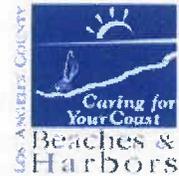




"To enrich lives through effective and caring service"



Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

September 13, 2011

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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 September 13, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF LESSEE
PARCEL 7S - MARINA DEL REY – TAHITI MARINA APARTMENTS AND MARINA
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

Request for approval of a new lessee, Tahiti Marina Apartments & Docks, LLC, a limited liability company, the sole member of which is the current lessee, Kamran Hakim.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that your Board has previously considered and adopted the Mitigated Negative Declaration for the Tahiti Marina Apartments and Marina lease extension and renovation project with respect to Parcel 7S.
2. Approve Tahiti Marina Apartments & Docks, LLC, a newly formed Delaware limited liability company, as the new lessee entity under the Amended and Restated Lease Agreement to be entered into with County upon the lessee's exercise of the option under the existing Option to Amend Lease Agreement for Parcel 7.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Your Board approved assignment of the Tahiti Marina Apartments and Docks (Parcel 7) to its current lessee, Kamran Hakim as an individual and sole owner, on November 1990, and, on July 20, 2010, granted the current lessee an option to extend the lease term by 33 years from its current February 28, 2022 expiration date to February 28, 2055, to facilitate renovation of the leasehold. As the current lessee is preparing to exercise his option, he is requesting that your Board approve a new

lessee entity of which the current lessee will have control.

In reviewing the current lessee's request, we have found that:

- a) The proposed new lessee, Tahiti Marina Apartments & Docks, LLC, is a Delaware limited liability company formed for the purpose of owning and operating the Parcel 7S leasehold and has adequately demonstrated its financial ability to provide for the continued operation and maintenance of the leasehold.
- b) The leasehold is not being sold, the recommended action merely involves approval of a change in the type of business entity by which the current lessee continues to hold his interest in the leasehold. The change in type of business entity does not impact the value of the leasehold.
- c) Kamran Hakim, as an individual, is the current lessee. The new lessee is a limited liability company that is wholly owned by Kamran Hakim as its sole member.
- d) As a condition of County's acceptance of the new lessee, Kamran Hakim is required to fund the new lessee with at least \$20 million of equity.
- e) Kamran Hakim, as an individual, will deliver a guaranty pursuant to which he guarantees both (i) the completion of the renovation work, and (ii) if the equity funding requirements are not satisfied, the lessee's other obligations under the lease.
- f) The management of the leasehold under the proposed new lessee will remain unchanged.

Implementation of Strategic Plan Goals

The County Strategic Plan directs that we maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. The recommended action will allow the lessee to continue its effort towards the proactive redevelopment of the parcel, which will help the County achieve fiscal sustainability (Strategic Plan Goal No. 1, Strategy No.1).

FISCAL IMPACT/FINANCING

There will be no impact to the operating budget of the Department of Beaches and Harbors.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The existing 60-year lease for Parcel 7S expires on February 28, 2022. The current improvements on Parcel 7S consist of 149 apartments and 214 existing slips, plus nine end ties. Parcel 7S has frontage on Tahiti Way, is located east of the Bay Club Apartments and Marina (Parcel 8), and overlooks the Main Channel.

Because the project is a renovation rather than a redevelopment, neither the Mello Act nor the County's Marina del Rey affordable housing policy applies.

Both section 22 of the existing lease and section 11.2 of the proposed amended and restated lease require County approval of this proposed change in the lessee entity.

ENVIRONMENTAL DOCUMENTATION

On July 20, 2010, your Board considered and adopted the Mitigated Negative Declaration and Mitigation Monitoring Program for the proposed renovation project in compliance with the California Environmental Quality Act. The recommended actions do not raise any new or substantive environmental impacts.

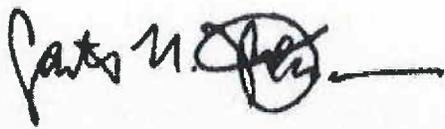
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on other current services or projects.

CONCLUSION

Please return to the Department of Beaches and Harbors an approved copy of this letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Santos H. Kreimann", with a horizontal line extending to the right.

SANTOS H. KREIMANN
Director

SHK:GJ:dlg

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