



Caring for Our Coast

Gary Jones
Director

Amy M. Caves
Chief Deputy Director

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Deputy Director

LaTayvius R. Alberty
Deputy Director

March 06, 2024

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

25-C March 6, 2024


JEFF LEVINSON
INTERIM EXECUTIVE OFFICER

Dear Supervisors:

**CONSENT TO ASSIGNMENT
AMENDED AND RESTATED LEASE NO. 78457
MARINA DEL REY MARINA (PARCEL 43) – MARINA DEL REY
(SECOND DISTRICT) (4 VOTES)**

SUBJECT

Approval of the proposed assignment of the Amended and Restated Lease Agreement No. 78457 (Lease) for Parcel 43 in Marina del Rey from MDR MARINA, L.P., a California limited partnership (Lessee) to MARINA DEL REY SMI ALMAR, LLC, a Delaware limited liability company (Assignee).

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed actions are exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter.
2. Consent to the proposed assignment of Lease to Assignee.
3. Authorize the Director of Beaches and Harbors to execute any documentation, approved by County Counsel or County's outside counsel, necessary to effectuate the proposed assignment of Lease No. 78457 and to take necessary and appropriate actions to implement the proposed assignment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Lessee is selling its leasehold interest to Parcel 43 and is requesting County of Los Angeles

(County) approval to assign its leasehold interest to Assignee. Pursuant to the terms of this Lease, Lessee must obtain County's approval which shall not be unreasonably withheld. The Amended and Restated Lease commenced December 22, 2015, and expires February 28, 2061.

Pursuant to that certain Department of Beaches and Harbors (DBH) Policy Statement No. 23 – Assignments of Lease dated January 16, 1974, County's decision whether to approve the proposed Assignment shall be based on the following: a) the financial condition of the proposed Assignee; b) the price to be paid for the marina leasehold as it relates to improvements or potential development thereon; and c) the management of the marina leasehold by the proposed Assignee being in the best interest of the whole Marina del Rey.

DBH has reviewed the proposed assignment and has found that; a) the Assignee is currently affiliated with a portfolio of over 70 marinas across the United States, and its principal owner, SUNTEX MARINA INVESTORS LLC, has a net worth of over \$500,000,000; b) the proposed sales price of \$40,000,000 for Parcel 43 leasehold appears to be justified based on an independent analysis of the proposed assignment by County's economic consultant; and c) the proposed Assignee has requisite experience to continue the day-to-day operations.

The proposed assignment requires Lessee to a) reimburse County its administrative costs in connection with the proposed assignment; and b) to pay the County Net Proceeds Share amount of approximately \$2,019,990 pursuant to the terms of the Lease.

Implementation of Strategic Plan Goals

The recommended action will ensure the County maximizes use of County assets, guides strategic investments, and supports economic development, in ways that are fiscally responsible and align with the County's highest priority needs, all of which promote Strategic Plan Goal No. III.3.2 (Manage and Maximize County Assets).

FISCAL IMPACT/FINANCING

Of the County's \$2,019,990 Net Proceeds Share amount, approximately \$1.5 million will be directed to the Marina Accumulative Capital Outlay (ACO) Fund for continued maintenance and improvement of the Marina del Rey public areas and infrastructure. The remaining \$510,000 will be reflected as one-time over realized revenue in Fiscal Year 2023-2024.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Parcel 43, commonly known as Marina del Rey Marina, contains 277 slips, 13 end-ties and one side-tie.

The proposed sale and assignment of the marina leasehold interest was finalized by the end of January 2024. The proposed ownership structure of Assignee is outlined on Exhibit A.

County's outside counsel has reviewed and approved the proposed assignment as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed Assignment is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, approval of the proposed assignment is an administrative activity of government that will not result in direct or indirect physical changes in the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services or projects.

CONCLUSION

It is requested that your Board approve the proposed assignment.

Please instruct the Executive Officer, Board of Supervisors to send two copies of the adopted-stamped Board letter to DBH, retaining a copy for your records. Should you have any questions please contact Linda Phan at (424) 526-7741 or LPhan@bh.lacounty.gov.

Respectfully submitted,



GARY JONES

Director

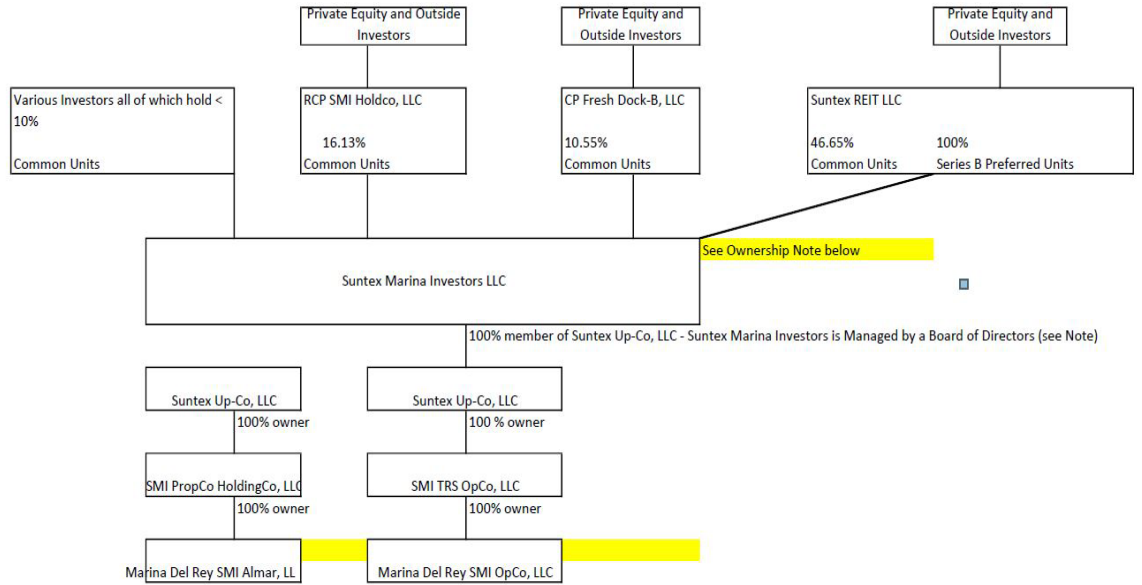
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Enclosures

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

Exhibit A

ORGANIZATIONAL CHART FOR Marina Del Rey Parcel 43



OWNERSHIP NOTE:
 No individual owner owns, directly or indirectly, more than 5% of Suntex Marina Investors LLC

Note on Suntex Marina Investors Board

Board Members:

Bryan Redmond	CEO			
Matthew Dabrowski	Affiliated with CP Fresh Dock and Suntex REIT			
William Rahm	Affiliated with CP Fresh Dock and Suntex REIT			
Ashley Marks	Affiliated with Cordillera Funds (collectively own <10%)			
John D. Powers	Affiliated with RCP SMI Holdco, LLC			
Judy Turchin	Independent			
Amy Miles	Independent			
Cyril Peitrafesa	Affiliated with CP Fresh Dock and Suntex REIT			
John S. Gonnella	Affiliated with CP Fresh Dock and Suntex REIT			

