

AGENDA
REDONDO BEACH HARBOR COMMISSION
Monday, July 14, 2014, 6:30pm
REDONDO BEACH CITY COUNCIL CHAMBERS
415 DIAMOND STREET

I. OPENING SESSION

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
- 3. SALUTE TO THE FLAG**

II. APPROVAL OF ORDER OF AGENDA

III. RED FOLDER ITEMS

Red folder items require immediate action, and came to the attention of the City subsequent to the 72-hour noticing requirement. These items require a 2/3 vote of the Commission (or if less than 2/3 are present, a unanimous vote) to add to the Agenda.

IV. BLUE FOLDER ITEMS

Blue folder items are additional backup material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

V. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Commission Members may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion following Oral Communications.

5. APPROVAL OF AFFIDAVIT OF POSTING FOR THE HARBOR COMMISSION MEETING OF JULY 14, 2014

6. APPROVAL OF THE FOLLOWING MINUTES: JUNE 9, 2014

7. APPROVE CONTRACT BETWEEN CITY OF REDONDO BEACH AND KOSMONT REALTY CORPORATION FOR FINANCIAL ADVISORY SERVICES RELATED TO THE PURCHASE OF THE REDOND BEACH MARINA LEASEHOLD

Staff recommendation: Receive and file

8. ADOPT RESOLUTION NO. XXX , A RESOLUTION OF THE CITY COUNCIL, ADOPTING PARKING RATES FOR THE PIER PARKING STRUCTURE, PLAZA PARKING STRUCTURE AND REDONDO BEACH MARINA PARKING LOT, INCLUDING A FLAT FEE OF \$25 FOR JULY 4TH

Staff recommendation: Receive and file

9. SELECTION OF CONSULTANT TO PERFORM MARKET STUDY OF PROPOSED WATERFRONT REVITALIZATION PROJECT SELECTION

Staff recommendation: Receive and file

VI. ORAL COMMUNICATIONS

Anyone wishing to address the Harbor Commission on any Consent Calendar item on the agenda, which has not been pulled by Harbor Commission may do so at this time. Each speaker will be permitted to speak only once and comments will be limited to a total of three minutes.

VII. EXCLUDED CONSENT CALENDAR ITEMS

VIII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Commission. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

IX. EX PARTE COMMUNICATIONS

X. PUBLIC HEARINGS

XI. ITEMS FOR DISCUSSION PRIOR TO ACTION

10. DIRECTOR'S REPORT

Staff recommendation: Receive and file

XII. ITEMS CONTINUED FROM PREVIOUS AGENDAS

XIII. MEMBERS ITEMS AND REFERRALS TO STAFF

XIV. ADJOURNMENT

The next meeting of the Harbor Commission of the City of Redondo Beach will be a regular meeting to be held August 11, 2014, in the Redondo Beach Council Chambers, 415 Diamond Street, Redondo Beach, California.

It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

An Agenda Packet is available at www.redondo.org under the City Clerk. Agenda packets are available at the Redondo Beach Main Library during Library Hours, at the Reference Desk and during City Hall hours in the Office of the City Clerk. Any writings or documents provided to a majority of the Harbor Commission regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 415 Diamond Street, Door C, Redondo Beach, CA during normal business hours.

PROOF OF POSTING

I, Holly Short, hereby declare, under penalty of perjury, that I am over the age of 18 years and am employed by the City of Redondo Beach, Harbor Department, and that the following document was posted by me at the following location(s) on the date the time noted below:

Agenda – Redondo Beach Harbor Commission

Regular Meeting of July 14, 2014

Posted on: July 8, 2014 at 11:00 am

Posted at: DOOR "A" BULLETIN BOARD

and CITY CLERK'S OFFICE



Signature

7/8/14

Date

**MINUTES OF THE
REDONDO BEACH HARBOR COMMISSION MEETING
JUNE 9, 2014**

CALL TO ORDER

A regular meeting of the Harbor Commission was called to order at 6:35 p.m. in the City Council Chambers, 415 Diamond Street, by Chairperson Shaer.

ROLL CALL

Commissioners Present: Bloss, Dalton, Horvath, Keidser, Shaer
Commissioners Absent: D. Jackson, M. Jackson
Officials Present: Pete Carmichael, Waterfront and Economic
Development Director
Margareet Wood, Recording Secretary

SALUTE TO THE FLAG

Commissioner Dalton led the members in the salute to the flag.

APPROVAL OF ORDER OF AGENDA

The order of agenda was approved.

CONSENT CALENDAR

5. Approval of Affidavit of Posting for the Harbor Commission Meeting of June 9, 2014
6. Approval of the Following Minutes: May 12, 2014
7. Monthly Harbor Patrol Stats
8. Discussion and Consideration of Adoption of the 2013-2016 Strategic Plan
9. Receive and File Fiscal Year 2014-2015 City Manager's Proposed Budget and Fiscal Year 2014-2019 City Manager's Proposed Five Year Capital Improvement Program
10. Harbor Trash Skimmer Project, Job No. 70420

ORAL COMMUNICATIONS

None.

Commissioner Bloss excluded Consent item 8.

Motion by Commissioner Bloss, seconded by Commissioner Keidser, to receive and file Consent Calendar items 5, 6, 7, 9, and 10. Motion carried unanimously.

EXCLUDED CONSENT CALENDAR ITEMS

Discussion and Consideration of Adoption of the 2013-2016 Strategic Plan

In response to Commissioner Bloss, Director Carmichael said the Torrance Boulevard renaming objective has been reclassified as a future item due to limited resources and the current number of other higher-priority Public Works

Department projects. He said the postponement is a matter of limited resources and City Council and staff support the objective.

Commissioner Bloss felt the Torrance Boulevard renaming would serve the community well by providing directional help to the pier and harbor, especially in light of the CenterCal project.

In response to Chairperson Shaer, Director Carmichael estimated the updated Moonstone Park plan will be coming back to Council in August.

In response to Commissioner Dalton regarding the paddle board initiative, Director Carmichael said the City Attorney has referred the project to outside council to review for potential litigation. He anticipated the informational sign will be installed in August or September and will include Harbor Patrol phone numbers. He explained that several paddle board businesses have locations in Redondo Beach and others are located elsewhere. He said an RFP process for paddle board operators is forthcoming and will address issues such as student/instructor ratio and permit fees. He said that proposals will be evaluated and approved on an annual basis. In the meantime, he said the existing businesses will not be held to standards.

Motion by Commissioner Horvath, seconded by Commissioner Bloss, to receive and file Consent item 8. Motion carried unanimously.

PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Marci Guillermo spoke against the upcoming ballot measure increasing the City Council term limits to three terms, and she requested the members to send letters to the Mayor and Council in opposition. She felt that requests for increasing term limits is a red flag and would not be advantageous for residents. She also opposed the proposed increase in City trash hauling fees. She mentioned that attempts to email Director Carmichael at his City email address were unsuccessful and the City website link to agenda items was recently out of order. She supported increased communication between Harbor Commissioners, other City commissioners, and City Council. She also requested the status of the Gold's Gym item.

Mark Hansen, resident, said the State Lands Commission will consider requiring a financial audit on June 19. He said resident Gary Ohst has studied the issue of increased harbor internal service fund fees and it appears that Redondo Beach charges more than other cities.

EX PARTE

None.

PUBLIC HEARINGS

None.

ITEMS FOR DISCUSSION PRIOR TO ACTION

Director's Report

Projects:

- Transient Vessel Moorings – construction scheduled for completion in July, area will be blocked off, anchoring not allowed on July 4 this year
- Mooring Management Plan – will be considered by City Council in July, Harbor Patrol will operate reservation system and ongoing allocation and maintenance
- Mole B Master Plan – updated plan sans paddling center and sailing center scheduled for City Council consideration in August
- Harbor/Herondo Gateway project – moving forward, final plans/specs to City Council in July, project out to bid later this summer, construction begins in the fall, project does not require Hermosa Beach City approval; however will be reviewed by Public Works Director
- Harbor Trash Skimmer – maintenance agreement with King Harbor Marina complete, skimmer will be installed at Basin 1 entrance and other places if beneficial
- Shade Hotel – grading underway, project on target for deadlines
- Sunrise Hotel remodel – scope of work increased: October completion expected
- Pier Plaza – 2 office spaces remain vacant, increased revenue gain, Friends of Redondo Beach Art Group show *California Art 101* from June 20-30
- CenterCal – project moving forward, EIR underway, public scoping meeting mid-summer
- Golds Gym – City not party to contract: City owns underlying ground, State Lands Commission audit determined fitness use not consistent with tidelands

Calendar:

- June 5 – Meistrell statue dedication ceremony at Seaside Lagoon went well
- June 19 - State Lands Commission Meeting, public members raised issue of internal service funds, records of regular audits will be provided
- Friday evenings in June - outdoor movies at former Parcel 10 space
- July 3-August 30 - pier concerts with new sponsors

In response to Chairperson Shaer, Director Carmichael said the appraisal report contract was approved by Council a few months ago and he estimated the appraisal will be complete in the next 3-4 months.

In response to Commissioner Horvath, Director Carmichael said information on the boat ramp grant application will most likely be received in July.

In response to Commissioner Bloss, Director Carmichael said the Herondo Gateway/Harbor Drive project will be submitted to Hermosa Beach as a courtesy, and no objections are expected. He said the project also includes a cycle track and repaving.

In response to Commissioner Keidser, Director Carmichael said the intersection of Herondo and Yacht Club Way is not included in the current phase of the Herondo project; however it will be considered for the future.

Also in response to Commissioner Keidser, Director Carmichael said the audit of policies of appropriateness for internal service funds are available for review in the City Treasurer's office.

In response to Commissioner Dalton, Director Carmichael stated that the Redondo Beach Marina escrow closed in May and a property manager has been hired. He anticipated that improvements will occur after 90 days of becoming familiar with the property. He said Redondo Beach Marina is quite different from Pier Plaza because it is 100% occupied and the oceanfront location affords many opportunities for events.

In response to Chairperson Shaer, Director Carmichael confirmed that Samba restaurant is in operation.

Motion by Commissioner Horvath, seconded by Commissioner Keidser, to receive and file the Director's Report.

Mr. Hansen recalled the proposal to increase internal service funds was not approved in a joint meeting with the Harbor and Budget and Finance Commissions several years ago.

Mr. Hansen also recalled the King Harbor Boaters Advisory Group was quite involved with creating the Mole B master plan. He said that Sean Guthrie was also extremely involved and lots of public involvement was received. He spoke in support of involving the public with the plan update.

Ms. Guillermo said the Harbor Gateway project is not comprehensive because it does not include the AES property, and she questioned why changes are being made now. She also believed that the State Lands Commission will permit Gold's Gym in the tidelands. She mentioned that the Sunrise Hotel is investing a lot of money; and she pointed out that CenterCal is constructing a parking structure in view.

The motion on the floor carried unanimously.

ITEMS CONTINUED FROM PREVIOUS AGENDAS

None.

MEMBERS ITEMS AND REFERRALS TO STAFF

Commissioner Horvath announced an event on June 27 at Samba restaurant in tandem with the Redondo Beach Art show.

Commissioner Keidser spoke in favor of an additional public meeting to receive input on the updated Moonstone Park plan.

Commissioner Dalton requested to expedite the installation of the sign containing rules and information for paddle boarders.

Chairperson Shaer requested to have item numbers printed at the top of each page of the Harbor Commission agenda. He also requested an agenda item for August or September to discuss recommendations for the upcoming October strategic plan workshop.

Motion by Commissioner Keidser, seconded by Commissioner Bloss, to adjourn the meeting.

At 7:25 p.m. Chairperson Shaer adjourned the meeting until the next regular meeting on July 14, 2014.

Respectfully submitted,

Peter Carmichael
Waterfront and Economic
Development Director



Administrative Report

Council Action Date: June 17, 2014

To: MAYOR AND CITY COUNCIL

From: PETE CARMICHAEL, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

Subject: AGREEMENT FOR FINANCIAL ADVISORY SERVICES BETWEEN THE CITY OF REDONDO BEACH AND KOSMONT REALTY CORPORATION

RECOMMENDATION

Approve the agreement between the City of Redondo Beach and Kosmont Realty Corporation for a one time payment of \$78,125 for financial advisory services related to the purchase of the Redondo Beach Marina Leasehold.

EXECUTIVE SUMMARY

In May 2012, the City signed an option agreement to purchase the Redondo Beach Marina Leasehold as part of an ongoing effort to revitalize the City's Waterfront. On March 18, 2014, the City exercised the option to purchase the Leasehold, authorizing funds for the deposit and directing staff to move forward with the purchase transaction. Kosmont Realty Corporation provided services essential to the purchase including soliciting proposals from potential lenders for acquisition funds and assistance with due diligence, document review, and closing. For these services, Kosmont is charging .625% of the loan proceeds or \$78,125. These funds would be paid out of the loan proceeds and are currently being held in the purchase escrow awaiting execution of this contract for payment.

BACKGROUND

The City Council approved an Asset Management Plan for the Waterfront on December 18, 2007, and the Harbor Enterprise Business Plan on August 24, 2010. These documents, serve as the blueprint for the City's waterfront revitalization efforts. One of the central strategies in the Asset Management Plan is the acquisition of underperforming leasehold properties in the pier and harbor area to facilitate the highest and best use of the City's Waterfront. This includes upgraded public infrastructure, as well as more comprehensive long term 'place-making' through enhancements to connectivity, improved access to our coastal resources, and better planning and merchandising.

Consistent with the vision laid out in the 2007 Asset Management Plan, the City identified Pier Plaza, International Boardwalk, and Redondo Beach Marina in 2011 as targets for acquisition and upgrade. In 2012, the City purchased the International Boardwalk and Pier Plaza leaseholds. These properties were in a state of disrepair and had a high rate of vacancy and tenant turnover. Since purchasing these properties and installing professional 3rd party property management, vacancy has dropped by over 75% and vibrant new tenants have boosted traffic through other pier area shops and restaurants. Also in 2012, the City negotiated an Option Agreement providing for the future purchase of the Redondo Beach Marina leasehold from leaseholder Decron Properties. Similar to the other two leaseholds, this property has not had meaningful reinvestment in a generation. The site holds significant potential for revitalization and reconnection of the Waterfront, as well as facilitation of other off site infrastructure work that will be necessary in coming years. The Option Agreement would have expired in May, 2014.

On March 18, 2014, after unsuccessful attempts to extend the option agreement with Leaseholder Decron Properties and with the option expiration looming, the City Council voted to exercise the option agreement that was negotiated two years earlier and move forward with the purchase. As part of this action, the City Council approved a financing term sheet with BBVA Compass Bank and appropriated funds for the purchase deposit. On April 15th, the City Council approved the closing and financing documents for the purchase and authorized the closing of the transaction. The sale was finalized on May 8th. The City has now taken ownership of the property and has installed a professional property manager for the site.

The purchase of the Redondo Beach Marina Leasehold required specialized expertise and additional resources beyond those available through City staff. This included the solicitation of the capital markets investment community to identify funds for the acquisition as well as assistance with the due diligence process. The City utilized Kosmont Realty Corporation (KRC) to provide these services. Beginning in early February of this year, KRC performed an exhaustive survey of the market place to identify multiple sources of financing, utilizing an additional independent broker to broaden the search. This type of municipal financing has become increasingly difficult due to changes in the market place. Ultimately, the purchase was 100% financed through a lease-leaseback framework with BBVA Compass Bank. The purchase closed on May 8th. During the purchase process, KRC provided additional support resources including assistance with due diligence and document review. The purchase would not have been possible without these resources and specific outside expertise. The contract is being recommended for signature at this point as there was not sufficient time to process the contract prior to the transaction closing date. The funds for payment are being held by Chicago Title Company in the purchase escrow account awaiting execution of this contract.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office to develop the agreement. The City Attorney's Office has approved the agreement as to form.

FISCAL IMPACT

The cost of the financial advisory services provided by KRC is \$78,125. This amount will be paid out of the loan proceeds arranged through BBVA Compass Bank for the purchase of the Redondo Beach Marina Leasehold. These funds are currently being held in the purchase escrow awaiting execution of this contract. Ongoing principal and interest payments to service the loan will be made out of the Harbor Uplands and Tidelands Funds.

Funding

\$ 78,125 BBVA Compass Bank
loan proceeds

Expenditures

\$ 78,125 Kosmont Realty Corporation

Submitted by:
Pete Carmichael
Waterfront and Economic Development
Director

Approved for forwarding by:
Joe Hoefgen
Interim City Manager

Attachments:

- Agreement for Financial Advisory Services with Kosmont Realty Corporation

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND KOSMONT REALTY CORPORATION**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and KOSMONT REALTY CORPORATION a California Corporation ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services that have been provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant has commenced and completed the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".

* * * * *

GENERAL PROVISIONS

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable,

Consultant shall prepare check prints upon request. Said plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials, shall be specific for the project herein and shall not be used by the City for any other project without Consultant's consent. Notwithstanding the foregoing, Consultant shall not be obligated to assign any proprietary software or data developed by or at the direction of Consultant for Consultant's own use; provided, however, that Consultant shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.

4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Consultant to conduct any inspections Consultant has agreed to perform pursuant to the terms of this Agreement. Consultant shall be solely liable for said inspections performed by Consultant. Consultant shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Consultant hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.
6. Records. Consultant, including any of its subcontractors shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Consultant, including any of its subcontractors shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Consultant's completion of performance of this Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.
7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be performed and paid for in accordance with the following:

Only the City Council may authorize extra and/or changed work. Consultant expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Consultant to secure the authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Consultant thereafter shall be entitled to no compensation whatsoever for performance of such work.

If Consultant is of the opinion that any work which Consultant has been directed to perform is beyond the scope of this Agreement and constitutes extra work, Consultant shall promptly notify the City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Agreement and constitutes extra work. In the event that the City determines that such work does constitute extra work, City shall provide extra compensation to Consultant on a fair and equitable basis. A written amendment providing for such compensation for extra work shall be executed by Consultant and the City, and approved by the City Council.

In the event City determines that such work does not constitute extra work, Consultant shall not be paid extra compensation above that provided herein and if such determination is made by City staff, said determination may be appealed to the City Manager as long as a written appeal is submitted to the City Manager within five (5) days after the staff's determination is received by Consultant. Said written appeal shall include a description of each and every ground upon which Consultant challenges the staff's determination.

8. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
10. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for

immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.

11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.
12. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages if any, sustained by the City by virtue of Consultant's breach of this Agreement.
13. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend (at Contractor's expense with counsel acceptable to the City), City and its elected and appointed officials, officers, employees, agents,

independent contractors, and volunteers from and against any and all claims, demands, causes of action, compensation, lawsuits (whether at law, equity or both), proceedings, liabilities, losses, damages, expenses, costs (including without limitation attorneys' fees, expert witness fees, and other related costs and expenses), judgments, fines penalties, liens of every nature, and other amounts arising or claimed to arise, directly or indirectly, out of Consultant's (including Consultant, its subcontractors, and each of their officials, officers, employees, and agents) performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for to the extent such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

15. Insurance. Consultant shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.

Notwithstanding the foregoing, California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, the Consultant hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to under take self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
17. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.

Consultant acknowledges that eight (8) hours labor constitutes a legal day's work. Consultant shall comply with and be bound by Labor Code Section 1810. Consultant shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Consultant shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one

(1) calendar day and forty (40) hours in any one calendar week. Pursuant to Labor Code section 1815, work performed by employees of Consultant in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay. For every subcontractor who will perform work on the project, Consultant shall be responsible for such subcontractor's compliance with Labor Code Sections 1810, 1813 and 1815, and Consultant shall include in the written contract between it and each subcontractor copies of Labor Code Sections 1810, 1813 and 1815 and a requirement that each subcontractor shall comply with these aforementioned sections. Consultant shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor comply with Labor Code Sections 1810, 1813 and 1815, Consultant shall diligently take corrective action to halt or rectify the failure.

18. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

19. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.

20. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
21. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties and approved by the City Council.
22. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.
23. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
24. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
25. Time of Essence. Time is of the essence of this Agreement.
26. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
27. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
28. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
29. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.

30. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
31. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
32. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
33. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed, and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
34. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
35. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this ____ day of June, 2014.

CITY OF REDONDO BEACH

KOSMONT REALTY CORPORATION

Steve Aspel, Mayor

By: _____
Name: _____
Title: _____

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Risk Manager

APPROVED AS TO FORM:

Michael Webb, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

The major tasks performed by Consultant on this assignment were as follows:

Financial Advisory Services

From February 4, 2014 through May 8, 2014 Kosmont assisted the City in soliciting proposals from lenders for acquisition funds, the selection of preferred lenders, general loan due diligence and loan documentation review, and other similar and related services to assist the City with the successful closing of financing for the acquisition of the Redondo Beach Marina leasehold.

EXHIBIT "B"

SCHEDULE FOR COMPLETION

Term. This Agreement shall commence on June ____, 2014 and shall terminate on June 30, 2014.

EXHIBIT "C"
COMPENSATION

Fixed Fee in the amount of \$78,125.00. Payment will be made from the related Escrow Account #00021227- 001TG3 held by Chicago Title Company. (See attached Buyers/Borrowers Closing Statement).

EXHIBIT "D"

INSURANCE REQUIREMENTS FOR CONSULTANTS

Without limiting Consultant's indemnification obligations under this Agreement, Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers are shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers are shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Consultant's part.

Acceptability of Insurers

Insurance is shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements are shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

Consultant acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

CHICAGO TITLE COMPANY

725 South Figueroa Street, Suite 200, Los Angeles, CA 90017

Phone: (213) 488-4300 Fax: (213) 612-4110

Buyer/Borrowers Closing Statement

Final

Escrow No: 00021227 - 001 TG3

Close Date: 05/08/2014

Proration Date: 05/08/2014

Date Prepared: 05/19/2014

Buyer(s)/Borrower(s): City of Redondo Beach

Seller(s): JJJ Enterprises, Ltd.

Property: Redondo Beach Marina
Redondo Beach, CA

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration	12,200,000.00	
Deposit		249,000.00
Interest earned		9.47
NEW AND EXISTING ENCUMBRANCES:		
New Loan from Compass Bank		12,500,000.00
NEW LOAN CHARGES: - Compass Bank		
Origination Fee	62,500.00	
ESCROW AND TITLE CHARGES:		
Settlement/Closing Fee to Chicago Title Company	4,225.00	
Investment Fee to Chicago Title Company	50.00	
Loan Tie In Fee to Chicago Title Company	375.00	
ALTA Owners Policy to Chicago Title Company	3,125.00	
Endorsements to Chicago Title Company:	1,800.00	
119.5-06 (Leasehold): n/c		
17-06 (Access & Entry): \$250.00		
8.2-06 (Environmental): \$100.00		
103.3-06 (Encroachment): n/c		
Electronic Signature: n/c		
25-06 (Same as Survey): n/c		
9.2-06 (CC & R's): \$500.00		
26-06 (Subdivision): \$500.00		
19-06 (Contiguity): \$250.00		
ALTA Leasehold Policy to Chicago Title Company	3,187.50	
Simultaneous Title Policy to Chicago Title Company	100.00	
Leasehold Endorsements to Chicago Title Company:	1,517.00	
119.5-06 (Leasehold): n/c		
17-06 (Access & Entry): \$75		
8.2-06 (Environmental): \$30		
103.3-06 (Encroachment): n/c		
Electronic Signature: n/c		
25-06 (Same as Survey): n/c		
9.2-06 (CC&R's): \$150		
26-06 (Subdivision): \$150		
19-06 (Contiguity): \$75		
120.2 (Subordination of Prior Mortgage to Lender): \$1,037		
ADDITIONAL CHARGES:		
ALTA Survey to Pacomas	4,517.27	
Phase I to SCS Engineers	3,700.00	
Loan Origination Fee to Kozmont Realty Corporation	78,125.00	
Legal Fees to Kutak Rock LLP	36,000.00	
Fee to CDIAC	1,675.00	
PRORATIONS AND ADJUSTMENTS:		
Property Taxes (APN: 8940-262-009) from 05/08/2014 to 07/01/2014 based on the Annual amount of \$160,702.15	23,775.11	
Property Taxes (APN: 8940-789-8211) from 05/08/2014 to 07/01/2014 based on the Annual amount of \$5,767.49	853.27	
First Extension Option Credit	100,000.00	
Second Extension Option Credit	100,000.00	
Security Deposits		83,351.56
Rent		11,455.64
Estimated Income	21,436.02	
Sub Totals	12,846,958.17	12,854,816.77
Refund Due Buyer/Borrower	207,858.60	
Totals	12,854,816.77	12,854,816.77



Administrative Report

Council Action Date: June 17, 2014

To: MAYOR AND CITY COUNCIL

From: PETE CARMICHAEL, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

Subject: ADOPT RESOLUTION NO. *** , A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING PARKING RATES FOR THE PIER PARKING STRUCTURE, PLAZA PARKING STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT, INCLUDING A FLAT FEE OF \$25 FOR JULY 4TH**

RECOMMENDATION

- a) Conduct a Public Hearing, and
- b) Adopt Resolution No. ***** , a Resolution of the City Council of the City of Redondo Beach, California, adopting parking rates for the Pier Parking Structure, Plaza Parking Structure, and Redondo Beach Marina parking lot, including a flat fee of \$25 on July 4th.

EXECUTIVE SUMMARY

On May 8, 2014, the City completed its purchase of the Redondo Beach Marina leasehold, which includes a large surface parking lot available for public use. This Public Hearing and the associated Resolution modifies the parking rates at the newly acquired Redondo Beach Marina parking lot to make the rates consistent with the City's adjacent Pier and Plaza Parking lots.

The change in daily rate is not expected to have an adverse impact on the typical Redondo Beach Marina visitor. On weekdays between 8am and 6pm, it will actually be cheaper to park under the new rate schedule due to a discounted first hour.

Other proposed changes include a special event flat rate of \$25 for the July 4th holiday (similar to past years) and a new 10-hour time period for the Cancer Support Community rate.

BACKGROUND

The City of Redondo Beach owns two parking structures providing convenient pedestrian access to the City's Pier and International Boardwalk area. The Pier Parking Structure sits at the western terminus of Torrance Boulevard and contains approximately 1,018 spaces. The Plaza Parking Structure lies at the intersection of N.

**RESOLUTION ADOPTING PARKING RATES FOR
THE PIER PARKING STRUCTURE, PLAZA PARKING
STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT
Page 2**

Harbor Drive and Pacific Avenue and contains approximately 332 parking spaces. Together, the Structures supply the Pier and International Boardwalk area with essential parking for a variety of users in the area.

In May, 2014, the City purchased the Redondo Beach Marina leasehold. The property includes a large surface parking lot and is operated in conjunction with City Parking Lot 12 (for the Seaside Lagoon) at the corner of Harbor Drive and Portofino Way. Together, the Redondo Beach Marina lot and Parking Lot 12 provide spaces for over 800 automobiles and vehicles with boat trailers.

Staff is recommending changes to the parking rates at the Redondo Beach Marina lot to bring them into consistency with the City's rates at the Pier and Plaza structure. Although the recommended rate schedule for Redondo Beach Marina will not match the rates at the other lots exactly, given the different operating system (meter vs. gates) the proposed structure matches the two as close as possible. A summary of the rate changes appears below:

Daily Rate: The current rate charged is \$0.25 for the first 15 minutes and \$2.00 per hour to a maximum of \$20.00. Staff proposes aligning the daily rate to that charged at the Pier and Plaza Parking Structures as shown in the table below. The change in daily rate is not expected to have an adverse impact on the typical Redondo Beach Marina visitor. For instance, a 4-hour weekend stay (without validation) will be the same \$8 charge under the current or the proposed. On weekdays, if between 8am and 6pm, the 4-hour stay is actually cheaper for the customer under the proposed rate (\$6.50) than under the current (\$8.00), due to a discounted first hour.

Employee Passes: Currently, employees pay \$15/month and slip tenants pay \$25/month. Staff proposes aligning the retail employee passes with that at the Pier and Plaza Parking Structures, as show in the table below, and maintaining the \$25/month charge for slip tenant passes.

Validations: There are several validation rates currently charged for the restaurants on site per their lease or license agreements. Staff recommends maintaining these rates as written in lease or license agreements that have received the City's consent or approval.

Seaside Lagoon: Automobiles and busses are currently validated at \$4.50 and \$12.00 respectively. Staff recommends leaving these validated rates in place through 2014. Starting January 1, 2015, staff proposes removing the validation to encourage more visitor use of restaurants, where they would receive validation which is, in many instances, less expensive to the customer then the former Seaside Lagoon validation.

RESOLUTION ADOPTING PARKING RATES FOR THE PIER PARKING STRUCTURE, PLAZA PARKING STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT

Item	Current RB Marina Rate	Proposed RB Marina Rate
Daily Rate	\$0.25 first 15 minutes (grace) \$2.00 each hour \$20.00 maximum	<i>Summer (May 1 – September 30): \$2.00 each hour; \$0.50 for the first hour weekdays 8am to 6pm</i> <i>Winter (October 1 – April 30): \$1.50 each hour; \$0.50 for the first hour weekdays 8am to 6pm</i>
Employee Passes	\$15/month	<i>Annual Employee Passes: \$280.00 (Purchases after January 31 will be prorated at the rate of \$35/month times the number of months remaining in the year.)</i> <i>Summer Season Employee Passes (May 1 – Sept. 30): \$120.00 (Purchases after May 31 will be prorated at the rate of \$35/month times the number of months remaining in the summer season.)</i>
Slip Tenant Passes	\$25/month	\$25/month
Validations	Various per lease or license agreement	Maintain; as per lease or license agreements consented to or approved by City
Seaside Lagoon	Automobiles: \$4.50 Busses: \$12.00	Maintain until Jan. 1, 2015. Daily rate thereafter; restaurant validations encouraged.
<i>Italics: rates are aligned with Pier and Plaza Structures</i>		

If adopted, staff recommends implementation of the proposed Rate Schedule upon the installation of new signage and programming of equipment at the Redondo Beach Marina exit gates.

The attached Resolution changes little at the Pier and Plaza Parking Structures. A new flat rate of \$25 upon entry is proposed for the July 4th holiday, similar to years past. In previous years, a separate Resolution was presented to the City Council for this special one-day rate every year. This Resolution memorializes this rate as permanent until changed by the City Council, and removes the need to request this special holiday rate each year.

Administrative Report

June 17, 2014

RESOLUTION ADOPTING PARKING RATES FOR
THE PIER PARKING STRUCTURE, PLAZA PARKING
STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT
Page 4

The Resolution also makes a minor change to the rate being charged to the Cancer Support Community. Their current rate is \$0.25 for 'all-day'. The Resolution includes the same \$0.25 charge, but for a more-practical 10-hour period, or the typical full business day. Staff has had discussions with the Cancer Support Community and they have expressed support for this change.

COORDINATION

The Waterfront & Economic Development Department collaborated with the City Attorney's Office to develop the attached Resolution. The Resolution has been approved as to form by the City Attorney's Office.

FISCAL IMPACT

Revenues from the Structures accrue to the Harbor Uplands Fund (Pier garage) and the Harbor Tidelands Fund (Plaza garage). Revenues from the Redondo Beach Marina lot will accrue to the City's Harbor Uplands Fund and Harbor Tidelands Fund, depending upon which use can be tied to the parking income. Under the new Rate Structure, an increase in parking income is expected due to the permanent holiday rate on July 4th, but the exact amount is unknown. Additionally, parking revenues at the Redondo Beach Marina lot may see a modest increase due to the elimination of the daily maximum and increase to employee passes. It will difficult to quantify the change in revenue, however, until a history can be achieved.

Submitted by:

Approved for forwarding by:

Pete Carmichael
Waterfront & Economic Development Director

Joe Hoefgen
Interim City Manager

Attachment: Resolution No. CC***** with Exhibit A (Parking Rate Schedule)

RESOLUTION NO. CC-1406-057

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF REDONDO BEACH, CALIFORNIA,
ADOPTING PARKING RATES FOR THE PIER
PARKING STRUCTURE, PLAZA PARKING
STRUCTURE, AND REDONDO BEACH MARINA
PARKING LOT**

WHEREAS, all vehicles parked in the Pier Parking Structure, Plaza Parking Structure and Redondo Beach Marina parking lot shall be charged a fee and parking fees shall be collected in accordance with a Parking Rate Schedule established by the City; and,

WHEREAS, on May 21, 2013 the Redondo Beach City Council approved Resolution No. CC-1305-045 to set forth the parking rates at the Pier Parking Structure and Plaza Parking Structure; and,

WHEREAS, on May 8, 2014, the City completed the purchase of the Redondo Beach Marina leasehold which includes a large parking lot available to the public; and,

WHEREAS, the City Council approves parking rates for City-owned and operated parking facilities by resolution; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Resolution No. CC-1305-045 is hereby rescinded.

SECTION 2. The attached Exhibit "A" Parking Rate Schedule is hereby adopted for the Pier Parking Structure, Plaza Parking Structure and Redondo Beach Marina parking lot.

SECTION 3. All rates will remain per the Parking Rate Schedule unless and until further action is taken by the Redondo Beach City Council.

SECTION 4. Only the City Council shall have the right to adjust the rates on the Parking Rate Schedule.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution and shall enter the same in the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 17th day of June, 2014.

Steve Aspel, Mayor

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that the foregoing Resolution No. CC-1406-057 was duly passed, approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 17th day of June, 2014, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

PARKING RATE SCHEDULE (PIER AND PLAZA PARKING STRUCTURES AND REDONDO BEACH MARINA PARKING LOT)

DAILY RATE

Summer (May 1 – September 30):

\$2.00 each hour;
\$0.50 for the first hour weekdays 8am to 6pm

Winter (October 1 – April 30):

\$1.50 each hour;
\$0.50 for the first hour weekdays 8am to 6pm

HOLIDAYS AND SPECIAL EVENTS

July 4th:

Flat fee of \$25 payable upon entry

(Other designated holidays or special events may include a special rate upon City Council action)

PIER/BOARDWALK EMPLOYEE MONTHLY AND YEARLY PASSES

Passes are to be purchased by business owners/managers to satisfy employment verification; parking spaces are occupied on a first-come, first-served basis; passes do not guarantee a parking space.

Annual Passes (January 1 – December 31):

- a. Full-Access Annual Pass – 7 days/week in Pier Parking Structure or Plaza Parking Structure: \$280.00
(Purchases after January 31 will be prorated at the rate of \$35/month times the number of months remaining in the year.)
- b. Limited Access Annual Pass - 7 days/week in the Plaza Parking Structure, also allowed in Pier Parking Structure on non-holiday weekdays : \$120.00
(Purchases after January 31 will be prorated at the rate of \$10/month times the number of months remaining in the year.)

Summer Season Passes (May 1 – September 30):

- a. Full-Access Summer Pass - 7 days/week in Pier Parking Structure or Plaza Parking Structure: \$120.00
(Purchases after May 31 will be prorated at the rate of \$35/month times the number of months remaining in the summer.)
- b. Limited Access Summer Pass - 7 days/week in the Plaza Parking Structure, also allowed in Pier Parking Structure on non-holiday weekdays : \$50.00
(Purchases after May 31 will be prorated at the rate of \$10/month times the number of months remaining in the summer.)

REDONDO BEACH MARINA EMPLOYEE MONTHLY AND YEARLY PASSES

Passes are to be purchased by business owners/managers to satisfy employment verification; parking spaces are occupied on a first-come, first-served basis; passes do not guarantee a parking space.

Annual Passes (January 1 – December 31): \$280.00

(Purchases after January 31 will be prorated at the rate of \$35/month times the number of months remaining in the year.)

Summer Season Passes (May 1 – September 30): \$120.00

(Purchases after May 31 will be prorated at the rate of \$35/month times the number of months remaining in the summer.)

Boat Slip Tenants:
\$25 per month

PARKING FOR THE DISABLED

Free in designated spaces with approved placards and/or license plates.

CANCER SUPPORT COMMUNITY (Pier Parking Structure only)

Cancer Support Community patrons and volunteers may purchase 10 hours of parking at the rate of \$0.25 per car.

VALIDATIONS

Validation rates for customers of businesses are pursuant to provisions in approved lease or license agreements.

SEASIDE LAGOON

Rates apply through December 31, 2014. As of January 1, 2015, automobiles and buses will pay the daily rate.

Automobiles: \$4.50 per day with validation.

Buses: \$12.00 per day with validation.

REDONDO BEACH COUNCIL MEMBERS AND CITY EMPLOYEES

Authorized Redondo Beach City Employees and Council members as certified by the Waterfront & Economic Development Director or Harbor Facilities Manager

No charge for conduct of City business



City of Redondo Beach

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, June 17, 2014, at 6:00 p.m., or as soon thereafter as possible, the Redondo Beach City Council will hold a Public Hearing at 415 Diamond Street, Redondo Beach, California, in the Redondo Beach Council Chambers for the following purpose:

A RESOLUTION ADOPTING PARKING RATES FOR THE PIER PARKING STRUCTURE, PLAZA PARKING STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT IN THE FOLLOWING CATEGORIES:

1. DAILY RATE
2. HOLIDAYS AND SPECIAL EVENTS
3. PIER/BOARDWALK EMPLOYEE MONTHLY AND YEARLY PASSES
4. REDONDO BEACH MARINA EMPLOYEE MONTHLY AND YEARLY PASSES
5. PARKING FOR THE DISABLED
6. CANCER SUPPORT COMMUNITY
7. VALIDATIONS
8. SEASIDE LAGOON
9. REDONDO BEACH COUNCIL MEMBERS AND CITY EMPLOYEES

FURTHER INFORMATION on the above matter may be obtained or viewed at the City Clerk's Office, located at 415 Diamond Street, Door C, Redondo Beach, CA. If a citizen wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of at or prior to the public hearing.

ALL INTERESTED PERSONS are invited to appear at this time and place specified above to give oral or written testimony in regards to this matter. Written comments may be forwarded to City Clerk's Office at 415 Diamond Street, Redondo Beach, CA 90277.

The facility is accessible to the disabled and hearing impaired. If special assistance is required, please call (310) 318-0656 so accommodations can be arranged. While not required, 48 hours notice is appreciated.

Eleanor Manzano, CMC
City Clerk

Easy Reader Inc/Redondo Beach News/June 5, 12, 2014/RD14-046

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING June 17, 2014

L.2 PUBLIC HEARING TO DISCUSS PARKING RATE FEES.

ADOPT BY TITLE ONLY RESOLUTION NO. CC-1406-057, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING PARKING RATES FOR THE PIER PARKING STRUCTURE, PLAZA PARKING STRUCTURE, AND REDONDO BEACH MARINA PARKING LOT.

RECOMMENDATION:

- a. Open Public Hearing and take testimony; and
- b. Close Public Hearing; and
- c. Adopt Resolution No. CC-1406-057.

CONTACT:

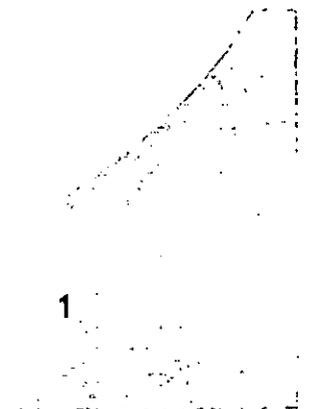
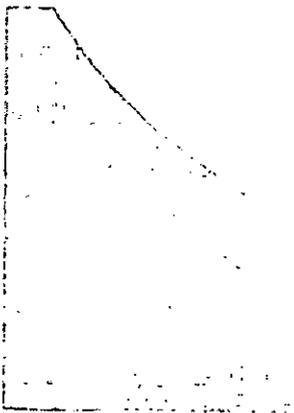
PETE CARMICHAEL, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

ATTACHMENT:

PowerPoint presentation.

Rate Modifications at Waterfront Parking Structures

June 17, 2014



Pier and Plaza Structures

- Special Event Rate For July 4th: \$25 upon entry
- Cancer Support Community: \$0.25 for 10 hours
 - ▶ Currently \$0.25 for “all-day”

RB Marina Lot

- Employee and daily rates aligned with Pier and Plaza Parking Structures
 - ▶ Daily rate: \$2 / \$1.50 per hour - seasonal
 - ▶ Employee Passes - Annual: \$280; Summer: \$120
- Validations per agreements with restaurants (Lagoon validation continues until 2015)
- Slip tenants: \$25 per month (unchanged)

Recommendation

1. Conduct a public hearing
2. Adopt the proposed resolution modifying parking rates for the Pier Parking Structure, Plaza Parking Structure, and Redondo Beach Marina parking lot.



Administrative Report

Council Action Date: July 1, 2014

To: MAYOR AND CITY COUNCIL

From: PETE CARMICHAEL, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

Subject: SELECTION OF CONSULTANT TO PERFORM MARKET STUDY OF PROPOSED WATERFRONT REVITALIZATION PROJECT

RECOMMENDATION

Select one of the four consultants that responded to the City Council approved Request for Proposals (RFP) to perform a market study of the proposed Waterfront Revitalization project.

EXECUTIVE SUMMARY

In November 2013, the City Council directed staff to conduct a third party, independent market study evaluating the economic feasibility of the proposed Waterfront Revitalization project proposed by CenterCal Properties. The City Council approved an RFP for the additional market study, outlining the scope of work, in March, 2014. Four responses to the RFP were received from firms; AECOM, Bay Area Economics, the Concord Group, and MR+E. Their responses are summarized in the report below. Each of the four respondents will be in attendance at the meeting to provide additional information about the firm and answer questions. Staff recommends that the City Council select one of the four firms to conduct the market study.

BACKGROUND

The City plays an important role as the steward of a magnificent stretch of the California coastal zone and has an obligation to preserve this asset for future generations. Part of the City's responsibility in this regard is to preserve and enhance the public infrastructure, to seek opportunities that will improve access for both locals and visitors, and to ensure ongoing environmental sustainability. With this responsibility as steward and trustee of the coastline as a guiding principle, the City Council has made the revitalization of the waterfront a key strategic priority.

The most recent revitalization efforts in the Waterfront were begun nearly a decade ago with the City Manager's Harbor and Pier Working Group and the Asset Management Plan and Harbor Enterprise Business Plan, developed in 2008 and 2010 respectively.

Ultimately, a new set of zoning standards were approved by the voters of Redondo Beach and certified by the California Coastal Commission in 2010. In 2012, the City Council selected CenterCal Properties, out a field of qualified developers, to further the revitalization of a consolidated site on and around the Pier. Over the last two years, CenterCal has conducted several large town hall style meetings to draw public input and conducted numerous meetings with residents, businesses, and stakeholders. The concept that CenterCal has developed through this collaborative process includes no residential and is within the voter and California Coastal Commission approved limitations on density and square footage. The plan is low density, consistent with the desire of the voters through measure G and has a feel similar to a village downtown, with expansive waterfront promenades, outdoor shops, better pedestrian access to the water, improved connectivity, and expanded opportunities for boaters, stand up paddle boaters and coastal recreation. Based on City Council direction in summer, 2013, an Environmental Impact Report (EIR) is being conducted to evaluate the likely impacts of the proposed project on a variety of factors including noise, views, traffic, and water quality. The EIR is expected to be completed in 2015.

At its November 19, 2013 meeting, the City Council approved several project related documents. Additionally, at that meeting, a market study was presented by consultant Jeff Green Partners, providing a forecast for the proposed project's sales performance and overall prospects for success. In reviewing the report, some members of the City Council cited the appearance that the consultant was not independent in their analysis due to the fact that they had represented retailers that are tenants in CenterCal Properties elsewhere in the past. For this reason, and so that a more comprehensive report could be conducted that would include the hotel portion of the project, the City Council provided direction to initiate a second study.

At its March 4, 2014 meeting, the City Council approved a Request for Proposals (RFP) which defined the scope of work for this second market study as well as the procedure for selection of a consultant. The key areas of study outlined in the RFP are shown below.

- What is the likely trade area for the project and who are the likely customers for the various uses?
- What are the population, demographic, lifestyle (psychographic) and other relevant characteristics of trade area residents, how are they projected to change and what impact will this have on the project?
- What is the likely worker and tourist base that will frequent the project? What demand can be generated by this component?
- What is the projected growth for retail, entertainment, and hotel expenditures and how will this impact the project?
- What is the existing retail and hotel market in the greater Redondo Beach area? How is this landscape expected to change and how will this impact the project?

- What is the relevant retail, entertainment, and hotel competition, including projected / planned projects and what impact will this competition have on the proposed Waterfront Revitalization Project?
- Based on the site plan provided, are the uses supportable, when are they supportable, and what sales are achievable by this project?
- What sales and sales per square foot can the retail, restaurant, and entertainment components achieve in its first-year and fifth-year of operation?
- What average daily rate and revenue per available room can the hotel component achieve in its first-year and fifth-year of operation?
- What annual rental rate can the creative office space achieve in its first and fifth year of operation?

Staff elicited potential respondents to the RFP through web search and through consultation with other cities and public agencies that have engaged with consultants for similar work. Five responses to the RFP were received. One response was eliminated due to the consultant's location in Atlanta, Georgia and the significant additional expense associated with their travel costs. The four remaining qualified responses were a combination of single entity response, for companies that held all of the requisite capabilities, and team response, in which more than one company bid the job together – combining their respective capabilities. A short background on the qualified responding companies and highlights of their relevant experience, as identified in their submittal, is included below.

AECOM

The AECOM response is a single entity response with the project managed by professionals in-house with the firm. AECOM is a global professional services firm providing integrated economics, planning, design, engineering, environmental and project management services. The Company has 45,000 employees in over 150 countries and has grown through consolidation over time, combining many well-known smaller consultancies and companies across a variety of disciplines. The company has a wide-range of expertise including economic analysis of mixed-use projects including retail, dining, entertainment, and hospitality uses. The company is built to accommodate projects of all scales and assemble a team to suit the individual task and site from its large population of consultants and sub-disciplines. Highlighted relevant experience includes

- Ports 'o Call retail, dining, entertainment feasibility study. Client: Port of Los Angeles
- San Diego downtown boutique hotel feasibility analysis. Client, San Diego County
- Torrance Double Tree Hotel redevelopment analysis. Client, Hilton Hotels

Bay Area Economics (BAE)

The BAE submittal is a team response, with BAE as the lead and including Jones Lang LaSalle's Hotels and Hospitality Group, and Greensfelder Commercial Real Estate. BAE Urban Economics has five offices across the U.S. and provides urban economics consulting services for all types of projects and provides public sector development advisory services for the creation and negotiation of public-private partnerships. BAE's focus is on the "triple bottom line" of sustainable economics, environment and equity. Their experience includes market and financing feasibility studies, retail analysis, community revitalization and economic development and public-private partnerships.

Jones Lang LaSalle's (JLL) Hotels and Hospitality Group provides hotel market analyses and works with hotel investors to provide transaction services for a variety of hospitality and mixed-use development types. The firm employs 300 people and utilizes a research focus for investor and owner clients within the hospitality space.

Greensfelder Commercial Real Estate is a development consulting firm based in the San Francisco-Bay Area that provides retail consulting services. David Greensfelder, Managing Principal, focuses on market analysis and evaluation of competition for retail, residential, and mixed-use projects. Highlighted relevant experience for the BAE team includes:

- Chula Vista Bay front Master Plan market and feasibility study. Jones Lang LaSalle. Client: San Diego Unified Port District
- Palm Springs hotel / retail market analysis. BAE. Client: Rael Development Corporation
- Sacramento Retail Lifestyle Center Analysis. BAE. Client: Opus West

The Concord Group (TCG)

TCG responded as a single entity. The firm, headquartered in Newport Beach with offices in San Francisco and New York, is a research-based firm providing interpretation of market trends and assistance in problem-solving. Mixed-use infill development and destination entertainment development is a key practice area for the firm. TCG has a network that includes marketing, planning and design professionals, engineers and others required to create a full-service real estate advisory team. Clients include land owners, developers, builders, financial institutions and public agencies. Highlighted relevant experience for the firm includes:

- San Francisco Transbay Redevelopment land use programming and financial analysis. Client: Transbay Joint Powers Authority
- Napa Redevelopment market feasibility and fiscal impact analysis. Client: County of Napa
- Lido Village redevelopment conceptual land planning services. Client: City of Newport Beach

Metropolitan Research Economics (MR+E)

The MR+E submittal is a team response, with MR+E as the lead and including MJB Consulting and Johnson Consulting. Led by Principal, David Bergman, MR+E is a Los Angeles-based consulting firm concentrating in economic analysis related to urban planning, economic development, and public policy. MR+E focuses on California communities, advising public agencies, private firms and non-profit institutions on a variety of topics including project feasibility, public-private partnerships, and community development strategies.

Johnson Consulting, is a Chicago-based firm specializing in destination entertainment, hotel / convention, and sports facility development. The firm provides a variety of services including market feasibility, site selection, and development consulting. The majority of their clients are cities and counties. MJB Consulting, led by Michael J. Berne, has a presence in the San Francisco Bay Area and New York. The firm's focus is on retail planning and real estate consulting including market analyses and tenant recruitment strategies. Their clients include municipalities as well as private developers, landlords and retailers. Highlighted relevant experience for the MR+E team includes:

- Ventura Harbor Specific Plan. Client: Ventura Harbor Commission
- Dana Point Harbor Lease Analysis. Client : Orange County Parks and Recreation Department
- Nashville Convention Center Headquarters Hotel. Johnson Consulting. Client: Nashville Tennessee Metropolitan Development and Housing Agency

All of the respondents were required to include in their submittal a summary of their project team, related experience, references, and price. Additionally, the respondents were notified of the City's desire for an independent, third party evaluation of the project and any previous engagement with the developer, CenterCal Properties, would be viewed negatively in the selection process. All four respondents have confirmed that they have no current or previous engagement with CenterCal and no conflict of interest in this regard. Staff also contacted a minimum of three references for each of the qualified respondents. The references were asked to rate the consultants on a scale of 1 to 5 (1 being excellent, 5 being poor) on a variety of metrics. All of the respondents scored well, with a combined score of 1 or "excellent" for AECOM, MR+E, and Concord Group and a score of 1.3 or "good to excellent" for BAE.

A summary of pricing for the consultants is included below. The cost includes the respondent's maximum estimate for additional costs associated with materials and travel.

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|-----------------|----------|
| • AECOM | \$58,267 |
| • BAE | \$49,605 |
| • Concord Group | \$45,200 |
| • MR+E | \$82,500 |

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Manager's office in the development of this report. The RFP, which was issued to solicit the above proposals, was reviewed and approved by the City Council.

FISCAL IMPACT

There is no direct fiscal impact associated with the City Council's selection of a consultant. Once a consultant is selected, staff will return with a contract for City Council approval at which point the final fiscal impact will be summarized. Based on the above summarized price quotes, the price for the market study is likely to range from approximately \$45,000 to \$85,000. This cost will be paid for out of the approved FY 14/15 budget from the City's Uplands and Tidelands Funds.

Submitted by:

Approved for forwarding by:

Pete Carmichael
Waterfront & Economic Development Director

Joe Hoefgen
Interim City Manager

Attachments:

- Request for Proposals (RFP) for Market Study to Assess Proposed Waterfront Revitalization Project
- RFP submittals from AECOM, BAE, Concord Group, MR+E

All supporting documentation for **Consent Items**

can be found online at the City's website

www.redondo.org

under the corresponding City Council Meeting

city offices/city clerk/agenda & minutes

City Council Meeting

July 1, 2014

Item N2



Administrative Report

Commission Action Date: July 14, 2014

To: MEMBERS OF THE HARBOR COMMISSION

**From: PETE CARMICHAEL, WATERFRONT & ECONOMIC DEVELOPMENT
DIRECTOR**

Subject: DIRECTOR'S REPORT

RECOMMENDATION

Receive and file a report from the Waterfront & Economic Development Director on current and upcoming waterfront projects and activities.

EXECUTIVE SUMMARY

An oral report will be provided by the Waterfront & Economic Development Director at the Commission meeting on current and upcoming waterfront projects and activities, including but not limited to property management, leasing activity, project updates, events and other information.

COORDINATION

Department staff collaborated on the development of this report.

FISCAL IMPACT

The cost for preparing this report is included within the Waterfront & Economic Development Department's adopted FY2014-15 annual budget and is part of the department's annual work program.

Submitted by:

Pete Carmichael
Waterfront & Economic Development Director