its investment under the lease. This is supplemented by the Department's

Policy Statement No. 27, which provides a mechanism for review of prices charged for various facilities and services to determine whether such prices are within the range of market prices for similar facilities and services.

a) Rent Review Process:

The process for reviewing proposed apartment rental rates for Marina apartments, in conformance with the "Controlled Prices" provision of Marina leases and the Department's Policy Statement No. 27, is detailed in the Department's policy statement and involves consideration of rent in relation to the range of prices charged for facilities of similar age, location and amenities. Pursuant to this process, the Department gathers from the apartment tenant individual information relating to the apartment under review - such as building location within the complex, whether the apartment is in a high-rise or low-rise building, views and other relevant factors - and then proceeds to gather information on comparable accommodations within the geographic parameters set forth in the policy to determine what appropriate comparable rates may be and whether a given rental rate is within the range of those charged for similar apartments. The results of such investigation are then shared with the party asking for the review.

We have been requested to perform a number of evaluations of prospective rents for apartments in Kingswood and have either furnished results to individual tenants or are in the process of completing our investigations. While our reviews contemplate analyses of apartment rents on an individual basis upon tenant request, as a result of our investigation and comparative analyses so far, two general propositions have become apparent, as illustrated by the attached comparative tables:

1) As illustrated by Exhibit 2, the prospective rents for garden apartments (low-rise) after renovation are within the range of similar apartments in the geographic area described by Department policy – both inside and outside the Marina. The range for such generally similar garden apartments outside Marina del Rey is $1.73 to $2.63 per sq. ft. for one-bedroom and $1.49 to $3.65 per sq. ft. for two-bedroom units. The range of prices for similar apartments in the Marina – all of which Marina apartments are older and all but two of which have as yet not been renovated - is $1.60 to $2.85 per sq. ft. for one-bedroom and $1.35 to $2.56 per sq. ft. for two-bedroom units.

   Archstone is proposing a range of $1.83 to $1.95 per sq. ft. for one-bedroom and $1.60 to $1.63 per sq. ft. for two-bedroom units. Thus, as illustrated in Exhibit 2, Archstone's proposed range of prices for fully renovated apartments is within the range for similar apartments outside the Marina as well as for similar largely unrenovated garden apartments of similar age within the Marina.

2) There are no directly comparable high-rise units in the Marina. As illustrated by Exhibit 3, the range for generally similar high-rise apartments of comparable age/location and condition outside the Marina but along the waterfront in the geographic area described by Department policy is $2.04 to $4.06 per sq. ft. for one-bedroom and $1.84 to $4.46 per sq. ft. for two-bedroom units. (Exhibit 3 shows both

high-rise units of comparable age/location and condition and newer high-rise complexes, the latter of which are, not unexpectedly, somewhat higher in range than renovated older properties.) Archstone is proposing a range of $2.01 to $3.10 per sq. ft. for one-bedroom and $1.94 to $2.62 per sq. ft. for two-bedroom units. Thus, the results of our investigation and analyses indicate that the proposed rents for the renovated Kingswood high-rise units are within the range of comparables.

b) Percentage of Rent Increase:

As opposed to the limits regarding "market rate" set forth in the "Controlled Prices" provision of Marina leases and the Department's Policy Statement No. 27 relating to administration of that lease provision, there is no County ordinance or Departmental policy relating to limits on the size or percentage of increase of rent for existing tenants. Our conversations with tenants and the current and former lessees, as well as independent reviews, indicate that, while new tenants coming in from year-to-year rented at or near market levels at the time of leasing, rents of existing tenants were not regularly raised, particularly in recent years. As a consequence, rent raises to market levels after units are fully renovated will, in some cases, result in significant percentage increases to longer-term tenants for the same or similar units once renovation of the units are complete, even though the resultant rent remains within the range of market price for similarly renovated units in the Marina and within the geographic area described in Department's Policy Statement No. 27. Some of these increases may, in percentage terms, be as high as 50–70%, while still remaining within the market range for comparable apartments.

Please let me know if you would like additional information at this time.

SW:rm

Attachments (3)

Garden Buildings

Tentative Sequencing and Schedule

Construction is anticipated to begin in Mid-June, 2004 or later. The buildings are listed in the order that they will be renovated. Each rehab will take approximately 60 – 90 days. The renovation will be done by building in order of the list - some overlap is possible.

Building 5

Building 4

Building 3

Building 2

Building 1

Building 6 (units ending in 01 – 17)

Building 6 (units ending in 18 – 25)

Building 7 (units ending in 01 – 08)

Building 7 (units ending in 09 – 24)

We don't expect to complete the work on all of the garden buildings until November of 2005 or later. Past experience has shown that delays due to weather and other occurrences are common during the construction process.

Tower Building - Interiors

Tentative Sequencing and Schedule

Construction is anticipated to begin in Mid-July, 2004 or later and to be completed in 18 – 36 months. Any dates offered will be tentative and are expected to change due to many variables. The buildings are listed in the order that they will be renovated. The renovation of each 26 to 52 unit stack will take 45 days or less. The renovation is to be done in the proposed order listed below - some overlap is possible.

Units ending in 01 & 02

Units ending in 04 & 06

Units ending in 08, 10, 12, & 14

Units ending in 16 & 18

Units ending in 15 & 17

Units ending in 07, 09, 11, & 13

Units ending in 05 & 03

Tower Building - Exterior

Major Construction on the tower building exterior will be done in phases and will begin in the summer of 2004 and be completed about the summer of 2007. The work will likely be disruptive at times, but will yield an updated and beautiful new building exterior. This work will be for longer than the unit interior renovation period and may or may not coincide with that work. Minor construction may begin earlier and continue later than these dates.

Past experience has shown that delays due to weather and other items are common during the construction process.

EXHIBIT 2

GARDEN UNITS RENTAL ANALYSIS

		Year Built / Renovation	One Bed Room			Two Bed Room		
			Rent	Sq.Ft.	Rent/SqFt	Rent	Sq.Ft.	Rent/SqFt
Marina del Rey								
Villa Venetia	Marina del Rey	1964 / none	$1350 - $2275	760 - 1165	1.78 - 1.95	$1650 - $2799	895 - 1365	1.84 - 2.05
Dolphin Marina	Marina del Rey	1967 / 1998	$1600 - $1900	1000	1.60 - 1.90	$2000 - $2500	1375 - 1850	1.35 - 1.45
Bar Harbor	Marina del Rey	1965 / none	$1265 - $1600	680	1.86 - 2.35	$1675 - $2050	995	1.68 - 2.06
Marina Harbor	Marina del Rey	1965 / 2003	$1405 - $1850	720 - 843	2.01 - 2.19	$1925 - $2850	1180 - 1285	1.63 - 2.22
Mariners Village	Marina del Rey	1971 / none	$1450 - $2650	835 - 930	1.74 - 2.85	$1720 - $3200	1090 - 1410	1.58 - 2.27
Marina City Club - Promenade	Marina del Rey	1972 / none	$2000 - $2200	895	2.23 - 2.46	$2850 - $3000	1171	2.43 - 2.56
The Bay Club	Marina del Rey	1972 / none	$1,435	750	1.91	$1,935	1000	1.94
Range:			**$1265 - $2650**	**680 - 1165**	**1.60 - 2.85**	**$1650 - $3200**	**895 - 1850**	**1.35 - 2.56**
Outside Marina del Rey								
315 Montana	Santa Monica	1974 / 2001	$2,000	1000	2	$2500 - $2850	1200	2.08 - 2.38
Long Beach Terrace	Long Beach	1960's / 2004	$965 - $1825	500 - 800	1.93 - 2.28	$1650 - $2500	950 - 1100	1.74 - 2.27
Archstone Long Beach	Long Beach	1991 / none	$1040 - $1220	500 - 614	1.99 - 2.08	$1300 - $1730	810 - 893	1.60 - 1.94
Newport Marina	Newport Beach	1959 / 1990's	$1475 - $2625	650 - 1100	2.27 - 2.39	$2400 - $3850	1220 - 1800	1.97 - 2.14
Park Newport Apts	Newport Beach	1973 / 2002	$1255 - $2075	704 - 1201	1.73 - 1.78	$1525 - $2195	1026 - 1224	1.49 - 1.79
The Village at Redondo	Redondo Beach	1970's / recurring	$1385 - $1785	680	2.04 - 2.63	$2205 - $3599	985	2.24 - 3.65
Range:			**$965 - $2625**	**500 - 1201**	**1.73 - 2.63**	**$1300 - $3850**	**810 - 1800**	**1.49 - 3.65**
Subject Property								
Archstone Marina del Rey	**Marina del Rey**	**1975 / 2007**	**$1425 - $1850**	**732 - 1011**	**1.83 - 1.95**	**$1585 - $2245**	**992 - 1374**	**1.60 - 1.63**

EXHIBIT 3

HIGH-RISE RENTAL ANALYSIS

		Year Built / Renovation	One Bed Room			Two Bed Room		
			Rent	Sq.Ft.	Rent/SqFt	Rent	Sq.Ft.	Rent/SqFt
Renovated								
Pacific Plaza	Santa Monica	1960's / 1998	$1,600	670	2.39	n/a	n/a	n/a
1900 Ocean Apts.	Long Beach	1960's / 2002	$1450 - $2200	710 - 1075	2.04 - 2.05	$1925 - $3350	980 - 1508	1.96 - 2.22
Promontory Point	Newport Beach	1973 / 2004	$1745 - $2140	750 - 1050	2.04 - 2.33	$1955 - $3415	1060 - 1490	1.84 - 2.29
The Shores	Santa Monica	1967 / 2004	$2350 - $3250	800	2.94 - 4.06	$3295 - $5350	1150 - 1200	2.67 - 4.46
Range:			**$1450 - $3250**	**670 - 1075**	**2.04 - 4.06**	**$1925 - 5350**	**980 - 1508**	**1.84 - 4.46**
Newer								
Archstone Santa Monica	Santa Monica	1999 / none	$1555 - $3500	600 - 1100	2.59 - 3.18	n/a	n/a	n/a
The Plaza At The Arboretum	Santa Monica	2001 / none	$1855 - $2466	612 - 763	3.03 - 3.23	$2684 - $3153	1094 - 1164	2.45 - 2.71
Seacastle	Santa Monica	2001 / none	$1700 - $6100	450 - 750	3.78 - 8.13	n/a	n/a	n/a
Camden Harbor View	Long Beach	2003 / none	$1399 - $2069	585 - 973	2.13 - 2.39	$1859 - $2389	860 - 1280	1.87 - 2.16
Range:			**$1399 - $6100**	**450 - 1100**	**2.13 - 8.13**	**$1859 - $3153**	**860 - 1280**	**1.87 - 2.71**
Subject Property								
Archstone Marina del Rey	**Marina del Rey**	**1975 / 2007**	**$1795 - $3020**	**895 - 973**	**2.01 - 3.10**	**$2700 - $3795**	**1393 - 1450**	**1.94 - 2.62**

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

County of Los Angeles
California

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

July 8, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director Stan Wisniewski

SUBJECT: **ITEM 5a – APPROVE AMENDMENT NO. 10 TO LEASE NO. 11525 FOR PARCEL 75W – MARINA DEL REY**

Item 5a on your agenda pertains to Amendment No. 10 to the lease for Parcel 75W (Marina Professional Building) to provide for adjustment of rental and insurance rates and for provisions allowing installation of and establishment of appropriate rental rates for telecommunication and fiber optic equipment. The attached Board letter contains details relating to the proposed Amendment.

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

SW:tm
Attachment

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

August 3, 2004

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

Dear Supervisors:

APPROVAL OF AMENDMENT NO. 10 TO LEASE NO. 11525
PARCEL 75W (MARINA PROFESSIONAL BUILDING) – MARINA DEL REY
(FOURTH DISTRICT)
(4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed Amendment No. 10 to Lease No. 11525 ("Amendment") 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 Amendment (Exhibit A) which: (1) expands the use category under Section 3 of the lease to allow for the installation of wireless telecommunications and fiber optic cable apparatus; (2) provides for adjustment of square foot rental and retroactive adjustment of percentage rents for office space, pharmacy sales, and wireless antennae apparatus; (3) provides for an increase in liability insurance coverage; and (4) provides for release of the County from all liability resulting from a claim filed by the lessee in connection with its effort to obtain County's consent to a sublease for the installation and operation of rooftop wireless antennae.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

All Marina del Rey leases provide for the periodic review of leasehold rents and liability insurance coverage to ensure that the rental rates payable to the County are maintained at current fair market levels and that the amount of general liability insurance is adequate to protect the County's interests. County rents are typically computed as the greater of either a fixed minimum rent or the total of varying percentages of the lessee's gross receipts from the leasehold's use.

The lease terms of Parcel 75W require adjustment of rents, as defined therein, on September 1, 1997, and every tenth anniversary thereafter. The County and lessee were previously unable to complete the 1997 rental adjustments due to a dispute relating to the current fair market levels for percentage rents relating to office rentals and pharmacy sales. In order to resolve the dispute, and pursuant to Section 15 of the Lease, a retired judge was appointed to arbitrate the dispute. Pursuant to the arbitration decision, the following office rental and pharmacy sales rates will apply for the period September 1, 1997 through August 31, 2007. The percentage rate for the telecommunication related uses was negotiated with the lessor and is significantly higher than prevailing rates for similar uses.

CATEGORY	CURRENT RATE	PROPOSED RATE	FROM	TO
Office rentals	11%	11% 12%	9/1/1997 9/1/2002	8/31/2002 8/31/2007
Pharmacy sales	1.5%	2.5%	9/1/1997	8/31/2007
Wireless telecommunications and fiber optic cable (New)	N/A	50%	9/1/1997 (See Note)	8/31/2007

Note: Lessee has a pre-existing sublease for wireless antennae atop the roof of its building and, due to the lack of an appropriate lease category, has been reporting the associated gross receipts under category (f), service enterprises, at 5%. Lessee has agreed to pay the new rate for all new subleases for wireless communications but will continue to pay at the rate of 5% for the existing sublease during its term.

The Amendment also provides that the minimum rent will henceforth be adjusted on September 1st of every third year, as measured from the 1997 Rental Adjustment Date, to an amount equal to 75% of the average annual rent payable by the lessee to the County over the prior three years.

The lessee has also agreed to increase the commercial general liability insurance to a combined single limit of not less than $5 million, up from the existing $3 million combined single limit. Such limits have been approved by the County's Office of Risk Management.

Finally, the lessee filed a claim for damages against the County alleging that it would suffer a loss of $487,114.50 in revenue from the wireless sublease should the County fail to approve lessee's proposed sublease with a telecommunication carrier for rental of the premise's rooftop for installation and operation of wireless communications apparatus. As the result of negotiation, the lessee has agreed to release the County from the claim and pay the County rent equal to 50% of gross revenues it receives from the proposed and all prospective wireless antennae subleases that are entered after the Amendment, but will continue to pay 5% of gross revenues for the remainder of the term of the existing sublease. Upon execution of the Amendment, the County is released from any and all liability under the claim.

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan Goal of "Fiscal Responsibility." The County will realize additional revenues, avoid having to insure legal defense expenditures, and be forever released from any potential liabilities from the lessee's claim.

FISCAL IMPACT/FINANCING

Total rent from the leaseholder in calendar year 2003 was $152,055. The annual rent due the County after the execution of the Amendment is projected to be approximately $194,768, an annual increase of more than $42,700.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parcel 75W, commonly known as Marina Professional Building, is improved with a three-story medical office building consisting of 39,050 gross building area and a free-standing pharmacy building consisting of 1,134 square feet. The leasehold currently occupies 52,026 square feet of land in Marina del Rey. The 60-year ground lease between the County and lessee was executed in 1966.

The lessee has paid all past amounts due as a result of the arbitration decision, as well as any interest thereon, and is current in its rental payments to County. All other categories of percentage rents applicable to the lease remain unchanged and do not generate a meaningful amount of revenue.

This Amendment has been approved as to form by the County Counsel. At its meeting of July 14, 2004, the Small Craft Harbor Commission _____ the Director's recommendation to approve of the proposed Amendment.

ENVIRONMENTAL DOCUMENTATION

The proposed Amendment is categorically exempt under provisions of 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)

Approval of the renegotiated rental adjustments will increase the annual rents due the County and provide additional liability insurance coverage.

CONCLUSION

Please have the Chairman of the Board sign all four attached copies of the Amendment and have the Executive Officer acknowledge the Chairman's signature. Please send two executed copies to the Department of Beaches and Harbors, as well as an executed copy of this Board letter, and one copy to County Counsel.

Respectfully submitted,

Stan Wisniewski, Director

SW:KS:RM:PW:tm

Attachment (1)

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

EXHIBIT A

AMENDMENT NO. 10 TO LEASE NO. 11525

PARCEL NO. 75W—MARINA DEL REY

THIS AMENDMENT TO LEASE is made and entered into this _____day of _____, 20_____ (the "Effective Date"),

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

AND **DEL REY PROFESSIONAL ASSOCIATION, a general partnership, hereinafter referred to as "Lessee."**

WITNESSETH:

WHEREAS, County and Lessee's predecessor in interest entered into Lease No. 11525 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 75, 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 3 of said Lease provides that the leased premises shall be used only and exclusively as offices for the practice of medicine and dentistry, laboratories and other facilities associated with the practice of medicine and dentistry, and as offices for the practice of other professions; and

WHEREAS, the parties have agreed to amend Section 3 to permit the installation of apparatus for wireless telecommunications and/or fiber optic cable on the leasehold premises; and

WHEREAS, the parties have also agreed to amend Section 13 of said Lease to establish the percentage rental rate applicable to gross receipts collected by Lessee from subleases for rental of leasehold premises for installation of apparatus for wireless telecommunications and

fiber optic cable, with exception to an existing sublease to which gross receipts subsection (s) shall apply; and

WHEREAS, Section 15 of said Lease provides that as of September 1, 1987, and as of September 1st of every tenth (10th) year thereafter (the "Rental Adjustment Date"), the square foot rental and percentage rentals, and liability insurance limits (collectively, the "Adjusted Rentals") shall be readjusted by Lessee and County in accordance with the standards established in said Section 15; and

WHEREAS, Section 15 further provides that such readjustments shall be accomplished by agreement of the parties and in the event such agreement cannot be reached, the readjustments shall be submitted to arbitration before a single retired judge of the California Superior Court, Court of Appeal or Supreme Court, or any Federal District Court or Court of Appeals, in the manner set forth at length in said Section 15; and

WHEREAS, the parties have agreed to adjust the square foot rental for the ten-year period commencing on September 1, 1997 (the "1997 Rental Adjustment Date"); and

WHEREAS, the parties were unable to reach agreement regarding the proper adjustments to be made to the percentage rentals for the ten-year period commencing on the 1997 Rental Adjustment Date and submitted the matter to arbitration; and

WHEREAS, a duly appointed single retired judge rendered his opinion regarding the Adjusted Rentals to be implemented as of the 1997 Rental Adjustment Date; and

WHEREAS, Section 26 of the Lease provides that the amounts of casualty insurance required to be maintained by Lessee shall be subject to renegotiation at the same time and in the same manner as the amounts of rent under the Lease; and

WHEREAS, the parties have reached agreement with respect to the amount of casualty insurance required to be maintained by Lessee for the ten-year period commencing on the 1997 Rental Adjustment Date; and

WHEREAS, Lessee filed a claim against the County in connection with Lessee's attempt to obtain consent to sublease for the installation of apparatus for wireless telecommunications and fiber optic cable; and

WHEREAS, Lessee has agreed to withdraw its claim against the County and release County from any damages and liability arising therefrom;

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

1. **Purpose or Use of Property.** Commencing as of the 1997 Rental Adjustment Date, the first paragraph of Section 3 (PURPOSE OR USE OF PROPERTY) of said Lease is amended to read as follows:

"The leased premises shall be used only and exclusively for construction, operation and maintenance of an office building, which may include offices for the practice of medicine and dentistry; laboratories and other facilities commonly associated with the practice of medicine and dentistry; and, at the option of the Lessee, offices for the practice of other professions such as but not limited to law, engineering, and architecture; and, at the option of the Lessee and with prior written approval of County, apparatus for wireless telecommunications and fiber optic cable, and such other related uses and purposes incidental thereto as are specifically approved and for no other purposes whatsoever without the written approval of County; the uses and purposes above listed are set forth to define the maximum contemplated scope of permissible uses and purposes, and their enumeration is not intended to be authorization for any specific use or purpose."

2. **Square Foot Rental.** Commencing as of the 1997 Rental adjustment Date, the first paragraph of Section 12 (SQUARE FOOT RENTAL) of said Lease is amended to read as follows:

"Effective September 1, 1997 and every three years thereafter, the annual square foot rental for the whole of the Premises shall be readjusted to equal seventy-five percent (75%) of the annual average of all rents payable by the Lessee under Section 13 of the Lease for the immediately preceding three-year period, provided that no adjustment shall result in a decrease of the square foot rental."

3. **Percentage Rental.** Commencing as of the 1997 Rental Adjustment Date, subsections (c), (f) and (t) of Section 13 (PERCENTAGE RENTALS) are deemed deleted and the following subsections (c), (f) and (t) are correspondingly substituted therefor:

"(c) (i) SEVEN AND ONE-HALF PERCENT (7.5%) of gross receipts or other fees charged for the occupancy of structures and other facilities other than Offices, such as (1) apartments, (2) hotel and/or motel accommodations, (3) house trailers, (4) meeting rooms, (5) rental of land and/or water or facilities for activities not otherwise provided for in this Section such as but not limited to television and/or motion pictures, and (6) parking fees or charges except where such parking fees or charges are collected in conjunction with an activity, the gross receipts from which are required to be reported in a percentage category greater than SEVEN AND ONE HALF PERCENT (7.5%).

"(ii) ELEVEN PERCENT (11%) [for the period from September 1, 1997 through August 31, 2002] and TWELVE PERCENT (12%) [for the period from September 1, 2002 and thereafter] of gross receipts or other fees charged for the occupancy of offices utilized for banking, financial or investment activities, internal clerical or administrative activities of business enterprises, real estate and insurance brokerage, legal, medical, engineering, travel agencies, or similar professional services (collectively, "Offices"), but not to include, however, stores, shops or other commercial establishments, the gross receipts pertaining to which are subject to percentage rentals and specifically required to be reported under other subsections of this Section."

"(f) FIVE PERCENT (5%) of gross receipts received by Lessee or sublessee or TWENTY PERCENT (20%) of any commissions or fees collected by Lessee from service enterprises; FIFTY PERCENT (50%) of gross receipts received by Lessee from rental of leasehold premises for installation of apparatus for wireless telecommunication facilities or fiber optic cable, except that, commencing as of the Effective Date, the gross receipts collected by Lessee from its sublease with Cox PCS Assets, LLC (the "Cox Sublease"), covering those specific wireless telecommunication facilities that were approved by the Marina del Rey Design Control Board in October 2000, shall be reported under subsection (s) during the remaining term of said sublease, including any optional terms provided for therein. Any material modification or amendment made to the Cox Sublease shall cause it to be considered a new wireless telecommunication sublease and the gross receipts thereof shall be reported under category (f) at the rate of FIFTY PERCENT (50%). A material modification is deemed to have been made if it expands the physical dimensions of the existing facility, lengthens the term of the sublease, creates a new agreement or modifies an existing agreement so that a new third party, not a successor in interest to the existing tenant, will have the use of the facilities, whether such an agreement be called a sublease, sublicense, an indefeasible right to use, or by any other names. For the purpose of this paragraph only, modifications such as upgrading of facilities to meet

technological advancement or regulatory requirements shall not be considered a material modification, provided that they do not expand the physical dimensions of the existing facility."

"(t) TWO AND ONE-HALF PERCENT (2.5%) of gross receipts from pharmacy sales."

4. **Reconciliation Rent.** The amount owed by Lessee to County representing the difference between (i) the actual rents paid by Lessee under the rental rates in effect prior to the effectiveness of this Lease Amendment from the 1997 Rental Adjustment Date to the Effective Date and (ii) the sum which is calculated to be due for rental rates from the 1997 Rental Adjustment Date to the Effective Date based upon the rental adjustments set forth in this Lease Amendment ("Reconciliation Rent") shall be paid by Lessee to County within ten (10) days following the Effective Date.

5. **Indemnity Clause and Casualty Insurance.** Commencing as of the Effective Date, the liability insurance limit shall be no less than a combined single limit of $5,000,000, or such greater amount as may be required by any holder of an encumbrance on the Premises, which has been approved in accordance with Section 22 of the Lease. The County and the Board of Supervisors, their officers, agents and employees shall be named as additional insureds under such liability insurance policy or policies."

6. **Release.** By execution of this Amendment, Lessee hereby withdraws its Claim for Damages, dated July 28, 2003, filed with the County, and releases and forever discharges the County and any and all of its departments, divisions, elected officials, employees and agents who are or may ever become liable to Lessee of and from any and all claims, demands, damages, actions and causes of action of every kind, known or unknown, arising out of or in any way connected with the allegations set forth in its Claim for Damages, and hereby waives all rights under California Civil Code Section 1542, relating to or arising from said allegations, which Lessee represents and warrants it has read, and understands the meaning and effect of its waiver of the rights thereunder.

7. **Miscellaneous.** 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.

IN WITNESS WHEREOF, County has, by order of its Board of Supervisors, caused this Amendment to Lease to be subscribed by the Chair of said Board and attested by the Executive Officer thereof, and the Lessee has executed the same.

LESSEE:

DEL REY PROFESSIONAL ASSOCIATION,
a general partnership,

By: C. Ronald McBeale, M.D

Its: _____

By: _____

Its: _____

COUNTY:

By: _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS,
Executive Officer of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN,
County Counsel

By: _____
Deputy

Los Angeles County
Beaches & Harbors
Caring for Your Coast

To enrich lives through effective and caring service

July 8, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director

SUBJECT: ITEM 5b - RESOLUTION APPROVING THE APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION FOR FUNDING FOR THE BALI GATEWAY PARK AND FIJI GATEWAY PARK PROJECTS

Item 5b on your agenda pertains to a recommendation to the Board of Supervisors to adopt a resolution authorizing the submission of Land Water and Conservation Fund grant applications to the California Department of Parks and Recreation for the proposed Bali Gateway Park and Fiji Gateway Park Projects. The California Department of Parks and Recreation recently solicited grant applications for funds to be made available on a statewide basis. The final awards will be made on a competitive basis.

Details relating to the proposed grant submission and the projects are contained in the attached Board letter. I request your endorsement of the recommendation to adopt a resolution approving the submission of the grant applications.

Please let me know if you would like additional information at this time.

SW:LY:lh

Attachments (3)

13837 Fiji Way • Marina del Rey • CA 90292 • 310.305.9503 • fax 310.821.6345 • internet: http://beaches.co.la.ca.us
Stan Wisniewski Director • Kerry Gottlieb Chief Deputy

Los Angeles County
Caring for Your Coast
Beaches & Harbors

To enrich lives through effective and caring service

July 20, 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:

ADOPTION OF A RESOLUTION AND AUTHORIZATION OF APPLICATIONS TO THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION FOR FUNDING THROUGH THE LAND AND WATER CONSERVATION FUND FOR THE BALI GATEWAY PARK AND FIJI GATEWAY PARK PROJECTS – MARINA DEL REY (4TH DISTRICT)(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the adoption of the attached resolution (Attachment 1) is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 4 of the County's Environmental Document Reporting Procedures and Guidelines; and

2. Adopt the attached resolution authorizing the submittal of applications to the California Department of Parks and Recreation for funding for the proposed Bali Gateway Park and Fiji Gateway Park Projects in Marina del Rey under the Land Water and Conservation Fund, and delegating authority to the Director of Beaches and Harbors, or his designee, as agent of the County, to conduct all negotiations and execute and submit all documents pertaining to the grant application, including, but not limited to, applications, agreements, amendments, and payment requests.

13837 Fiji Way • Marina del Rey • CA 90292 ● 310.305.9503 • fax 310.821.6345 ● internet: http://beaches.co.la.ca.us
Stan Wisniewski Director ● Kerry Gottlieb Chief Deputy

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The two projects that the Department is seeking grant funding for are:

Bali Gateway Park Project

The project, located at the eastern gateway to Marina del Rey at the corner of Bali Way and Lincoln Boulevard, consists of the development of a 0.52-acre public park. The project will provide picnicking and open sitting areas, picnic tables, benches, landscaping and irrigation, and security lighting, and installation of a signature water feature and Marina wayfinding elements.

Fiji Gateway Park Project

The project, located at the southern gateway to Marina del Rey at the corner of Fiji Way and Lincoln Boulevard, consists of the development of a 0.47-acre public park. The project includes the same components as the Bali Gateway Park Project.

Adoption of this resolution by your Board will authorize the Department to complete the submission of grant applications to the State of California Resources Agency, Department of Parks and Recreation (State), for funding of the proposed projects through the Land Water and Conservation Fund Program. In order for the applications to be considered for funding, a resolution adopted by your Board is required.

The State's competitive grant program entitled the Land Water and Conservation Fund (LWCF) awards matching grants on a competitive basis to designated governmental agencies for the acquisition and development of facilities that provide for or support outdoor recreation. This year, approximately $4.2 million is available statewide for competitive grants to local agencies, sixty percent for Southern California and forty percent for Northern California. The State indicates the maximum grant award will be approximately $290,000 per project.

Implementation of Strategic Plan Goals

The Bali Gateway Park and Fiji Gateway Park Projects will support outdoor recreation and complete entry gateway elements (e.g., water feature, identification elements and signage) along the edge of a passive park setting. The authorization to submit these grant applications offers a potential partial funding opportunity for public park amenities. Thereby, the County's Strategic Plan Goals of "Fiscal Responsibility" and "Service Excellence" are both furthered. In addition, implementation of these two park projects in

Marina del Rey is consistent with the Department's Marina del Rey Park Enhancement Plan that was submitted to the California Coastal Commission in September 2002.

FISCAL IMPACT/FINANCING

The LWCF program has a matching fund requirement and requires one applicant dollar to one LWCF dollar awarded. The required match may be met through local, state or private funds, as well as in-kind services. The preliminary cost estimate for the Bali Gateway Park Project is $888,056. The proposed grant request is $288,056, based primarily on funding for grant-eligible program elements. Accordingly, the required match amount is a minimum of $288,056, to be supplemented by an additional $311,944, in Department funds to complete the Bali Gateway Park Project.

The preliminary cost estimate for the Fiji Gateway Park Project is $889,760. The proposed grant request is $289,760, based primarily on funding for grant-eligible program elements. Accordingly, the required match amount is a minimum of $289,760, to be supplemented by an additional $310,240, in Department funds to complete the Fiji Gateway Park Project.

The Department will return to your Board for final project approval and final identification of matching funds, if grant awards are secured, for the projects.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department of Beaches and Harbors will be notified in October 2004 whether awards have been granted. If any of the grants are awarded, the Department will be required to execute a contract with the State to expend those funds in accordance with the LWCF grant procedural guide. Grant funds will be paid on a reimbursement basis and a federally-approved surcharge will be deducted from each reimbursement.

This Board letter is being submitted to the Small Craft Harbor Commission for review at its July 14, 2004 meeting, requesting endorsement of the recommendations herein. The outcome of the Commission's review will be reported prior to your Board's action on this matter. County Counsel has reviewed and approved the attached resolution as to form.

Operating Budget Impact

Prior to final approval of the projects, the Department will return to your Board with estimated one-time start-up costs and ongoing operating costs for these projects.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 4 of the County's Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

If funding is awarded and the projects constructed, the Bali Gateway Park and Fiji Gateway Park Projects will provide new public park amenities in Marina del Rey.

CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward three (3) conformed copies of the resolution to the Department of Beaches and Harbors, along with three (3) approved copies of this letter.

Respectfully submitted,

Stan Wisniewski
Director

Attachments (3)

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

RESOLUTION OF THE LOS ANGELES COUNTY BOARD OF SUPERVISORS APPROVING THE SUBMITTAL OF APPLICATIONS FOR GRANT FUNDS FROM THE LAND AND WATER CONSERVATION FUND PROGRAM FOR THE FOLLOWING PROJECTS:

BALI GATEWAY PARK
FIJI GATEWAY PARK

WHEREAS, the Congress under Public Law 88-578 has authorized the establishment of a federal Land and Water Conservation Fund Grant-In-Aid program, providing matching funds to the State of California and its political subdivisions for acquiring lands and developing facilities for public outdoor recreation purposes; and

WHEREAS, the California Department of Parks and Recreation is responsible for administration of the program in the State, setting up necessary rules and procedures governing applications by local agencies under the program; and

WHEREAS, said adopted procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of applications and the availability of eligible matching funds prior to submission of said applications to the State; and

WHEREAS, the proposed Bali Gateway Park and Fiji Gateway Park Projects are consistent with the Statewide Comprehensive Recreation Resources Plan (*California Outdoor Recreation Plan - 2002*);

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Los Angeles by adoption of the resolution hereby:

1. Approves the filing by the Department of Beaches and Harbors (Applicant) of grant applications for Land and Water Conservation Fund assistance for the proposed Bali Gateway Park and Fiji Gateway Park Projects; and

2. Certifies that said Applicant has available eligible matching funds to comply with the funding requirements of the projects for which the grant funds awarded will be paid on a reimbursement basis; and

3. Appoints Stan Wisniewski, Director of Beaches and Harbors, or his designee, as agent of the Applicant to conduct all negotiations and execute and submit all documents pertaining to the grant application, including, but not limited to, applications, contracts, amendments, and payment requests.

The foregoing resolution was, on the _____ day of _____, 2004, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Violet Varona-Lukens, Executive Officer-
Clerk of the Board of Supervisors of
the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: _____
Deputy

Los Angeles County Chief Administrative Office

Grant Management Statement for Grants $100,000 or More

Department: Department of Beaches and Harbors

Grant Project Title and Description: Bali Gateway Park Project

The project entails the development of a 0.52-acre public park and includes picnicking and open sitting areas, picnic tables, benches, landscaping and irrigation, and security lighting, and installation of a signature water feature and Marina wayfinding elements.

Funding Agency	**Program** (Fed. Grant #/State Bill or Code #)	**Grant Acceptance Deadline**
State Department of Parks and Recreation	Land and Water Conservation Fund	N/A

Total Amount of Grant Funding: $288,056	**County Match:** $288,056	
Grant Period: TBA	**Begin Date:** TBA	**End Date:** TBA
Number of Personnel Hired Under This Grant: N/A	**Full Time:**	**Part Time:**

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program?	Yes___	No__N/A
Will all personnel hired for this program be placed on temporary ("N") items?	Yes___	No__N/A
Is the County obligated to continue this program after the grant expires?	Yes___	No__N/A
If the County is not obligated to continue this program after the grant expires, the Department will:		
a.) Absorb the program cost without reducing other services	Yes___	No__N/A
b.) Identify other revenue sources (describe below)_	Yes___	No__N/A
c.) Eliminate or reduce, as appropriate, positions/program costs funded by the grant.	Yes___	No__N/A

Impact of additional personnel on existing space:

N/A

Other requirements not mentioned above:

N/A

This is an application to a capital expenditure grant program for the development of permanent park amenities.

Department Head Signature Stan Wisnewski Date: 7/9/07

Los Angeles County Chief Administrative Office

Grant Management Statement for Grants $100,000 or More

Department: Department of Beaches and Harbors

Grant Project Title and Description: Fiji Gateway Park Project

The project entails the development of a 0.47-acre public park and includes picnicking and open sitting areas, picnic tables, benches, landscaping and irrigation, and security lighting, and installation of a signature water feature and Marina wayfinding elements.

Funding Agency	Program (Fed. Grant #/State Bill or Code #)	Grant Acceptance Deadline
State Department of Parks and Recreation	Land and Water Conservation Fund	N/A

Total Amount of Grant Funding: $289,760	**County Match:** $289,760	
Grant Period: TBA	**Begin Date:** TBA	**End Date:** TBA
Number of Personnel Hired Under This Grant: N/A	**Full Time:**	**Part Time:**

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program?	Yes___	No__N/A
Will all personnel hired for this program be placed on temporary ("N") items?	Yes___	No__N/A
Is the County obligated to continue this program after the grant expires?	Yes___	No__N/A
If the County is not obligated to continue this program after the grant expires, the Department will:		
a.) Absorb the program cost without reducing other services	Yes___	No__N/A
b.) Identify other revenue sources (describe below)_	Yes___	No__N/A
c.) Eliminate or reduce, as appropriate, positions/program costs funded by the grant.	Yes___	No__N/A

Impact of additional personnel on existing space:

N/A

Other requirements not mentioned above:

N/A

This is an application to a capital expenditure grant program for the development of permanent park amenities.

rtment Head Signature Stan Wunderlich Date: 7/9/04

Los Angeles County
Caring for Your Coast
Beaches & Harbors

To enrich lives through effective and caring service

Stan Wisniewski
Director

Kerry Gottlieb
Chief Deputy

July 7, 2004

TO: Small Craft Harbor Commission

FROM: Stan Wisniewski, Director Stan Wisniewski

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

BOARD OF SUPERVISORS ACTIONS ON ITEMS RELATING TO MARINA DEL REY

At its June 15, 2004 meeting, the Board of Supervisors approved and authorized the release of the Request for Proposals for Improvements to Parcel 83S, Marina del Rey, in connection with efforts to facilitate a development that promotes visitor-serving uses.

Also at its June 15, 2004 meeting, the Board of Supervisors instructed County Counsel, in consultation with the Director of Beaches and Harbors, to draft an ordinance for Board consideration within one week, implementing a pilot program through September 15, 2004, that would ban smoking on public beaches, exclusive of parking areas designated for use by the public, in the County's unincorporated areas (Topanga Beach, Marina Beach).

At its June 22, 2004 meeting, the Board approved and instructed the Chairman to sign the amendment to the Second Amended and Restated Lease No. 55624 for Parcel 125R, Marina City Club, Marina del Rey, which will: 1) afford condominium lessees a one-time opportunity to modify their subleases to provide for a temporary freeze on annual rent increases and fixed, rather than variable, future rent increases; 2) provide a mechanism for utilization of accumulated rents to address funding of infrastructure and capital improvements of leasehold facilities; and 3) provide a mechanism for repayment of all deferred and advanced funds, with interest.

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

Also at its June 22, 2004 meeting, the Board approved and instructed the Chairman to sign the Consent to Assignment of Lease for Parcel 10R from Neptune Marina, Marina del Rey, to Legacy Partners Neptune Marina L.P.; also approve and instruct the Chairman to sign an amendment to Parcel 10R lease, which: 1) expands the definition of an assignment under Section 22 of the lease; 2) allows for a retroactive adjustment of percentage rents for boat slips; and 3) provides for an increase in liability insurance coverage.

The items regarding Parcels 83S, 125R and 10R were previously considered and recommended by your Commission.

DESIGN CONTROL BOARD MINUTES

The draft minutes for the Design Control Board meeting of June 17, 2004 are attached.

SW:tm
Attachment

DRAFT

MINUTES
OF
MARINA DEL REY
DESIGN CONTROL BOARD

June 17, 2004

Department of Beaches and Harbors
Burton Chace County Park
Community Building – 13650 Mindanao Way
Marina del Rey, CA 90292

Members Present:	Susan Cloke, First District, Chair David Abelar, Second District Katherine Spitz, Third District
Members Absent:	Tony Wong, Fifth District Jackie Ingon, Fourth District
Department Staff Present:	Roger Moliere, Deputy Director Joseph Chesler, Chief, Planning Division Julie Carpenter, Planner LaTrina Hancock-Perry, Secretary
County Staff Present:	Maria Masas, Department of Regional Planning
Guests Present:	Miriam Tate, Miriam Tate Company Patrice Goldberg, Archstone - Smith Doris Sorensen, Pacific Ocean Management Ron Hoffman, Sea Plane's Inc. Tim Riley, Marina del Rey Lessees Association

DRAFT

1. **Call to Order & Absences**
Ms. Cloke called the meeting to order at 2:30 p.m. Mr. Abelar led the pledge of allegiance.

2. **Approval of Minutes – Meeting of March 25, 2004 and April 15, 2004**
Held until the end of the meeting

3. **OLD BUSINESS**

A. **Parcel 102 – Archstone Communities - (DCB #03-016-B)**
Consideration of a revised color palette.

Patrice Goldberg, Archstone-Smith, advised the Board that her company did meet with EDAW, Urban Design Team, which helped Archstone reach the new proposed color palette.

Mariam Tate, color consultant, explained in detail the proposed color palette for the project, noting where each of the colors would be applied to the buildings.

Public Comment
None

Board Comments
Ms. Cloke was concerned about the yellow color that is being used for the project and took the yellow sample outside in the sunlight. Ms. Cloke expressed concern with how yellow along with grayish-green would look on a 14-story building. Ms. Tate explained that the yellow will be used as a balanced accent on a predominately white building.

Ms. Spitz stated that the balcony should be one uniform color and suggested changing the window trim to the proposed brown color. Ms. Cloke was concerned with the solid stripe of yellow that would be vertically painted on the building. Ms. Tate suggested that the top four stories of the building be painted only white instead of yellow. Ms. Cloke asked if the balconies on the lower portion of the building are pickets and stated that the Board does not want to see two-toned balconies. Ms. Tate explained that the balconies are white wrought iron picket style balconies and the white helps to bounce the light in an effort to embellish the arrival of the building.

Ms. Goldberg suggested that Archstone paint a portion of the building with the proposed colors for the Boards review and to help address the areas in question. Ms. Tate explained the first 4-story balconies would be teak all around the building. Everything above that, except where center loaded, the balconies are yellow.

Ms. Cloke asked if the Board approves color palette and accepts the offer of the applicant painting a portion of the building, how does the Board proceed. Mr. Chesler advised that the Board could make their approval conditional upon the acceptance of the offer made by the applicant or the applicant can resubmit their application. Mr. Chelser also advised that the Board could approve the color palate, with the color application subject to field verification at a later date.

Ms. Cloke (Spitz) moved to approve the palette as submitted with the changes that were discussed to the 4-story buildings with the balconies being the single color of gray hemlock number 1184. Also, the top 4 stories of the main tower façade should be white all the way around without using the yellow color. All are subject to field verification by the Board. Motion passed unanimously.

B. Parcel 44 – Newport Boats at Parcel 44 – (DCB #04-005)
Extension request for continued fencing proposal.

Ms. Cloke (Spitz) moved to grant the applicant a 60-day extension. Motion passed unanimously.

C. Parcel 44 – maintenance Area at Parcel 44 – (DCB #04-006)
Notice of withdrawal of continued fencing proposal.
No action needed – Notice only

D. Urban Design Guidelines – Public Workshop #4
Public input on proposed design guidelines for Marina projects.

Mr. Chesler advised the Board that the Department has received written comments, which will be prepared for the Boards consideration. The July meeting agenda would contain all written comments and possibly recommendations for further action by the Board. Ms. Cloke advised Staff that it is important to the Board that the time commitment be kept that was publicly announced.

Public Comments
Tim Riley, Marina del Rey Lessees Association, advised the Board that they are compiling comments and hope to have a report for the Board in advance to the July meeting. Ms. Cloke advised that the Board would like the lessee comments as soon as possible, but preferably prior to the DCB mail-out date of July 8, 2004. Mr. Riley stated that he would like to see the report that is being prepared by the Regional Planning Department prior to the July DCB Meeting.

E. Approval of DCB Reviews #04-007 , #04-008. #04-009 and #04-010

1. DCB# 04-007 – Parcel 50 – Marina Waterside Shopping Center

DRAFT

Approval of the record of the DCB's April 2004 and May 2004 actions for a conditioned conceptual approval of the renovation plans, including the expansion of Ralphs Market, the reorganization of the stores and storefronts, and the reconfigured circulation in the parking lot.

Ms. Cloke was concerned with the language used in the DCB Review. Mr. Roger Moliere, Deputy Director, explained the some of the language was changed because of legal ramifications. He also advised that the Small Craft Harbor Commission and the Board of supervisors both approved the issuance of a Request for Proposals for Parcel 83 and the response date if June 28, 2004. The Department expects that there will be action on this item shortly.

Ms. Cloke (Spitz) moved to approve the DCB Review with the changes as discussed by Staff and the Board. Motion passed unanimously.

2. DCB #04-008 – Parcel 61 – Shanghai Red's
Approval of the record of the DCB's April 2004 action for a conditioned conceptual approval, subject to identification of the items that have been approved in the past.

Review continued for the Board Members that were present to vote.

3. DCB #04-009 – Parcel 125 – Jer-ne at the Ritz Carlton
Approval of the record of the DCB's May 2004 action for a conditioned approval of an identification sign, subject to the top of the sign not exceeding the coping of the garden wall.

Ms. Spitz (Abelar) moved to approve DCB Review #04-009 with changes proposed by the Board. Motion passed unanimously.

4. DCB #04-010 – Parcel 56 – Sea Planes, Inc. at Fisherman's Village.
Approval of the record of the DCB's May 2004 action for approval of the awning sign (as submitted) and pending a submittal to staff and confirmation by the DCB Chair or Vice-Chair, a sign over the dock gate and stanchion sign.

Ron Hoffman, CEO of Sea Planes, Inc, was present at the meeting to answer any questions the Board may have.

Public Comment
None

Ms. Spitz (Abelar) moved to approve the boarding ramp sign with the following modifications: the letters will be 5 inches tall, on a 24 inch

DRAFT

sign, leaving 3 inch boarders top and bottom and 1 ½ inch between the lines. All lettering must be centered and not bigger than 5 inches. Motioned passed unanimously.

4. New Business

A. **Parcel – Marina Fuels & Service – DCB #04-011**
Consideration of one banner.

Applicant not present. Item continued until the July 17, 2004 meeting.

5. Staff Reports

A. Temporary Permits Issued by the Department
Although both are now expired, temporary permits were issued for a Shark Tournament banner and a tent at the Marriott Hotel.

B. Ongoing Activities
Burton Chace Park Snack Bar to be reopened in July 2004 under a new name, Café Loreli. Also, the Marina Water Shuttle Program is in full operation on Fridays thru Sundays. Concept Marine Associates (CMA) has been contracted for added construction services throughout the marina for the next three years, which is a continuation of the existing contract, but specifically for marina premises maintenance inspections.

Mr. Chesler also advised the Board that the Department of Beaches and Harbors is now routinely meeting with the Department of Public Works on the jurisdictional work group regarding the Total Maximum Daily Load (TMDL) enhancement programs that are affecting the marina, Mothers Beach and the back harbor basins. The meetings are held monthly at the Burton Chace Park Community Room. Public Works is preparing an implementation strategy for meeting the water quality objectives as legislated by the Regional Water Quality Control Board.

Ms. Cloke asked if CMA is looking at the totality of the Marina, including if the storm drains are clean, County maintenance as well as lessee maintenance, or will they be focused on a particular responsibility. Mr. Chesler stated that the responsibility of CMA under this contract is to expand the Departments inspection services on the private leasehold interest around the Marina, but will include cleanliness on the properties and functioning infrastructures. They are not specifically tasked to patrol public infrastructure. The Department has dedicated Staff to perform the public infrastructure functions as well as the Public Works Department who own and maintain the roadways and infrastructures that serve the Marina.

DRAFT

Ms. Spitz asked if there was any new regarding traffic and Caltrans funding. Mr. Chesler advised that the Public Works Department is advancing on the Environmental Impact Report/Statement (EIR/EIS) for the Marina freeway extension into Admiralty Way, which will be intersecting opposite the County library at some future date. This EIR contract has been awarded to EDAW, Inc. as the lead contractor. Mr. Chesler advised that he would have Public Works report to the Board at a later meeting regarding the schedules for scooping meetings and upcoming public opportunities for testimony.

3. **Approval of Minutes – for March 25, 2004, April 15, 2004, and May 20, 2004**
Minutes for March 25, 2004 and April 15, 2004 were held for approval from the Board Members that attended those meetings.

Mr. Abelar (Spitz) moved to approve the minutes with the changes as indicated by the Board. Motion passed unanimously.

6. **Comments From the Public**
None

Meeting adjourned at 4:00 p.m.

Respectfully Submitted,

La Trina Hancock-Perry
Design Control Board Secretary