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The Urban Marina

MANAGING AND DEVELOPING

MARINA DEL REY

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THE URBAN MARINA:
MANAGING AND DEVELOPING MARINA DEL REY

by

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Introduction

INTRODUCTION

An understanding of the events which created Marina del Rey's unique physical development and shaped its management system as a publicly owned facility is particularly important for future coastal planning and development. First, the demand for recreational boating facilities is expected to continue as upward trends in income levels and leisure time combine with technological developments in boating which make equipment more reliable, more mobile, and less costly. Second, there will be economic pressures for marinas in large metropolitan areas to serve as multi-functional activity centers with extensive land development. Consequently, a premium should be placed upon identifying management practices for such facilities that would allow an appropriate balance of boating and non-boating uses and would equitably account for the facility's impacts upon adjacent communities. Finally, as the coastal population in urban centers increases, the demand for access to the ocean for recreational, residential, and industrial purposes will accelerate. As a result, there will be an increasing demand for governmental agencies to more efficiently manage those portions of the shoreline available for public use.

Marina del Rey's history has relevance for each of these concerns. It is the largest small craft harbor in the world. For its size, it may also be the most intensely used and integrated recreational, residential, and commercial coastal development in the United States. The financial success of the Los Angeles County-owned facility, after an

uncertain beginning, has exceeded all expectations. In fact, many regard Marina del Rey as a model for future marinas. At the same time, a number of conflicts have arisen within the Marina over boating and non-boating uses and the provision of facilities which the general public can use at little or no cost. The Marina has also had substantial impacts upon the land use patterns in its immediate periphery. These impacts have produced strong opposition to Marina management policies from many residents and organizations. In addition, the Marina's development and operations have not been part of any formally or informally coordinated plan for coastal use within the Los Angeles region.

The primary reasons for the Marina's economic success and its recent management difficulties grow out of its history. The County initially justified and funded the Marina as a small craft harbor in the mid-1950's. No explicit decision was made on the basis of public debate to transform the recreational boating facility into a multi-million dollar regional activity center with predominantly land-oriented development. Rather, the decisions made in the early 1960's to insure that the County's \$13 million revenue bond obligation would be met had the effect of changing the nature of the Marina from what had been intended initially. This was the result of giving maximum-revenue-producing facilities highest priority for the Marina's development. Over time, the management structure created for this task faced difficulties in dealing with increasingly complex social, economic, and environmental questions as the diversity of internal activities and regional impacts grew. Some adaptations have been made in the administration of the Marina to meet these new circumstances. A number of changes remain, however, which would be desirable for the internal management of the Marina. These changes would attempt to modify the relative emphasis given to social, economic, and environmental values in the operation and future development of the facility.

This study reviews and analyzes the circumstances which led to the Marina's authorization; the initial management and financial decisions made concerning its development; the factors which transformed the facility from a small craft harbor to a multi-purpose regional activity center; the internal use conflicts which occurred among boaters, lessees, and the general public, and the regional role and impacts of the Marina. In addition, a number of recommendations are presented concerning the future management of the facility.

This study is part of a series concerning Marina del Rey prepared by the Coastal Zone Planning and Management Project, University of Southern California Sea Grant Program. The first, The Development of the Marina by George Schultz, Margarita McCoy, and Kevin O'Brien, emphasized the planning aspects of the Marina's development. The final in the

series by Mitchell Moss will be concerned with the "new town" characteristics of the Marina, its regional role, and the use of leasing for development of multi-activity centers on publicly owned land. The three studies together contribute to a basic information source for Marina del Rey and complement one another in their various emphases.

1 Early Development Priorities

EARLY DEVELOPMENT PRIORITIES

Various groups and individuals supported the creation of a boat harbor at Playa del Rey Inlet, Los Angeles County, from the early part of this century to the time it was finally authorized in 1954. During this period, the U.S. Army Corps of Engineers served as the principal organization which established the legal framework and the funding requirements for building the harbor. U.S. Corps participation stemmed both from its jurisdiction over construction affecting navigable waters and its authority to obtain Congressional funds for harbor developments and water improvement projects. (1)

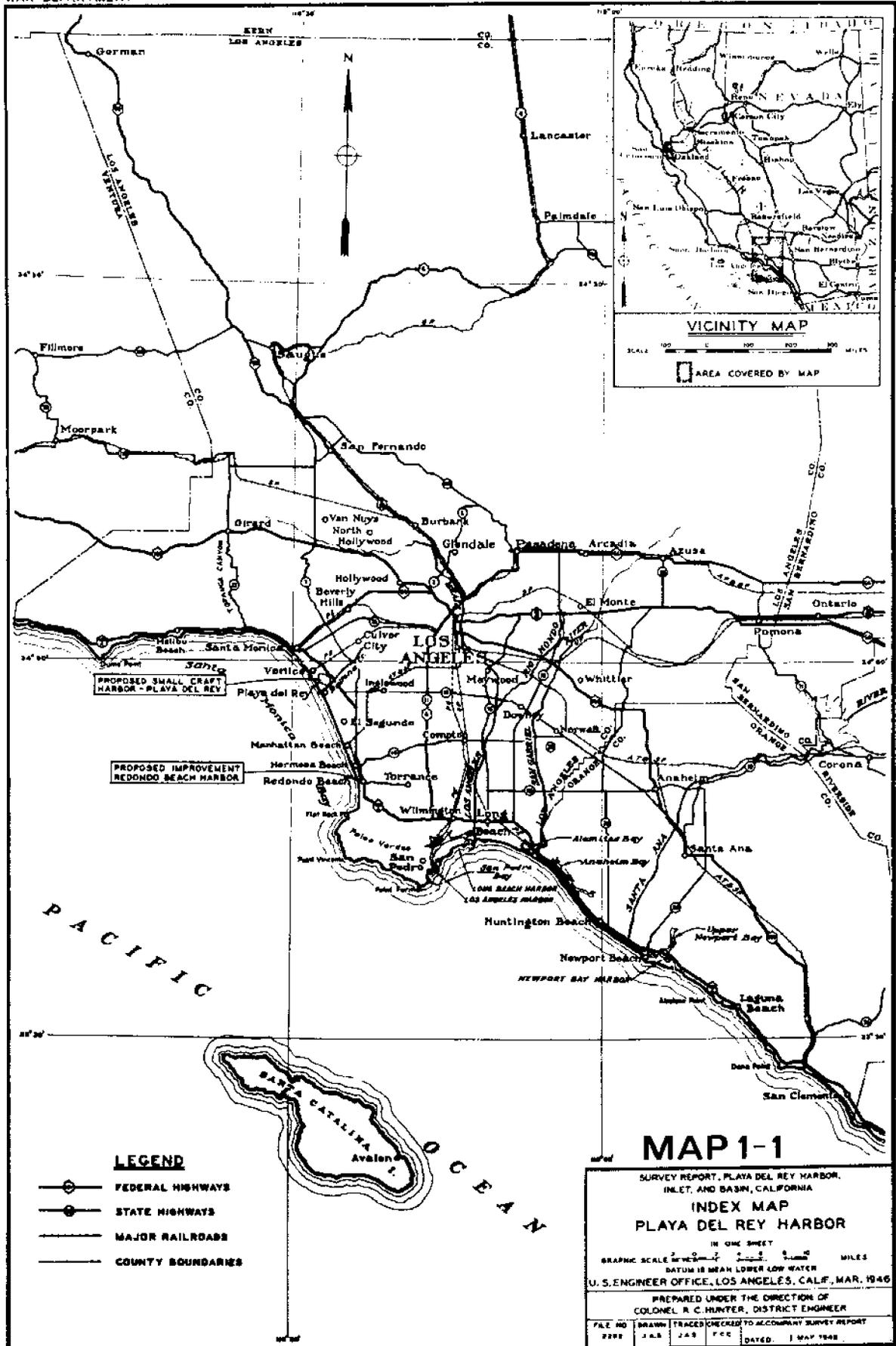
Impetus for a U.S. Corps project, such as the one under consideration, normally comes from local businesses and commercial groups in a community. If there is strong local support for the undertaking, the Congressional representative from that district will ordinarily introduce legislation authorizing a feasibility study. The Corps then conducts public hearings in the local area. The ensuing report must show the engineering feasibility of the project as well as a favorable economic cost-benefit ratio for the proposed Federal investment. Congressional authorization of the necessary funds constitutes the final step in the process. (2) The approval of Federal money for harbor and channel improvements at Playa del Rey Inlet followed this general pattern with the U.S. Corps seeking national endorsement and funds for the project.

At the turn of the century, Abbott Kinney, the cigarette millionaire who had developed Venice, California, immediately north of Playa del Rey, was the most active supporter of a harbor at the Inlet. He had built an extensive system of canals in Venice and envisioned his community as the "Venice of the West" modeled after, if not surpassing, the original. The area, however, was subject to periodic flooding which Kinney believed could be prevented by construction of a harbor in the low-lying marsh lands extending from Venice on the north to the Del Rey Hills on the south. At a U.S. Corps hearing on local improvements in 1916, Kinney and his engineer were the only participants to present arguments for a commercial harbor at the site. (3)* Kinney's testimony emphasized that a harbor at Playa del Rey Inlet would provide greater protection for fishing and commercial small craft than Los Angeles Harbor and was closer to downtown Los Angeles than the existing harbor (see Map 1-1). No Federal action was taken on the proposal. (4)

The concept of a harbor at the Inlet was not revived until the 1930's. In a 1932 amendment to the Rivers and Harbors Act of 1902, Congress expanded the term "commerce" to include "...the use of waterways by seasonal passenger craft, yachts, houseboats, fishing boats, motor boats, and other similar water craft whether or not operated for hire." (5) This expanded definition of "commerce" combined with a natural disaster in 1933, the flooding of Ballona Creek, stirred local interest (see photo). Members of the Venice Commercial Board and the Bay Cities Property Owners and Boaters Pledge League wrote to U.S. Congressman John Dockweiler advocating harbor improvements to the Creek to prevent future flooding. (6) Subsequently, Dockweiler introduced a bill to establish a harbor at Playa del Rey Inlet. Senator Hiram Johnson later supported the bill and, as a result, the Senate Commerce Committee ordered a hearing to investigate whether improvements were warranted. (7)

The hearing was held in Venice by the U.S. Army Corps Los Angeles District Office in July 1936. (8) One hundred and twenty-three people attended the meeting, largely representing realtors, commercial interests, chambers of commerce, and boat owners. The hearing officer reiterated the requirement that the proposed improvement should provide national as well as local benefits. Accordingly, representatives from the Venice Commercial Board, Culver City, the Los Angeles Chamber of Commerce, and other organizations all stressed the importance of the harbor for jobs, flood control, and recreation as well as the future significance of the harbor to national defense. Congressman Dockweiler addressed this latter point in his

*At that time, Corps authority was limited to commercial harbor improvements.



PROPOSED SMALL CRAFT HARBOR - PLAYA DEL REY

PROPOSED IMPROVEMENT REDONDO BEACH HARBOR

- LEGEND**
- FEDERAL HIGHWAYS
 - STATE HIGHWAYS
 - +— MAJOR RAILROADS
 - COUNTY BOUNDARIES

MAP 1-1

SURVEY REPORT, PLAYA DEL REY HARBOR, INLET, AND BASIN, CALIFORNIA

INDEX MAP

PLAYA DEL REY HARBOR

IN ONE SHEET

GRAPHIC SCALE 1" = 1 MILE

DATUM IS MEAN LOWER LOW WATER

U. S. ENGINEER OFFICE, LOS ANGELES, CALIF., MAR. 1946

PREPARED UNDER THE DIRECTION OF COLONEL R. C. HUNTER, DISTRICT ENGINEER

FILE NO.	DRAWN	TRACED	CHECKED	ACCOUNTY	SURVEY REPORT
2282	J. A. S.	J. A. S.	F. C. C.		
					DATED: 1 MAY 1946



The Flooding of Ballona Creek. (Spence Air Photos)

testimony at the hearing. He cited recent Naval reports of Japanese fishing vessels which had been spotted off the coasts of Hawaii and California. In view of these circumstances, he suggested that the small private crafts be viewed as a Navy Militia which could be dispersed at facilities up and down the coast, not just at Los Angeles Harbor. (9)

Taggart Aston, engineering consultant to the Culver City Chamber of Commerce, Harbor and Coast Defense Committee, made the only specific proposal concerning a recreational harbor at Playa del Rey Inlet. He asked the Corps to consider constructing an outer breakwater harbor at Venice and two forty-acre yacht and small boat basins off Ballona Creek near Culver City, at a total cost of \$1,412,000. His proposal also designated the south side of Ballona Creek for a park and residential area with industry to be developed on the north side.* (10) Aston noted that it was an "ideal site" for the Pan-American Transoceanic Terminal, a proposed hydroplane terminal base for the United States. From the comments made concerning the proposal, it appears that Los Angeles City, Los Angeles County and Federal officials agreed with Aston's basic idea for a recreational harbor and park at Playa del Rey Inlet. Representative Leland Ford of the 16th Congressional District stated that it seemed to be a "natural spot" for a harbor and that the inclusion of a park could make it into a "...miniature Golden Gate Park for the people of Los Angeles County..." (11) J. A. Mellen of the Regional Planning Commission reported that the Commission was "highly in favor" of all possible recreational and commercial facilities in the area. Lindsay Dickey of the Los Angeles City Playground Commission stated that an outdoor swimming pool was needed in the project because the Venice area lacked adequate recreational facilities.

Only one person objected to a harbor development in the area. Mrs. Edwin S. Fuller, Conservation Director, National Audubon Society, Inglewood, California, claimed that forty or fifty acres were needed at Playa del Rey Inlet for the seventy-three species of birds in the area. She objected to the harbor because the associated industrial uses would drive out birds inhabiting the north side of the Inlet. Environmental issues, however, were not among those the Corps was authorized to consider. The hearing officer made this quite clear when he asked that no further testimony of this kind be submitted, noting:

We are concerned primarily with navigation and flood control...so I would like to ask you to confine your remarks in the hearing as to what

*See Map 1-3 later in this chapter for the basic design concept.

bearing this proposed work has on navigation, flood control, commerce and allied subjects of that kind...So, in order to save time, I would like to ask that those subjects not be brought up, and certainly not at any length, merely because we are not permitted, by the law, to take them into account. We have no control over them. We can simply make a recommendation on this project based on its effect on navigation and commerce and national defense and flood control and allied subjects. (12)

Following the 1936 hearing, Congress approved a preliminary survey for Playa del Rey Inlet. (13) Because information necessary for U.S. Corps requirements was unavailable, the Corps asked that local groups submit information on the following questions:

1. The character, location, and established cost of improvements desired;
2. The value of water-borne commerce and traffic, and size of the craft the improvement would serve;
3. The justification for the expenditure entailed thereby, based upon increased traffic and commerce to result, and the value of benefits to accrue therefrom;
4. The necessity for such improvements, with special reference to the requirements of navigation;
5. The area to be served by the desired improvements;
6. The interests to be benefited by the improvements;
7. The cooperation and/or contribution on what the United States might expect of local interests toward the cost of the desired improvements or in the construction of complementary works at local expense. (14)

In April 1937, the Los Angeles County Board of Supervisors, at the request of the Culver City Chamber of Commerce and others, assumed responsibility for providing information to the Corps. The Supervisors requested the County Regional Planning Commission to study the economic feasibility of a recreational harbor in collaboration with engineering consultant George Nicholson. The report, entitled Marina del Rey, was completed in June 1938. In addition to the economic aspects of the project, the document made a "...full examination of all aspects of the problem which sound planning principles

require and examined them in relation to comprehensive plans for the physical development of the County as a whole." (15)

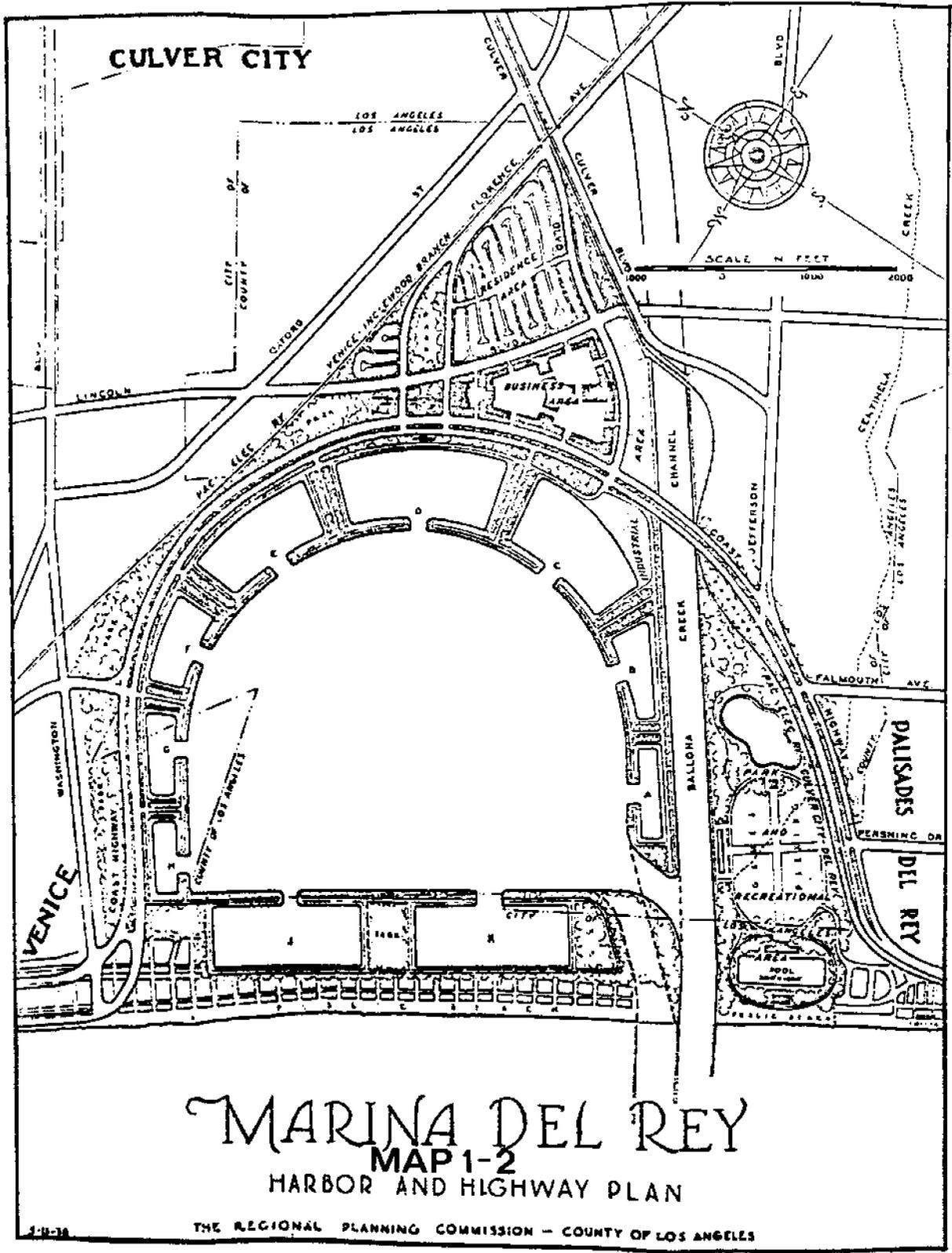
The Marina del Rey report emphasized that the harbor would service the recreational needs of an already large and increasing number of boaters in the area. In preparing the report, the Regional Planning Commission conducted a survey which revealed that 40 percent of the boats in the area were 15 feet to 20 feet in length, 41.6 percent were between 20 feet and 35 feet long, and less than 1 percent of the total were yachts (length in excess of 100 feet). On this basis, the report concluded that "...these boats form a recreational outlet for a great many of the middle class." (16) The Commission also justified a harbor at Playa del Rey Inlet in terms of the increased ownership of small pleasure craft, the widespread economic benefit through increased permanent employment and business volume, and the rise in property taxes in the area.

Prior to the report, there had been no local agreement about the magnitude of the facility or its design characteristics. Therefore, the Regional Planning Commission's proposals were considered tentative for purposes of the study. The preliminary design plan that the Commission finally submitted had an estimated cost of \$9,750,000. By reference to the map entitled "Marina del Rey" (Map 1-2), note that an entrance was provided through the mouth of Ballona Creek into a large sailing lagoon (435 acres) which would have created ample space for boat maneuvers as well as an area for small craft recreation. Around the main lagoon, a series of smaller lagoons enclosed the mooring slips, providing a total water area (including entrance channels) of 646 acres for approximately 5,200 moored boats. (17)

The County was acting without the benefit of any serious previous discussion about financing the project. Consequently, the Commission examined the project's economic soundness in terms of local sources only. County officials thought this approach would most effectively show the relationship between development costs, operating expenses, and possible revenue. (18) The report was careful to state, however:

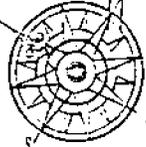
This approach is, of course, without prejudice to any efforts that may be made to secure such aid, and any aid so secured will find much justification in this straight "self-liquidation" method of analysis. (19)

Consequently, in exploring local funding sources, the report examined those sections of the California Harbors and Navigation Code enacted in 1937 which authorized the



CULVER CITY

LOS ANGELES
LOS ANGELES



SCALE 1" = 2000 FEET

VENICE

PALISADES

DEL REY

MARINA DEL REY

MAP 1-2

HARBOR AND HIGHWAY PLAN

THE REGIONAL PLANNING COMMISSION - COUNTY OF LOS ANGELES

1-11-58

establishment of Recreational Harbor Districts. Such district required, among other things:

1. The filing of a petition by 50 or more property holders who are registered, qualified electors within the district, stating facts concerning the proposed harbor;
2. A report from the Chief of the Division of State Lands approving, or disapproving, the location of the proposed recreational harbor; this report, if favorable, to be later approved, or disapproved, by the government;
3. Further investigation by the Board of Supervisors, followed by a resolution establishing exterior boundaries of the district; after hearings, the filing of an assessment map, and the calling of an election;
4. A majority vote "for the harbor district," after which the district is formed, a board of five governors is appointed, with powers and duties appropriate to the purpose, including the power to acquire land, not only for the harbor itself, but for bathing or park use, access, etc.;
5. All bonds issued payable as follows: A part, not less than one-fortieth of the whole indebtedness, shall be paid each and every year on a fixed date, together with interest on sum unpaid at such date. (20)

The last provision made it inevitable that during the construction period and the first few years thereafter, a sum would have to be collected by a property tax upon the district as a whole. To justify the tax burden for those who were not involved in recreational boating, the intangible benefits of a large park for many recreational purposes became a major theme of the report. Since no large regional park served this area as the northeast section of the City was served by Griffith Park, there was reasonable justification for this concern. The report stated:

Any plan for a yacht harbor in this vicinity should be of a character and scope sufficient to provide at the same time for land activities, as well as aquatic. The design plans, which are made the basis of the economic studies in this report, are consequently comprehensive in character and call for a development of major importance and value to the citizens of the entire County, whether

interested in boating as a sport, or not.* This report therefore deals, in a larger sense, with a regional park development, providing for a great variety of year-round activity. (21)

In order to make the Marina a recreational asset for the general public as well as boat owners, the report advised that all of the area between Pacific Coast Highway and the ocean should be treated as a regional park. Bathing beaches, pools for children's sports, playfields, picnic grounds, and landscaped acres were all designated on the design plan. The exact number of acres for land and/or the project as a whole was not specified. The report suggested that an administration building, a post office, a branch library, a chamber of commerce office, and a marine museum and aquarium might also be included. (22) The plan also contemplated that the County would acquire areas outside the harbor limits for marine-related industrial and business uses such as boat yards, gasoline stations, yacht clubs, charter boats, and marine supplies. (23) On this basis, the report pointed out that it was erroneous to assume that the initial cost per boat was excessive or that the harbor would serve only those who owned boats:

...the boat owners, through mooring fees and other sources, will actually contribute more than is expended on the facilities they use, leaving the general recreational facilities (bathing, picnicking, athletics, model boat racing, etc.) and the increase in assessed values and in the attractiveness of the County to its citizens and to visitors, as a net gain to the public. (24)

The Marina del Rey report served as the position statement and documentation for local interests in the U.S. Corps' preliminary examination and survey. On August 12, 1938, the U.S. Army Corps Los Angeles District Office held a public hearing in Venice, California, to discuss the proposed recreational harbor. A major portion of the meeting was devoted to an explanation of the County report. Civic groups and business interests testified on behalf of the County's studies and recommendations. Other governmental representatives from the City of Los Angeles and the various communities surrounding the proposed harbor also testified. Although Taggart Aston from the Culver City Chamber of Commerce proposed a radically different harbor design than the one discussed in the County's report** (see Map 1-3), he supported the basic rationale for a recreational harbor at Playa del Rey Inlet as did representatives from the other

*Emphasis added.

**This design was basically a refinement of the one he proposed in the U.S. Corps hearing of July 1936.

cities. No one opposed the project other than one home owner who favored investing the money in an industrial center to provide jobs and another who wanted the improvement to be designed so that it preserved and enhanced the adjacent Venice Canals. (25)

On the basis of this hearing as well as the County report, the Corps hearing officer recommended in a May 1939 preliminary survey that local interests provide most of the estimated \$9,039,000 in project costs because the main benefits would be local. The final Corps recommendation did conclude, however, that Federal interest in navigation and commerce would warrant Federal participation to the extent of \$941,300 for an entrance channel. (26) This was the first official statement that the major financial burden for the project should be placed on local interests. However, the survey proposed by the Los Angeles District Engineer was not approved in March 1940.

Local efforts for the harbor continued. In December and January 1940-1941, groups supporting the harbor solicited signatures for a petition proposing the formation of a harbor district under State of California regulations. (27) Most of the assessed properties included in the proposed jurisdiction were well removed from the coast. The district was bounded on the west by Pacific Coast Highway; east along Sunset Boulevard to Fairfax Avenue; south along Fairfax Avenue to Pico Boulevard; east on Pico to Crenshaw Boulevard; south on Crenshaw to the Imperial Highway, and west on Imperial to the Pacific Ocean. Objections to the proposed harbor assessment district deluged the Los Angeles County Board of Supervisors. Intense local opposition came from small property owners and organizations such as the Bay District Property Owners Association (28), the Commercial Board of Los Angeles (29), and the West Hollywood Improvement Association (30) who would have been taxed for the recreational harbor improvements. In May of 1941, the Board of Supervisors acceded to this pressure and denied the petition.

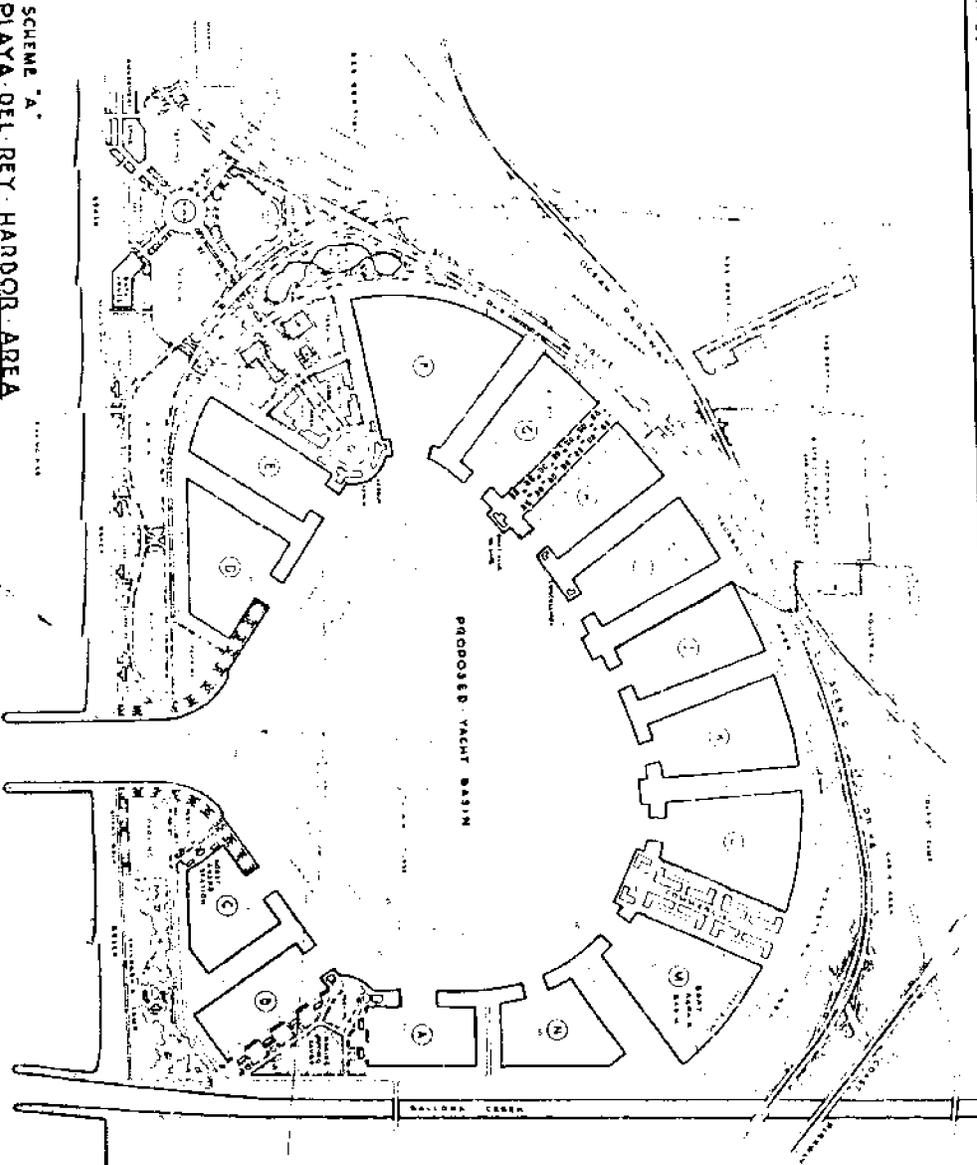
In spite of this overwhelming opposition to the proposed assessment district, renewed activities began near the end of World War II to promote the harbor. The Chief of U.S. Army Engineers authorized a new survey on April 6, 1944, and the County Board of Supervisors adopted its Master Plan of Shoreline Development on August 4, 1945, designating the harbor at Playa del Rey Inlet as a first priority item. Subsequently, on February 13, 1946, the Regional Planning Commission approved the draft of a U.S. Corps resolution and drawings for a harbor as conforming to the Master Plan.

The City of Los Angeles was also taking an active role in promoting the proposed harbor. The City considered the harbor at Playa del Rey as an integral unit of its development plan for the Santa Monica Bay shoreline from Topanga

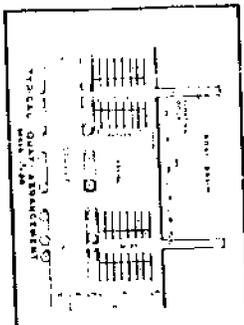
Canyon to El Segundo. The plan of development proposed by the City included widened and improved beaches, adequate bathhouses and parking areas, picnic facilities, special recreational centers, saltwater bathing pools and children's wading pools, fishing piers, youth organizational camps, tourist parks with cabin and trailer accommodations, and a bird sanctuary to perpetuate wildlife inhabiting the area. (31) The City justified the harbor in terms of the need for additional mooring space and recreational improvements for small craft boating. Consequently, in its Resolution of April 25, 1946, the City pledged cooperation to the Federal government for constructing the proposed harbor. (32)

According to the 1938 design plan, the harbor was to have a U-shape and a capacity for about 5,200 small craft. Taking the lead from the local concept of a large recreational park, the District Corps' May 1946 proposal enlarged the overall size of the project and expanded the capacity for boat slips to 9,000 by adopting an elliptical design for the yacht basin (see Map 1-4). The new plan called for a total of 2,111 acres, including 800 of water area and 1,311 of land area. Also, over half of the land area was earmarked for park and recreational use. (33) The South Pacific Division Office of the U.S. Army Corps of Engineers concurred in June with the District Office's acreage recommendations. The Division also approved a cost distribution of \$18,405,000 as the local share and \$4,793,000 for navigational purposes as the Federal share. (34)

Local efforts to meet funding obligations intensified. Because of the earlier opposition to a harbor assessment district, representatives of Los Angeles County successfully lobbied with the California State Legislature in 1947 for a statute giving all counties the authority to directly manage harbor facilities and to float revenue bonds for harbor purposes when approved by a county's electorate. (35) Thus, this legislation enlarged the tax base for the harbor to Los Angeles County as a whole and gave the County Board of Supervisors broader governing powers over the completed harbor developments. Local interests also made moves to reduce the size of the project. In early 1948, both the City and County of Los Angeles hired engineering firms to survey the harbor and make an engineering and economic report. As a result, the Corps' August 1948 proposal modified the 1946 plan by reducing land acreage from 1,311 to 844, water acreage from 800 to 717 and the number of slips from 9,000 to 8,000. (36) Although the total project costs increased from \$23,198,000 to \$25,603,000, the local share decreased to \$16,505,000, with \$9,098,000 as the Federal share. In September 1948, officials of the City and County of Los Angeles met with the U.S. Corps Los Angeles District Office to review the proposed Corps plan. Later in September the Board of Supervisors approved a modification of the proposal which reduced the total cost to the



SCHEME "A"
 PLAYA DEL REY HARBOR AREA
 BASED ON STUDY "C" BY US ENGINEER OFFICE
 CITY PLANNING COMMISSION
 LOS ANGELES CALIFORNIA
 CHAS. B. BENNETT - DIRECTOR



MAP 1-4

SUBJECT: PLAYA DEL REY HARBOR
 GENERAL PLAN
 PLAYA DEL REY HARBOR
 BY LOS ANGELES CITY PLANNING COMMISSION
 IN 1 SHEET
 U. S. ENGINEER OFFICE, LOS ANGELES, CALIF. JAN. 1945
 PREPARED UNDER THE DIRECTION OF
 COLONEL W. C. HODGSON, DISTRICT ENGINEER
 TRANSMITTED TO THE DISTRICT ENGINEER
 BY MAIL JAN 1945

ENCLOSURE 4

1946 figure of \$23,198,000 and pledged County cooperation upon the approval of the County electorate. However, one year later in September 1949, the South Pacific Division of the U.S. Army Corps of Engineers issued a favorable report at a total cost of \$25,603,000. (37)

On April 25, 1950, the County Board of Supervisors adopted a Resolution inviting the Board of Engineers for Rivers and Harbors of Washington, D.C. to hold hearings in the early fall on the proposed harbor. Subsequently, a public hearing was held on September 27, 1950 in Playa del Rey. At the outset, the hearing officer stated that as a consequence of United States involvement in the Korean Conflict, Presidential policy required that proposed public projects must contribute directly to the national defense. Following these guidelines regarding national defense priorities, testimony for the most part emphasized the defense capabilities of the proposed marina. This led to some rather bizarre statements on the part of participants. Runa Comby, local representative of the National Audubon Society, declared that the Society wanted to see something for wild-life in the harbor plan because, among other reasons, these areas "... were of service during the war because servicemen received inspiration from such areas." (38) There were no opponents to the project at this hearing.

During the hearing, the U.S. Corps inquired about the nature of the proposed harbor's governance. This was the first time that the Corps had raised the issue. Because both the City and County of Los Angeles had jurisdiction over different parts of the proposed development, the hearing officers were concerned about the harbor's eventual operation and management. City Councilman Harold Harby and County Supervisor Raymond Darby reported that there had been some discussion about a joint board similar to the Golden Gate Bridge Authority or the Oakland Bridge Authority, but as Councilman Harby noted "...we could not take any action until you (the U.S. Corps) report what we have to do." (39) Doubts about local management of the harbor were expressed in the Board of Engineers for Rivers and Harbors' report to the Secretary of the Army on October 30, 1951. The report stated that the Board of Engineers was not convinced "...of the advisability of the United States participating in the improvement to the extent recommended by their reporting officers..." and questioned whether local interests were in agreement as to operation, control, and sponsorship of the improvement. (40)

Despite the elimination of large land areas in the proposed plan, the Board of Engineers stressed the use of the area as a park benefiting local interests:

The Board believes that in addition to the evaluated benefits resulting directly from construction of the

small-boat harbor, benefits would accrue to local interests from the use of the area as a park facility. It can be expected that the area will be visited and enjoyed by many persons in no way connected with small-boat commerce. (41)

Because the Board of Engineers believed that the local area would benefit more than the Nation as a whole, it concluded that Federal participation could be justified for only \$6,151,000 of the total cost of \$25,578,000 (42). On the basis of this report, the U.S. Corps Chief of Engineers recommended the project to the Secretary of the Army on August 8, 1952.

The report was ultimately submitted to the House of Representatives on May 11, 1954. After passing both Houses, President Dwight D. Eisenhower signed the omnibus bill on September 3, 1954 (Public Law 780) which authorized Marina del Rey as a Federal project. The bill designated 453 acres of land and 717 acres of water for the project and permitted the U.S. Corps to construct the necessary navigational improvements, bearing 50 percent of the costs. Federal participation was provided at \$6,193,000 out of a total cost of \$25,620,000. In the same year, the State of California passed legislation providing a \$2 million loan to the County from tideland oil reserves for acquisition of land at the harbor site.

Thus, by the end of 1954, the concept of the harbor had become more oriented to navigational requirements for small-craft recreation than to both land and aquatic recreation. Federal guidelines for building recreational harbors had been developed such that they only allowed Federal participation for basic navigational features of the harbor. Local interests then became responsible for the major share of the project costs. As a result, the ratio of land to water acreage diminished over time as the concept of a large recreational park/marina became increasingly unrealistic in view of local funding priorities.

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¹⁹Ibid.

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³¹War Department, U.S. Engineers Office, Los Angeles, California, Report on Survey of Harbor at Playa del Rey, California, Prepared under the direction of R.C. Hunter, Colonel, Corps of Engineers, District Engineer, May 1, 1946, pp. 13-14.

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II

**Financial and Administrative
Structure**

FINANCIAL AND ADMINISTRATIVE STRUCTURE

In the period following Congressional authorization of the Marina del Rey project, County priorities for financing, planning and administering the Marina became central considerations in the Marina's development. The County formalized its role on September 23, 1954, twenty days after the Federal omnibus bill authorization, by creating the Department of Harbors and Marinas. Subject to the authority of the Board of Supervisors, the Department was given the duty to develop, manage, and regulate not only Marina del Rey, but also all other small craft harbors and marinas under the jurisdiction of the County. The Director's duties included:

- a. The establishment and enforcement of rules and regulations;
- b. The imposition and collection of charges, rates, and rentals for the use of the facilities of such harbors and marinas;
- c. The leasing, subleasing, licensing the use, individually or collectively, of portions of such harbors and marinas and the imposition and collection of rentals, charges, and rates therefrom;
- d. The development, improvement, expansion, maintenance, and operation of such harbors and marinas;
- e. Such other authority and duties as the Board (should) delegate to him. (1)

Although these powers were quite broad, the Department's initial role was primarily one of assisting private consultants in developing the Marina.

Fiscal Priorities for Designing the Marina

As local sponsor of the project, the County would assume responsibility for three-fourths of its cost. Consequently, the Board of Supervisors authorized a study of the project's economic feasibility and available financing methods. Funding the Marina through general obligation bonds would have required that the bond issue be approved by a two-thirds vote of the electorate. Revenue bonds, on the other hand, needed the approval of only a majority of the voters and did not obligate the County's General Fund. A specified amount of revenue generated from the Marina's operation would be designated for their redemption.

The Supervisors hired the engineering consulting firm of George Nicholson and Company of Long Beach in March 1955 to prepare a schematic plan for the facility and to conduct the economic feasibility study. The firm, with the assistance of the Department of Harbors and Marinas, was directed to reduce the Marina's total cost and to increase the amount of land available for revenue-producing activities.

One year later, in March 1956, Nicholson's report found the project to be economically feasible and provided the general rationale for undertaking it, which included:

1. The 1955 population concentration of five million on the Southern California coast, and projections of future population growth;
2. The shortage of anchorages in the area, Los Angeles, Long Beach, and Newport Harbors being the only existing facilities for small craft;
3. The inadequate arrangement for small craft at the predominantly commercial Los Angeles and Long Beach Harbors;
4. The high cost of transportation to Newport Harbor;
5. An expanded demand for mooring space due to increases in population and boat ownership;
6. The constraint on boat ownership in the area due to limited mooring space. (2)

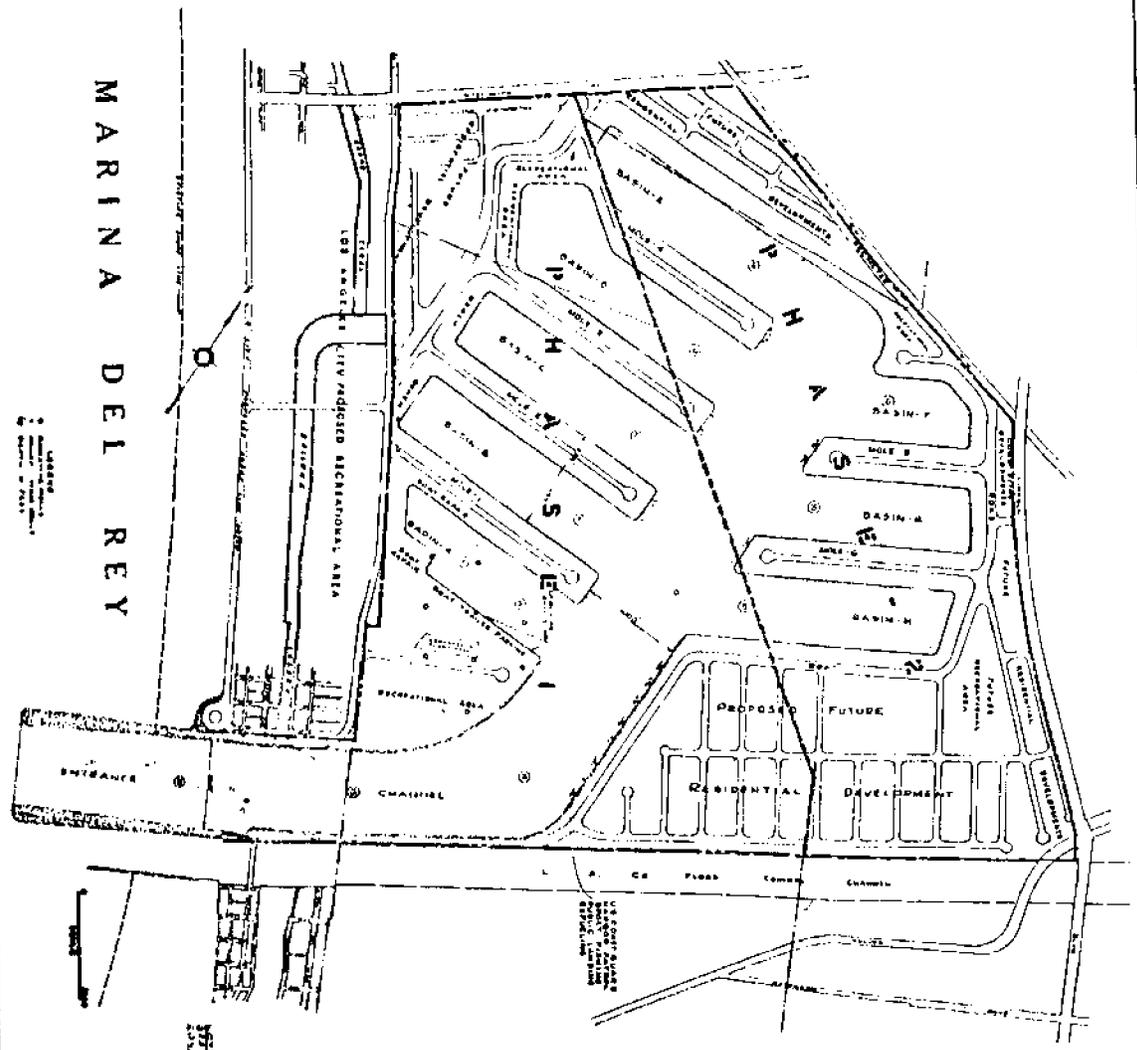
On the basis of these justifications, Nicholson stated that the following benefits would result from the project:

1. Increased employment from Marina construction, and thus, increased boat taxes;
2. Revenue from increased boat taxes;
3. New boat construction for added wealth to the County;
4. Recreational benefits to reduce juvenile delinquency and for future Olympic Games;
5. Tourists who would use motels, as well as recreational facilities;
6. Relieving congestion at other harbors;
7. Savings in boat repair and maintenance costs because of non-polluted water;
8. Prevention of boat damage by serving as a harbor of refuge;
9. Increased fish catch;
10. Mosquito abatement control savings;
11. Improvement in land value and resulting tax increase;
12. Valuable asset to U.S. Navy during national defense;
13. Service as a U.S. Coast Guard Base;
14. Reduced flood damage. (3)

The economic feasibility of the project was based on Nicholson's analysis of estimated increases in revenues from anticipated Marina businesses and taxes. The report found that the anticipated increases in annual tax returns from the development and direct revenues from the Marina's operation would justify the County's spending \$12,600,000 for site acquisition and \$9,577,000 for construction. Nicholson concluded that the possible future revenues justified a rapid and bold program of acquisition and construction at the earliest possible date. (4)

The Nicholson report also included a new physical design for the harbor, "Alternative Schematic Plan No. 2," which had been adopted by the Board of Supervisors on February 21, 1956 (see Map 2-1). The revised plan altered the shape of the harbor, discarding the sailing lagoon (elliptical basin) for a straight main channel with seven moles. (5)

MARINA DEL REY



1. MARINA DEL REY
2. MARINA DEL REY

MAP 2-1
 COUNTY OF LOS ANGELES
 MARINA DEL REY
 SCHEMATIC PLAN
 ALTERNATE MOLE

DATE: 10/15/68
 DRAWN BY: [Name]
 CHECKED BY: [Name]

The new design addressed the Marina's cost problems in two ways: It decreased the total area from 1,170 to 918 acres and increased the amount of land from 453 to 508 acres. (6) This had the effect of making more revenue-producing land available while actually lowering the site acquisition costs.

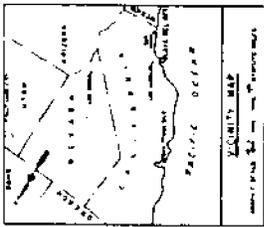
On the basis of the study, the County formally assumed responsibility in October 1956 for representing local sponsorship of the project. By Resolution of the Supervisors, the County agreed to:

- a. Contribute 50 percent of the cost of the work to be performed by the United States; this work would comprise constructing the entrance jetties, dredging the entrance and main channels, and revetting the banks adjoining the entrance channel;
- b. Provide without cost to the United States all rights-of-way necessary for construction and maintenance of the improvement, and supply suitable spoil-disposal areas for initial work and subsequent maintenance when and as required;
- c. Secure and hold in the public interest the lands bordering on the proposed development to a width sufficient for proper functioning of the harbor;
- d. Remove or relocate all interfering facilities including oil wells and relocate and construct public utilities as required;
- e. Construct bulkheads or stone revetments on the side and end slopes of the basins and moles;
- f. Provide for vacating or relocating roads and highways;
- g. Clear all structures and improvements from the rights-of-way required for the proposed construction by the United States;
- h. Relocate the tide gates, which connect the main Venice canal with the Ballona Creek flood control channel, from the right bank of the flood control channel to the north bank of the entrance channel;
- i. Provide adequate berthing facilities and other facilities for small craft;
- j. Provide adequate parking areas, access roads, and landscaping;

- k. Establish a public body to regulate the use and development of harbor facilities, which shall be open to all on equal terms;
- l. Dredge or bear the actual cost of dredging the side basins;
- m. Maintain and operate the entire project except the aids-to-navigation, the entrance jetties, the stone revetments constructed by the United States, and the project depths in the entrance and main channels;
- n. Hold and save the United States free from damages due to the construction and maintenance of the improvement;
- o. Agree that construction of a project as recommended shall not relieve local interests of responsibility for stabilization of the beach fill along the shores of Santa Monica Bay;
- p. Relocate that part of the Venice sewer that crosses the proposed harbor site as soon as possible to prevent unreasonable delay in the completion of the project, and
- q. Adopt a precise finalized plan of alternative schematic plan No. 2. (7)

As its first action, the County began acquiring rights-of-way for the project and designated \$1,373,074 for initiation of the proposed project. (8) The Corps of Engineers, however, made further changes in the design when it formally approved the agreement. In its Design Memorandum No. 1, General Design for Playa del Rey Inlet and Harbor, Venice, California, dated November 1956, the Corps further reduced the total acreage for the proposed harbor from 918 acres to 824 acres. The amount of water acreage, however, was increased from 410 to 451 and the amount of land acreage was reduced from 508 to 373. As can be seen from a comparison of Maps 2-1 and 2-2, the major land reduction was in the area bounded by Lincoln Boulevard, Basin H, and the Ballona Creek Flood Control Channel.

The Corps plan called for 6,200 mooring slips and provisions for 2,000 trailer-mounted craft. This was a greater number of slips per water acre than its previously approved plan for 8,000 slips utilizing 717 acres of water. The design, however, eliminated the sailing lagoon which precluded the use of the Marina by small boats seeking protected waters and/or recreational areas. This authorized redesign officially changed the basic character of the Marina from a traditional recreational harbor to a berthing facility whose waters would be used primarily for

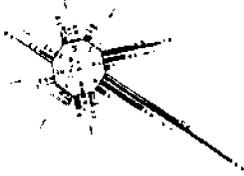


THIS MAP IS A GENERAL PLAN OF RECREATIONAL DEVELOPMENT FOR THE PORT OF LOS ANGELES. IT IS NOT A CONSTRUCTION PLAN AND SHOULD NOT BE USED FOR CONSTRUCTION PURPOSES. THE PORT OF LOS ANGELES AUTHORITY HAS THE SOLE RIGHT TO DEVELOP AND CONTROL THE PORT AND ITS RECREATIONAL DEVELOPMENT.

ROAD DESIGN

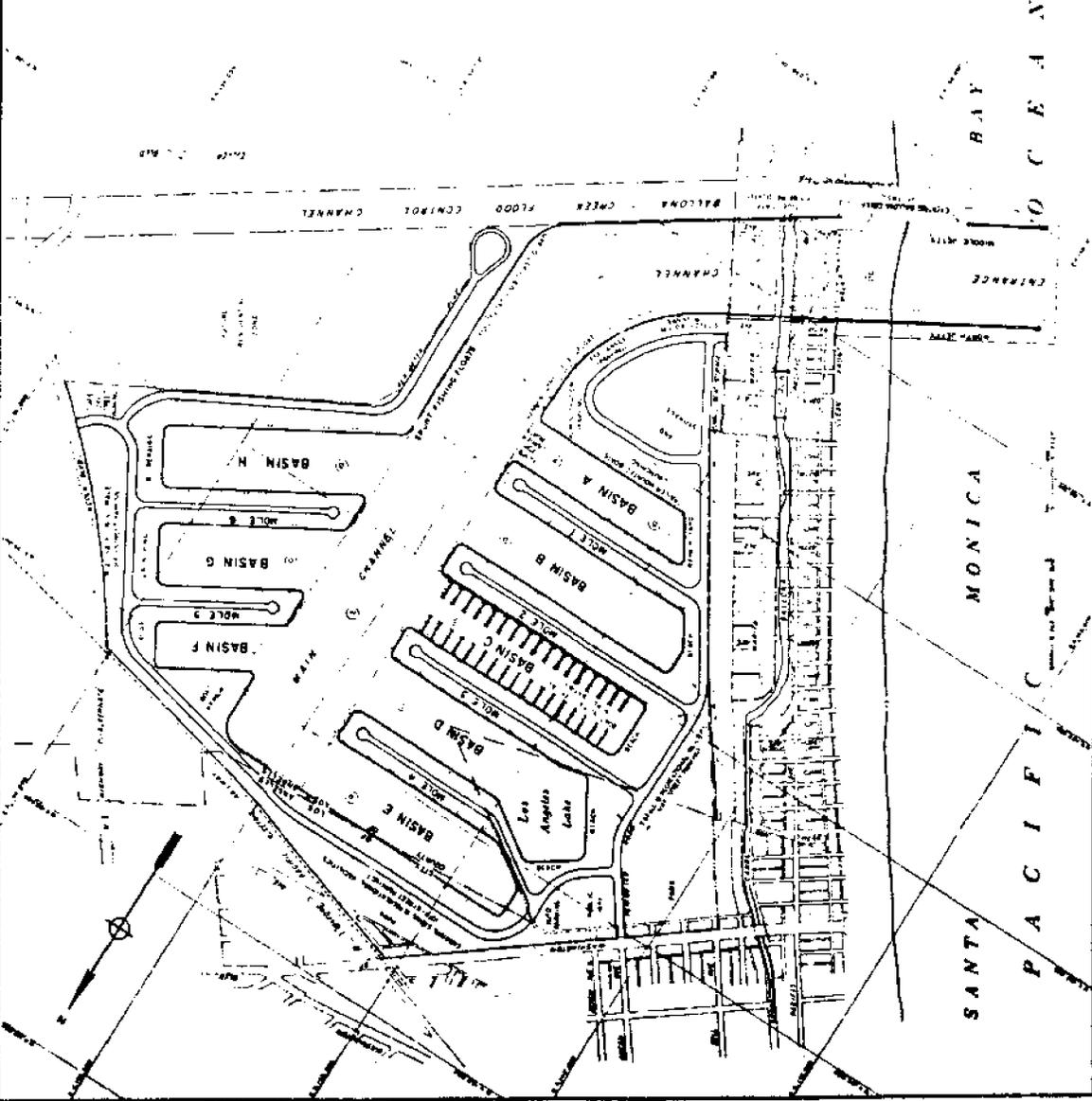
LEGEND

- 1. PAVED ROAD
- 2. UNPAVED ROAD
- 3. CANAL
- 4. FLOOD CONTROL CHANNEL
- 5. MARINA
- 6. BOAT LIFT AND DOCK
- 7. MARINA
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- 100. MARINA



MAP 2-2

COMMISSIONED OFFICER
 COLONEL
 UNITED STATES ARMY
 PORT OF LOS ANGELES
 GENERAL PLAN OF HARBOR AND RECREATIONAL DEVELOPMENT
 SHEET NO. 2
 SCALE 1:50,000
 DATE 1954
 DRAWN BY
 CHECKED BY
 APPROVED BY



entrance and exist by larger recreational craft. The initial decision of the County to eliminate the sailing lagoon and the actions of the Corps in making official design changes took place without public hearings. (9)

Final modifications were made in the design in late 1958. These did not result in any major alterations and were mostly correctional in nature at the County's request. They involved dredging, realignment of roads and adjustment of beach lines. A comparison of the successive changes in the design and costs of the project between 1954 and 1958 is shown in Table I. Note that there was an increase in the proposed local share of almost \$4 million and a reduction in federal involvement of almost \$3 million over this four-year period.

The County proposed to meet its obligation by a Resolution which had been submitted to the electorate on November 6, 1956 calling for the issuance of \$13 million in revenue bonds to finance small boat harbor improvements and facilities for the public's convenience. The voters approved the measure by a two-to-one margin. In addition to the bonds, the Supervisors allocated \$15 million from the County General Fund for land purchases and borrowed \$2 million from the State of California to provide its share of Marina funding. Land for the Marina was acquired between 1957 and 1959, primarily from private parties through condemnation or negotiated sales. All but a small portion of the area was located in unincorporated territory under the direct jurisdiction of the County. Several uninhabited parcels of land included in the project were owned by the County, but were within the City of Los Angeles. By agreement, these sections were disincorporated from the City in December 1960.

Revenue Bond Studies

To expedite the sale of the revenue bonds, Chief Administrative Officer L. S. Hollinger requested that the Board of Supervisors hire a municipal financing consultant to develop a feasibility study necessary for marketing the bonds. Hollinger specifically recommended that the services of the firm of Stone and Youngberg of San Francisco be acquired. The County entered into an agreement with Stone and Youngberg in July 1958 to produce a study for \$50,000. The fee, however, was payable only if the Supervisors accepted the firm's report. This condition proved to be important because the resulting plan was not approved.

Two basic issues caused its rejection. One concerned Stone and Youngberg's proposal that the County General Fund be liable for redemption of the bonds if Marina operations did not produce adequate revenues. The second issue related to the nature of the Marina's management. The

TABLE 1. DESIGN AND COST CHANGES TO MARINA DEL REY PROJECT FROM 1954 TO 1958

<u>Date</u>	<u>Cost Allocations</u>	<u>Land/Water Acres</u>	<u>Slips & Trailer-Mounted Craft</u>
Sept 1954 (Corps of Engineers)	\$25,620,000 <u>Total</u> 19,427,000 <u>Local</u> 6,193,000 <u>Federal</u>	1,170 <u>Total</u> 453 <u>land</u> 717 <u>water</u>	8,000 slips
March 1956 (County)		918 <u>Total</u> 508 <u>land</u> 410 <u>water</u>	7,600 slips 2,000 trailer-borne
Nov 1956 (Corps of Engineers)	\$22,895,000 <u>Total</u> 19,286,000 <u>Local</u> 3,609,000 <u>Federal</u> (10)	824 <u>Total</u> 373 <u>land</u> 451 <u>Water</u>	6,200 slips 2,000 trailer-borne
Oct 1958 (Corps of Engineers)	\$26,767,000 <u>Total</u> 23,359,500 <u>Local</u> 3,407,500 <u>Federal</u> (11)	824 <u>Total</u> 373 <u>land</u> 451 <u>water</u>	6,200 slips 2,000 trailer-borne

consulting firm proposed that an independent Board of Harbor Commissioners assume the responsibility for making policy and directing the operations of the facility. In a letter to the Supervisors on August 1, 1958 recommending rejection of Stone and Youngberg's plan, Hollinger made particular note that the Supervisors themselves should be directly responsible for the Marina's management. He wrote:

The Board of Supervisors, which conceived, sponsored, and for many years has fostered the development of a small craft harbor would relinquish its moral obligation to accomplish this project for the benefit of all citizens of the County. The many years of careful consideration and thought which has been contributed by the Board of Supervisors has placed upon the Board a moral responsibility to realize the ultimate development of this harbor. In line with such goals and objectives, it seems neither proper nor expedient for the Board at this late date to abdicate such responsibility by relinquishing control over the last stages of development and the future operation. (12)

This recommendation was an interpretation of Section K of the November 1956 Corps of Engineer's Design Memorandum No. 1, General Design for Playa del Rey Inlet and Harbor, Venice, California which required that the County establish a "public body" to regulate the use and development of the harbor facilities" "open to all on equal terms." Thus Hollinger's recommendation suggested that the Board of Supervisors, as an elected group, was the appropriate public body.

In his letter, Hollinger made other proposals for issuing the bonds and for establishing an interim management structure. These proposals included the following:

1. Contracts should be entered into with nationally known firms to provide the following:
 - a. Consulting engineering services to check plans, estimate revenue from the project, and estimate the cost of maintenance and operations;
 - b. Bond counseling services to research the legality of the proceedings;
 - c. Municipal financing consultant services to recommend the terms of the bond issue and develop a marketing perspectus.
2. An interim committee should be created to make recommendations on the above contracts and

should consist of the Chief Administrative Officer, County Treasurer, County Auditor and Controller, County Counsel, and the Director of Harbors and Marinas.

In its initial work, the interim committee concluded that the bonds should be sold nationally by competitive bidding rather than through an underwriter. (13) The committee further decided that the economic feasibility report should be written by Coverdale and Colpitts, that the firm of O'Melveny and Myers be hired as the bond consultants, and that Stone and Youngberg be retained as the financial consultant. The Board of Supervisors ratified the committee's recommendations in August 1958.

The County, meanwhile, lobbied at the 1958 session of the California Legislature to change a law which placed a ten-year limit on granting concessions in projects financed in whole or part by revenue bonds. The County expected that the ability to enter into longer-term lease agreements would increase the marketability of the bonds as well as allow their sale at a lower rate of interest. (14) The Legislature was responsive and amended the law to permit leases up to sixty years, after which leaseholds facilities reverted to the County.

Since the bond obligations were to be met by rents from concessions in the Marina, the profitability and stability of potential uses became of major concern in the economic feasibility study conducted by Coverdale and Colpitts. In conducting the study, the firm inspected sixty marinas and yacht clubs along the Pacific Coast, the Great Lakes, and the Florida Coast. (15) The most successful marinas were found to be developed in proximity to heavily populated urban centers. This finding was used as a basic factor in justifying the suitability of the Los Angeles area for supporting a marina. The firm also gathered data on ship chandlers, ship brokers, small boat repair yards, clubs, marine fuel stations, launching areas for small boats, cabanas and trailer-cabanas. Subsequently, Coverdale and Colpitts recommended that all of these facilities be included in the Marina. The firm did not consider residential developments as a potential use in the project.

The consultant interviewed more than twenty individuals who had expressed interest in establishing recommended facilities in the Marina. On the basis of these talks and the several hundred letters received by the Department of Harbors and Marinas from persons interested in leasing sites, the firm concluded that the inquiries confirmed the impression of "...great interest on the part of potential lessees." (16) Coverdale and Colpitts also made a number of specific suggestions regarding minimum requirements for

lease specifications upon which bids would be invited. The Board of Supervisors later incorporated most of these recommendations into the County's leasing procedures. The recommendations included:

1. Financial Responsibility of the Bidder

The bidder should be required to prove he has the capital required to build the necessary facilities within a specified time on the entire area to be leased.

2. Standards of Construction

All plans for development should be in accordance with a general standard established by the authorities and should be approved by the Marina administration before contracts could be let by the lessee.

3. Scale of Charges

Scales of charges for anchorages, cabanas, and cabana-trailers should be consistent throughout.

4. Assurance of Good Management

Those with proven management capabilities should be given preference for granting Marina leaseholds.

5. Period of Lease

The period should be of sufficient duration to justify the nature of the construction required on the leased area.

6. Minimum Rental

Minimum rentals should be charged which are at least sufficient to meet the annual requirements of operating expenses and interest charges. An average of approximately \$.06 per square foot is recommended to meet this goal. Once this minimum is exceeded, the rental would then be based on a percentage of the lessee's gross revenues.

7. Certified Statement of Earnings

Each lessee should be required to furnish statements of properly certified public accountants which should show, at a minimum, the gross revenues and net income of the lessees and the amount of capital invested by him in the leased property.

8. Insurance

Assurances of entire protection, not only for fire and casualty but also for public liability, should be required to free the County of any third-party liability. (17)

On September 15, 1959, the Supervisors adopted the Marina del Rey Revenue Bond Resolution. This document stipulated the conditions of bond sale and the County's obligations to the bondholders. In fact, it became the "charter" of the Marina. The provisions which the Resolution established for financing and leasing dominated nearly all subsequent decisions concerning the character and development of Marina facilities. Two sections are particularly important in this respect. Section 504 of the Bond Resolution stated that Los Angeles County could meet bond obligations either through rental payments from the leases or by operating its own concessions:

Leases. The Board of Supervisors covenants that it will proceed with diligence and will use its best efforts to lease all or such portions of the Project as may be necessary to provide Revenues in the amounts, at the times and for the purposes required by this Resolution. All such leases shall be made and entered into with responsible persons in the manner provided by law, and any or all bids or proposals for such leases may be rejected by the Board of Supervisors if it deems such action to be in the public interest. In the event the Board of Supervisors shall be unable to obtain such bids or proposals from responsible persons or shall reject all bids and proposals received, then, to the extent permitted by law, the Board of Supervisors shall acquire, construct, and operate revenue-producing facilities upon the Project that will produce revenues, which, together with other revenues derived from the Project, will provide total revenues in the amounts, at the times, and for the purposes required by this Resolution. (18)

A further section of the Resolution is even more crucial for understanding the land use patterns which developed at Marina del Rey. Section 506 prohibits the establishment of free activities which would diminish the revenue-generating potential of the Marina:

Free Use of Project and Facilities Limited. The Board of Supervisors covenants that at no time will it permit the Project or the use or services of the facilities of the Project to be used without charge therefor or be furnished free of charge to any person, including the State, the employees of the County,

or another public body actually rendering services to the County in connection with the Project, to such an extent or in such manner as will limit or diminish in any way the obligation contained in Section 505 hereof. (19)

Moreover, the Supervisors wrote a further protection into the Resolution for bondholders. Article V, Section 513 provides that "Consulting Engineers" would be appointed directly by the Supervisors and be responsible to it for providing advice and recommendations on financial matters pertaining to harbor operation and for submitting:

1. Recommendations as to any necessary or advisable changes or revisions of the rates, the services, or the uses of the Project; and
2. Findings as to whether the Project has been maintained in good repair and sound operating condition, and an estimate of the amount, if any, required to be expended to place the same in such condition, and the details of such expenditures and the approximate times required therefor. (20)

The current economic consultants, Coverdale and Colpitts, then assumed the official title of Consulting Engineers. The function of the firm as Consulting Engineers, thus, was to serve as a "monitor" on the Marina's management to protect the bondholders from default by the County.

Once the Bond Resolution was adopted, the Supervisors began selling the \$13,000,000 worth of revenue bonds in December 1959. Bonds for the Marina were of \$1,000 denominations, carrying an interest rate of 5.6 percent. They were to be redeemed according to an increasing schedule beginning with \$130,000 in October 1965 and ending with \$810,000 in October 1999. (21)

Initial Management Organization

After the Corps of Engineers completed the engineering work on the Marina channel and the procedures for issuing revenue bonds were established, the main focus of County activities became site leasing. Once underway, the pattern of events produced several changes in the formal organization for managing the Marina. In December 1959, the Board of Supervisors appointed Victor Gruen Associates to develop a land use plan for the Marina which could be used as a guide for soliciting and evaluating lease bids. Gruen submitted A Development Plan for Marina del Rey Small Craft Harbor the following May and revised it in September 1960 to respond to the reactions of the investment community. Gruen developed the plan to allocate revenue-producing uses recommended by

Coverdale and Colpitts to specific areas in the Marina.* The document detailed the parceling of the land and related the uses to one another with respect to circulation and density. Gruen's work was conducted independently of the Department of Small Craft Harbors (DSCH),** although the Department did provide support and assistance. As in the case of Coverdale and Colpitts, a primary goal in the Gruen design was to enhance and protect the revenue-producing capability of the Marina and thus the County's ability to meet its debt obligation. The appointment of a Marina Harbor Controller and a Property Manager was the next step in process. They assumed the responsibility for writing leases based on the Gruen land use plan and issuing lease bid calls in response to current market demand.

The concern for the financial success of the project also influenced the degree of control felt necessary over the design quality and compatibility of Marina developments. All three consultants for the Marina--George Nicholson, Coverdale and Colpitts, and Gruen Associates--had recommended that aesthetic standards and landscape quality be maintained by a review and approval process for any structures to be built. Therefore, on February 23, 1960, the Supervisors adopted an order appointing a Design Control Board (DCB) "...to assure conformity on the part of successful bidders who may construct improvements within the Small Craft Harbor." (22) The DCB was formed as an autonomous body whose decisions could only be reviewed by the Board of Supervisors and whose membership consisted of two architects and one businessman. To establish basic design and construction criteria for Marina lessees, the Board of Supervisors approved and adopted the Marina del Rey Specifications and Minimum Standards of Architectural Treatment and Construction on January 3, 1961. (23) The Marina del Rey lease form binds lessees to accept these architectural standards (and amendments thereto) and to acknowledge the authority of the Design Control Board over their project designs. (24)

This basic organizational structure consisting of the Board of Supervisors, the Design Control Board, and the Department of Small Craft Harbors might have continued had not problems arisen over the leasing procedures. The DSCH put 12 parcels up for bid in January 1961. There was, however, much less competition for them than had been predicted by the County's various consultants. Only 3 of the 13 parcels finally leased had more than one bid. (25) Director of the DSCH, Rex Thompson, blamed the slow start on the current economic recession and the fact that potential lessees were unable to obtain FHA guaranteed loans.

*One major addition was the option of building apartments on some parcels.

**The name of the Department of Harbors and Marinas was changed to Department of Small Craft Harbors in May 1959.

This poor showing in lease bidding created concern among bondholders. During July 1961, bondholder representatives met several times with individual County Supervisors. One reason for these meetings was that the Chairman of the Board of Supervisors, Ernest Debs, had expressed doubts that the Board was being adequately informed about DSCH decisions. To remedy this problem, Debs suggested that the Supervisors would be better informed if each member of the Board were to name a leading businessman to a special advisory commission. His suggestions received little support. Supervisor Burton W. Chace, whose Fourth District contained the Marina and who was Chairman of the Department of Harbors and Marinas, strongly opposed the idea. (26)

The question of leasing policy, however, became a matter of wide public debate during the summer of 1961. In a series of articles, Los Angeles Herald-Express reporter Jack Keating charged that the County was engaged in "give away deals." He criticized the methods the Supervisors used in Marina del Rey and elsewhere for awarding private concessions and renegotiating recreational facility contracts. (27) In one article, Keating specifically questioned whether favored parties were receiving special treatment in the allocation of Marina del Rey concessions. (28) He noted that only 3 of the 13 parcels leased at the Marina received more than one bid, while Long Beach and Redondo Beach yacht harbors had obtained multiple bids in virtually every concession category. More importantly, Keating charged:

1. Marina officials admitted they have been able to make only a limited effort to publicize bidding. They blamed this on legal rulings that neither County General Funds nor harbor bond revenues could be spend for such purposes;
2. Ground rules that were set up gave the Board of Supervisors great leeway in rearranging lease parcels and defining their usage;
3. The Board of Supervisors and Marina officials had wide discretion in evaluating bidders' qualifications;
4. Important changes had been made in the original Marina master plan as well as the first bidders' manual, containing bidding details, which some would-be bidders had not learned of. These changes made bidding more favorable and might have encouraged wider bidding if generally known;
5. Descriptions of permitted uses of certain Marina parcels advertised have been so broad and vague

that prospective bidders could hardly proceed without inside information on what type of facility would finally be accepted. (29)

Finally, Keating asserted that the claim of favoritism was supported by Supervisor Chace's strong opposition to Debs' proposal to place the leasing activities and management of the Marina under the "watchful eye" of a citizen's commission. (30)

Pressure about Marina policies arose from another source in the latter part of the summer. Residents and property owners on the Marina's periphery began to react to the project's implications for the overall area. In August 1961, the Small Property Owners League of Los Angeles County and the Venice Canal Improvement Association asked by letter that the County Grand Jury investigate the propriety, if not the legality, of a number of the Marina's aspects, charging:

1. The many apartments planned will compete with existing buildings surrounding the Marina;
2. An investigation should determine whether government money should be allocated and bond resolutions should have been allowed in a venture which considers the profit to outside investors above the welfare of taxpayers and constituents in Los Angeles County;
3. Three- to thirteen-story apartments and three- and four-story parking for cars place the accent on planned land use and minimize water use and boating aspects. Only one boat haulout concession has been announced when launching facilities are most urgently needed in Southern California;
4. The Marina, unlike others throughout the United States, is designed to exclude view from the outside.

The letter to the Grand Jury concluded with this statement:

...we believe that no government-subsidized profit-making venture of this magnitude should lawfully exist which can in any way prevent orderly growth of other public and private developments. We ask that the investigation bring to light the effect of this arbitrary attitude on surrounding property owners and area residents, and that secrecy be lifted* so that the public can be informed as to all planned future land and water use, and that all directors and officials of the combined management of this county-

*Emphasis added.

engineer corps project be instructed to fully regard the immediate surrounding entities* in their plans for immediate and future use of land and water. (31)

No Grand Jury action was taken on the request. However, the cumulative effect of bondholder concern over the failure to attract competitive bids, newspaper charges of favoritism, and opposition to developmental policies from some neighboring property owners produced changes in the Marina management structure. The Supervisors voted on August 16, 1961, to create a five-man citizens' "watchdog committee" to act as an advisory body. The lone opposing vote came from Chace. In support of the move, Supervisor Kenneth Hahn declared, "I think it is high time the Board acts, before there is more serious criticism, to keep the public informed on what is going on." (32) Supervisor Debs argued that, "I am advised that some \$19.5 million of the taxpayers' money has gone into the Marina. In this case, I would feel a lot better if we had a citizen's commission. My appointee will be an outstanding man from the field of finance." (33)

Requirements were specified in the Resolution to insure that the new group would be able to provide sound financial advice. The Supervisors voted that the members of the Small Craft Harbor Advisory Commission, appointed for three-year terms, would have training and experience in one or more of the following fields:

- a. Corporate or governmental finance and investment.
- b. Commercial or governmental construction.
- c. Real property management.
- d. Recreational harbor or port planning, management and operation.
- e. Public or private corporate executive management. (34)

Initial appointments to the Commission were basically drawn from the business community and included:

1. Aubrey E. Austin, Jr., civic leader and president of the Santa Monica Bank, Chairman of the Commission to the present;
2. Major General William A. Worton (USMC ret.), veteran of thirty-two years service and former emergency Chief of Police of Los Angeles;

*Emphasis added.

3. Richard Corenson, Los Angeles business executive and former member of the Building Rehabilitation Board of Appeals and resident of Beverly Hills;
4. Sidney B. Levine, Beverly Hills attorney, financier and businessman with experience in the field of boating;
5. Robert S. Fuller, president of a Van Nuys savings and loan company, past President of the Van Nuys Chamber of Commerce and President of the San Fernando Valley Boy Scout Council.

The Commission was empowered to advise the Board of Supervisors on the following matters:

- a. Policies and procedures of the Department and the Board for the planning, financing, and development of small craft harbors, including Marina del Rey;
- b. The policies and procedures for the management and operation of small craft harbor properties including leasing policies and procedures, and the negotiation of small craft harbor rentals;
- c. Rules and regulations established for the operation of small craft harbor areas, including operation and navigation of boats and public use of facilities;
- d. Upon request of the Board of Supervisors, make recommendations concerning the minimum and maximum prices to be charged by small craft harbor lessees and concessionaires for goods or services supplied to the public. (35)

Further steps were taken to deal with the leasing problem. On the same day the Commission was approved (36), Supervisor Debs insisted that no further contracts be awarded until the Commission was organized and "...could conduct a complete inquiry into all phases of marina operation and... all harbor leases." He specifically demanded that:

...whenever there is a lone concession bid, it should be rejected and the marina director be instructed to readvertise vigorously in order to obtain more competitive bidders. (37)

Subsequently, the Supervisors instructed the County Counsel, CAO and DSCH to make an inquiry into leasing procedures relating to the Marina. (38) On the basis of a report submitted to the Board on leasing practices three weeks later,

the Supervisors revised the lease terms to make them more attractive to potential bidders and acceptable for FHA insurability. Major changes included:

1. Private Clubs: The requirement in the lease excluding private clubs was stricken from future leases as well as those already executed.
2. Price Control: The amendment specified that decisions made by the Director on prices to be charged by lessees could be appealed to the Board of Supervisors.
3. Rent Renegotiation and Arbitration: Rent increases were not to be made during the first five years nor more often than ten.
4. Subleasing: The lessee could now, without prior approval of the Director, sublease portions of the premises (including, but not limited to, single residential units, boat slips, and dry storage racks) for individual, nonbusiness, noncommercial uses. (39)

Basic Policies and Organizational Structure to the Present

By the end of 1961, the basic management structure of the Marina had been formed. Roughly, it was organized into the hierarchical system as shown in Chart 1.* The primary roles of the Chief, Development and Operations Division, and the Harbor Controller were to carry out the County's obligation to generate Marina revenues. The Harbor Controller's function was to assess market interest for specific leaseholds designated by Gruen and to recommend to the Small Craft Harbor Advisory Commission that individual leaseholds be put up for bid when interest was sufficiently high. After the lease was awarded, certain specifications for construction of the improvements were then attached based upon recommendations made by the Chief, Development and Operations Division, upon approval of the Design Control Board. Consequently, the Harbor Controller's task to ensure that lessees were in compliance with lease terms and conditions was directly related to the Chief, Development and Operations Division's function to inspect lessee construction and development on the leaseholds. Thus, although each division was assigned a specific function, the requirements of the Bond Resolution

*Although the Harbor Patrol is a function of the DSCH, it will not be considered in this paper. This division is more directly involved with regulating the harbor with respect to safety and health factors and is only marginally involved in the planning and leasing functions.

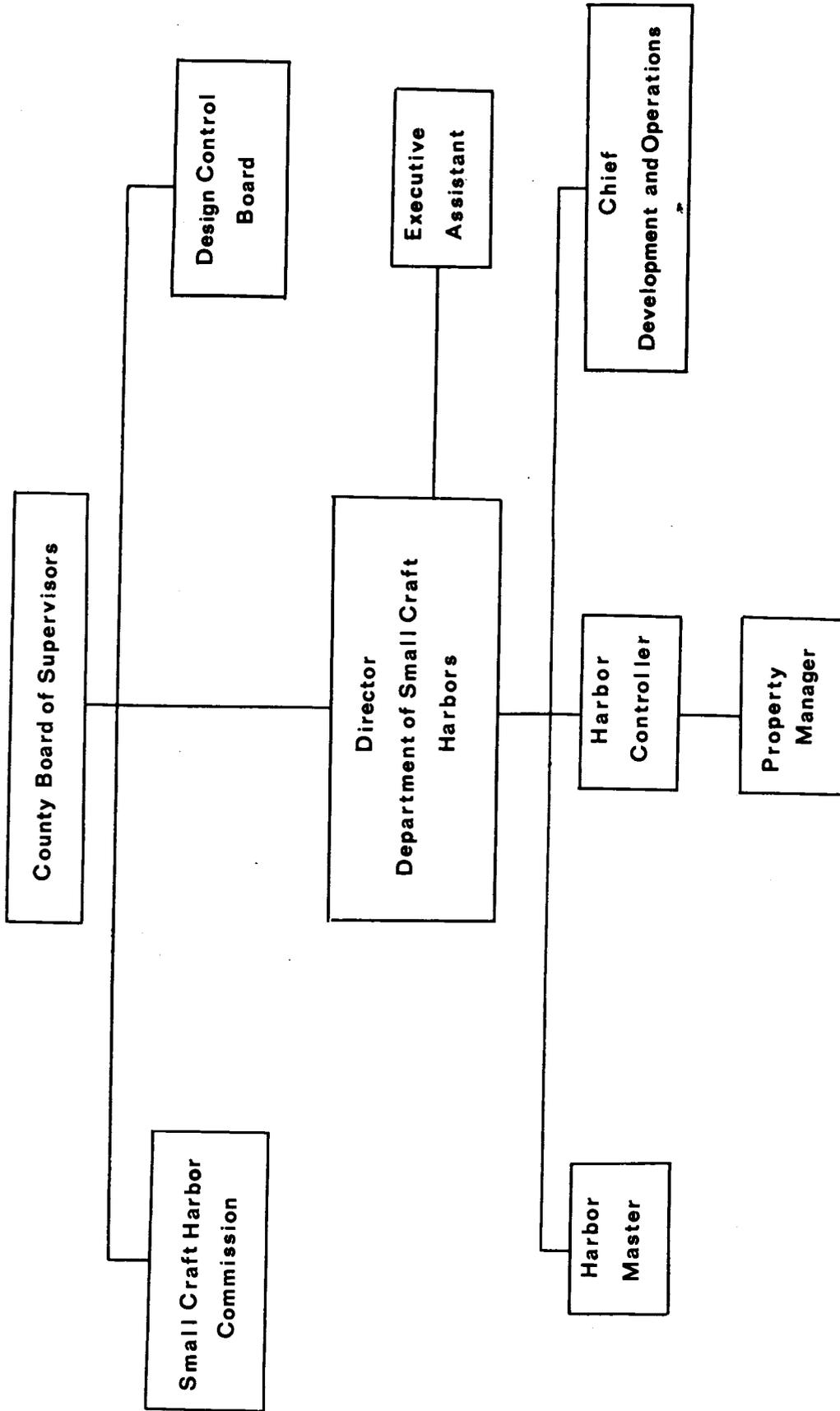


CHART 1

as well as the lease specifications made their day-to-day functioning closely related.

The present organizational structure for the Department was established in 1965-1966. The Board of Supervisors appointed the Director of the Department of Small Craft Harbors to head the Department of Real Estate Management. At the same time, the Supervisors also ordered the DSCH to be incorporated into the larger Department of Real Estate Management (DREM), recognizing that a substantial portion of Marina-related activities consisted of real estate transactions. Although the Department of Small Craft harbors has been absorbed by the larger department (see Chart 2), it maintains its name for clarity in its dealings with the public. This reorganization brought together the three operating Divisions of the Marina (Harbor Patrol, Harbor Development and Operations, and Lease Administration and Finance*) under the name of "Marine Properties Group" within the DREM and merged all budgetary and administrative support services into a single Administrative Services Division. Because the County General Fund may not contribute to the operating costs of the Marina, all departmental Marina expense is charged to the Marina Fund. (40) Apart from the administrative support and coordination among the real estate divisions of the new department, it is important to note that the DSCH still maintains a high degree identification as a coherent and specialized unit within the DREM and is similar to a quasi-department.

The basic functions of the Design Control Board did not change with the merger, although Board membership had been increased to include two architects, a landscape architect, and two businessmen. The DCB acted later, however, to clarify its operating standards. In January 1968, the Board adopted a "Statement of Aims and Policies" which declared that while the development of the Marina did not require conformity with any pre-established, precise, architectural theme or concept, the Board fully intended to assure "...reasonable compatibility of all elements." The Statement included guidelines to assist lessees in developing their designs in relation to architectural style or theme, aesthetic considerations, materials, phased construction, and preparation of plans and specifications. While the Board was clearly attempting to facilitate development, it reserved the authority to assess the impact of lessee improvements upon surrounding areas by noting in the guidelines that:

Whereas the economic considerations of any development are paramount in importance to both the County and the lessee, overdevelopment of premises,

*The "Lease Administration and Finance Division" was formerly "Harbor Controller."

creating congestion, extreme density, or other objectionable conditions will not be approved. (41)

The merger also did not affect the role of the Small Craft Harbor Advisory Commission.* Functionally, the Commission serves as an intermediary between the Supervisors and the Department of Small Craft Harbors (or "Marine Properties Group."). It has no formal authority over the Department. Primarily advising on questions of priority and legality between the County and the lessee, the Commission's orientation has served to reinforce the DSCH's emphasis upon fiscal responsibility as the major priority of the Marina. It has rarely opposed policy recommendations of the Department. Its potential influence, however, is reflected in the fact that the Supervisors have never rejected its recommendations. The Commission continues to be composed of members having financial and corporate interests.

Just as the formal structure for managing the Marina had emerged by 1961, so had a series of decision-making rules for the facility's development. Most of these rules stemmed from the County's fiscal obligations and were pervasive in influencing the character of all subsequent Marina development. The common view of the Marina as a "business venture" and its special status as a public facility is reflected in a letter written to Acting Director of the DSCH, Arthur G. Will, from the County Counsel, Harold W. Kennedy, in November 1961:

...under the County Charter and the organization of County government, the Board of Supervisors is responsible for the proper conduct of all County Departments including the department specifically created to have charge of the Marina Project. From a legal standpoint this department is somewhat different from other County departments in its origin and concept. Most departments are service departments and involve an obligation against General Funds, but this department must have revenue and be run as a business venture in order to satisfy the requirements of the Bond Resolution. (42)

The decisions made during the 1960's concerning the range of facilities in the Marina and the type of physical development that took place can be best understood in terms of the following rules:

1. Protect the Bondholders' Investment in the Marina Project

If the DSCH and/or the Commission did not do so, default proceedings could be brought against the

*The "Small Craft Harbor Advisory Commission" was later renamed the "Small Craft Harbor Commission."

County. The specific method the County and the general taxpayer used to protect the bondholders and therefore the County was to stipulate the hiring of Consulting Engineers by the Board of Supervisors to protect the economic viability of the Project. Thus, the Consulting Engineer was created as an autonomous entity, not a line function of the DSCH.

2. Protect General Revenue Production of the Marina

The highest bid rent received the lease in all cases unless the financial stability of the bidder were in question. Specific primary uses for parcels were dictated almost exclusively by market indicators for development. The Marina plan was to be revised periodically to insure that the Project would achieve financial stability and thus insure its existence. Two million dollars was established as the break-even point to pay off bond indebtedness (interest and principle) and operating costs. After minimum bid rents were exceeded, rental rates would then be based on a percentage of lessees' gross revenues.

3. Leases Must Have More than One Bid

Broad advertising of bids was established and permitted uses for each parcel were specifically enumerated in the lease. This was to ensure against charges of favoritism by the press and the public.

4. Facilitate Leasing by Making Lease Provisions More Attractive to Potential Lessees

The provision in the lease excluding private clubs was stricken, prices to be charged by lessees could be appealed to the Board of Supervisors, rents could not be increased for the first five years, nor more often than ten and the lessees could sublease portions of their premises for individual non-business, noncommercial purposes (e.g., boat slips, residential units) without prior approval of the Director for a period not to exceed one year. These changes made investments potentially more attractive for FHA insurability.

5. Establish Lines of Communication Between the Design Control Board, the Small Craft Harbor Advisory Commission, the Board of Supervisors, the Department of Small Craft Harbors, Other Government Agencies, and the Public

Open public hearings and pre-published agendas were required for the Small Craft Harbor Advisory Commission and the Design Control Board meetings. Individuals (representing the Department's staff, other governmental agencies or private interests) wishing to appear must have notified the Director and informed him of the purpose of his or her appearance. The actions of the Commission and the Design Control Board as set forth in their minutes, resolutions, or recommendations were to be forwarded to the effected public and private interests. Except for establishing commercial zoning in the Marina, the Regional Planning Commission would only be marginally involved in the Marina's development. All decisions made by the Design Control Board could be appealed to the Board of Supervisors and all communications sent to the Board of Supervisors by the Department of Small Craft Harbors were to be approved by the Small Craft Harbor Advisory Commission.

In short, the major functions of the Department of Small Craft Harbors, the Small Craft Harbor Advisory Commission, and the Design Control Board were to manage and supervise the development of harbor land and water facilities by private parties, to administer the Bond Resolution and Marina leases, and to act as representatives of County government for public users of Marina facilities. This latter function, however, would conflict with the other two as the Marina developed its unique residential and commercial character.

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- ²George F. Nicholson, Consulting Engineer, Marina del Rey Economic Study (Long Beach: George F. Nicholson, March 1956), pp. 5-8.
- ³Ibid., pp. 9-22.
- ⁴Ibid., pp. iii-iv.
- ⁵U.S. Army Corps of Engineers, Los Angeles District, Design Memorandum No. 1, General Design for Playa del Rey Inlet and Harbor, Venice, California, November 1956, p. 20.
- ⁶Nicholson, Marina del Rey, p. 74.
- ⁷U.S. Army Corps of Engineers, Los Angeles District, Design Memorandum No. 1, pp. 5-6.
- ⁸Ibid., p. 6.
- ⁹Ibid.
- ¹⁰Ibid., p. 4.
- ¹¹Ibid., p. 3 (Addendum No. 1 to Design Memorandum No. 1).
- ¹²Letter to the Los Angeles County Board of Supervisors from L.S. Hollinger, Chief Administrative Officer, August 1, 1958, p. 4.
- ¹³Letter to the Los Angeles County Board of Supervisors from L.S. Hollinger, Chief Administrative Officer, August 15, 1958. Subject: Recommendations Covering Marketing Procedures and Professional Services Contracted in Connection with Sale of Revenue Bonds for Marina del Rey Small Craft Harbor.
- ¹⁴Letter to the Los Angeles County Board of Supervisors from L.A. Hollinger, Chief Administrative Officer, February 26, 1958.
- ¹⁵Coverdale and Colpitts, Report and Supplementary Report on the Economic Feasibility of Proposed Marina del Rey Small Craft Harbor at Los Angeles, California (New York: Coverdale and Colpitts, October 28, 1958 and October 30, 1959), p. 5.
- ¹⁶Ibid., p. 2.
- ¹⁷Ibid., pp. 23-24.

¹⁸Los Angeles County Board of Supervisors, Marina del Rey Revenue Bonds of 1959, Adopted September 8, 1959; amended September 15, 1959 and November 10, 1959, p. 11.

¹⁹Ibid., p. 12.

²⁰Ibid., p. 14.

²¹Ibid., p. 7.

²²Department of Small Craft Harbors, "History and Function of the Marina del Rey Design Control Board," n.d.

²³Department of Small Craft Harbors, Specifications and Minimum Standards of Architectural Treatment and Construction, January 1961.

²⁴Department of Small Craft Harbors, Marina del Rey Standard Lease, p. 4.

²⁵Jack W. Keating, "Private Pacts, Land Sales Under Fire," Los Angeles Herald-Examiner, August 13, 1961.

²⁶Los Angeles Enterprise, "Argue Citizens Committee for Marina del Rey," July 21, 1961.

²⁷Ibid.

²⁸Keating, "Private Pacts,...."

²⁹Ibid.

³⁰Ibid.

³¹Los Angeles Herald-Examiner, "Grand Jury Probe Asked," August 19, 1961.

³²_____, "Examiner Articles on Give-Away Deals Spur Supervisors to Action," August 16, 1961.

³³Ibid.

³⁴Administrative Code of the County of Los Angeles, Ordinance No. 8076, Section 395.

³⁵Ibid., Section 399.

³⁶The decision to create a commission was in the Progressive tradition of government which sought to insulate public utilities from political control. Writings on the subject said port governments should possess their own revenue-generating system, have an economically oriented administration removed from local political influences and represent the commercial interests which they served.

As Taggart Aston, then Port Consultant Engineer, Port of Bellingham, Washington, commented:

In Seattle the port board is free from the city and state through the mechanism of an independent port district. It does not have the financial support of the national government, however, and is not free from the constant warfare between the radicals and conservatives which fight in every community for control of public agencies...a port can never have the variety of subjects to discuss or keep the intense interests of constituents like a city council...the port should be regarded as a business institution; its functions are very dissimilar to those of a city which is a policing organism, civic and not commercial.*

*Taggart, Aston, "Comparison of Various Systems of Port Control," Pacific Ports, December 1921, p. 3 (in Reprint).

³⁷Los Angeles Examiner, "Debs Clamps Stop Order on Leases," August 18, 1961.

³⁸Westchester News-Advertiser, "Changes Proposed to Marina Lease Plan," September 17, 1961. Report submitted September 6, 1961, by L.S. Hollinger, Chief Administrative Officer to the Los Angeles County Board of Supervisors.

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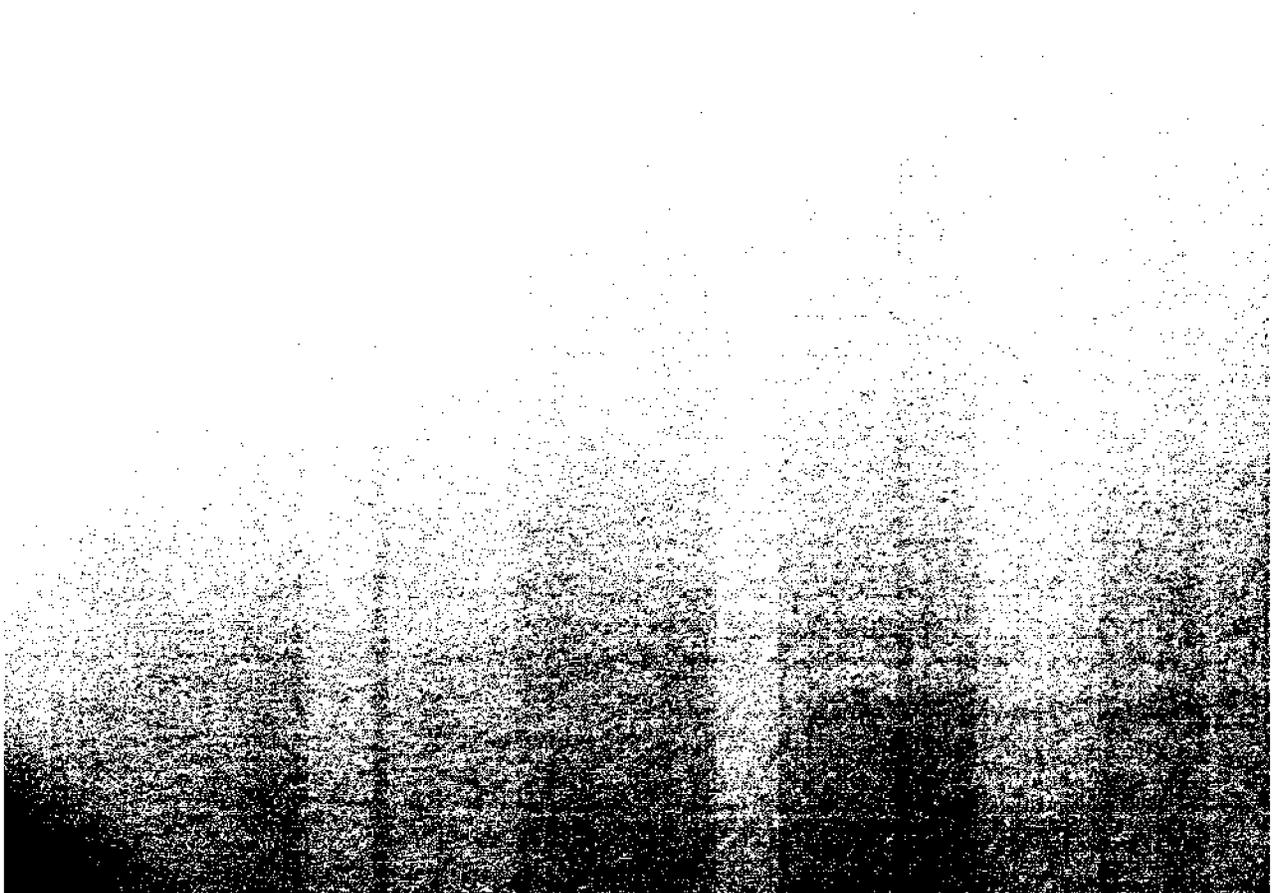
⁴⁰Interview with Victor Adorian, Director of the Department of Real Estate Management, July 13, 1973.

⁴¹Department of Small Craft Harbors, "Statement of Aims and Policies, Small Craft Harbor Design Control Board, Marina del Rey Small Craft Harbor," Taul Wantanabe, Chairman; adopted January 18, 1968.

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III

Developing the Marina



DEVELOPING THE MARINA

The development of the Marina can be divided roughly into two periods. The first, between 1961 and 1968, was dominated by efforts to insure the financial solvency of the project. During this time, the County made a number of decisions concerning land and water use patterns and the type of facilities to be encouraged. These decisions ultimately gave the Marina its character as a high-density residential and commercial center encompassing a recreational boat harbor.

The second period, from 1968 to the present, has produced different kinds of issues. Most of these grew out of the fiscal considerations which characterized the earlier years. One involves the availability of free or low-cost public activities within the Marina. Another concerns questions of equitable slip rents and provision of services for boaters. A long-standing controversy also has existed between the lessees and the County over possessory interest taxes which lessees pay in addition to rents for their leaseholds. A final set of issues has developed more recently. These involve questions of environmental protection, public accessibility to the coastal zone, and the Marina's impact on surrounding areas. These concerns have important implications for the Marina. Under initiative legislation passed in November 1972, the California electorate created the California State Coastal Zone Conservation Commission. This Commission has the authority to regulate future developments in Marina del Rey and other coastal areas in California primarily with respect to their environmental impacts.

Collectively, the issues concerning the Marina's internal policies and external effects raise questions about the design of its management system. Essentially, the problem is whether modifications are needed to account for qualitatively new types of policy and equity questions. The remainder of this and the following chapter will analyze the financial considerations which shaped the character of the Marina and will explore several major policy and management issues which have emerged in recent years.

Initial Land Use Allocations

Although the County electorate had passed the Marina revenue bond issue in November 1956, the first definitive breakdown for parcel uses was not made until 1960. The parcel uses finally recommended were based upon Coverdale and Colpitts' estimates made in 1958 for first-year revenues as shown in Table I. (1)* Coverdale and Colpitts' studies of marinas on the East Coast and in the Mid-West provided no evidence that such facilities could attract full-time residents. Consequently, its recommendations did not include apartments as a preferred use. The report raised two questions concerning general public use of the Marina. One involved parking. Noting that a large number of people would be visiting the area, Coverdale and Colpitts recommended that the County provide public parking lots. The study further stated, however, that a clear priority in the design of the Marina should be given to those utilizing certain types of leased facilities:

The public may visit the Marina to patronize the restaurants, or merely for sightseeing. It is essential, however, that such activities of the public should not interfere with the comfort and convenience of those on leased property, especially those in cabanas and cabana-trailers, and others living on the site. It is essential that there be a curfew as far as the use of public parking is concerned, and we believe that this is an essential policy. (2)

Gruen Associates based its preliminary land use plan on the foregoing study. The Gruen plan was distributed in May 1960 for comments from individuals and firms interested in leasing parcels within the Marina. On the basis of the more than two hundred responses received, Gruen issued a revised plan in September 1960. (3) The reallocations made of the gross land area of 16,465,680 square feet (378 acres) and the gross water area of 17,511,120 square feet (402 acres) as shown in Table II reflect the modifications made to the May 1960 plan. (4) As noted earlier, the amount of land

*Coverdale and Colpitts had established \$2,000,000 as the break-even point to meet annual bond interest, bond redemption, and Marina operation and maintenance costs.

TABLE 1. RENTALS FROM INDIVIDUAL ACTIVITIES FOR FIRST
 YEAR OF FULL OPERATION BASED ON PRELIMINARY
 ALLOCATION OF AREA USE ESTIMATED
 BY COVERDALE AND COLPITTS

Anchorage	\$ 543,500
Launching and dry storage	84,600
Marina chandleries and stores	111,300
Boat repair yards	120,000
Boat sales and brokerages	92,200
Marine fuel stations	152,100
Restaurants	200,000
Clubs	86,400
Cabanas	405,000
Public parking	304,000
Miscellaneous revenues*	135,000
<hr/>	
Total	\$2,354,100
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*Includes revenues from small shops, sports fishing,
 gasoline stations for automobiles, telephones and
 university boathouses.

TABLE II. MODIFICATIONS IN GRUEN ASSOCIATES' ORIGINAL LAND USE PLAN

<u>May 1960</u>	<u>September 1960</u>
<u>Total Area:</u> 33,976,100 sq. ft.	<u>Total Area:</u> 33,976,100 sq. ft.
<u>Total Revenue-Producing Activities:</u>	<u>Total Revenue-Producing Activities:</u>
19,777,000 sq. ft.* *(58.2% of total)	19,729,751 sq. ft.* *(58.0% of total)
<u>Land:</u> 13,535,000 sq. ft.	<u>Land:</u> 13,437,639 sq. ft.* *(.7% decrease)
<u>Water:</u> 6,242,100 sq. ft.	<u>Water:</u> 6,292,112 sq. ft.* *(.8% increase)
 <u>Uses:</u> Anchorages; Portable Boats; Marine Sales and Service; Boat Repair Yards; Marine Fuel Station; Restaurants; Snacks, Refreshments, and Miscellaneous Retail; Clubs; Cabanas; Boatel-Cabanas; Trailers; Shopping Center-Office Building; Hotel-Motel; Public Parking.	 <u>Uses:</u> Anchorages; Portable Boats; Boat Repair Yards; Boat Sales and Brokerages; Marine Fuel Station; Restaurants; Miscellaneous Retail; Cabanas; Cabana-Apartments; Boatel-Cabanas-Apartments; Boatel-Cabanas; Trailer-Cabanas-Apartments; Shopping Center-Office Building; Hotel-Motel; Hotel-Apartments; Public Parking.
 <u>Total Public Use:</u> 882,000 sq. ft.* *(2.5% of total)	 <u>Total Public Use:</u> 755,159 sq. ft.* *(2.3% of total)
<u>Land:</u> 518,000 sq. ft.	<u>Land:</u> 391,159 sq. ft.* *(24.5% decrease)
<u>Water:</u> 364,000 sq. ft.	<u>Water:</u> 364,000 sq. ft.
 <u>Uses:</u> Beach; Parks; Buffer Strips.	 <u>Uses:</u> Beach; Parks; Buffer Strips.

available in the Marina for recreation purposes and free public use underwent substantial reductions between the 1930's and the 1950's. Even further cutbacks in general public use areas were made between the 518,000 square feet designated in May and the 391,159 square feet designated in September, representing a decrease of nearly 25 percent. In this final allocation, provision was made for one small beach, two parks, and two buffer strips of land (see Map 3-1).

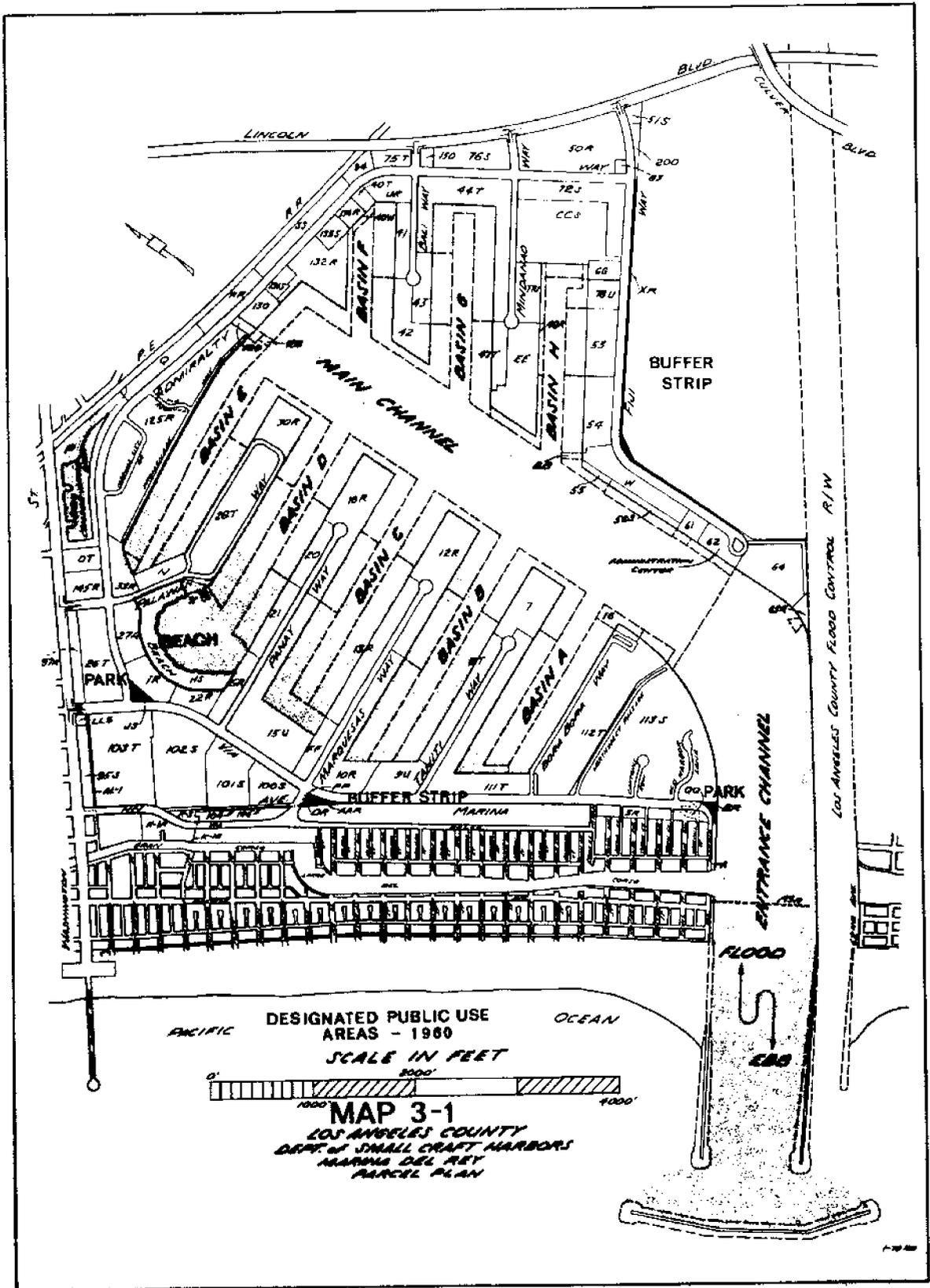
Public Use and Private Development

These changes in land available for public use were made without any formal public discussion or hearings on the issue. The text of the second Gruen plan did not provide a rationale for the reduction or even note that it had occurred. The matter was raised in the press by Los Angeles Herald-Express reporter Jack Keating, but almost a year later. In August 1961, he charged that in accepting Coverdale and Colpitts' and Gruen Associates' assumptions and plans, the Board of Supervisors had:

...approved a design which includes vast private housing and commercial facilities, some only remotely related to operation of a harbor. From one-third to one-half of the useable 374 acres of land in the 780-acre harbor is being turned over to promoters for a variety of housing projects under leases running up to 60 years. By comparison, the Marina provides for general public use some 35 acres for parking, two tiny park sites of less than an acre each and one beach of less than 7 acres... (5)

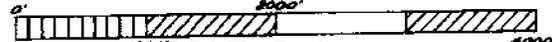
Keating's challenge went to the heart of the public-private use issue but received little support. The public use question in a more narrow and technical sense, however, did become a major policy issue facing the Board of Supervisors. The matter was raised by Marina lessees and resulted in decisions which facilitated private development rather than expanded public use. The County lease form signed by all lessees contains an "Active Public Use" clause which provides that the ultimate object of the lease is the "...complete and continuous use of the premises herein demised by and for the benefit of the public..." without discrimination as to race or religion, the immediate object being the development and realization of the greatest possible revenue. On that basis, the lease states:

...lessee covenants and agrees that he will operate said premises fully and continuously to the end that the public may enjoy maximum benefits and County may obtain revenue therefrom. In the event of any dispute or controversy relating hereto, this lease shall be construed with due regard to the aforesaid objects. (6)



DESIGNATED PUBLIC USE AREAS - 1980

SCALE IN FEET



MAP 3-1
 LOS ANGELES COUNTY
 DEPT. OF SMALL CRAFT HARBORS
 MARINA DEL REY
 PARCEL PLAN

This clause concerning "maximum benefits" to the public, however, seemed to contradict a further section in the standard lease which implied that the contract period for subleases could be unlimited:

Lessees may, without prior approval of the Director, sublease portions of the demised premises (including but not limited to, single residential units, boat slips, and dry storage racks) for individual, non-business, non-commercial uses. (7)

Lessees and potential lessees brought this issue to the attention of the newly formed Small Craft Harbor Advisory Commission in October 1961. (8) Lessees considered long-term subleases necessary for generating maximum revenues because such subleases lower costs for advertising and alleviate the burden of administering yearly subleases. The "Active Public Use" clause, on the other hand, implied that a great number of people would have to use the leasehold facilities, in effect requiring a shorter subleasing period. As a result of this contradiction in the lease provisions, the Commission requested that the County Counsel write an opinion clarifying the situation. (9)

In a March 1962 report to the Commission, the Counsel stated that if too much of the Marina were restricted to private clubs and a large percentage of apartments were leased for a long-term period, the principle of "active public use" would be violated.* (10) The basic concern of the Counsel was that 25 percent of the Marina had been offered already with provisions for private club facilities. If cooperative or long-term lease apartments were allowed in addition, a substantially larger portion of the area would be devoted to a "private use" than had been intended originally. On that basis, the County Counsel submitted this amendment to the Board of Supervisors:

Lessees may, without prior approval of the Director, sublease portions of the demised premises (including but not limited to, single residential units, boat

*In the original Gruen plan of May 1960, "apartment" was not a designated land use (see Table II). Gruen at that time included motel-hotel, boatel-cabanas, and trailers in their categories of living accommodations, with varying densities and height limitations. The firm's omission of apartments from approved land uses was the result of legal advice from the County Counsel to observe caution in locating apartments in the Marina. The County Counsel was unsure of the legal implications in relation to the public use clause. However, after revisions were made based on comments from prospective lessees, the revised Gruen plan of September 1960 allowed the option of "apartment" (in addition to trailers, cabanas, and boatels) for five parcels.

slips, and dry storage racks) for a period not to exceed one year for individual, non-business, and non-commercial uses. (11)

County Counsel attempts to reconcile these two provisions met with strong lessee opposition. Many were ready to cancel their contracts, preferring to take losses to date than risk greater losses under the "undue hardship conditions being imposed." (12) Lessee demands concerning the public use clause were motivated by another grievance they had at the time. The Los Angeles County Assessor had imposed possessory interest taxes (13) 61 percent above the rate the lessees had expected originally. (14) On the basis of these financial concerns, the lessees organized the Marina del Rey Lessees Association in May 1962. An action committee of the Association was then formed to take the public use clause issue directly to the Board of Supervisors. This was an effort to by-pass the Small Craft Harbor Advisory Commission which the Association believed to be unresponsive at the time. (15)

Another powerful group also began to apply pressure. A committee of bondholders, formed in early 1960 to represent major investors in the Marina bonds, felt financially threatened by the lessees' difficulties. The Supervisors subsequently held a series of conferences with representatives of the lessees and the Department of Small Craft Harbors to discuss the public use question. The matter was decided basically in favor of the lessees. The Supervisors resolved in mid-1962 that the requirement for one-year subleases would apply to only 25 percent of the rental units, leaving 75 percent available for longer-term arrangements. The new provisions were revised to read:

1. Lessees will be considered to be within the bounds of their covenants on maintenance of "active public use" of their premises if their pattern of subleasing for each category of comparable accommodation for "individual, non-commercial purposes" reflects an expiration rate of at least twenty-five (25%) of such subleases per year beginning in the second full year of operation.
2. The 25 percent yearly expiration criterion will also be used as the basis for the Director's approval or non-approval of individual subleases in excess of one year in each category of accommodation. (16)

Financial Setbacks

After resolution of the "active public use" question, the Small Craft Harbor Advisory Commission put a large number of

parcels up for bid. This rapid release of parcels was necessary in the early stages of the project because the Marina del Rey Bond Resolution revenue requirements mandated that monthly transfers be made to the Bond Redemption Account beginning November 15, 1964, with first bond redemptions due on October 15, 1965. (17) By the end of October 1962, over one-quarter of the parcels in the Marina had been leased. The parcels received 100 percent to 150 percent of the established minimum bids and were leased shortly after they were offered. This parcel-leasing rate, however, was not sufficient to meet the initial bond account requirements by November 1964. One problem was with the lease form itself. There was concern among potential lessees that the terms of the County's standard lease varied in significant respects from common leasing practices in comparable land developments.*

The financial difficulties facing the Marina at this time arose from a number of other more critical sources. Among the most pressing were:

1. Difficulties with contracts and waterfront construction created delays in the completion of leasehold facilities;
2. The basic use of the project--anchorage--received only limited bidder interest. Lending institutions were reluctant to finance what they considered to be seasonal ventures. Demands of the market were oriented instead to residential and commercial uses, with anchorages occupying only a secondary role. (18)

These factors tended to project a poor public image, making the Marina an unattractive financial investment for potential lessees.

To further aggravate this situation, leasing activities were drastically curtailed after October 1962. The absence of an outer harbor barrier in the original construction allowed a series of wave surges to cause extensive damages to moorages and boats in the Marina. The one existing anchorage was closed and no other anchorages were opened until the completion of the interim breakwater in August 1963. By the end of 1963, as a result of surge damage, lessees filed approximately \$13 million in damage suits against the County for faulty harbor construction. (19) This resulted in many more construction delays and further damage to the Marina's investment image.

*For example, Section 14 of the Standard Lease permitted the County to increase rates and rentals assessed against lessees "without limit" if and when the Board of Supervisors determined such increases were necessary to meet its financial and legal obligations under the indenture.

The basic problem was one of securing long-term financing for developing leaseholds. As one lessee summed up his situation:

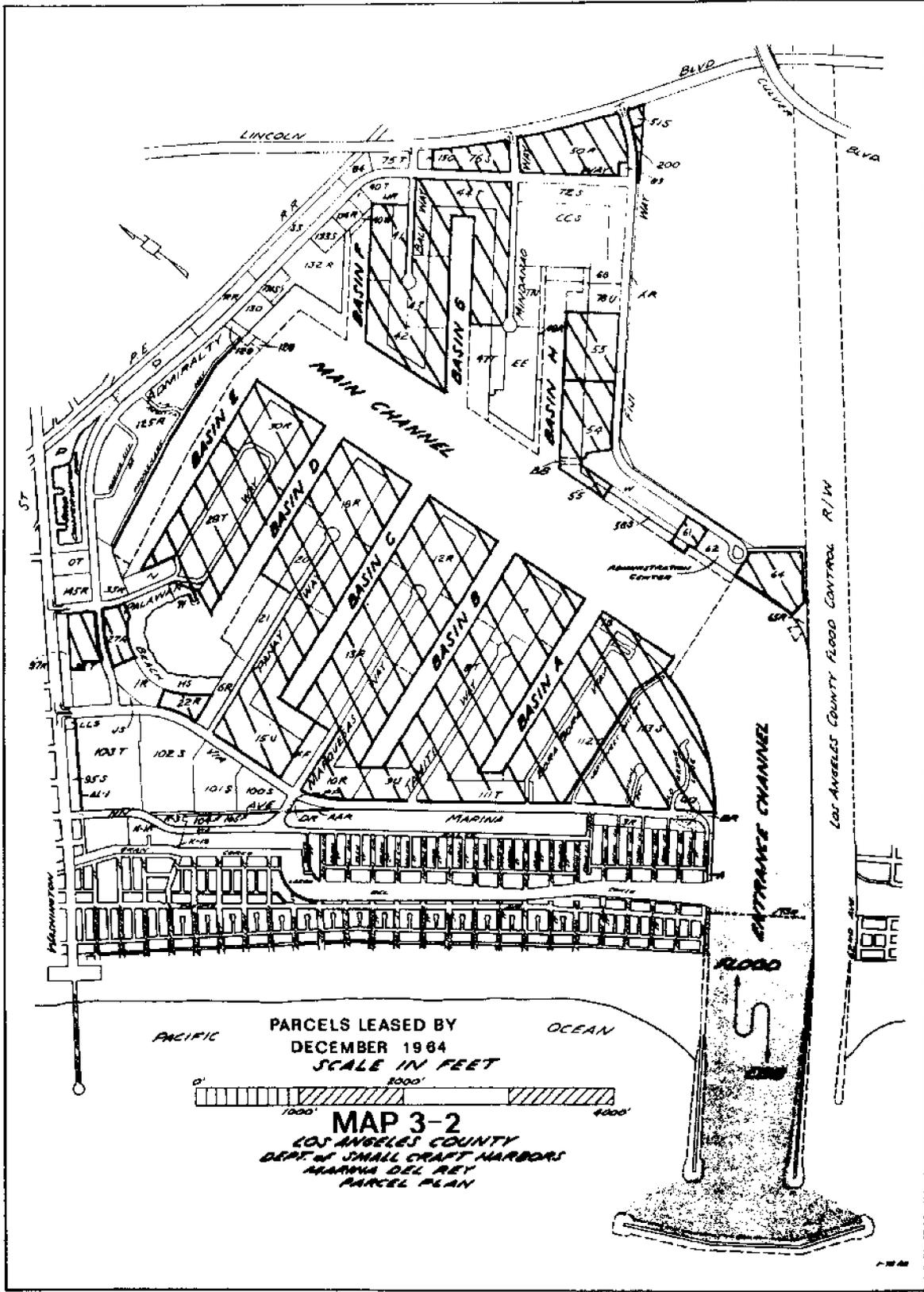
Some time ago we had a loan commitment from a major insurance company, but we were turned down when the bad news last winter hit the newspaper. The biggest problem lies with the multi-million dollar insurance loans. These big, conservative financing sources are very susceptible to any publicity hinting at trouble. (20)

Consequently, the Department's principal activity, aside from the day-to-day operation of the Marina, was to help lessees obtain development financing for their leaseholds. (21) The Small Craft Harbors Advisory Commission greatly assisted in this effort. Upon the Commission's recommendations, the Board of Supervisors had approved:

1. An expedited program for remaining construction to reduce as much as possible the ultimate effect of delays which had occurred in the early contracts;
2. Amendments to the Standard Lease and construction specifications to bring them into agreement with standard market practices on land and water developments. (22)

Additionally, the Commission requested the County Counsel to rule on whether or not transient accommodations could be subleased on a yearly basis. The Counsel's opinion stated that such subleasing was permissible, but that the transient accommodations were to be leased for vacation purposes and not as bona fide residences. The Counsel stated that if such a use were restricted to vacation purposes only, the policy would not violate the "Active Public Use" clause.

These changes brought more investment interest in leaseholds, but not at the levels necessary to meet bond obligation requirements. Although by 1964 ten new lessee projects, a forty-yard public beach, a boat-launching facility, and 1,500 slips were open for use and surge damage suits were generally settled in favor of the County, the projection of revenues was still not sufficient to meet the specified requirements. Also, between November 1962 and December 1964, only 13 parcels had been leased. While these leases and those negotiated prior to November 1962 had already committed two-thirds of the total leaseable water and land areas in the Marina (see Map 3-2), most of these parcels had not been developed to the point of producing minimum bid rents. Commenting upon the Marina's financial difficulties to the Board of Supervisors in November 1964, Commission Chairman Aubrey E. Austin, Jr. laid a major share of the blame on early financial planning:



...projection (of revenues) shows the two-year gap in meeting the obligations of the project from revenues from leases....It appears to us conclusively that some of the basic assumptions in the original planning of project financing were not realistic and that considerable problems would have been experienced even if certain of the construction delays and the wave action situation had not arisen. (23)

A report by Coverdale and Colpitts and the Audit Committee of the 1964 Grand Jury projected a net short-term deficit under present operations of \$340,000 in Fiscal Year 1965-66 and an additional debt of \$79,000 in Fiscal Year 1966-67. The report projected Fiscal Year 1967-68 as the turn-around year when the project would begin to pay its own way, the cumulative deficit being eliminated by Fiscal Year 1968-69. The report further stated that although there was an under-realization of early revenues, certain factors would mitigate any long-term effect of rent reductions: (1) Most of the bidding on parcels exceeded minimum bid rent levels to the point that, to date (November 1964), all awards averaged 157 percent of this minimum; (2) Overriding percentage gross receipts rent would exceed the bid rental; (3) Where original studies showed private investment at approximately \$20 million, present indications were that this figure would exceed \$100 million with a corresponding increase in both taxes and rental revenues. On this basis, Commission Chairman Austin asked the Board of Supervisors to consider loaning the Marina Fund money to continue operations until the Marina became financially solvent.

Several factors combined to put the Marina in a stronger financial position shortly thereafter, reinforcing previous projections of financial solvency. In January 1965, after Austin's letter had been transmitted to the Board of Supervisors, Connecticut General Life Insurance Company gave Deauville Marina long-term conventional financing for developing its leasehold. This loan represented a breakthrough for large-scale financing in the Marina. Connecticut General's action and the revenue study's projections, in turn, convinced the Board of Supervisors to grant a loan from the County General Fund of \$356,718 in Fiscal Year 1965-1966.* A change in State law lobbied for by the County allowed such loans from county general funds.

A reflection of the Marina's improved financial position was bondholder approval in October 1965 of amendments to the Bond Resolution priority schedule. The revised schedule gave "maintenance and operation" second priority to "bond interest" followed by "maintenance and operation reserve," "county payment account," and "bond redemption,"

*The Board also granted a loan in Fiscal Year 1966-1967 of \$126,798.

respectively. (24) Previously, the schedule had placed bond interest and bond redemption ahead of operation and maintenance. As a result, the Marina's operation and maintenance could continue even though bond redemption requirements could not be met in a particular fiscal year.

Apart from funding, a remaining problem for the lessees was the length of time to construct facilities. To help remedy the problem, important adjustments were made to the Design Control Board in 1966. In January of that year, several lessees and one Board member objected to the "inordinate amount of time" devoted to approving design and construction plans for lessee developments. (25) From the County's point of view, the length of the approval process contributed to a "lag period" between the awarding of the lease and the collection of at least minimum bid rent from the facility.* The consensus seemed to be that the Design Control Board placed too much emphasis on the aesthetics of proposed projects and not enough on the lessees' financial constraints. The Design Control Board member urged that the majority be composed of people living in the Marina or businessmen with Marina interests. He thought it was impractical or infeasible to have the majority of the Board in the architectural profession. As a result of the ensuing controversy, two Board members resigned and the Board elected a new chairman.

Effectively by 1966, the Marina's initial financial difficulties had been resolved. Two significant results of the efforts to create financial stability had long-run effects on the physical characteristics of the Marina. First, the priority on quickly leasing a large portion of the area greatly reduced the County's flexibility to later provide open spaces for general public use. Secondly, the more remunerative residential and commercial uses had to be allowed to a greater degree than originally anticipated. Even by mid-1963, it had become obvious that lessees were not going to build transient accommodations to any substantial degree. Developmental policies based on an analysis of what lessees could feasibly provide had resulted in giving certain parcels the option of constructing apartments. In each instance, lessees had exercised this option to the exclusion of permitted transient-type facilities (e.g., cabanas or boatel-cabanas).**

*Lessees did pay "holding rents" before opening for business, but these rents represented only one-third of the minimum bid rent.

**Counting actual and proposed plans at that time, between 4,300 and 4,500 apartment units were planned in the Marina where none were originally visualized; however, of the 3,188 transient and vacation units originally contemplated, only 342 had as yet been proposed for development.

Intensified Internal Development and Residential Emphasis

In 1966, the Department of Small Craft Harbors requested an opinion from the County Counsel on the possible violation of the "Active Public Use" clause if residential and commercial uses were expanded. The resulting opinion paved the way for a period of significant physical development of uses which would insure the Marina's financial success. The Counsel found no conflict between the original purposes of the Marina as a public boating facility and the increased allocation of space to residential and commercial activities. The opinion stated:

...the use of portions of the Marina lands for these purposes is a proper and lawful use as long as such does not unreasonably interfere with the primary use of the project as a small craft harbor...where a particular land use, otherwise private, is necessary for the economic feasibility of the project as a whole it will be upheld as a proper public use...we believe that the mere fact that the general public does not have the use of all facilities (apartments and retail facilities) at all times does not mean that the Marina is being devoted to a private use.

More specifically, the County Counsel continued:

...by constructing residential apartments and commercial retail facilities in the Marina, the Board of Supervisors would not be placing into exclusive or even semi-exclusive use any substantial portion of the vast land and water acreage of the Marina del Rey. These commercial and residential uses will be maintained in areas not directly utilized for the berthing of small craft or their repair and maintenance, and thus the basic purpose of the Marina del Rey harbor will in no way be impaired. (26)

This broad and flexible interpretation of the "Active Public Use" requirement provided the legal basis for a formal revision of Gruen's 1960 land use plan. Gruen completed the revised Marina del Rey Land Use Study in March 1967 which gave priority to the highest revenue-producing uses. The plan also included recommendations for another type of policy reorientation. At the time of the revision, 84 percent of the land and 87 percent of the water areas had been leased; 63 of the 80 designated parcels were leased or under public control. (27) The Gruen document reported, however, that only 35 of the leased parcels could be considered totally developed. (28) Because this lack of development

was a source of lost revenues, Gruen recommended that the County accelerate and intensify the improvement of the leased parcels and selectively put the remaining parcels out to bid. (29)

Gruen's revenue analysis showed that the most profitable and productive uses to date had been anchorages, restaurants, and apartments.* The report, therefore, encouraged the expansion of these uses, particularly apartments:

There is a case for permitting an increased intensity of development and a wide range of uses on many parcels. The use of deck parking, the construction of apartments and other uses on anchorage parcels should be considered, subject, of course, to adequate road and access capacities. The result of such development would ...increase the productivity and revenue from the parcels.... (30)

Gruen cautioned, however, that over concentration of the more productive uses could saturate the market. Thus, a dual strategy was recommended of seeking future bids for uses such as hotel/motels, weekend cabanas, office buildings, and general recreational facilities (in addition to boating), and offering a selected number of unleased parcels on the basis of current market demand. (31)

The County soon began to implement many of Gruen's major proposals. In late 1967, the Commission awarded one parcel an addition of "apartment" to its primary use of "anchorage." (32) Also, the County took stronger measures than mere encouragement to hasten the construction on leased parcels. In February 1968, the County Counsel proposed a formal statement regarding lessee guarantees:

1. For the assignment of an undeveloped leasehold, the County would continue to require the following:
 - a. Guarantee of rent for five years from the date of the assignments.
 - b. Guarantee of the minimum development required in the lease within the specified period of time as outlined in the lease.
 - c. Guarantee that the majority of stock in the corporation would not be assigned prior to five years from the date of assignment.

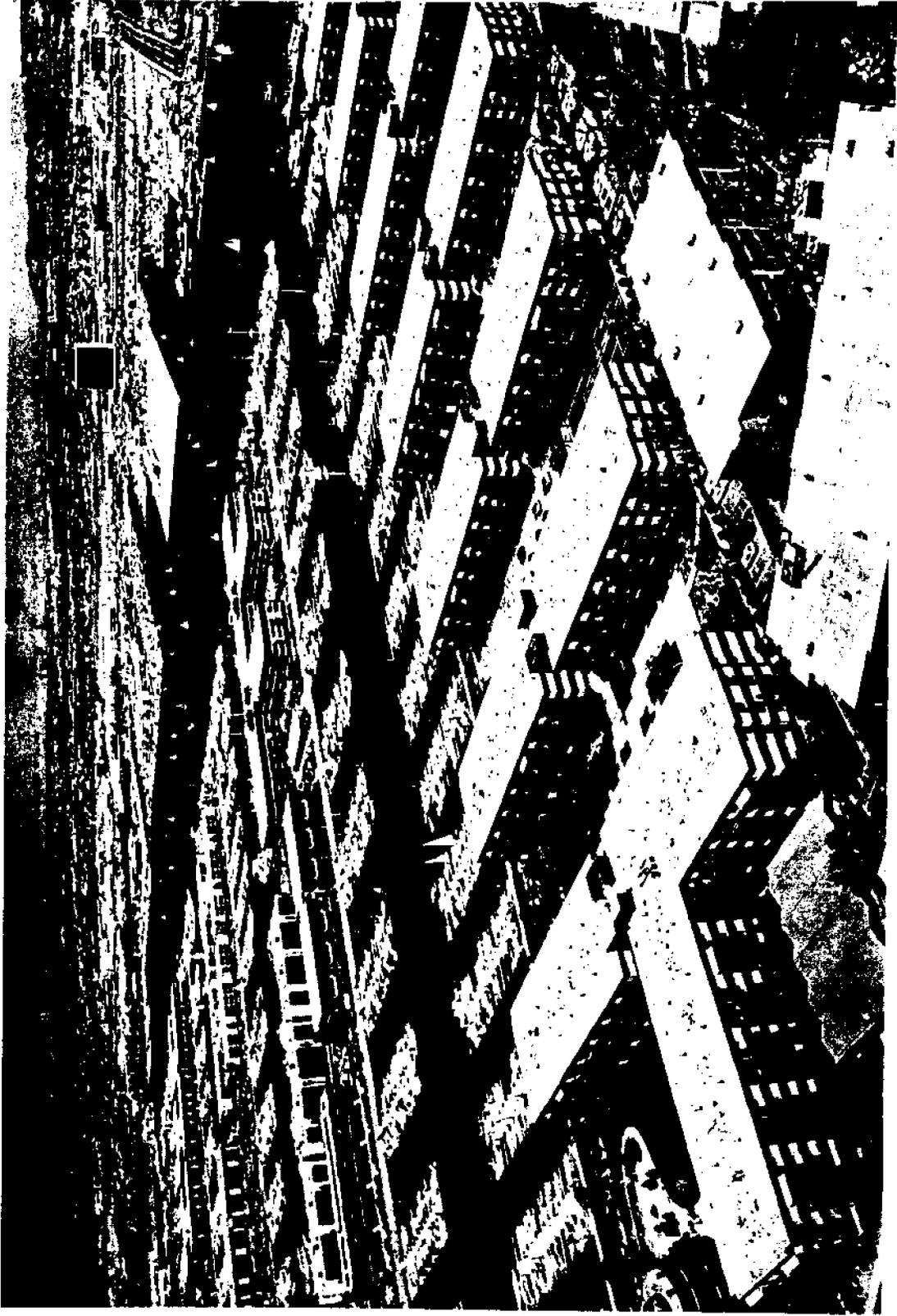
*At the time of the study, 726 apartment units had been constructed.

2. For the assignment of a leasehold which had been substantially completed, the County would continue to require financial statements of the assignee, but the assignments would be approved without a guarantee letter unless there were unusual circumstances justifying the letter. (33)

As lending institutions became more confident about the Marina's investment possibilities, most of the remaining parcels were offered for bid and leased for amounts 200 to 250 percent higher than the minimum bids established by the County. (34) The largest bid ever made for a Marina parcel was accepted in July 1968 and exceeded the established minimum bid by 365 percent. The Marina City Corporation bid \$415,529 for about 7.6 percent of the total leaseable land and 8.0 percent of the total leaseable water area in the Marina, making it the largest parcel ever leased (31 acres). The Gruen plan of 1967 had designated this area for public-oriented uses such as hotels, motels, anchorages, restaurants, commercial, retail, recreation, and cabanas rather than apartments. (35) By 1975, however, the lessee's completed development is projected to include 671 apartments, 377 boat slips and a 1,000-room high-rise hotel with a ballroom capable of seating 1,500. The lessee envisions the complex as the "hub of the Los Angeles County conventions." (36) The completed development as planned will have three seventeen-story high-rise structures, a long span of garden apartments, and a recreational deck with tennis courts, swimming pools, health spas, and gymnasiums. It will also include a recreational boating club, boutiques, a complete marine center for design, maintenance and modification of boats, and an additional clubhouse with extensive dining facilities. Rents for apartments in the complex will range from approximately \$400 a month for a one-bedroom apartment to \$1,850 plus for a four-bedroom penthouse. (37)

As a result of this increased construction of apartment and commercial facilities, the Marina began to assume the character of an intensely developed urban center (see photo). It had its own beach, fire and sheriff stations, theater, banks, office buildings, shopping center, apartments, restaurants, newspapers, and chamber of commerce. Specialized life-styles were also emerging in the Marina. A survey conducted by the Department of Small Craft Harbors in 1968 showed that, in general, people living in the Marina fell into two broad categories--young professionals and comfortably situated middle-aged couples whose children had grown and left home. The survey reported that only 14 percent of the households had more than two persons. Close to two-thirds of the 1,493 rental units were priced at \$200 or more per month and 12 percent were above \$300.

Recreational facilities within the Marina were also undergoing a substantial reorientation. Only 33 percent of



The Urbanization of the Marina. (Official Photo — Department of Small Craft Harbors)

the tenants owned boats in 1968 (which constituted a decline of 10 percent from two years earlier). Also, most of the apartment complexes offered a great variety of recreational services to their residents--tennis courts, swimming pools, hot hydro-therapy pools, gymnasiums and saunas, driving ranges, hobby and game rooms, shuffleboard areas and sun decks.* People living in the Marina, then, had little reason to be concerned with the lack of general public facilities in the area. Except for the small public beach, limited sportsfishing, a boat launching ramp, and strolling areas with small shops and eating places in a New England-styled Fisherman's Village, there were few available public areas. Further, the problem of general public use continues to be compounded by its popularity. In addition to the auto and bicycle traffic of apartment residents, renters of boat slips, and the general public, sight-seers and people using the commercial facilities (particularly the restaurants) have created substantial traffic and parking problems on weekends. Also, the design of the Marina and its internal traffic circulation patterns have contributed to the difficulties of moving in, out, and around. (38)

At the same time that the Marina's distinctive character as a "new town intown" was taking shape, its financial position was also strengthening. The increasingly high lease bids received after 1965 began to stabilize the debt problem. By the end of 1969, Marina revenues exceeded the break-even point of \$2 million per year and the loans from the County General Fund had been repaid. (39) Moreover, informal projections placed bond redemption ahead of schedule from the year 1999 to the mid-1980's. Reflecting on the new circumstances, a spokesperson for Gruen Associates** could state, "The economic situation had improved so much that other issues could be addressed." (40) These issues included internal congestion at peak recreation times and general public concern over coastal zone conservation and accessibility.

Public Use and Access

As an initial response to the increasing concern over public accessibility and use of the Marina, Los Angeles County Supervisor Kenneth Hahn proposed the development of a public park at the end of Mindanao Way. Justifying the need for a

*At present, rents are as high as \$1,800 per month for an apartment.

**Gruen Associates was appointed to serve as the Consulting Engineers in 1965, replacing Coverdale and Colpitts.

restaurants, docks, apartments, and hotels. He pointed out that even though County taxpayers had underwritten \$15 million of the Marina's development costs, there was only one small beach for the public. (41) In fact, as Table III shows, 64 percent of the Marina's basic development costs came from public sources. (42)

Upon the recommendation of Supervisor Burton Chace whose district contains the Marina, Gruen made a study of the park proposal in early 1970. The firm's report recommended a ten-acre land and five-acre water site for park development. (This parcel had been designated originally for "hotel" use.) To satisfy the legal requirements, the Supervisors passed a Resolution stating that the establishment of the park for free public use was possible now that revenues were sufficient to meet the Bond Resolution requirements. The County also awarded a lease to D-H Marina for an anchorage that borders the park site. The anticipated cost of the park is \$750,000, and it is expected to have parking, public walks, fountains, picnic shelters, restrooms, a small auditorium, and docks for transient vessels. (43)

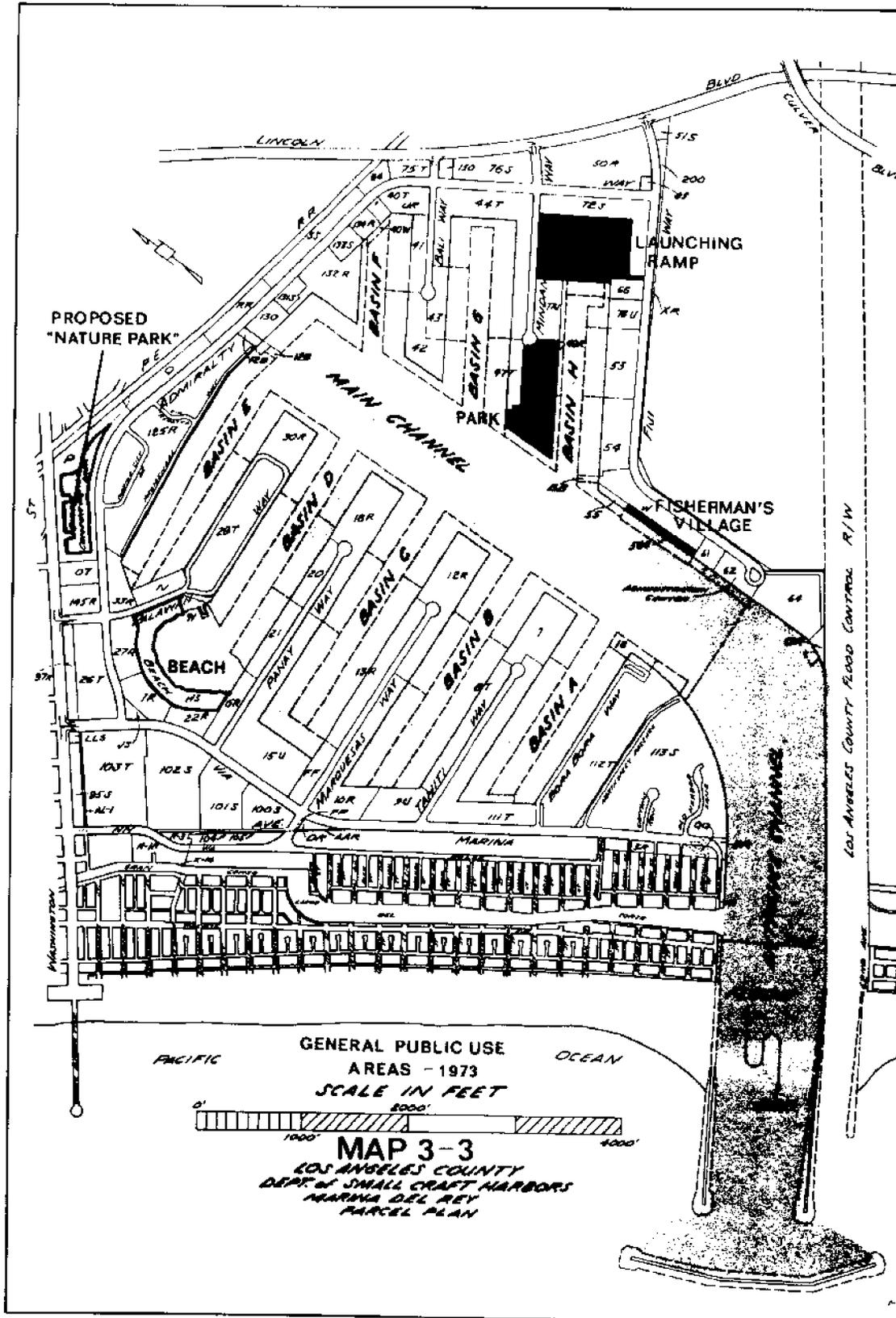
Another public use issue was raised in mid-1972. The Westwood Village Chapter of the Izaak Walton League claimed that the Bird Conservation Area of approximately eleven acres was not serving its purpose because its actual use as a drainage basin only allowed domestic ducks to use the area. The League suggested the area be converted into a public recreational facility which would be designed as a "nature park" with flora that could attract a larger bird population (see Map 3-3). The matter appears to be in abeyance, however. The Izaak Walton League has not pursued its proposal, and the County itself has not undertaken the development.

In recognition of the overall congestion problems and the projected growth in and around the Marina, the Department of Small Craft Harbors contracted with Gruen Associates to make a comprehensive study of transportation and parking needs. Gruen reported in July 1971 that during peak periods, the volume of traffic in and around the Marina was equivalent to a residential community of 20,000 people. Gruen found that the main arterial streets bordering the Marina--Lincoln and Washington Boulevards--were operating beyond their desired capacities, particularly during summertime traffic peaks. (44) When fully developed, Gruen predicted that internal Marina traffic would be equivalent to that of a community with 30,000 to 40,000 persons. (45) More importantly, this traffic would operate within a one-square mile area, whereas a community of this population size at suburban density levels would typically occupy six- to eight-square miles. With these findings, the Gruen report concluded:

It is clear that the intensity of future development within the Marina will require exceptionally

TABLE III. PUBLIC/PRIVATE SITE DEVELOPMENT COSTS

<u>Source</u>	<u>Level</u>	<u>Task</u>	<u>Amount</u>	<u>Percent</u>
<u>PUBLIC:</u>	Federal	-- 50% of Main Navigational Features	-- \$ 4,600,000	
	State	-- Site Acquisition Loan	-- 2,000,000	
	County	-- Land Acquisition; 50% of Main Navigational Features	-- 15,875,000	
	County Motor Vehicle Fund	-- Perimeter Roads	-- <u>775,000</u>	
			\$23,250,000	64
			<u>13,000,000</u>	<u>36</u>
			--	--
<u>PRIVATE REVENUE BONDS</u>	--	Site Preparation	--	--
<u>TOTAL COST</u>			-- \$36,250,000	100%

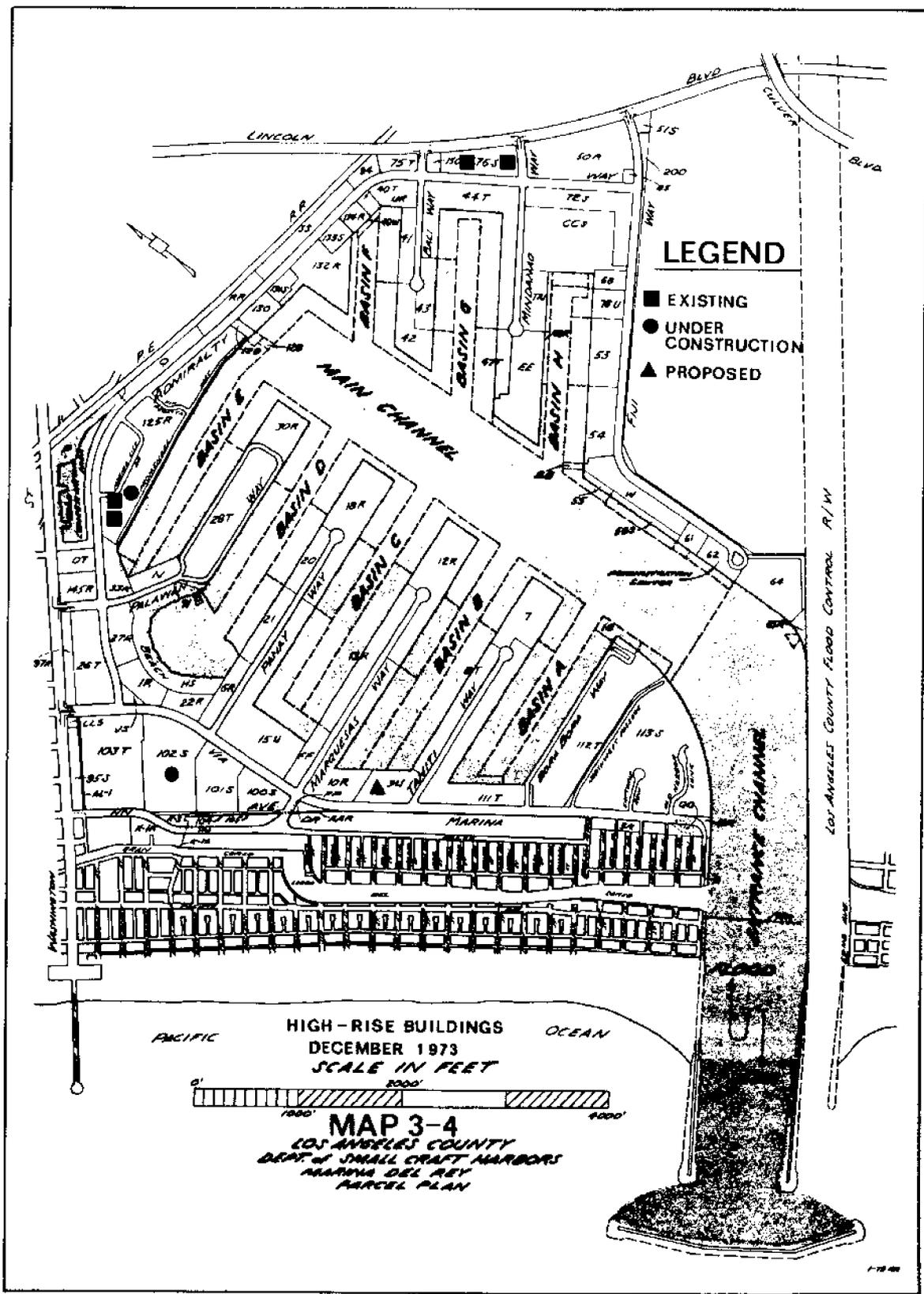


careful planning and execution to insure a satisfactory environment for residence and recreation. (46)

Gruen's study also addressed the problem of parking within the Marina. Although parking is generally inadequate for the Marina as a whole, it is particularly serious for apartment tenants and boaters (slip renters) who compete for the same spaces. On the basis of existing conditions and projected demands, Gruen recommended that increased parking ratios be required for new developments, peripheral parking be expanded with a tram service and subsidies be given to lessees who provide extra parking spaces in future facilities.

Turning attention to the problems of general public access and use as well as internal density and congestion is an important step in the administration of the Marina. However, some of the developmental decisions made during the earlier period of financial uncertainty will serve as barriers to their easy solution. Market pressures for development remain intense in the Marina area. A low-rise structure presently under construction will add 379 apartment units on parcel 28T. The construction of high-rise developments is also accelerating (see Map 3-4). Besides the Marina City complex on parcel 125 and the two twelve-story office buildings and theater on parcel 76s, a 624-unit apartment complex divided among one thirteen-story and seven three-story structures is currently being built on parcel 102s. Because the Small Craft Harbor Commission has placed a 35-foot height limit on mole structures, high-rise developments generally will not occur on parcels abutting the water. As can be seen on Map 3-5, a virtual ring of high-rise buildings could develop within the Marina along its outer boundary. The impact of this development trend is clear. Areas adjacent to the Marina are gradually mirroring these high-rise developments and land values are steadily increasing, particularly in the Venice area immediately north of the Marina. Such external effects, with the exception of traffic generation, have never been considered in the planning of the Marina.

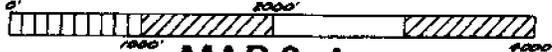
Even if a major change in County policy did occur, there is a serious question whether substantially more land and water areas could be devoted to general public use in the Marina. Nearly all parcels have been leased and the lease provisions concerning permitted primary and related uses could not be modified by the County without providing some form of compensation. (For example, foregoing anticipated increases in revenue.) Further, the Board of Supervisors has not provided any indication that it is ready to significantly expand general public facilities. Assuming this to be the case, the first occasion when the County could re-evaluate such use would be when the revenue bonds are redeemed, possibly in the mid-1980's. The Board of Supervisors could



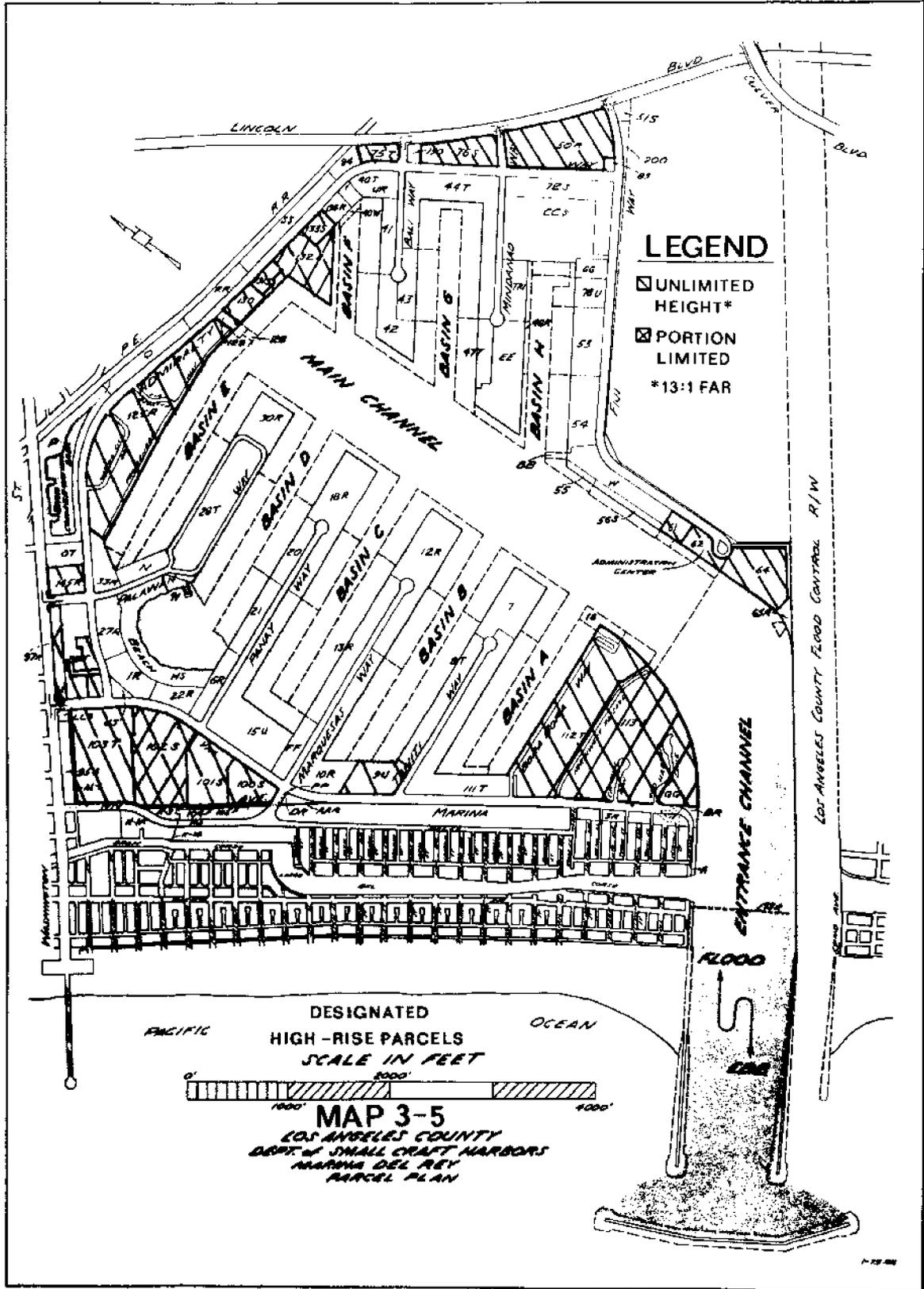
LEGEND

- EXISTING
- UNDER CONSTRUCTION
- ▲ PROPOSED

HIGH-RISE BUILDINGS
DECEMBER 1973
SCALE IN FEET



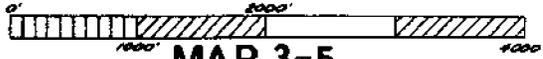
MAP 3-4
LOS ANGELES COUNTY
DEPT. OF SMALL CRAFT HARBORS
MARINA DEL REY
PARCEL PLAN



LEGEND

- ▨ UNLIMITED HEIGHT*
- ▩ PORTION LIMITED
- *13:1 FAR

DESIGNATED
HIGH-RISE PARCELS
SCALE IN FEET



MAP 3-5
LOS ANGELES COUNTY
DEPT. OF SMALL CRAFT HARBORS
MARINA DEL REY
PARCEL PLAN

presumably earmark Marina revenues for buying lessee interests in specified parcels. The densities and development rates on leased parcels are much more vulnerable to short-run changes. The South Coast Regional Commission and State Coastal Zone Conservation Commission could substantially modify the growth rate in both the Marina and its periphery by withholding building permits or by requiring a scaling-down of proposed plans. The role of the Commissions will be considered in more detail in a subsequent chapter.

Apart from the public use issue and possible intervention by other agencies, the Department and the Small Craft Harbor Commission, as the administrators of the Marina, will be faced with managing an increasingly complex area that more and more resembles a complete urban resort community. The Marina has a sizable population, weekend residents, substantial commercial activities, office complexes, extensive small craft facilities, and large numbers of tourists. There are also traffic, parking, and law enforcement problems. From a management perspective, therefore, the County should develop an increasingly sensitive method for identifying and responding to the concerns of various groups about their relationships to the Marina and to each other. A series of issues raised by boaters in the Marina and the evolving patterns of interaction between representatives of this group, the lessees, other users, and the "government" of the Marina--the Department of Small Craft Harbors, the Small Craft Harbor Commission and the Board of Supervisors--provide a useful case study for exploring the matter in the next chapter.

REFERENCES

- ¹Coverdale and Colpitts, Report on the Economic Feasibility of a Proposed Marina del Rey Small Craft Harbor at Los Angeles (New York: October 30, 1959), Exhibit 3, Revised.
- ²Ibid., October 30, 1958, p. 23.
- ³Victor Gruen Associates, A Development Plan; Revised for Marina del Rey (Beverly Hills: September 15, 1960).
- ⁴Victor Gruen Associates, A Development Plan for Marina del Rey Small Craft Harbor, County of Los Angeles, California (Beverly Hills: Victor Gruen Associates, May 1, 1960), L.U.-1.
- ⁵Jack Keating, "Private Pacts, Land Sales Under Fire," Los Angeles Herald-Examiner, August 13, 1961.
- ⁶Marina del Rey Standard Lease, Section 4: "Active Public Use," pp. 3-4.
- ⁷Ibid., Section 22: "Subleases..," p. 25.
- ⁸Small Craft Harbor Advisory Commission Minutes, October 1961.
- ⁹Ibid.
- ¹⁰Ibid.
- ¹¹Marina del Rey Standard Lease, Section 22: "Subleases..," p. 25.
- ¹²Marina News, "What Now at Marina del Rey?" An editorial, September 15, 1962.
- ¹³The "fee estate" is the basic value taxed for possessory interest. The fee estate is the present worth of the contract rent plus the leasehold interest or "economic rent" (value of the rent the lessor could receive for the lease in today's market) minus the value of the property reversion at the end of the lease period. Possessory interest is therefore based on the "income stream" method of evaluation. Interview with Lloyd A. Wright, Principal Appraiser in Charge of Possessory Interest, County Assessor's Office, September 20, 1972.
- ¹⁴Marina News, "What Now at Marina del Rey?"
- ¹⁵Small Craft Harbor Advisory Commission Minutes, June 27, 1962.
- ¹⁶Department of Small Craft Harbors, "Policy for Exercise of Director's Control of Long-Term Subleasing for Individual,

Non-business Use," Policy Statement No. 1 (Revised), April 10, 1968.

¹⁷ Marina del Rey Bond Resolution, Adopted September 8, 1959, by the Los Angeles County Board of Supervisors.

¹⁸ Letter from Small Craft Harbor Advisory Commission Chairman Aubrey E. Austin, Jr. to the Los Angeles County Board of Supervisors, November 30, 1964, pp. 2-3.

¹⁹ Ibid., p. 4.

²⁰ Small Craft Harbor Advisory Commission Minutes, August 28, 1963.

²¹ Letter from Small Craft Harbor Advisory Commission Chairman Aubrey E. Austin, Jr., p. 4.

²² Ibid., p. 3.

²³ Ibid., p. 7.

²⁴ Letter to Marina del Rey Bondholders from Burton W. Chace, Chairman, Board of Supervisors, September 15, 1965.

²⁵ Design Control Board Minutes, January 20, 1966.

²⁶ Letter to Arthur G. Will, Director, Department of Small Craft Harbors, from the Office of the County Counsel, Re: Marina del Rey--Residential and Commercial Uses as Public Uses, November 16, 1966, pp. 10-11.

²⁷ Victor Gruen Associates, Marina del Rey Land Use Study (Beverly Hills: Victor Gruen Associates, March 1967), p. 4.

²⁸ Ibid., p. 8.

²⁹ Ibid., p. 12.

³⁰ Ibid., p. 36.

³¹ Ibid., p. 12.

³² Small Craft Harbor Advisory Commission Hearing Officer's Report, "Report and Recommendations Relative to Proposed Lease Amendment Expanding Primary Use of Mariner's Bay," November 1967.

³³ Small Craft Harbor Commission Minutes, February 14, 1968.

³⁴ Department of Small Craft Harbors, Chronological Comparison by Use Category, Original Bid, Annual Square Foot Rental of Leased Parcels, Revised January 10, 1971.

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- ³⁶Santa Monica Evening Outlook, "Marina City Club Dominates MDR Profile," May 26, 1972.
- ³⁷Mitchell Moss, The Urban Coastal Zone: A Case Study of Marina del Rey (Los Angeles: Center for Urban Affairs, University of Southern California, January 1972), unpublished manuscript, p. 39.
- ³⁸James Hinzdel, Marina del Rey, California: Comments and Observations (Los Angeles: Quinton - Budlong, February 1971), p. 553.
- ³⁹Santa Monica Evening Outlook, "Board Clashes on Marina Loan," April 15, 1969.
- ⁴⁰Telephone interview with Kurt Franzen, Consultant on the Marina del Rey Project, Victor Gruen Associates, September 22, 1972.
- ⁴¹Citizen News, "Marina Open Land Urged," May 8, 1970.
- ⁴²Small Craft Harbor Department, Marina del Rey Fact Sheet, May 1973.
- ⁴³Interview with James Quinn, Chief, Development and Operations Division, Department of Small Craft Harbors, June 7, 1973.
- ⁴⁴Victor Gruen Associates, Marina del Rey Traffic and Parking (Beverly Hills: Victor Gruen Associates, July 1971), p. 4.
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IV
Boating Facilities
and Services

BOATING FACILITIES AND SERVICES

Marina del Rey is widely known as the largest shallow-draft pleasure boat harbor in the world. At the same time, however, far more money has been invested in residential and commercial facilities on land. This land-water combination has created a distinctive "new town intown" resort for residents, many boaters and users of the commercial facilities. Yet, from the perspective of some boaters, these "new town" aspects have created problems for people concerned with boating per se. Recent conflicts have made it clear that boater interests and preferences in the operation of the Marina have become important policy issues.

Boating Facilities Within the Marina

The need for a small craft harbor in the Los Angeles area was the major justification for building Marina del Rey from the early part of the century to the time it was established. After World War II, this need was based primarily on the substantial increase in boating as a recreational activity and on the short supply of slips in the Los Angeles region. In the 1950's, the principal safe harbors for small boats in Los Angeles and Orange Counties were the commercial harbors of San Pedro and Long Beach, the Alamitos Bay of Long Beach, and the Newport Beach-Balboa harbor. Justifying the need for a small craft harbor at Marina del Rey in 1958, Coverdale and Colpitts cited extremely long waiting lists for slips at Alamitos Bay and Newport Beach-Balboa. (1) The firm also reported that the commercial harbors of Long Beach and Los Angeles

were undesirable for recreational boating because of dirty water, unattractive landing facilities, and unpleasant smells from the canneries and refineries.

Marina del Rey is designed to have a wet storage capacity for approximately 6,000 boats. This constitutes one-sixth of the total 30,000 slips now available in Southern California from San Diego to Santa Barbara County. It also has a beach launching area for hand-carried boats, launching facilities for trailer-borne craft both by ramp and high-speed hoist, dry storage for trailer-borne boats, six yacht clubs, repair yards, fuel docks, and a pump-out station. As extensive as these boating facilities are, they constitute a small fraction of the total investment that has been made in the Marina. As of May 1973, private investment in relation to use was distributed in the following way: (2)

<u>Facilities</u>	<u>Investment</u>	<u>Percent</u>
Apartment Units (4,867)	\$106,000,000	73.6
Commercial	16,000,000	11.1
Slips (5,794)	9,000,000	6.3
Hotel and Motels (340 rooms)	7,000,000	4.9
Restaurants (23)	4,200,000	2.9
Yacht Clubs (6)	1,800,000	1.2
	<u>\$144,000,000</u>	<u>100.0%</u>

This pattern of investment has affected the amount of area utilized for boat service and repair facilities. By July 1973, almost 50 percent of the total land area in the Marina was devoted to residential, commercial, and restaurant facilities, while less than 6 percent was used for boat service and repairs. (3) These percentages of boating and non-boating land uses suggest that support services for boating were not a priority item in the development of the Marina. In fact, small marine-oriented businesses were not included in the Gruen plan of September 1960 and very few exist in the Marina as finally developed. These businesses operate on small margins and would not have produced as much income for the County as other developments. Generally, what marine services and repairs were to be included within the Marina were left to the discretion of anchorage lessees. Aside from two large commercial repair yards, only two anchorages have facilities such as marine hardware and paint, hull repairs, propeller and shaft repair, engine repairs, marine electric sales, and instrument repairs. (4)

It could be argued that the existing facilities are adequate, given the number of boats in wet storage. However, other evidence suggests that this is not the case. On the streets adjacent to the Marina along Lincoln Boulevard and

Washington Street, the following facilities were observed to constitute over 80 percent of the buildings:

Lincoln Boulevard:
Marina del Rey Fwy to Washington
Street

Marine divers supply (1)
Boat sales (4)
Yacht sales (3)
Boat engineers (1)
Boat engine parts (3)
Boat upholstery & canvas work (1)
Marine supplies (4)
Boat surface engineering (1)
Marine hardware (1)
Signal flags (1)
Welding (1)
Sailmaker (1)

Washington Street:
Lincoln Boulevard to
Oxford Avenue

Yacht service (1)
Engine service (1)
Marine sales (1)
Marine electronics (1)
Yacht sales (5)
Diving services (1)
Communications (1)
Boat storage (1)
Marine insurance (1)

As these figures indicate, well-developed marine-related commercial activities have clustered immediately outside the Marina, reflecting the existence of a market. There is, however, the possibility that a continued and highly probable rise in land values around the Marina could force these support services to locate further away. The growth of boating-oriented businesses east of Lincoln Boulevard and north of Washington Street suggests this possibility.

Trailable Boats

Facilities for trailer-borne craft represent another area which has received low priority in the Marina's development. Although 85 percent of the 60,000 boats in Los Angeles County fell into this category when the Marina was built, its design was primarily oriented to anchorages for berthed craft. The large land area required for parking and maneuvering trailer-borne craft and its low income yield were two significant reasons for the minimal land allocation. In its final land use plan of September 1960, Gruen stated:

Under the existing harbor design, utilization of parcels planned for larger boat use would be wasteful and uneconomical...Although fully cognizant of the popular demands for portable boat operations, we are not totally convinced that the economic considerations will justify this increase. (5)

The Gruen plan did include the optional use of one parcel for trailer-borne craft, but no lessee found it profitable to develop launching facilities. The State of California Wildlife Conservation Board offered to lend Los Angeles County the

funds to build a facility in 1965. The Department of Small Craft Harbors determined, however, that the free use condition attached to the loan would violate the terms of the Bond Resolution. Ultimately, in response to strong public pressure, the County itself built the present ten-lane launching ramp in 1966 with monies from the County General Fund and the Marina Fund. A fee of \$1.50 is required for its use. Another type of optional facility for portable boats included in the original land use plan was a 2,000 boat dry-dock-stacked storage system on one parcel. No space for this purpose has been developed as yet, but the potential exists for expansion of the system.*

Other factors beyond fiscal concerns have contributed to the larger-boat orientation of the Marina. There is no sheltered lagoon for small-boat sailing or cruising in the Marina. Also, water skiing and boat fishing are prohibited within the Marina and fishing in the Santa Monica Bay is poor. Yet, smaller craft continue to constitute the overwhelming majority of boats in the state and region and are growing in number. Moreover, technological innovations have resulted in lower acquisition and upkeep costs for trailerable boats. For example, swingkeels have made sail boats portable and the use of gel coat paint has lowered the time and cost necessary to maintain these boats. (6) The growing popularity of portable boats and conservation pressures to limit new development in the coastal zone may produce an increased demand for County launching facilities in the future.

Slip Tenants as "Citizens" of the Marina

To this point, the discussion has considered the physical facilities for boating and boat services. The major issues that have developed in the post-1968 period, however, have involved policy questions concerning the use of existing facilities and the inclusion of boater interests in management decisions. The status of boaters, until recently, has been defined in terms of their position as sublessees. In effect, this means that the primary relationship of the boater is with the yacht club or the moorage operator rather than the Department of Small Craft Harbors. This relationship is in contrast to the prime lessees who work more directly with the County.

The effect of the lease system has been to make the County a "public landlord" responsible for the project's overall financial solvency and general design standards. As a result, responsibility for the day-to-day operations of the various facilities within the Marina rests with entrepreneurs who possess leaseholds. During most of the 1960's, policy questions concerning the Marina tended to be initiated either by the lessees or the bondholders and settled through

*The Department of Small Craft Harbors estimates that approximately 1,000 boats are in non-stacked dry dock storage throughout the Marina.

negotiation between them and the Department, the Small Craft Harbor Commission, and/or Board of Supervisors. Both of these private groups had formed organizations in the very early stages to represent their interests to the County.

When many slip renters began to initiate policy questions in the late 1960's, a number of ambiguities immediately became evident concerning their status and rights. The ensuing conflicts and politization of some slip renters have resulted in a much more visible and substantive role for boaters in the management process. A distinction should be drawn between the position of the approximately 2,000 people holding slips through yacht club membership and those who hold non-commercial subleases from commercial moorages. The two largest clubs, the California Yacht Club and the Del Rey Yacht Club, are prime lessees and the other four hold commercial subleases. The clubs, as a result, have control over policy making for the use of their own slip facilities. Either through shared values, membership participation in decisions, or competition for members, the clubs have been responsive to boating interests. Moreover, the clubs as commercial lessees and sublessees have had a recognized status in the overall Marina management system.

Most of the remaining 4,000 slip tenants who hold individual, non-commercial subleases rent from firms that are virtually free to make their own rules and regulations concerning the use of their facilities. It should not be surprising that the interests and values of slip tenants (particularly live-aboards or traditional boaters) and those of profit and development-oriented entrepreneurs might differ at times. The primary organization representing these boaters is the Pioneer Skippers with a current membership of over 1,000. It was established in 1963 as a social organization and did not become seriously involved in management questions until recently.

The Hjorth Case

By the time the dominant residential and commercial character of the Marina had become well established in the late 1960's, many slip renters began to perceive the pattern as a threat to the traditional boater's life-style and as the cause for the excessive facility-use costs. The experiences of one boater, John Hjorth, were important in dramatizing some of these feelings.

John and Willie Hjorth came to Marina del Rey as live-aboards in 1964 and signed a rental agreement for a slip on an anchorage parcel that had no apartment structures. The anchorage changed hands twice and, by the end of 1967, it was owned by the Ponty-Fenmore Company and was called Tahiti Marina. The Hjorths, now with two children, were offered a

new slip rental agreement. They believed its terms to be more restrictive than their original month-to-month sublease and retained the latter. Meanwhile, Ponty-Fenmore constructed 149 apartments on the parcel which were advertised as having:

...recreation facilities including outdoor swimming and therapeutic pools, fully equipped separate gymnasiums for men and women, together with saunas, a beautiful new club house, billiard rooms, sun decks and sheltered patios, barbecue pits. Outdoor play areas. Subterranean parking for more than 200 cars. Extra storage space. Laundry facilities. All the comforts of home, and just a step away from your Tahiti Marina mooring. (7)

In March of 1969, Tahiti Marina served Hjorth notice that he had no agreement in effect and asked him to sign a new lease. He again refused to sign the more restrictive agreement which stated that only adult live-aboards would be allowed. On April 1, 1969, he received legal notice to "quit his premises" within a month unless a new agreement were signed. Under California law, a landlord can give a tenant a month's notice to quit in the absence of a lease. Reason for the notice need not be given, but in this case, the Tahiti Marina indicated it did not wish to assume the insurance costs and liabilities incurred with minor children living at the anchorage.

There were rumors circulating at this time that a Marina-wide policy of no live-aboards was about to be adopted. Many interpreted this rumored action as an attempt by lessees to make slips available in package deals for prospective apartment residents. True or not, the matter seemed to illustrate to live-aboards that the Marina was becoming a less favorable environment. Beginning in April 1969, Hjorth tried to prevent his eviction by writing letters and talking with other boaters. Failing an accommodation with the Tahiti Marina, he wrote to the Department of Small Craft Harbors, Supervisor Burton Chace and the Harbor Commission of the State of California. A petition was also sent to the Department signed by boaters supporting Hjorth's efforts to remain. While refusing to take action, the Department did request a ruling from the County Counsel on the County's responsibility to the tenant.

The County Counsel issued an opinion on April 30, 1969, that the County had no jurisdiction because it was a matter between the tenant and the lessee. The opinion cited Section 22 of the standard lease between the County and lessees which states:

Lessees may, without prior approval of the Director, sublease portions of the demised premise (including but not limited to, single residential units, boat

slips, and dry storage racks) for a period not to exceed one year, for individual, non-business, non-commercial use. (8)

As noted earlier, this section was a 1961 amendment to the original standard lease form which had required County approval for all subleases. From one perspective, the change was a positive one. It removed the objections of prospective lessees and eliminated the necessity for departmental review of all subleases. From another point of view, however, the modification has meant that the right of non-commercial subleases to take their grievances to the County is non-existent or ambiguous at best.

Hjorth also took his case to the Pioneer Skippers during April. He stressed that as boaters, they could be threatened and evicted as he was. The group, however, was willing to give him only verbal support without taking any formal action. A series of maneuvers involving Hjorth continued to August 1970 and included:

1. Using the press to create public pressure to stop the eviction;
2. Being taken to court in October 1969 with a resulting agreement for an 18-month stay of eviction without appeal while he looked for another slip;
3. Refusing to vacate at the appointed time on the grounds he had been blackballed by other marinas and had nowhere to go;
4. Going back to court to unsuccessfully challenge its jurisdiction over the matter, and
5. Forcing Tahiti Marina to have a Marshal evict him and having his boat moored in a County slip because no other place could be found.

Hjorth's activities spotlighted a number of existing and potential problems that boaters faced in the Marina and contributed to the gradual involvement of the Pioneer Skippers in Marina-wide management questions. At the same time, the Department and the Commission were undergoing adjustments in their relationship to boaters. The emergence of slip tenants as a constituent group in the Marina's policy making is reflected in three boater-related matters: Slip rental rates, slip rental agreements and the construction of a "do-it-yourself" boat yard.

Slip Rental Rates

The cost of moorage space in the Marina became a matter of controversy in early 1970. It represents the first major issue the Pioneer Skippers became involved in, but has not as yet been resolved satisfactorily from the Skippers' point of view. The prices charged by lessees for goods and services within the Marina are subject to regulation by the County. Section 16 of the standard lease agreement states that the costs for such goods and services shall be both "fair and reasonable" for the public and allow lessees a "fair and reasonable" return on their investment. The same section makes the Director of the Department of Small Craft Harbors responsible for enforcing the provision and delegates authority to him to inform a lessee if any prices are found to be unfair or unreasonable. The lessee, in turn, can object to the Director's findings. The lessee is required, however, to accept the Director's subsequent determination. An appeal to the County Board of Supervisors is possible, but under the terms of the standard lease, the action of the Supervisors is "final and conclusive."

A call for the Director to use this authority in relation to boat slip charges and a vigorous demand for better representation of boaters in Marina policy decisions were made by spokespersons for the Pioneer Skippers. At the Small Craft Harbor Commission meeting of February 1970, a member of the Skippers made it quite clear that boaters as a group:

...want to be heard. We want to have a voice. We want to be a party to decisions made in this Marina... We also have an interest in the overall development of the Marina...We (Pioneer Skippers) have appointed ourselves until there is another spokesman to present our position in the Marina. We will be glad to step aside when someone else comes along. (9)

The Skippers charged that unreasonable price increases had occurred while service levels had steadily decreased. The group further claimed that moorage operators were giving apartment dwellers preferential treatment for parking spaces in spite of the severe parking shortage for nonresident slip renters on peak use days. (10)

As a result of the Skippers' charges and a follow-up request by the group's attorney that "...boaters be a party to the decisions made as they affect boat owners," the Department established an advisory Price Review Committee in March 1970. Five boat-owner representatives, including one member from the Pioneer Skippers, and three lessee representatives were appointed to the group. The operation of the Committee through the spring, however, brought the Skippers little satisfaction. During this period, the boater organization urged the Board of Supervisors to impose rent ceilings, charging that there had been:

...a deliberate and systematic unfair treatment of the boaters by certain lessees which shows that the County has chosen to exercise little control to protect the public from profiteering. (11)

Frustration had reached a high enough point in June 1970 that the President of the Pioneer Skippers stated that the Small Craft Harbor Commission was "...in business with the lessees..." who operated the anchorages and were benefitting from high slip rates. When the Commission asked the group to provide a list of its members as evidence of its right to speak for boaters, the group refused to comply out of fear that there might be lessee reprisals against individuals. The Skippers further expressed its disappointment with the Committee by pointing out that eight of the seventeen moorages in the Marina had raised their rates since the price review body had been established. (12)

The Price Review Committee's apparent lack of responsiveness prompted the Skippers to undertake new strategies for controlling prices. The group filed a class action suit in August 1970 in the Los Angeles County Superior Court. The suit argued that while the public was entitled to use Marina facilities at a "fair and reasonable cost" and lessees were entitled to have a "fair and reasonable" return, the existing price system did not meet the former criteria. The suit asked relief in the form of price regulation. The Court ruled partially in favor of the Skippers' position, but left the situation unresolved. The decision indicated that while the County did have the authority to adjust the prices set by lessees to meet the fairness requirement, it did not have the authority to set rates. (13) Accordingly, the Skippers refiled its suit in October, asking specifically whether the Director of the Department of Small Craft Harbors, representing the Los Angeles County Board of Supervisors, has the right to regulate slip rates. The Court's response had the effect of turning the whole matter back to the County. It ruled that the Marina's administrative body does have the right to regulate boat slip rates but does not have a duty to do so.

The Skippers made a second effort to take the matter outside the County's administrative system in February 1971. At that time, the Skippers asked the California State Public Utilities Commission (PUC) to regulate moorage operations in the Marina. The group argued that because lessees were providing wharfage and storage facilities to the public, such facilities constituted a public utility and were subject to PUC control. This case remained unresolved for almost a year and a half. The PUC finally rejected the request, stating that provisions of the State Government Code and the Harbor and Navigation Code provided a complete statutory plan for the construction, maintenance, and operation of small craft harbors, such as Marina del Rey, thus preempting

the PUC's jurisdiction. In its final action in December 1971, the PUC suggested that the Pioneer Skippers' appropriate redress was with the Board of Directors of the Small Craft Harbor Commission. The Skippers asked the State Supreme Court to reverse the PUC ruling, but the Court refused to do so in June 1972.

During the same period in which the matter was taken to the courts and the PUC, negotiations continued through the Price Review Committee. In September 1970, the Director of the Department indicated that the Pioneer Skippers should not continue to be represented on the Price Review Committee because of its suit in the Superior Court. At the same time, he reported that the Committee desired operating statements and balance sheets for the last three years from all anchorage lessees as a step toward developing an equitable formula for slip prices. The Marina del Rey Lessees Association supported the action. (14)

As a result of further work by the Committee, the Director presented a Progress Report to the June 1971 meeting of the Small Craft Harbor Commission. In this document, the Director indicated that an analysis of profit and loss data and prospective cost increases showed no immediate cause for the County to reduce slip prices or disallow any recent increases. He further noted that reducing prices by lowering the rent for anchorage lessees could not be considered until the Marina bond requirements had been met. (15) Of importance from the boaters' standpoint, however, was the Progress Report's statement concerning assignments: When leasehold interests in anchorages were sold or when new leases were awarded, the effect of these actions on slip rates would be closely reviewed. A comparison of slip rental rates in Southern California was also released which showed the Marina prices as being the highest for a publicly owned facility in the region. Table I contains the figures.

Several actions during 1972 increasingly involved the County in the regulation of slip prices. In March, the Department exercised its prerogative for the first time to review slip rate increases. The Department accepted increases made by two moorage operators but made approval contingent upon the correction of certain deficiencies. In July, the initial case of direct price control occurred. The County included a condition that slip rates be based on the average price in the Marina as a whole for approving an anchorage lease assignment. (16) This authority was exercised again in August when the County leased the last remaining anchorage parcel. Because the lessee's bid far exceeded the minimum bid requirement, the Commission required that the firm not charge more than the average rate in the Marina without the Director's approval. (17) The Commission reasoned that, since an anchorage

TABLE 1. SOUTHERN CALIFORNIA HARBOR SLIP
RENTAL RATES - 1971

<u>Harbor</u>	<u>Rate per Foot</u>	<u>% Occupancy</u>
<u>Public Ownership/Private Development</u>		
Channel Islands	\$1.75	100
Marina del Rey	\$2.00-\$3.00	97
King Harbor	\$2.20-\$2.30	100
Los Angeles	\$1.25-\$2.00	100
Sunset Beach	\$2.20	100
Dana Point	\$1.90-\$2.20	(new)
Mission Bay	\$1.20-\$1.75	unknown
San Diego Bay	\$1.40-\$1.75	90
<u>Private Ownership and Development</u>		
Newport Beach	\$1.90-\$3.00	100
<u>Municipal</u>		
Santa Barbara	\$1.30-\$1.67	100
Alamitos Bay	\$1.20-\$1.40	100
Oceanside	\$1.50	100

without apartments was not as profitable as one with such facilities, care had to be taken that these lessees did not have "run away rates." (18)

Although the Pioneer Skippers had campaigned vigorously for the County to exercise its regulatory authority, the group was not satisfied with adjusting prices to the average rate within the Marina. The group believed these rates were too high and argued that the controls should be based on the average rate for all marinas on the California coast. The lessees' position was that this type of regulation would not reflect the higher costs of operating Marina facilities. The Director's initial response to this new controversy was that the average rate in the Marina would not be applied as an administrative rule but that price reviews would be handled on a case-by-case basis. (19) Subsequently, however, the Price Review Committee determined that the issues were complex enough to hire an outside consultant. This step was approved by the Commission in December 1972. Shortly thereafter in February 1973, the study was widened to include all prices within the Marina at the request of the Lessees Association. The lessees were concerned with the effect of possessory interest tax increases upon their ability to obtain a fair and reasonable return at current price levels. (20)

While these events have not resolved the increasing number of questions concerning moorage pricing policies, they do indicate that the matter has become a public issue. These developments in the management of the Marina reflect the post-1968 trend away from an almost exclusive concern with the Mariana's financial aspects. The boaters' status is now well established as an interested and legitimate party in policy making. Equally important, a precedent has been set for the County, through the Department and the Commission, to actively regulate prices. This movement toward resolution of the slip price questions, however, has not been accompanied by agreement over the terms of the slip rental agreements.

Slip Rental Agreements

The first disagreements over the terms of slip rental agreements had ended when the U.S. Marshal removed John Hjorth's boat from the Tahiti Marina. A second and more protracted conflict began in October 1971 when the same Tahiti Marina operated by the Ponty-Fenmore Company issued new and more restrictive conditions for letting a slip. The following provisions were included in the revised rental form:

1. Persons cannot live aboard their boats for periods longer than three days.
2. Dogs are forbidden aboard boats and on docks and tenants who violate this rule face immediate eviction.

3. Boat maintenance and repair are forbidden. This includes use of paint remover, painting of topsides, burning of paints and spray guns. The anchorage management will be the sole judge of what constitutes ordinary maintenance.
4. Tenants will be assessed an additional one dollar a day for each day they are late with their slip rents after the first 10 days.
5. The dockmaster has the right to move a boat to a different slip from the one which was originally rented.
6. Those who leave their boats more than 30 days without paying the rent will be assessed \$20 a day for each day they are in possession of their slip.
7. The anchorage operator may file a possessory lien against a boat and its contents if the terms of the lease are violated. The tenant who takes legal action against the anchorage operator must agree to pay the anchorage attorney's fees of not less than \$250. (21)

These requirements, then, eliminated living aboard as a life-style and gave the lessee extraordinary discretion in moorage operations. Ponty-Fenmore's action was immediately protested by Robert Feldman, a live-aboard at the Tahiti Marina, at the October 1971 meeting of the Small Craft Harbor Commission. Feldman presented a petition signed by slip renters at the three Ponty-Fenmore anchorages requesting that the Commission act upon the matter prior to October 31, 1971, when Feldman's rental agreement had to be renewed. The County's position was that such agreements were matters between the slip tenant and lessees or sublessee and that the County normally could not intervene. The Commission stated, however, that the matter would be investigated and discussed with the County Counsel as soon as possible. (22)

Unlike its reaction to the Hjorth eviction case, the Pioneer Skippers become involved in this dispute. Many members expressed the concern that the future of all boat owners was at stake because eviction without cause was allowed in the proposed agreement. A first act of the group was to request the Department Director, the Lease and Finance Administrator and Maxwell Fenmore to negotiate differences relating to the rental agreement. Fenmore expressed a willingness to talk. He issued a statement saying that no one would be evicted pending a revised rental agreement which would try to take objections of slip tenants into account.

The revised rental agreement issued by Ponty-Fenmore after conversations with a Pioneer Skipper representative, however, proved to be no more acceptable to the Skippers than the previous draft. The lessee was willing, though, to allow Feldman and all other live-aboards to occupy their slips if they would sign a new agreement and meet all rules and regulations of the moorage and the County. Because of the absence of any guarantee of his status and his objections to other parts of the agreement, Feldman refused.

The Pioneer Skippers next presented the County with a proposed Marina-wide slip rental agreement. The Lease and Finance Administrator of the Department, in turn, asked the Skippers to prepare an analysis of its objections to the Ponty-Fenmore agreement. The Skippers countered at the February 1972 meeting of the Commission with a request that the County undertake a study of all rental agreements in use at the Marina. The County agreed to proceed with the review without taking a position on the merits of the controversy. The matter received increasing attention from the boaters' organization during the spring without any progress toward settlement of the issue. In late spring, Feldman was given until May 30, 1971, to sign or be evicted. Having failed to act, Ponty-Fenmore notified him on May 31 that he was no longer a legal occupant of his slip.

At this point, a number of Marina del Rey boaters, including Feldman, filed charges with the Internal Revenue Service alleging that recent slip rate increases, the new rental agreements, and lowered levels of services throughout the Marina constituted a violation of the national price controls that were then in effect. This proved unsuccessful. Concurrently, the President of the Pioneer Skippers attempted to carry on negotiations with the Lessees Association concerning the adoption of a Marina-wide slip rental agreements. Little came of this as well.

An important element of the involved parties' inability to find a satisfactory way to negotiate their differences (in contrast to the sliprates case) was the lack of County authority over the general provisions of rental agreements. The nature of the situation was made clear at the June 1972 meeting of the Commission. The Director stated that under the terms of the standard lease form between the County and lessees, the County had no legal responsibility for slip agreements. At the same time, he noted that this did not prevent the County from exercising a moral responsibility for equity in the conflicts between lessees and boaters over slip rental agreements:

...to our knowledge, a boat tenant has never been evicted from his slip, without specific cause, if the County has had prior knowledge of the proposed

eviction action. In every instance, upon receipt of a complaint from a boat owner regarding matters covered by his slip rental agreement, we make inquiry of both lessee and boat owner regarding pertinent facts and, whenever justified, intervene with the lessee on behalf of the boat owner. (23)

The Feldman case provided an immediate test for the moral suasion of the County. Feldman and another boater, Stanley Levin, did sign rental agreements with Ponty-Fenmore in July 1972 but were still in the process of being evicted. Feldman's attorney requested that the Director of the Department intervene on their behalf because they were being evicted without specific cause. The Director wrote to Fenmore asking that the matter be reconsidered but the latter declined to do so.

Feldman and Levin went to court in August 1972 to contest unlawful detainer proceedings. Their attorney entered a demurrer stating that because the Marina was a public facility owned by the County, a landlord must prove legal cause before eviction could take place. The two boaters also tried to gain public support for their case and organized a "Sail-In" on August 20, 1972 to present a petition signed by 1,111 boat owners and users of Marina del Rey. The petition asked the County to "...reconsider its decision not to intervene in unjustifiable evictions at Marina del Rey anchorages." (24) Only forty boats participated in the event but a Pioneer Skipper spokesperson commented that many boat owners refused to join in the protest for fear of being evicted. (25) At this writing, Supervisor James Hayes' office has not yet acted upon the petition.

Legally, the boaters were unsuccessful with their case in the Culver City Municipal Court and with an appeal to the Appellate Department of the Los Angeles County Superior Court. In August 1973 the latter body affirmed the lower Court's findings that landlords do not have to allege the reason(s) for evicting tenants under California law. The possibility exists that Feldman and Levine will make a further appeal to the California Supreme Court. (26)

The lack of any formal power for the County to intervene between a lessee and a tenant was reiterated in another recent case. A boater protested his eviction from a section of a developed moorage which had been assigned to the Del Rey Yacht Club. The boat owner, under the previous ownership, understood he would be allowed to remain and was evicted when he attempted to do so. In issuing an opinion concerning the County's authority in the case, the County Counsel reaffirmed that:

The County generally has no power to control or interfere in a contractual relationship between an

anchorage lessee and a slip tenant. The only power the County possesses under the lease is to insure that the lessee charges fair and reasonable prices and does not violate the public use character of the Marina. (27)

In terms of relief for the boater in question, the Counsel suggested that the Department "...continue their attempts to find an alternative slip...at Marina del Rey." (28)

"Do-It-Yourself" Boat Yard

A quite different relationship existed among the County, the boaters and the relevant lessees over the issue of providing a "do-it-yourself" boat yard in the Marina. The matter was resolved differently as well. When Chris Craft phased out its do-it-yourself service area in the late 1960's, it closed down the only such facility in the Marina. Boaters who were interested in making their own repairs were forced to go either to the Long Beach-San Pedro area or have the work done professionally in one of the two Marina yards for a higher cost. It was much more than an economic question, however. To many, being able to putter around and repair their own craft was an important part of owning a boat. One boater expressed these feelings by letter to County Supervisor Burton Chace in July 1971. The official reply was that, although the County could not require either of the two existing boat yards in the Marina to have do-it-yourself areas, the Department was reviewing the possibility of making such a service available itself, providing it could be done on a sound legal and financial basis. (29) Since the one parcel designated for boat repairs was not yet leased, the County could solicit bids for the necessary facility. Failing to find a lessee, the County itself could construct and manage the self-service yard.

As concern over the problem increased, a group of boaters requested that the County provide a do-it-yourself yard on the available parcel. The Commission responded in February 1972 by recommending that the Department staff make a review of all the problems involved in leasing the parcel for such a purpose. A representative of the Association of Santa Monica Bay Yacht Clubs also volunteered to investigate the feasibility of the proposed yard and to try to create bidder interest in the leasehold. (30)

At this point, the Pioneer Skippers also became actively involved in providing evidence to support the economic feasibility of such an operation. The Skippers distributed 4,000 questionnaires to its members and other boaters throughout the Marina which asked for information concerning spending patterns for boat repairs and interest in a self-service yard. Because the rate of return was low (264), the responses were

better indicators of an interest in such a facility than of its economic feasibility. (31) Even so, the Skippers report on the survey in March 1972 added momentum to the campaign.

At its April meeting, the Commission discussed the possibility of the County's developing a yard with minimum improvements and perhaps leasing it out on a short-term basis. Accordingly, specifications for a County yard were drafted for the Commission by the Department and distributed to the Pioneer Skippers, individual boat owners, potential bidders, and other concerned parties for their review and comment. The Commission then adopted preliminary specifications for bidding on a three-acre yard at its May meeting. The Director of the Department advised the Commission that if no qualified bidder were found, the County had the option of building the facility itself.

Once it became evident that the County might develop the service, a significant change occurred in the position of the two boat yards in the Marina, Chris Craft and Windward Yacht. Assessing the implications of competing against a County-operated do-it-yourself yard with lower rates, the two lessees submitted a proposal to jointly develop a self-service area at the June 1972 meeting of the Commission. The Department's staff made a detailed evaluation of the offer for conformity with all County requirements. The Director then recommended approval with the stipulation of a six-month trial period. Gruen Associates, Consulting Engineers to the Marina, also responded favorably to the proposal as did representatives of the Pioneer Skippers. (32) On this basis, the County approved the joint undertaking.

The "do-it-yourself" case offers an example of the direction policy making for the Marina can move. There was direct and productive participation by the County and several interested groups in resolving the question. The County exercised some degree of initiative in meeting a need not met by the private sector. Lessees, when faced with the possibility of competing with a self-service yard (due to the power and willingness of the County to take unilateral action), were able to reach an accommodation with boaters for a needed service, at least for a trial period.

In two of the three cases discussed above, there appears to be greater flexibility in the County management system to respond to a wider range of interests than was the case during most of the 1960's. It is also clear that the policies and operating rules established to insure the financial solvency of the Marina still exercise a powerful influence over the options that are available for dealing with newer issues. A key to the future resolution of such controversies would be to improve the Marina management's ability to anticipate and meet social and environmental problems and to represent a wider range of interests.

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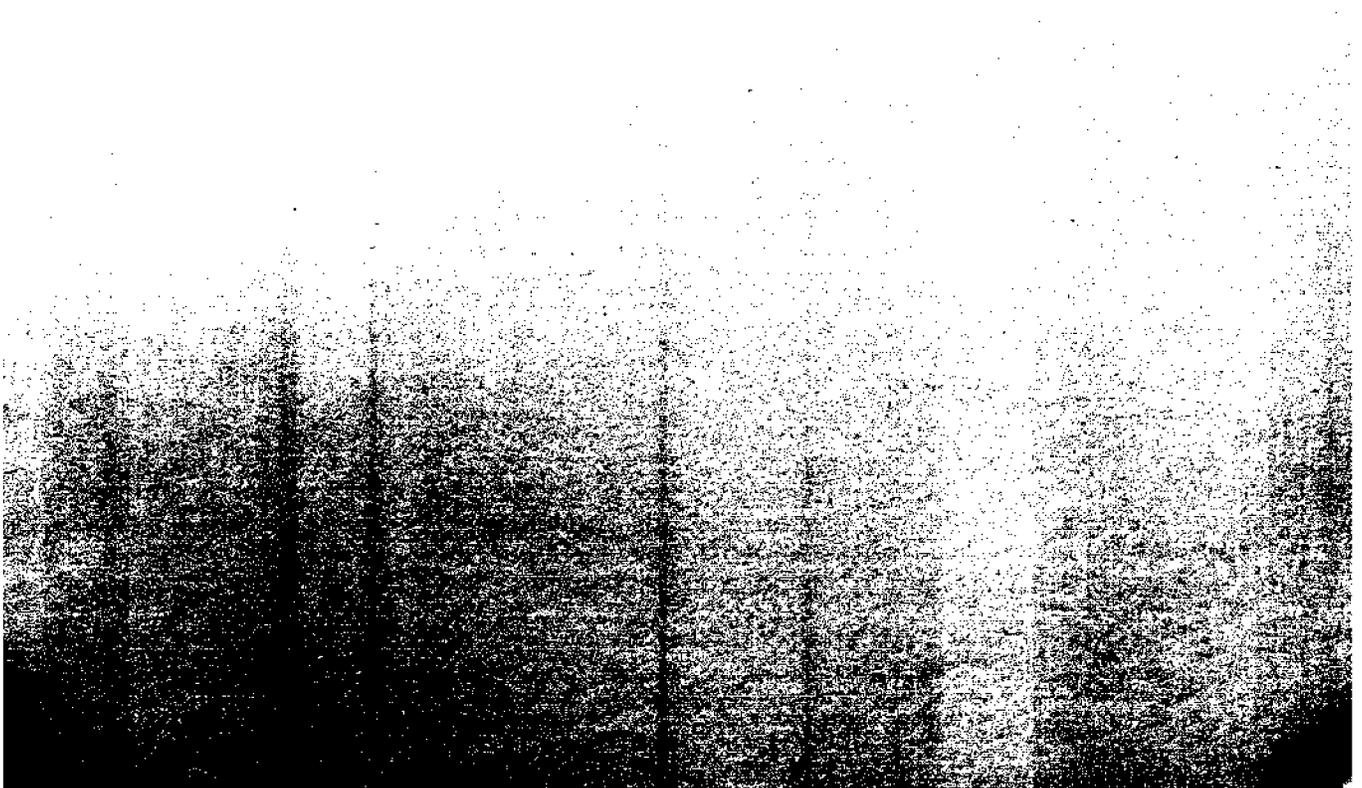
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v

Regional Interdependencies



REGIONAL INTERDEPENDENCIES

The discussion to this point has been concerned primarily with the management and policy issues internal to the Marina. The trend clearly has been toward the inclusion of more diverse interests in the Marina's management decisions. A parallel development also has occurred in the interrelationship of the Marina to the larger Los Angeles metropolitan region. The concern about spillover effects in areas adjacent to the Marina, the demands for additional boating facilities in the County and the passage of the California Coastal Zone Conservation Act of 1972 as part of a wide-based environmental movement have all contributed to placing policies about future Marina developments into a regional context. These developments, in turn, have further enlarged the number of citizens and public agencies who affect the internal decision-making process. The most direct and immediate impact has come from the Coastal Zone Conservation Act. The initial experience of the Marina with the operation of the Act reflects many aspects of the Marina's interrelationships to the region.

South Coast Regional Commission

California voters, by initiative in November 1972, established a coastal zone management system which is comprised of a state-wide commission and six regional commissions, including the South Coast Regional Commission whose jurisdiction includes Los Angeles and Orange Counties. The passage of the initiative reflected not only the support of

environmental groups but also the general support of California citizens for protecting coastal areas. The measure was passed by a 55.4 percent vote in Los Angeles County, a slightly higher margin than in the rest of California. The Act's preamble states that:

The people of the State of California hereby find and declare that the California coastal zone is a distinct and valuable natural resource belonging to all the people and existing as a delicately balanced ecosystem; that the permanent protection of the remaining natural and scenic resources of the coastal zone is a paramount concern to present and future residents of the state and nation;...(1)

The commissions are empowered to develop a plan for the future development of the California coastal zone. The zone is defined as extending seaward to the outer limit of the State's jurisdiction and inland to the highest elevation of the nearest coastal range. Of more immediate importance, the commissions were also granted the power to review and approve or deny any development taking place within a smaller coastal zone permit area. This authority, in effect from February 1, 1973 to February 1977, is to regulate coastal development prior to the adoption of a state-wide plan. The permit area is defined as that portion of the coastal zone lying between the seaward limit of the jurisdiction of the State and 1,000 yards landward from the mean high tide line of the sea. (2) There are exceptions to this rule which will be discussed later.

Membership of the South Coast Regional Commission includes six elected city and county officials appointed by local governments within Los Angeles and Orange Counties and six public members appointed, two each, by the Governor, the Speaker of the State Assembly, and the Rules Committee of the State Senate respectively. Permit decisions made by the regional commissions may be appealed to the state-wide commission.

The Marina and the "Coastal Zone"

There is no question that the Marina is located within the coastal strip requiring permits for further development. Some ambiguity exists, however, as to whether the facility falls under one of the several exceptions from the permit rule that were written into the Act. The law requires permits except for:

- a. The area of jurisdiction of the San Francisco Bay Conservation and Development Commission;
- b. Any portion of any body of water which is not subject to tidal action and the strip of land 1,000 feet wide surrounding it, and

- c. Any urban land which is (1) a residential area zoned, stabilized, and developed with a density of four or more dwelling units per acre on or before January 1, 1972; or (2) a commercial or industrial area zoned, developed, and stabilized for such use on or before January 1, 1972, may, after public hearing, be excluded by the regional commission at the request of a city or county within which such area is located. An urban land area is "stabilized" if 80 percent of the lots are built upon to the maximum density or intensity of use permitted by the applicable zoning regulation existing on January 1, 1972. (3)

The "urban exclusion clause" could apply to the Marina. The County's initial response was to explore the most appropriate way to develop the Marina within the terms of the new law. The Board of Supervisors, through the Small Craft Harbor Commission, called a public hearing on January 31, 1973 to obtain the opinions of interested parties concerning the permit requirement. Three types of actions were discussed at the meeting:

1. To ask that all improvements in the Marina be exempted from the permit process by the South Coast Regional Commission because of its advanced state of completion and the existence of a County-approved plan for the overall facility;
2. To request that a single, blanket permit be issued by the Commission which would authorize without further review, the construction of all anticipated improvements within the Marina;
3. To submit and approve each improvement project to the (regional) Commission on a case-by-case basis.

Spokespersons for the County, the lessees, and Marina-related businesses favored, at a minimum, a blanket permit. Gruen Associates, reflecting a position favored by the Design Control Board and the Marina del Rey Chamber of Commerce, stated:

From the perspective of the ultimate intent of the Coastal Zone Conservation Act, and from the point of view of the bond holders, it is our opinion that the County should apply for a blanket permit to complete the Marina as a "project" in accordance with the adopted Marina del Rey General Development Plan and ask that all

individual projects, public or private, conforming to the General Development Plan be excluded from further State review. (4)

The proponents' main arguments made to support this position were:

1. The Marina is substantially completed;
2. There is a master plan for the facility's development and each project is subject to review through hearings by the Design Control Board and the Small Craft Harbor Commission, and
3. The aims of the County General Development Plan for the Marina are in accord with the Coastal Zone Conservation Act. (5)

Not all participants at the hearing adopted this point of view. Residents of the Marina and the surrounding areas supported the issuance of permits on a project-by-project basis. They stressed that the relative influence of people from the rest of the region and those with no commercial interest in the Marina would be greater with the South Coast Regional Commission than with the Small Craft Harbor Commission or the Design Control Board. (6) In a real sense, then, the passage of the Act had created, for the first time, a public forum for those with more regional concerns about Marina developments.

On the basis of the hearing, the Small Craft Harbor Commission recommended to the Board of Supervisors that the County seek some type of blanket permit exemption but that, if necessary, permits should be considered for individual projects in the interim. Specifically, the following steps were called for:

1. Submission to the South Coast Regional Commission of a comprehensive description of the Marina, including all future improvements that are now anticipated;
2. Request of the Commission that, since a General Development Plan exists and all projects are subject to review by County agencies, it should either:
 - a. Exempt all development at the Marina from the permit procedures; or
 - b. Adopt the County General Development Plan for the Marina and authorize the

Executive Director of the Commission
to approve all projects that conform
to it; and

3. Request the Commission to act on individual applications for permits pending a decision on the requests made in #2. (7)

The South Coast Regional Commission began operating in February 1973. It had not, by the end of the year, acted upon the County's request for some type of general permit exemption for the Marina. In terms of the case-by-case permit decisions made during 1973, however, there appears to be a policy of approving developments within the Marina if they conform to the General Development Plan. Three parcels have received exemptions under the vested rights provision of the Act and six other projects have been granted construction permits. Even so, the permit process has resulted in a number of policy questions about the future of the Marina which would have been difficult or impossible to raise in a public forum prior to the passage of the Act. The debate that occurred over a permit for a high-rise hotel-office-residential development on Marina parcel 9u reflects the existence of such a regional forum.

Parcel 9u was not designated in the Marina's original land use plan for either a high-rise structure or a hotel. The Westside Marina which originally existed on the site was damaged in the surge of the winter of 1962-63. The County, in a settlement made for damages in September 1965, amended the parcel lease to allow the construction, operation, and rental of apartments in lieu of boatels or cabanas and the construction of a high-rise structure. (8) The present lessee, Real Property Management, Inc., acquired control of the parcel in October of 1968. In August 1970, the firm proposed a five-story building with 10,000 square feet for retail sales and 47,500 square feet for office space as well as 126 apartments, 224 hotel rooms and 195 restaurant seats.

The Small Craft Harbor Commission approved an amendment to the lease in January 1971 specifying "hotel" as a primary use of the site. In turn, the Department and the Design Control Board worked with the lessee to increase the number of hotel rooms with compensating reductions in apartments and space for offices and retail sales.* The expansion of the hotel facilities was an attempt to bring the development into closer conformity with Gruen's findings in 1967 cautioning against an over-saturation of apartments in the Marina. This change in design, however, increased the height of the building to fifteen stories. The permit request that was finally submitted to the South Coast Regional Commission included space allocations for:

*The proposed development is now called the "Marina Plaza Hotel."

- a. 435 hotel rooms and suites;
- b. 46 apartments;
- c. 18,000 square feet for retail commercial use, meeting rooms, and office space;
- d. 24,000 square feet for food and beverage facilities, including a banquet and meeting room area for 650 people; and
- e. Parking for 869 autos.

The initial response to the proposal was made in a South Coast Regional Commission staff report which recommended denial. The staff found that the 132 apartment units per acre was too high a density, that the height and character of the development was incompatible with the existing two- and four-story residential structures on adjoining parcels and that there would be increased traffic congestion on the main road (Via Marina) where the project would be built. The report also stated that if all the dwelling units anticipated on the remaining vacant and underdeveloped lots on the Marina peninsula were constructed, the resulting traffic would have a cumulative and adverse environmental effect.

The South Coast Regional Commission held a public hearing on the proposal for parcel 9u on August 20, 1973. A representative of the Department of Small Craft Harbors spoke in favor of the project. He stated that the County had been under criticism from the public and Gruen Associates for overdevelopment of apartments and that a hotel would serve a wider range of persons and uses. He also stated that the County was anxious to have the property improved and that the development would be a step toward completing the Marina's master plan. The President and the Executive Director of the Marina del Rey Lessees Association both testified that they had urged for sometime that the lessee of parcel 9u build a major hotel because no banquet facilities were available within the Marina to serve large groups. Both the County and the lessee argued that the hotel complex would not adversely affect traffic on weekdays or weekends. Los Angeles County Supervisor James A. Hayes, who is also a Commissioner on the South Coast Regional Commission, strongly supported the project. He stressed the need for a hotel and additional banquet room facilities which would serve more of the general public. Hayes stated that the resulting increased public access to the Marina conformed to the objectives of the coastal initiative.

Residents of Venice, which lies just north of Marina del Rey, expressed opposition to the permit. A major

objection was that traffic congestion would be increased to undesirable levels on Washington Street and Pacific Avenue which serve Venice as well as the Marina. The group also claimed that the added weekend traffic would create even greater access problems for the non-resident boaters. One boat owner who moved to Venice from Marina del Rey because of Marina's growth argued that the construction of the proposed high-rise structure would disturb the prevailing wind patterns and make it difficult for sail-powered craft to tack into their slips.

A member of the Los Angeles City Council, Marvin Braude, also opposed the high-rise structure. He stated that the balance between public and private use in the Marina was skewed toward the latter and that the already overcrowded conditions in the Marina were intolerable. Braude stressed that the banquet/convention center could be located on the Marina's periphery as well as within it. A representative of the Sierra Club opposed the permit on the grounds that there was not inherent need for these particular facilities to be located on the coast.

The South Coast Regional Commission made a favorable decision on the 9u permit in the middle of September with seven Commissioners in favor, one opposed, and one abstention. The sense of the majority was that such a hotel was needed in the area and that the project conformed to the Marina's master plan. The action, however, is being appealed to the State Coastal Commission by residents of Venice, Councilperson Braude, the Sierra Club, and others.

Compacting Coastal Development

Once the financial success of the Marina had been assured and the character of its commercial and residential development had become clear, similar facilities began to appear in the adjacent areas. The changes in land values and intensity of use on the periphery of the Marina, in turn, removed some of the pressure for internal Marina development. Since the establishment of the coastal permit system, however, the South Coast Regional Commission has acted unfavorably on several high-rise projects just outside the Marina. It denied a permit in May 1973 to Holiday Inn for a ten-story hotel on Lincoln Boulevard across from the Marina in the City of Los Angeles. Apart from objections of area residents, the main reason given for the denial was that additional traffic would be created in an already congested area. The Regional Commission also denied a permit for a nine-story medical office building in the same vicinity for the same reason.*

*It was later approved as a five-story structure.

The Regional Commission's decisions, to this point, could clearly lead to demands for even more intensive development within the Marina. This internal development, in turn, could cause greater congestion on streets immediately adjacent to the Marina without the normal change of land to higher economic use. Thus, sufficient taxes would not be generated for cities surrounding the Marina to offset maintenance and improvement costs for the affected streets and arterials.

Spillover Effects

The voicing of regional concerns about future Marina development is paralleled by the regional impact of the Marina itself. One major impact has been on the design of marina facilities in general. One example is the successful combination of a marina with commercial and tourist facilities at King Harbor in the City of Redondo Beach, a few miles south of Marina del Rey. This successful combination could be repeated with a project proposed for Los Angeles Harbor by the Los Angeles Harbor Marina Corporation, a consortium of seven companies. The company has offered to plan, develop, and operate a \$150 million marina and recreational complex including 4,500 boat slips, 2,500 apartments, and related commercial uses financed through municipal bonds secured by revenue from the project. (9) Also, the demonstrated profitability of high-density apartments adjacent to the ocean has been a major factor in making capital available for such residential complexes in other portions of the Los Angeles County coastline.

Interest in Marina del Rey has gone far beyond the immediate region. Parties from other parts of California, the Nation, and the world have come to inspect and/or request information about the Marina's design, and administrative and fiscal structure. These interests have also recognized the uniqueness of the adjacent land uses in terms of income and the number and variety of users. This interest in duplicating the Marina or encouraging its expansion is not universally shared, however.

The existence and operation of the Marina has also produced economic and social problems in addition to the internal concerns that have been raised about the Marina itself. The direct and indirect spillover effects of the Marina require comment as well because they have played and will continue to play a role in the overall decision-making process for coastal development in Los Angeles County. Two cases will be commented upon. One deals with Venice, an area immediately adjacent to the Marina; the other involves Malibu, considerably to the north.

Venice

Venice is part of the City of Los Angeles and stretches south along the coast two and one-half miles from the City of

Santa Monica to Marina del Rey (see Map 1-1). The area, with many poorly maintained small frame houses and older apartments, has been viewed by some as Los Angeles' "slum-by-the-sea" from the time oil drilling began in the community in the 1930's. The socio-economic composition of the area is extremely varied. There is a combination of Mexican-Americans, street people, poets, musicians, students, artisans, the elderly and the wealthy, making it one of the last "Bohemian" areas in Southern California. Venice also has the only Black residential area in California which is within easy reach of the ocean.

This atmosphere of diverse life-styles and values has been undergoing a gradual change with an influx of upper-middle income people seeking the benefits of one of the finest beaches in the County (made wider by the original dredging for Marina del Rey), the relatively clean air, and the proximity to Westwood, the Marina, and the Los Angeles Civic Center. At the same time, high-rise apartments, expensive shopping centers, and high-priced condominiums are being developed, creating increased traffic congestion, inadequate parking, and reduced public access to the beach. Venice's attractiveness for development has also caused tax assessments and rents in the area to rise rapidly and produce a high rate of turnover in the population. (10) The passage of the coastal initiative, creating uncertainty about where new construction can occur, has increased the value of existing structures. As a result of these market pressures, some parts of Venice are beginning to resemble Marina del Rey.

These forces for change in Venice have also produced opposition from community groups interested in slowing the rate of development and in maintaining diversity in the socio-economic characteristics and life-styles of the area. While there are divided opinions among residents and land owners, groups such as the Neighborhood Adult Participation Program, the Legal Aid Foundation, and the unique Venice Town Council (a citizen's advisory group to Los Angeles City Councilperson Pat Russell composed of representatives from six neighborhood divisions) have been active in voicing concern over the City of Los Angeles' policies encouraging growth and change in the area.

Two recent issues reflect the vigor of the movement. One involved a \$31 million, 890-acre Los Angeles City plan called the "Venice Waterways Development Project." This plan would have widened and deepened the Venice canals and linked them to the ocean by way of the Marina del Rey entrance channel. The justification for renovating the canals was based on a Los Angeles County Health Department survey conducted in November 1972 which found numerous health hazards in the canal area. The project would have allowed larger boats to be

moored in the canals as part of an exclusive residential complex. The improvements would have been funded in part by a \$21.3 million assessment* on properties adjacent to the canal with the effect of pricing many low-income owners and renters out of the area. Resident groups and the Hughes Tool Company (which has substantial land holdings subject to the proposed assessments) successfully joined in a court suit to block the formation of an assessment district. (11) The second issue involved the zoning of ocean-front properties in Venice for high-density residential development. Community groups have persuaded the City of Los Angeles to roll back zoning in the North Beach section from a classification permitting high-rise apartments to one which would predominantly allow duplexes. Residents are presently fighting a proposal to construct a highway linking the Marina del Rey Freeway with the Santa Monica Freeway. (12)

This increasing community awareness of Venice's interdependencies with the region point to further involvement of these groups with the Coastal Zone Conservation Commission and other agencies affecting not only Venice but Marina del Rey as well. Presumably, if the operation and development of the Marina continue to produce organized opposition in Venice, the County will need organizational mechanisms for taking such views into account regarding future Marina developments.

Malibu

The Malibu community offers another example of the effects of Marina del Rey on regional decisions. Malibu lies within a narrow twenty-seven-mile coastal strip in northern Los Angeles County extending from the Los Angeles City limits to the Ventura County line (see Map 1-1). Until recently, Malibu, like Venice, had remained little changed since the 1930's. Deed restrictions imposed on lot sizes in the original subdivision played a large part in preventing the area from urbanizing as the population of the larger region increased. The refusal of local property owners to approve bond issues for improved water and sewerage facilities also has inhibited growth. The result has been largely to limit the residents (presently about 20,000) to upper-middle and upper-income groups and to create a rural life-style.

These deed restrictions expired in January 1970, opening much of the area to more intensive development. Vigorous efforts are being made by developers to change zoning from residential to commercial and high-density uses. Those efforts have met with little resistance from the County of Los Angeles which controls land use in the area. Consequently,

*The balance would have been provided by the City and County.

many residents are appealing to the Coastal Zone Conservation Commission to maintain the low-density character of those portions of Malibu within the coastal zone.

A County proposal to build a marina and harbor of refuge in the Malibu area at Paradise Cove is of particular interest. The idea has met with strong local resistance. Large and well-organized segments of the Malibu community led by the Malibu Township Council feel that such a facility would hasten the urbanization of the area. Using Marina del Rey as the example of a small craft harbor developed under the County's control, they believe that land around Paradise Cove would rapidly appreciate and encourage the development of commercial and high-rise structures. These groups anticipate that this would change the character of the area and force out long-time residents, as Marina del Rey has forced out residents of Venice.

The proposal for the harbor is not a recent one. Since 1944, there have been moves at the national and local levels to construct such a facility. Particularly in the last decade, the County has been subject to strong pressures from the boating public to provide another coastal marina. As noted earlier, Marina del Rey has not been adequate for boaters with trailer-borne craft. Also, the intensive demand for slips in the Marina makes a second County-developed marina attractive. The County and U.S. Army Corps of Engineers are still actively considering the project. Ironically, if the County could guarantee that "another Marina del Rey" would not be built in Malibu, opposition would probably not be as intense.

Several trade-offs between Malibu and the County could be proposed. One would be to designate part of the Marina Fund's Capital Improvement Account to build the second marina, thus avoiding the necessity of producing non-boating revenue through leasing commercial facilities. In conjunction with this, low-density zoning would have to be part of the agreement. Other strategies would be to support an increase of the dry dock storage, launching and moorage capacity of Marina del Rey and/or support the construction of the proposed marina at Los Angeles Harbor. Certainly other options are possible. The important point is that Marina del Rey has created "symbolic" spillover effects. Also, there is a direct relationship between any expansion of the Marina's facilities and the type and location of other marinas in the future, particularly those under the jurisdiction of the County.

The foregoing discussion clearly indicates that the current operations and future developments of Marina del Rey have regional implications. The reverse is also true. Public agencies and citizen groups outside the Marina are beginning to exercise some degree of influence in internal management

decisions. The increasing importance of the reciprocal character of regional and Marina-related policy issues suggests that the County should create more effective means for involving and responding to groups in the surrounding communities and in the region as a whole. Additionally, the County should have procedures for explicitly relating its actions concerning public facilities in one portion of the coast to all other portions it directly regulates. Further, the County, at a minimum, should establish a communications system with other governmental units having authority over coastal sections to more effectively integrate their various plans for coastal development and management.

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- ²California Public Resources Code, Section 27104.
- ³Ibid.
- ⁴Letter to Victor Adorian, Director, Department of Small Craft Harbors from Gruen Associates, Inc., January 25, 1973, p. 1.
- ⁵Memorandum to the Small Craft Harbor Commission from Aubrey E. Austin, Jr., Chairman; Subject: Report and Recommendations Regarding Implementation of Provisions of California Coastal Zone Conservation Act, February 14, 1973, pp. 2-3.
- ⁶Ibid.
- ⁷Ibid., pp. 3-4.
- ⁸Amendment No. 3 to Leases for Parcels 8 and 9, Marina del Rey, September 1965.
- ⁹Jerry Ruhlow, "\$150 Million Marina Proposal Presented to Harbor Board," Los Angeles Times, Part II, February 7, 1974.
- ¹⁰Dial Torgerson, "Venice: Everything Is Changing, Especially the People," Los Angeles Times, Part II, November 18, 1973.
- ¹¹Ibid.
- ¹²Ibid.

VI

Conclusions and Recommendations

CONCLUSIONS AND RECOMMENDATIONS

The nature of the Marina's physical development as well as the type of management system created for its administration must be judged within the broad political and financial framework which created it. This framework was based on two major factors: Public unwillingness to support a large small craft harbor benefiting a selected segment of the recreational community and the limited availability of Federal and County funds for a recreational marina/regional park. These severe financial constraints had the effect of radically modifying the Marina's original harbor design and land use plan as conceived in the late 1930's.

The Marina was finally authorized and justified to the public in the 1950's as a more centrally located recreational boating facility in the Los Angeles Metropolitan area. The transformation that occurred from the proposed small craft harbor to an "unintended new town intown" was the result of decisions made over two decades through the interaction of the public and private sectors to pay for part of the Marina's site development costs. One of the long-run consequences of this decision-making process has been the growing gap between the new types of demands placed upon the Marina management system and the revenue-producing functions it was originally designed to perform.

In the early 1960's, the Marina's inability to attract investors created considerable fear about not meeting the \$13 million revenue bond obligation. A series of actions,

often determined after consultation with financial advisors and bondholders, gave greater protection to creditors and created more attractive conditions for lessees. These steps included amending the Marina del Rey Revenue Bond Resolution, narrowly defining the "Active Public Use" clause in the standard lease to facilitate the construction of apartments and reorganizing the Design Control Board to more effectively expedite lessee development plans.

Two important effects grew out of the policies devised to meet the financial crisis. First, the priority upon high-revenue producing facilities led to a more intensive development of residences and commercial facilities than had been anticipated originally. This policy, in turn, transformed the Marina from a small boat harbor into an intensely developed residential-commercial-recreational complex. It also created strong disincentives for low-cost or free public facilities. A second effect grew out of the first. In the process of insuring that debt requirements would be met, a tradition of consultation and day-to-day communication developed between Marina administrators and lessees. The complementary goals of the County and lessees in producing revenue created a willingness to jointly solve leasing, construction, and operating problems.

This interaction of County officials, lessees and bondholders largely shaped the initial policies, procedures, and communication channels for managing the Marina. The strengths of this system for facilitating physical and economic development, however, produced strains once the financial success of the Marina had been assured and its character as a multi-million dollar urban activity center had been established. The issues now facing the responsible County administrators are more typical of those confronting a city council than the operators of a marina or real estate development. By the late 1960's, non-resident boat slip renters raised a series of issues that proved difficult, in many cases, for the existing management system to resolve. Points of conflict included questions of excessively high moorage fees, preferential treatment for Marina residents, inadequate parking, lack of a do-it-yourself boat repair area, and County authority to regulate lessee operation of moorages. In addition, the absolute priority of high-revenue producing activities over more publicly oriented land and water uses came under severe criticism from several groups.

In their first efforts, groups representing these "new" issues faced considerable difficulty in gaining recognition in the Marina decision-making processes. A management system which has evolved to further one set of priorities is frequently resistant to legitimizing new ones, particularly if it requires giving status to interests (those of non-resident boaters) which may conflict with those already

participating in management decisions (the lessees). Similarly, a willingness to support general public use activities in the Marina required a change in both the financial condition of the Marina, and the policies of County officials.

A degree of adaptation has occurred over the last several years to take a wider range of values into account. This has not happened automatically or as the result of any formal change in the Marina's management system. Instead, strong pressures from boaters through publicity, organized lobbying, the use of the courts, appeals to other governmental agencies and, in part, a concern for equity on the part of the County have resulted in gaining recognition for this group in the decision-making process. Somewhat the same can be said for the expansion of public use facilities. Although the financial success of the Marina created the opportunity to reorient priorities, public pressure played the major role in gaining some County support for such projects. Issues relating to the Marina's regional role and its environmental effects are the most recent in time and the least articulated in the present management structure. They are also among the most difficult to resolve because they require the establishment of new management mechanisms as well as a broadened perspective of the County's responsibilities for environmental impacts, equity problems, and long-run planning considerations.

What can be defined as the "extended Marina community" now goes far beyond the formal boundaries of the facility, creating an urban activity center. The existence of the Marina was instrumental in "encouraging" a demand for more intensive and higher commercial and residential uses in its periphery. To date, however, no effective administrative means or public forum has existed to allow the concerns of adjacent residents to be adequately discussed. These same structural weaknesses exist in the County's ability (and disposition) to treat the development and operation of other public facilities in the coastal zone (its own and those of other governmental units) as interdependent matters. The creation of the South Coast Regional Commission has required that some County concern be given to broader values in Marina development plans. As yet, however, the County has not taken the initiative in reorienting its coastal planning to a regional scale.

Recommendations

As Marina del Rey has been a model for economically successful marinas, it can now serve as an example for the future development of urban marinas as multiple activity centers. The incorporation of social and environmental factors into the Marina's operating rules and procedures will allow the County to exercise more effective control over future development. This reorientation will help resolve conflicts

among Marina users, people on the Marina's periphery, and the regional public--a preferable situation to court battles, long and drawn-out coastal zone permit hearings before the regional and state coastal commissions and appeals to other governmental agencies.

Those most directly involved in Marina affairs and the general public as well stand to benefit by modifying the management structure. It is particularly important to view the proposed reorientation as an opportunity to exercise a national leadership role in providing a management model for other regions with metropolitan populations adjacent to their coastlines.

Recommendation No. 1 - Small Craft Harbor Commission Membership

Business knowledge and sound fiscal judgement were initially given priority in selecting Small Craft Harbor Commissioners. At that time, the most pressing need was to generate adequate revenue from the Marina's leaseholds. The issues facing the Marina's management have diversified considerably since then, however, and presently include questions concerning boating facilities, social and environmental effects of the facility's operations, and its regional role in providing coastal-related recreation. Consequently, the membership of the Commission should be increased from five to seven and the criteria for appointing members should be expanded so that at least three of the positions include persons who have a primary interest in and knowledge of:

- 1.1 recreational boating and regional boating needs;
- 1.2 the ecology of the coastal zone;
- 1.3 the socio-economic relationship of the Marina to the immediately adjacent communities.

Recommendation No. 2 - Steps to Account for Socio-economic and Environmental Considerations

If the Marina is to effectively respond to a wider range of priorities in its own operations as well as establish a model for other multi-activity metropolitan marinas, additional management initiatives are necessary. At present, neither the Design Control Board nor the staff of the Department of Small Craft Harbors can adequately deal with socio-economic and environmental questions which are being raised by users, citizens groups, and other governmental agencies such as the South Coast Regional Commission. Several steps can be taken to represent a wider range of values in Marina rules and procedures, staff expertise, and advisory bodies.

- 2.1 At least one member of the Design Control Board should have an interest in and knowledge of coastal ecological systems and at

least one member should have an interest in and knowledge of the social effects of the design of buildings and space both within and adjacent to the Marina.

- 2.2 The manual of "Specifications and Minimum Standards of Architectural Treatment and Construction" currently used by the DCB should be revised to include social and environmental standards in decisions concerning future Marina development and modifications. The Marina del Rey Standard Lease states that lessee plans and specifications must conform to provisions in the manual and subsequent amendments to it.* The revisions to this manual are particularly important because the Los Angeles County Counsel has written an opinion stating that the Marina is not within the jurisdiction of the California State Environmental Quality Act. As a result, the County is not required to prepare Environmental Impact Reports for proposed Marina developments.** Recommendations to the Board of Supervisors for the specific content of the new manual provisions should be determined only after careful consultation among the revised SCHC, DCB, and the two new units recommended below.
- 2.3 A Marina del Rey Area Advisory Committee should be created to include representatives of residents, businesses, and relevant groups in the immediately adjacent communities. This organization would allow the Marina management to regularly consult with representatives of areas affected by its operations. It would also offer the opportunity for all parties to consider matters of mutual concern or to resolve matters of conflict without recourse to the courts or regulatory agencies.
- 2.4 The functions of the Division of Development and Operations of the Department of Small Craft Harbors should be expanded and staff with appropriate expertise should be appointed to monitor,

*It should be noted that minor revisions have been made to the manual from time to time by the Board of Supervisors based on the recommendations of the Department of Small Craft Harbors.

**Because the standard Marina lease stipulates the provisions under which the lessees can develop their leaseholds, permits have already been granted de facto by the County. Thus, the County exercises no "discretion" in granting permits for such projects in the Marina.

analyze, and report on the social and environmental impacts of the Marina's day-to-day operations and to forecast the effects of proposed developments and modifications. None of the preceding recommendations could be effectively implemented without including a unit within the existing organizational structure specifically charged with gathering and analyzing social and environmental data directly useful to management decisions.

Recommendation No. 3 - The County of Los Angeles Should Provide Lessees with Greater Incentives for Reflecting Social and Environmental Values in Their Decisions.

The economic success of the Marina has shortened the schedule for bond redemption as much as fifteen years,* providing greater flexibility to negotiate with lessees over the type and amount of development to be undertaken on their parcels. One legal means presently available to the Board of Supervisors would be to modify certain aspects of the "Percentage Rent Schedules" which establishes the amount of rent approved uses are assessed above the minimum amount per square foot. For example, in response to increased parking demands of the general public as well as boaters, the Board of Supervisors could consider lowering the percentage rental for parking structures to encourage their development on parcels permitting that use. Also, the percentage of rent required for a particular use could be lowered in consideration for constructing lower-rise buildings and/or providing public access through leased parcels.

Recommendation No. 4 - Regional Considerations in Relation to Marina del Rey

- 4.1 Management and development decisions concerning Marina del Rey and other coastal areas should be coordinated and interrelated with one another through the creation of an overall County coastal development policy and the establishment of the necessary administrative procedures to carry out such a policy.
- 4.2 The Board of Supervisors should initiate and establish consultative mechanisms for all local, state, and federal governmental units having responsibilities related to the management and development of the County's coastal zone. This would allow the discussion of day-to-day and long-term activities affecting the coast, specifically

*The Department of Small Craft Harbors estimates that revenues derived from leases annually exceed \$4 million.

those projects of one jurisdiction which may have ramifications on other areas.

A number of administrative units of Los Angeles County have authority over various aspects of coastal areas such as the management of beaches, parks, marinas, and the regulation of land use. To the extent that interdependencies exist, these agencies should explicitly take into account the activities and values of each other in their own programs. In addition, the Marina (and other County facilities) should be viewed as part of the region's coastal resources which affect and are affected by what does or does not exist on other parts of the coast. For example, the lack of general public access and use of the Marina creates pressures for the development of such facilities elsewhere on the coast. In the same manner, intensification of the Marina's development may reduce demands for facilities in other coastal areas adjacent to the Los Angeles metropolitan region. Thus, changes in the general pattern of land use by a city or the County in one portion of the coast can have significant impacts upon adjacent jurisdictions. Unless consultative and cooperative mechanisms are developed among governmental units, the probability will increase that there will be more and more intense intergovernmental conflicts over coastal use and a failure to meet the coastal-related needs of people within Los Angeles County.

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Marina del Rey is the largest small craft harbor in the world. It has also developed into what could be called the first marina-related "new town" which combines the harbor facilities with commercial activities, residential complexes and land-related recreational facilities. This multi-purpose urban activity center serves a metropolitan population of over 7,000,000 and is a joint private/public venture. The overall Marina complex is managed by Los Angeles County and the commercial facilities have been developed by private lessees on County-owned land. The development of the harbor as an urban marina and its current financial success have made it a model which has attracted interest on the part of developers in the rest of the country as well as the world.

The potential for the County to provide a management model for future urban marinas is equally important. Over the past decade, the County's management policies were concerned primarily with the financial viability of the Marina. More recent demands, however, have been concerned with the Marina's impact on the surrounding area, increased public access, boater use and services and environmental protection. As a result, the issues now facing Marina del Rey's management structure resemble those of a city council more than a boating harbor or real estate development.

This study attempts to identify and analyze the development of the Marina and to indicate adaptations the County can make to more effectively respond to the social, environmental and economics impacts of the Marina.

