

APPENDIX D
MARKET TECHNICAL MEMORANDUM



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

To: Mr. Gary Jones, Deputy Director
Los Angeles County Department of Beaches & Harbors
Ms. Gina Natoli, Supervising Regional Planner
Los Angeles County Department of Regional Planning

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From: James Rabe
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Date: October 16, 2013

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Subject: Updated Marina del Rey Market Overview

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) evaluated the market conditions for Marina del Rey (MdR). The following analysis provides a summary of the socio-economic characteristics of the market area and identifies commercial opportunities. The analysis conducted herein primarily focuses on potential market opportunities based on the local population base. As a second phase of the analysis, KMA will evaluate the potential uses that would benefit from the significant number of visitors to the area.

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SOCIO-ECONOMIC CHARACTERISTICS

Identifying the socio-economic character of the market area residents is necessary for the evaluation of potential market opportunities. Table 1 shows a summary of the salient socio-economic characteristics for the MdR, one-, three- and five-mile market areas; and the Los Angeles County (County). The salient socio-economic characteristics are summarized below:

Population

1. According to Claritas, the population of MdR is approximately 8,900 persons. The population within three miles is 189,900 persons. Overall, the MdR and

market area population densities are moderate, particularly when considering location's proximity to the water.

2. There are approximately 5,600 households in MdR, at an average size of 1.6 persons. For the one-mile market area, the average household size is 1.9 persons and for the County the average is 3.0 persons. Overall, the households in MdR are extremely small.

Income

1. Per capita income levels for MdR are high at \$65,800, which is significantly higher than the County average of \$25,200. Further, the per capita income levels trend lower as the market area expands from one mile to five miles.
2. The average household income in MdR is \$104,300, which is much higher than the County average of \$74,900. The high household income levels are particularly impressive given the small households. Similar to the per capita income levels, the household income levels trend lower as the market area expands.
3. Nearly 40% of the households in MdR have income levels above \$100,000. Comparatively, only 22% of the County households exceed this threshold. The share of households with incomes exceeding \$100,000 is also higher in the market areas.

Demographic Characteristics

1. As would be expected given the small household sizes, there are relatively few residents under the age of 18 in MdR (9%) compared to the County (25%). Comparatively, there is a significant concentration of residents between the ages of 35 and 54 in MdR (44%) compared to the County (29%). Overall the market areas demonstrate the same patterns with relatively few residents under 18.
2. The population in MdR is well-educated, 65% of the residents over the age of 25 have a college degree. Comparatively, 29% of the County residents have obtained their degrees. The market areas also demonstrate high education levels.

Population and Household Projections

Shown in Table 2 are population and household projections for the unincorporated portions of western Los Angeles County, nearby cities and Los Angeles County. As

shown in the table, the regional population growth between 2003 and 2035 is projected to be lower (14%) than the overall County (23%). In addition, Claritas provides five-year population projections (through 2017), which indicate a 2.4% growth rate for MdR compared to a County average of 1.3%.

Socio-Economic Summary

Overall, the market area can be characterized as follows:

1. The MdR and market area population densities are moderate.
2. The households in MdR and the market area are significantly smaller than the County.
3. Per capita and household income levels in MdR and the market area are very high.
4. There is a significant concentration of households with annual incomes over \$100,000 in MdR and the market area.
5. The population within MdR and the market area is well-educated, with over 50% of the residents over 25 graduating from college.
6. Limited population and household growth is projected.

RETAIL MARKET OVERVIEW

The summary of the current retail conditions is provided below.

1. Table 3 shows the retail sales for the cities near MdR. As an unincorporated community in Los Angeles County, the data from the State Board of Equalization is not available. As shown in Table 3, the 2010 retail store sales in the nearby cities are slightly lower than the County average. However, the average sales are significantly influenced by the lower than typical productivity levels for the City of Los Angeles. Comparatively, both El Segundo and Culver City are generating retail sales that far exceed the norm. Sales in these two cities are particularly robust for home furnishings, food and beverage stores, clothing stores, and food services establishments.
2. As shown in Table 4, the taxable sales per permit for the cities in the region are lower than the County and State averages. However, these are once again

significantly influenced by the productivity levels for the City of Los Angeles. Both El Segundo and Culver City generate sales per establishment that well exceed the County and State averages. In addition, there are a significant number of retail establishments in the cities of El Segundo and Culver City, as the number of residents per permit (~30) is significantly lower than the County and State averages (~55).

3. Table 5 shows the retail surplus/leakage for the major retail establishment types in MdR and the market area. The surplus/leakage analysis compares the existing retail sales to the potential demand supported by the Area's residents. If demand exceeds sales, then the Area is "leaking" its retail potential. As shown in Table 5, MdR is leaking sales from a number of establishment types. In particular, MdR is leaking sales from Building Materials and General Merchandise Stores. Assuming typical productivity levels for all of the establishment types, KMA estimated the potential additional retail development supported by MdR residents at 206,000 square feet.

KMA also evaluated the surplus leakage for the market area. For the one-mile market area, the surplus leakage pattern is generally consistent with MdR. For the three- and five-mile market areas, the potential is significant, over 1.5 million square feet with particular demand for Furniture Stores, Building Materials Stores, Health and Personal Care Stores, Sporting Goods/Hobby Stores and General Merchandise Stores.

4. Table 6 shows the surplus/leakage for MdR and the market area for a number of key tenant types, which reflect the visitor serving nature of MdR. Specifically, the analysis shows the potential for food and beverage stores, clothing/accessory stores, sporting goods/hobby/book stores, miscellaneous retailers and foodservice/drinking places. The analysis indicates the following:
 - a. For food and beverage stores, there is a modest amount of potential for convenience store development.
 - b. For clothing/accessory stores, there is some potential for men's clothing and jewelry store development.
 - c. For sporting/hobby/book stores, there is moderate demand for book/record stores and hobby/game stores.
 - d. For miscellaneous retail stores, there is a reasonable amount of demand for office supply stores.

- e. For foodservice establishments, there is limited potential with a modest amount of potential for drinking places and perhaps a full-service restaurant.
5. MdR is also a major tourist destination. According to a 1995 survey conducted by the Los Angeles Visitors and Convention Bureau (LAVCB), MdR was the 10th most visited regional attraction in Los Angeles County (based on overnight visitors who intended to or did visit the attraction). These visitors can spend a significant amount of money, as the Dean Runyan Associates' study "*California Travel Impacts by County – 1992-2009 (2010 Preliminary Estimates)*" estimates that visitors to Los Angeles County (both daytrip and overnight) spent approximately \$18.3 billion on accommodations, food, travel, retail and entertainment during 2010. The LAVCB estimates that 38.5 million people visited Los Angeles County in 2010; therefore, the average visitor would have spent \$470 during their stay in the County. Of this amount, approximately \$190 is spent in food stores, dining establishments and retail stores. Table 7 shows the potential expenditures by visitors to MdR. Based on data provided by the LA County Department of Beaches and Harbors, approximately two million people visit MdR annually. Assuming this level of visitation and spending/visitation patterns that are consistent with the County as a whole, visitors to MdR spend approximately \$370 million annually on retail, food and dining activities during their trips. To put this level of expenditures into context, if MdR captured 10% to 20% of their spending, visitors could support approximately 100,000 to 200,000 square feet of retail in the area. Ultimately, these expenditures have a significant impact on both existing and new retail opportunities in the area.
6. Table 8 summarizes the retail market conditions for Los Angeles County. As shown in the table, the overall vacancy rates are relatively low (5.9%) and the average asking rent is \$2.30 per square foot. Specifically, regional malls and lifestyle/theme festival centers have the lowest vacancies and the highest rents.
7. As shown in Table 9, the asking rents for retail space for MdR averages \$3.10 per square foot, which is higher than the County average of \$2.30 per square foot. The asking rents in the area range considerably (\$1.00 PSF to \$5.95 PSF) depending on the quality of the space and location.
8. Table 10 shows recent retail building sales in MdR, which indicate prices exceeding \$380 per square foot.

Overall, the retail market can be characterized as follows:

- While the per capita sales in the City of Los Angeles are relatively low, other nearby jurisdictions are generating very healthy sales.
- There are a significant number of retail establishments in the nearby jurisdictions.
- Overall, residents of MdR and the immediate market area can support approximately 200,000 square feet of additional retail development. Much of this demand is for building materials and general merchandise stores. Demand for these types of stores is not uncommon in urban areas, as the tenants that typically generate the greatest sales (e.g. Costco, Target, Wal-Mart, Home Depot and Lowe's) are often under-represented due to land use patterns and site availability. These tenant types, however, may not be compatible with the visitor serving nature of MdR.
- For the larger market area, demand is still focused on building materials and general merchandise stores.
- Given the existing commercial development in the market area, as well as MdR's overall development character, KMA evaluated the market opportunities for a number of key establishment types. In particular, there appears to be demand for men's clothing, jewelry, hobby/game stores and office supply stores.
- The demand for additional foodservice development appears to be limited. As a regional visitor destination, MdR is attracting significant sales from outside the region, as the surplus/leakage analysis indicates surplus sales of nearly \$30 million for residents of MdR. When the one- to three-mile market areas are evaluated, the surplus is \$40 million to \$50 million. MdR and the overall area attract a significant number of visitors from outside the market area. The MdR visitors spend approximately \$370 million annually on food, retail and dining within LA County. The existing sales patterns in MdR indicate the area is capturing some of this potential; however, the opportunity may exist to capture an even greater share.
- Retail rents in MdR are relatively high, reflecting the desirability of the area. In addition, rents and vacancies throughout Los Angeles County are much higher and lower respectively for regional malls and lifestyle centers, which reflect the types of tenancies already in place in MdR.

The analysis indicates MdR and the immediate market area could support over 200,000 square feet of additional retail space. When the larger market area is considered, this

demand increases to over 1.5 million square feet. However, much of this demand is generated by building materials and general merchandise stores, which have limited site opportunities in the area. For the key establishment types that reflect the visitor serving nature of MdR, demand exists primarily for men's clothing, jewelry, hobby/game stores and office supply stores from local residents. Visitors to the area make significant expenditures that will augment this local resident demand, and can lead to greater opportunities. For instance, 100,000 to 200,000 square feet of retail would be supported by MdR capturing 10% to 20% of these expenditures.

OFFICE MARKET OVERVIEW

The summary of the current office conditions is provided below.

1. Shown in Table 11 is a summary of the office market characteristics in the region. The overall vacancy rate in the County is 18.5% and the rents for Class A space average \$2.80 per square foot. For West Los Angeles, the overall vacancy rate is 16.3% and the average rent for Class A space is much higher at \$3.50 per square foot.
2. Table 12 shows a summary of office rents in MdR. As shown in the table, the annual rents range from \$27 to \$36 per square foot (\$2.25 to \$3.00 per month), with the average rent at \$32 per square foot (\$2.70 per month). The majority of the available properties are primarily creative loft space, which is typically tenanted by smaller professional firms and start-ups. As such the rental rates are modified gross leases, which are typically lower than the full-service gross leases for large-scale Class A buildings.
3. Table 13 shows a recent office building sale for a Class C office space on Beach Avenue. The sales price was \$315 per square foot.
4. Table 14 shows some recent commercial land sales in MdR, which indicate an average weighted price of \$180 per square foot.

Overall, the office market can be characterized as follows:

- Rents in the region are relatively high and the vacancy rates are relatively low. However, vacancy rates and rents in Los Angeles County still reflect the effects of the recession.
- The available properties are characterized as creative loft space, which is well-suited for smaller professional firms and business start-ups.

- While the asking rents in MdR are relatively low, the pricing structure is different (modified gross versus full-service gross) and the available inventory is not Class A office space.

Overall, the office market conditions appear to be improving, but are still relatively soft given the effects of the recession. Overall, office demand in MdR will likely continue to be for less traditional, creative space. The tenants of this space will be younger firms and urban professionals that appreciate the appeal of MdR and the surrounding environs. This type of space will likely be well-suited for mixed-use development, with the office space being located off street level. However, office development often occurs outside of normal market conditions, as businesses will often choose locations based on business decisions (e.g. proximity to decision makers' residences). Further, additional residential development in the market may spur demand for smaller professional offices (e.g. attorneys, accountants, financial planners) and/or medical related offices.

HOTEL MARKET OVERVIEW

The summary of the current hotel market conditions is provided below:

1. As shown in Table 15, the 2013 occupancy level for the MdR market area is projected at 78.2%, which is higher than it was from 2007 to 2012. Occupancy rates are also projected to be 78% in LA County for 2013.
2. Table 16 shows the changes in Average Daily Rate (ADR) over this same period. For MdR, the 2013 ADR is estimated at \$191, which is higher than 2007-2012 period. The LA County pattern is similar, with a 2013 ADR of \$180, which is higher than every previous year.
3. Table 17 shows the resultant change in Revenue per Available Room (RevPAR) during this period. RevPAR is calculated by multiplying Occupancy by ADR, and it is a more complete measure of evaluating the health of a hotel market. For MdR, the RevPAR reached its height in 2013 (\$150) and its nadir in 2009 (\$104). The pattern was similar for LA County, with the lowest RevPAR in 2009 and highest in 2013 (\$140). These trends follow much of the nation, which saw a slowing in the hotel industry beginning in 2007 and continuing through 2010 (the recession). Since 2010, the hotel industry has demonstrated signs of improvement.
4. Table 18 summarizes much of the information presented in the previous tables. In addition, these tables show the annual number of room nights occupied in each area. For MdR, the number of occupied room nights reached its nadir in

To: Mr. Gary Jones and Ms. Gina Natoli
Subject: Revised Marina del Rey Market Overview

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2009 at 346,000 room nights. Since that time, the number of occupied room nights is projected to increase 20% to 414,000 in 2013. Overall, the number of occupied room nights increased at a compound annual rate of .8% between 2007 and 2013. Since 2009 the compound annual rate of change has been a very healthy 4.6%. The healthy increase in occupied room nights in conjunction with the RevPAR, indicates a healthier hotel market for MdR.

5. Table 19 projects the number of hotel rooms that could be supported in the MdR market area over the next 15 years. The analysis is based on the existing supply and occupied rooms nights. It then measures the potential number of rooms supported in the market area assuming new development would occur once a stabilized occupancy level of 74% was achieved. Assuming demand increases at 2% to 3% annually, then 610 to 940 hotel rooms could be supported in the area.

Overall, the hotel market conditions are improving, as the demand in the area (occupied room nights) has shown significant improvement since 2009. As a direct result of this improvement, both the ADR and occupancy levels within the area have shown healthy increases as well. Assuming annual growth in demand of 2% to 3%, the MdR area could potentially support between 610 and 940 hotel rooms over the next 15 years.

Limiting Conditions

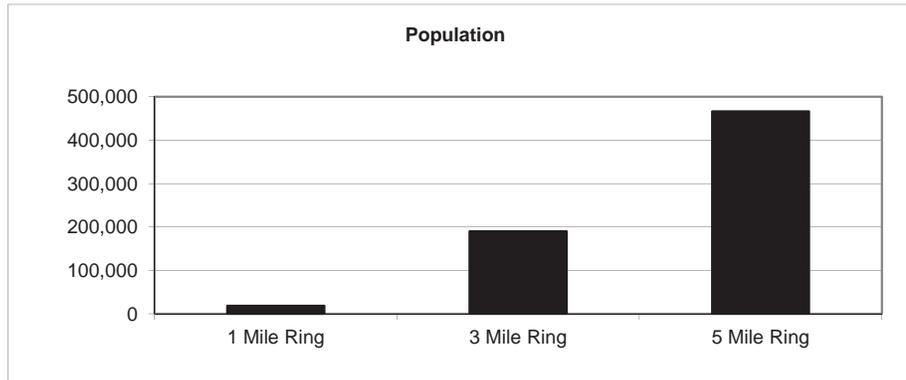
1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Market feasibility is not equivalent to financial feasibility; other factors apart from the level of demand for a land use are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, traffic impacts, remediation of toxics (if any), and mitigation measures required through the approval process.
5. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
6. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

Attachments

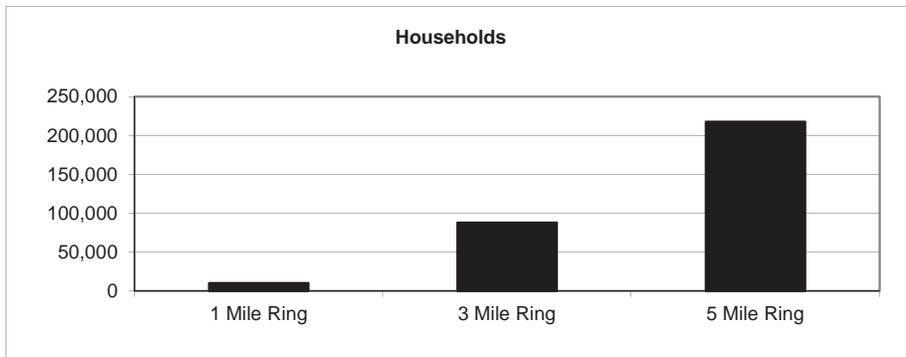
TABLE 1

**2012 SOCIO-ECONOMIC CHARACTERISTICS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

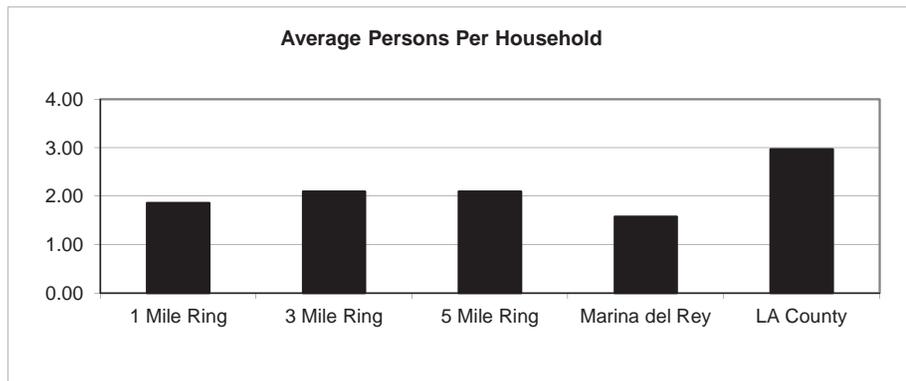
Population	
1 Mile Ring	18,800
3 Mile Ring	189,900
5 Mile Ring	466,500
Marina del Rey	8,900
LA County	9,860,300



Households	
1 Mile Ring	10,100
3 Mile Ring	88,100
5 Mile Ring	217,600
Marina del Rey	5,600
LA County	3,262,400



Average Persons Per Hhold	
1 Mile Ring	1.86
3 Mile Ring	2.10
5 Mile Ring	2.10
Marina del Rey	1.58
LA County	2.97



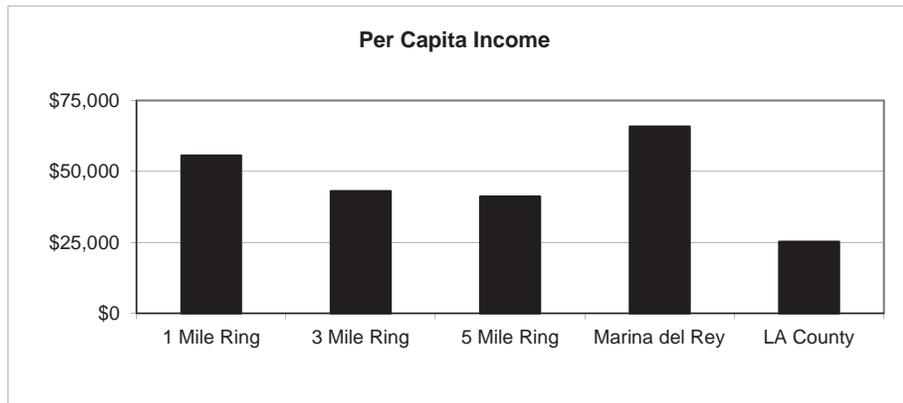
Source: Claritas 2012

TABLE 1 (Continued)

**2012 SOCIO-ECONOMIC CHARACTERISTICS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

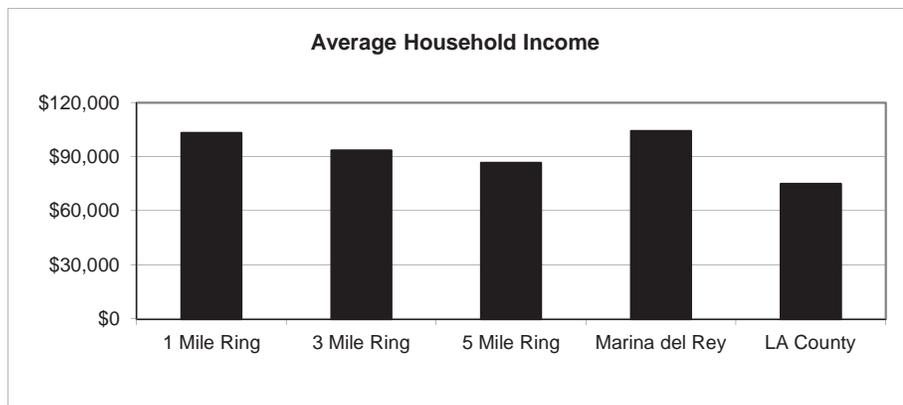
Per Capita Income

1 Mile Ring	\$55,600
3 Mile Ring	\$43,100
5 Mile Ring	\$41,100
Marina del Rey	\$65,800
LA County	\$25,200



Average Household Income

1 Mile Ring	\$103,100
3 Mile Ring	\$93,400
5 Mile Ring	\$86,600
Marina del Rey	\$104,300
LA County	\$74,900



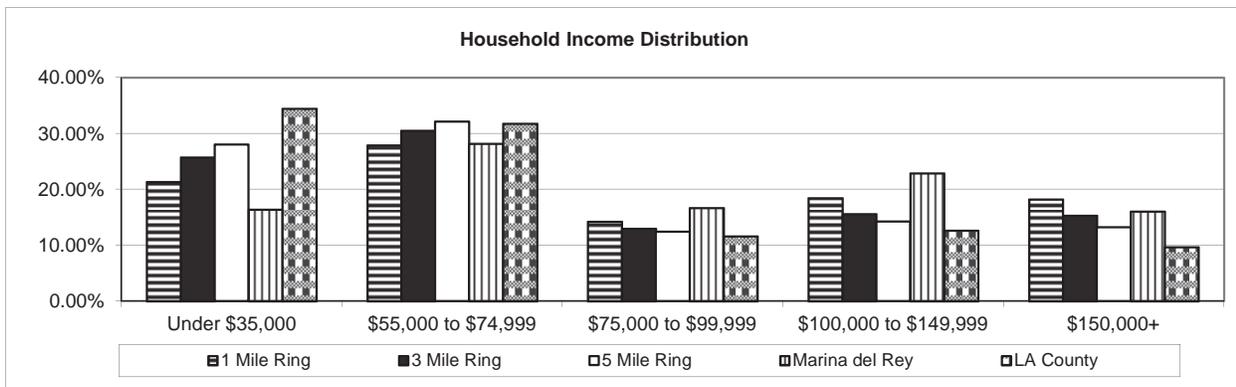
Source: Claritas 2012

TABLE 1 (Continued)

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MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

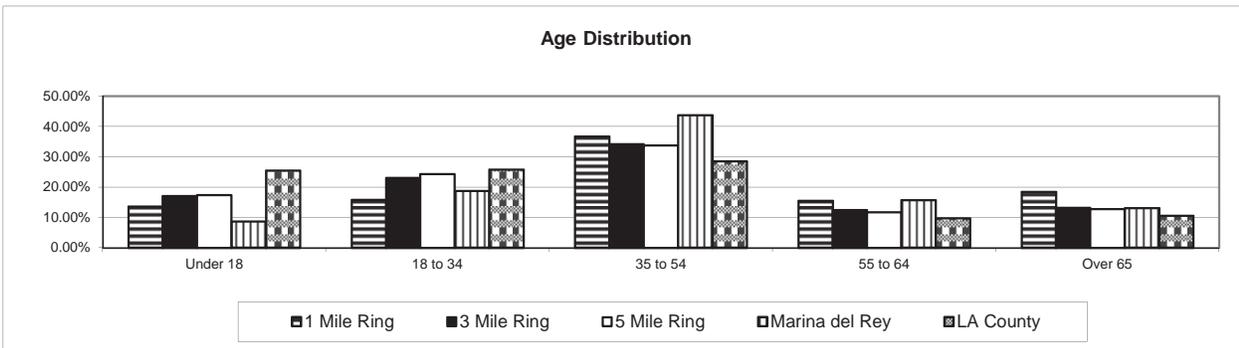
Household Income Distribution

	Under \$35,000	\$55,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000+
1 Mile Ring	21.31%	27.88%	14.21%	18.39%	18.21%
3 Mile Ring	25.73%	30.49%	12.95%	15.54%	15.28%
5 Mile Ring	28.01%	32.09%	12.40%	14.25%	13.24%
Marina del Rey	16.34%	28.18%	16.64%	22.86%	16.00%
LA County	34.40%	31.76%	11.56%	12.62%	9.65%



Age Distribution

	Under 18	18 to 34	35 to 54	55 to 64	Over 65
1 Mile Ring	13.63%	15.79%	36.68%	15.47%	18.44%
3 Mile Ring	17.11%	23.08%	34.19%	12.41%	13.22%
5 Mile Ring	17.41%	24.28%	33.81%	11.73%	12.77%
Marina del Rey	8.69%	18.79%	43.78%	15.68%	13.06%
LA County	25.42%	25.78%	28.50%	9.76%	10.55%



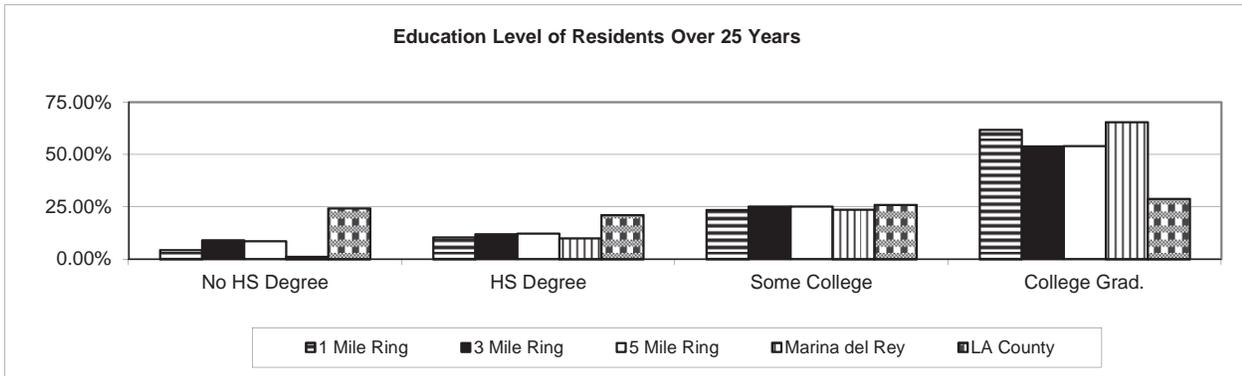
Source: Claritas 2012

TABLE 1 (Continued)

**2012 SOCIO-ECONOMIC CHARACTERISTICS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

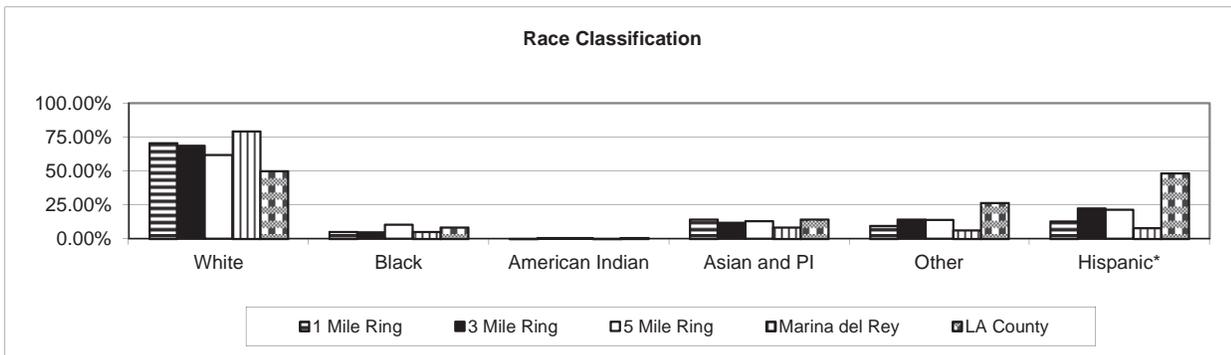
Education Level of Residents Over 25 Years

	No HS Degree	HS Degree	Some College	College Grad.
1 Mile Ring	4.34%	10.37%	23.45%	61.83%
3 Mile Ring	9.04%	11.93%	25.17%	53.86%
5 Mile Ring	8.48%	12.27%	25.20%	54.04%
Marina del Rey	1.07%	9.89%	23.67%	65.37%
LA County	24.21%	21.08%	25.92%	28.80%



Race Classification

	White	Black	American Indian	Asian and PI	Other	Hispanic*
1 Mile Ring	70.65%	5.26%	0.26%	14.28%	9.56%	13.02%
3 Mile Ring	68.56%	4.91%	0.55%	11.89%	14.09%	22.32%
5 Mile Ring	61.92%	10.54%	0.51%	12.98%	14.05%	21.37%
Marina del Rey	79.32%	5.32%	0.38%	8.58%	6.39%	8.03%
LA County	49.98%	8.54%	0.74%	14.26%	26.49%	48.27%



* Hispanic population percentage calculated separately from other races. In the 200 US Census, census takers were first asked to identify their race as White, Black, American Indian, Asian, Pacific Islander, or Other; and then asked if they identify as Hispanic/Latino or Non-Hispanic/Latino.

TABLE 2

SCAG POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTIONS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	POPULATION									
	2003	2005	2010	2015	2020	2025	2030	2035		
Unincorporated	114,031	117,449	121,143	123,602	126,223	128,754	131,191	133,523		
El Segundo	16,768	16,944	17,268	17,495	17,500	17,505	17,510	17,515		
Culver City	40,389	40,650	41,081	41,258	41,494	41,718	41,929	42,128		
Los Angeles	3,885,816	3,955,392	4,057,484	4,128,125	4,204,329	4,277,732	4,348,281	4,415,772		
Regional Market Total ¹	4,057,004	4,130,435	4,236,976	4,310,480	4,389,546	4,465,709	4,538,911	4,608,938		
Los Angeles County	10,034,571	10,206,001	10,615,730	10,971,602	11,329,829	11,678,552	12,015,889	12,338,620		
Change										
Unincorporated	3.0%	3.1%	2.0%	2.1%	2.0%	1.9%	1.8%	1.7%		
El Segundo	1.0%	1.9%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%		
Culver City	0.6%	1.1%	0.4%	0.6%	0.5%	0.5%	0.5%	0.5%		
Los Angeles	1.8%	2.6%	1.7%	1.8%	1.7%	1.6%	1.6%	1.6%		
Regional Market Total ¹	1.8%	2.6%	1.7%	1.8%	1.7%	1.6%	1.5%	1.6%		
Los Angeles County	1.7%	4.0%	3.4%	3.3%	3.1%	2.9%	2.7%	2.3%		

1 Includes the unincorporated areas, El Segundo, Culver City and Los Angeles.

TABLE 2 (continued)

SCAG POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTIONS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	HOUSEHOLDS									
	2003	2005	2010	2015	2020	2025	2030	2035		
Unincorporated	32,008	32,775	33,728	34,566	35,448	36,137	36,802	37,350		
El Segundo	7,100	7,129	7,182	7,259	7,264	7,269	7,274	7,279		
Culver City	16,624	16,629	16,902	17,156	17,424	17,633	17,835	18,001		
Los Angeles	1,290,422	1,306,079	1,366,985	1,424,701	1,485,519	1,532,998	1,578,850	1,616,578		
Regional Market Total ¹	1,346,154	1,362,612	1,424,797	1,483,682	1,545,655	1,594,037	1,640,761	1,679,208		
Los Angeles County	3,177,439	3,212,434	3,357,798	3,509,580	3,666,631	3,788,732	3,906,851	4,003,501		
Change	2003-2005	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030	2030-2035	2003-2035		
Unincorporated	2.4%	2.9%	2.5%	2.6%	1.9%	1.8%	1.5%	16.7%		
El Segundo	0.4%	0.7%	1.1%	0.1%	0.1%	0.1%	0.1%	2.5%		
Culver City	0.0%	1.6%	1.5%	1.6%	1.2%	1.1%	0.9%	8.3%		
Los Angeles	1.2%	4.7%	4.2%	4.3%	3.2%	3.0%	2.4%	25.3%		
Regional Market Total ¹	1.2%	4.6%	4.1%	4.2%	3.1%	2.9%	2.3%	24.7%		
Los Angeles County	1.1%	4.5%	4.5%	4.5%	3.3%	3.1%	2.5%	26.0%		

¹ Includes the unincorporated areas, El Segundo, Culver City and Los Angeles.

TABLE 2 (continued)

SCAG POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTIONS
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	EMPLOYMENT									
	2003	2005	2010	2015	2020	2025	2030	2035		
Unincorporated	20,268	20,346	20,748	21,067	21,271	21,511	21,767	22,012		
El Segundo	54,518	54,518	55,146	55,645	55,964	56,339	56,739	57,122		
Culver City	43,842	44,681	45,631	46,386	46,868	47,434	48,040	48,619		
Los Angeles	1,744,432	1,764,768	1,820,092	1,864,061	1,892,139	1,925,148	1,960,393	1,994,134		
Regional Market Total ¹	1,863,060	1,884,313	1,941,617	1,987,159	2,016,242	2,050,432	2,086,939	2,121,887		
Los Angeles County	4,353,490	4,397,025	4,552,398	4,675,875	4,754,731	4,847,436	4,946,420	5,041,172		
Change	2003-2005	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030	2030-2035	2003-2035		
Unincorporated	0.4%	2.0%	1.5%	1.0%	1.1%	1.2%	1.1%	8.6%		
El Segundo	0.0%	1.2%	0.9%	0.6%	0.7%	0.7%	0.7%	4.8%		
Culver City	1.9%	2.1%	1.7%	1.0%	1.2%	1.3%	1.2%	10.9%		
Los Angeles	1.2%	3.1%	2.4%	1.5%	1.7%	1.8%	1.7%	14.3%		
Regional Market Total ¹	1.1%	3.0%	2.3%	1.5%	1.7%	1.8%	1.7%	13.9%		
Los Angeles County	1.0%	3.5%	2.7%	1.7%	1.9%	2.0%	1.9%	15.8%		

¹ Includes the unincorporated areas, El Segundo, Culver City and Los Angeles.

TABLE 3

**TOTAL & PER CAPITA SALES
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

		Total Taxable Sales (\$000s)-----2010-----				
	El Segundo	Culver City	Los Angeles	Regional Market	Los Angeles County	State of California
Motor Vehicles and Parts Dirs	\$4,405	\$90,315	\$2,865,868	\$2,960,588	\$11,285,457	\$47,355,567
Home Furnishing & App	62,165	143,560	1,590,667	1,796,392	5,612,745	22,492,005
Bldg Mtrl & Garden Equip	10,123	31,500	1,711,735	1,753,358	6,129,586	24,750,866
Food & Beverage Stores	24,705	49,145	2,123,626	2,197,476	5,405,254	22,787,408
Gasoline Stations	-	79,510	4,114,016	4,193,526	11,012,642	45,226,491
Clothing & Clothing Access	29,278	133,030	2,551,905	2,714,213	7,607,711	27,267,430
General Merchandise Stores	-	358,489	2,534,482	2,892,970	10,369,383	46,323,804
Food Services & Drinking Plcs	102,618	157,543	5,637,405	5,897,566	14,291,264	51,282,453
Other Retail Group	192,414	146,687	3,451,919	3,791,020	10,461,376	39,291,694
Retail Stores Total	\$425,708	\$1,189,779	\$26,581,623	\$28,197,110	\$82,175,418	\$326,777,718

		Per Capita Taxable Sales-----2010-----				
	El Segundo	Culver City	Los Angeles	Regional Market	Los Angeles County	State of California
Population	16,654	38,883	3,792,621	3,881,627	9,818,605	37,253,956
Motor Vehicles and Parts Dirs	\$265	\$2,323	\$756	\$763	\$1,149	\$1,271
Home Furnishing & App	3,733	3,692	419	463	572	604
Bldg Mtrl & Garden Equip	608	810	451	452	624	664
Food & Beverage Stores	1,483	1,264	560	566	551	612
Gasoline Stations	-	2,045	1,085	1,080	1,122	1,214
Clothing & Clothing Access	1,758	3,421	673	699	775	732
General Merchandise Stores	-	9,220	668	745	1,056	1,243
Food Services & Drinking Plcs	6,162	4,052	1,486	1,519	1,456	1,377
Other Retail Group	11,554	3,773	910	977	1,065	1,055
Retail Stores Total	\$25,562	\$30,599	\$7,009	\$7,264	\$8,369	\$8,772

Source: California State Board of Equalization; and California State Department of Finance (Table E-1, population as of 4/1/10)

¹ Per the CA State Board of Equalization, for those categories listed as "-", the sales are included in the "Other Retail Stores" category.

TABLE 4

**TOTAL PERMITS & SALES PER PERMIT
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

-----Total Permits-----						
2010						
	<u>El Segundo</u>	<u>Culver City</u>	<u>Los Angeles</u>	<u>Regional Market</u>	<u>Los Angeles County</u>	<u>State of California</u>
Motor Vehicles and Parts Dlr	16	41	2,993	3,308	8,576	32,727
Home Furnishing & App	48	135	4,378	4,778	11,431	40,236
Bldg Mtrl & Garden Equip	8	41	1,281	1,400	3,568	17,035
Food & Beverage Stores	14	50	3,581	3,843	8,579	29,900
Gasoline Stations	8	16	785	870	2,207	10,096
Clothing & Clothing Access	65	180	10,199	10,970	23,307	65,734
General Merchandise Stores	10	34	2,244	2,476	6,878	15,684
Food Services & Drinking Plcs	148	216	10,478	11,327	25,699	92,370
Other Retail Group	<u>238</u>	<u>693</u>	<u>30,435</u>	<u>34,445</u>	<u>92,246</u>	<u>345,337</u>
Retail Stores Total	555	1,406	66,374	73,417	182,491	649,119

-----Taxable Sales Per Permit-----						
2010						
	<u>El Segundo</u>	<u>Culver City</u>	<u>Los Angeles</u>	<u>Regional Market</u>	<u>Los Angeles County</u>	<u>State of California</u>
Motor Vehicles and Parts Dlr	\$275,328	\$2,202,811	\$957,523	\$894,978	\$1,315,935	\$1,446,988
Home Furnishing & App	1,295,101	1,063,408	363,332	375,971	491,011	559,002
Bldg Mtrl & Garden Equip	1,265,338	768,304	1,336,249	1,252,399	1,717,933	1,452,942
Food & Beverage Stores	1,764,664	982,896	593,026	571,813	630,056	762,121
Gasoline Stations	-	4,969,346	5,240,785	4,820,145	4,989,870	4,479,645
Clothing & Clothing Access	450,436	739,053	250,211	247,421	326,413	414,815
General Merchandise Stores	-	10,543,781	1,129,448	1,168,405	1,507,616	2,953,571
Food Services & Drinking Plcs	693,362	729,367	538,023	520,664	556,102	555,185
Other Retail Group	<u>808,461</u>	<u>211,670</u>	<u>113,419</u>	<u>110,060</u>	<u>113,407</u>	<u>113,778</u>
Retail Stores Average	\$767,041	\$846,216	\$400,482	\$384,068	\$450,298	\$503,417

-----Residents Per Permit-----						
2010						
	<u>El Segundo</u>	<u>Culver City</u>	<u>Los Angeles</u>	<u>Regional Market</u>	<u>Los Angeles County</u>	<u>State of California</u>
Population	16,654	38,883	3,792,621	3,881,627	9,818,605	37,253,956
Motor Vehicles and Parts Dlr	1,041	948	1,267	1,173	1,145	1,138
Home Furnishing & App	347	288	866	812	859	926
Bldg Mtrl & Garden Equip	2,082	948	2,961	2,773	2,752	2,187
Food & Beverage Stores	1,190	778	1,059	1,010	1,144	1,246
Gasoline Stations	2,082	2,430	4,831	4,462	4,449	3,690
Clothing & Clothing Access	256	216	372	354	421	567
General Merchandise Stores	1,665	1,144	1,690	1,568	1,428	2,375
Food Services & Drinking Plcs	113	180	362	343	382	403
Other Retail Group	<u>70</u>	<u>56</u>	<u>125</u>	<u>113</u>	<u>106</u>	<u>108</u>
Retail Stores Average	30	28	57	53	54	57

Source: California State Board of Equalization; and California State Department of Finance (Table E-1, population as of 4/1/10)

¹ Per the CA State Board of Equalization, for those categories listed as "\$0", the sales are included in the "Other Retail Stores" category.

TABLE 5

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Marina del Rey					
Motor Vehicle and Parts Dealers-441	\$35,652,666	\$23,097,540	\$12,555,126	NA	NA
Furniture and Home Furnishings Stores-442	5,464,623	1,397,855	4,066,768	\$300	13,556
Electronics and Appliance Stores-443	5,950,758	1,346,420	4,604,338	\$400	11,511
Building Material, Garden Equip Stores-444	19,423,440	2,078,954	17,344,486	\$300	57,815
Food and Beverage Stores-445	27,718,414	67,870,466	(40,152,052)	\$400	0
Health and Personal Care Stores-446	11,628,290	11,553,355	74,935	\$300	250
Gasoline Stations-447	20,716,738	1,468,486	19,248,252	NA	NA
Clothing and Clothing Accessories Stores-448	11,496,445	10,937,116	559,329	\$300	1,864
Sporting Goods, Hobby, Book, Music Stores-451	5,182,742	2,099,483	3,083,259	\$300	10,278
General Merchandise Stores-452	29,086,408	0	29,086,408	\$300	96,955
Miscellaneous Store Retailers-453	6,017,883	1,770,199	4,247,684	\$300	14,159
Non-Store Retailers-454	17,923,356	8,595,577	9,327,779	NA	NA
Foodservice and Drinking Places-722	\$27,520,255	\$56,015,324	(\$28,495,069)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$223,782,018	\$188,230,775	\$35,551,243		206,387
One-Mile Market Area					
Motor Vehicle and Parts Dealers-441	\$69,901,512	\$78,880,227	(\$8,978,715)	NA	NA
Furniture and Home Furnishings Stores-442	10,419,163	4,634,183	5,784,980	\$300	19,283
Electronics and Appliance Stores-443	10,741,450	8,294,787	2,446,663	\$400	6,117
Building Material, Garden Equip Stores-444	40,630,200	32,720,971	7,909,229	\$300	26,364
Food and Beverage Stores-445	52,326,718	165,237,395	(112,910,677)	\$400	0
Health and Personal Care Stores-446	23,245,809	37,205,445	(13,959,636)	\$300	0
Gasoline Stations-447	37,692,191	21,660,136	16,032,055	NA	NA
Clothing and Clothing Accessories Stores-448	20,877,959	27,119,452	(6,241,493)	\$300	0
Sporting Goods, Hobby, Book, Music Stores-451	9,520,892	16,957,993	(7,437,101)	\$300	0
General Merchandise Stores-452	54,624,049	10,868,310	43,755,739	\$300	145,852
Miscellaneous Store Retailers-453	11,016,722	8,106,874	2,909,848	\$300	9,699
Non-Store Retailers-454	33,559,865	21,951,756	11,608,109	NA	NA
Foodservice and Drinking Places-722	\$48,670,356	\$98,012,741	(\$49,342,385)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$423,226,886	\$531,650,270	(\$108,423,384)		207,316

TABLE 5

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

Three-Mile Market Area	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Motor Vehicle and Parts Dealers-441	\$593,806,463	\$208,858,765	\$384,947,698	NA	NA
Furniture and Home Furnishings Stores-442	82,591,092	44,282,110	38,308,982	\$300	127,697
Electronics and Appliance Stores-443	89,811,482	121,108,579	(31,297,097)	\$400	0
Building Material, Garden Equip Stores-444	326,666,545	185,306,321	141,360,224	\$300	471,201
Food and Beverage Stores-445	461,243,748	600,446,058	(139,202,310)	\$400	0
Health and Personal Care Stores-446	188,307,711	157,417,857	30,889,854	\$300	102,966
Gasoline Stations-447	328,772,978	262,008,762	66,764,216	NA	NA
Clothing and Clothing Accessories Stores-448	181,187,476	182,908,834	(1,721,358)	\$300	0
Sporting Goods, Hobby, Book, Music Stores-451	80,848,620	60,142,333	20,706,287	\$300	69,021
General Merchandise Stores-452	471,994,697	253,844,245	218,150,452	\$300	727,168
Miscellaneous Store Retailers-453	92,650,273	85,659,994	6,990,279	\$300	23,301
Non-Store Retailers-454	281,903,565	466,821,753	(184,918,188)	NA	NA
Foodservice and Drinking Places-722	\$416,736,063	\$456,611,057	(\$39,874,994)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$3,596,520,713	\$3,085,416,668	\$511,104,045		1,521,354

Five-Mile Market Area	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Motor Vehicle and Parts Dealers-441	\$1,378,993,061	\$2,113,112,112	(\$734,119,051)	NA	NA
Furniture and Home Furnishings Stores-442	189,142,017	193,539,834	(4,397,817)	\$300	0
Electronics and Appliance Stores-443	208,480,502	357,219,952	(148,739,450)	\$400	0
Building Material, Garden Equip Stores-444	744,442,491	471,418,607	273,023,884	\$300	910,080
Food and Beverage Stores-445	1,094,571,969	1,418,238,075	(323,666,106)	\$400	0
Health and Personal Care Stores-446	441,735,557	494,368,481	(52,632,924)	\$300	0
Gasoline Stations-447	783,741,657	809,738,710	(25,997,053)	NA	NA
Clothing and Clothing Accessories Stores-448	425,240,699	605,359,060	(180,118,361)	\$300	0
Sporting Goods, Hobby, Book, Music Stores-451	186,667,133	247,299,489	(60,632,356)	\$300	0
General Merchandise Stores-452	1,110,872,238	746,261,371	364,610,867	\$300	1,215,370
Miscellaneous Store Retailers-453	214,066,392	321,912,043	(107,845,651)	\$300	0
Non-Store Retailers-454	657,648,638	1,240,076,299	(582,427,661)	NA	NA
Foodservice and Drinking Places-722	\$981,835,671	\$1,528,105,597	(\$546,269,926)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$8,417,438,025	\$10,546,649,630	(\$2,129,211,605)		2,125,449

Source: Claritas; KMA

TABLE 6

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

Marina del Rey	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Food & Beverage Stores	\$27,718,414	\$67,870,466	(\$40,152,052)	\$400	0
Grocery Stores	24,908,722	65,176,967	(40,268,245)	\$400	0
Supermarkets, Grocery Stores	23,701,440	64,724,789	(41,023,349)	\$400	0
Convenience Stores	1,207,282	452,178	755,104	\$400	1,888
Specialty Food Stores	781,737	1,606,482	(824,745)	\$400	0
Beer, Wine & Liquor Stores	2,027,955	1,087,017	940,938	\$400	2,352
Clothing & Clothing Accessory Stores	\$11,496,445	\$10,937,116	\$559,329	\$300	1,864
Clothing Stores	7,694,879	7,297,712	397,167	\$300	1,324
Men's Clothing Stores	549,682	0	549,682	\$300	1,832
Women's Clothing Stores	1,983,144	2,962,357	(979,213)	\$300	0
Children's Infants Clothing Stores	315,985	383,750	(67,765)	\$300	0
Family Clothing Stores	4,119,373	3,951,605	167,768	\$300	559
Clothing Accessories Stores	206,560	0	206,560	\$300	689
Other Clothing Stores	520,135	0	520,135	\$300	1,734
Shoe Stores	1,319,653	1,502,183	(182,530)	\$300	0
Jewelry, Luggage, Lether Goods Stores	2,481,913	2,137,221	344,692	\$300	1,149
Jewelry Stores	2,345,848	2,137,221	208,627	\$300	695
Luggage & Leather Good Stores	136,065	0	136,065	\$300	454
Sporting Goods, Hobby, Book Music Stores	\$5,182,742	\$2,099,483	\$3,083,259	\$300	10,278
Sporting Goods, Hobby, Musical Ins. Stores	3,362,334	1,944,071	1,418,263	\$300	4,728
Sporting Goods Stores	1,670,445	1,944,071	(273,626)	\$300	0
Hobby, Toys and Game Stores	1,011,506	0	1,011,506	\$300	3,372
Sew/Needlework/Piece Good Stores	271,002	0	271,002	\$300	903
Musical Instrument and Supplies Stores	409,381	0	409,381	\$300	1,365
Book, Periodical & Music Stores	1,820,408	155,412	1,664,996	\$300	5,550
Book Stores & News Dealers	1,237,800	155,412	1,082,388	\$300	3,608
Prerecorded Tapes, CDs, Record Stores	582,608	0	582,608	\$300	1,942
Miscellaneous Store Retailers	\$6,017,883	\$1,770,199	\$4,247,684	\$300	14,159
Florists	430,482	0	430,482	\$300	1,435
Office Supplies, Stationery, Gift Stores	2,711,519	1,074,076	1,637,443	\$300	5,458
Office Supplies and Stationery Stores	1,595,897	0	1,595,897	\$300	5,320
Gift, Novelty and Souvenir Stores	1,115,622	1,074,076	41,546	\$300	138
Used Merchandise Stores	574,309	184,118	390,191	\$300	1,301
Other Miscellaneous Store Retailers	2,301,573	512,005	1,789,568	\$300	5,965
Foodservice & Drinking Places	\$27,520,255	\$56,015,324	(\$28,495,069)	\$400	0
Full Service Restaurants	12,598,247	23,902,859	(11,304,612)	\$400	0
Limited Service Restaurants	11,474,858	14,505,020	(3,030,162)	\$400	0
Special Foodservices	2,250,925	17,607,445	(15,356,520)	\$400	0
Drinking Places - Alcoholic Beverages	\$1,196,225	\$0	\$1,196,225	\$400	2,991
Total for Select Categories	\$77,935,739	\$138,692,588	(\$60,756,849)		26,301

TABLE 6

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

One-Mile Ring	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Food & Beverage Stores	\$52,326,719	\$165,237,395	(\$112,910,676)	\$400	0
Grocery Stores	47,245,226	159,789,347	(112,544,121)	\$400	0
Supermarkets, Grocery Stores	45,051,381	158,414,692	(113,363,311)	\$400	0
Convenience Stores	2,193,845	1,374,655	819,190	\$400	2,048
Specialty Food Stores	1,489,904	3,574,494	(2,084,590)	\$400	0
Beer, Wine & Liquor Stores	3,591,589	1,873,554	1,718,035	\$400	4,295
Clothing & Clothing Accessory Stores	\$20,877,958	\$27,119,452	(\$6,241,494)	\$300	0
Clothing Stores	14,017,636	21,063,858	(7,046,222)	\$300	0
Men's Clothing Stores	979,423	986,682	(7,259)	\$300	0
Women's Clothing Stores	3,570,912	3,143,880	427,032	\$300	1,423
Children's Infants Clothing Stores	637,890	383,750	254,140	\$300	847
Family Clothing Stores	7,514,372	15,446,509	(7,932,137)	\$300	0
Clothing Accessories Stores	370,469	206,776	163,693	\$300	546
Other Clothing Stores	944,570	896,261	48,309	\$300	161
Shoe Stores	2,422,690	3,355,947	(933,257)	\$300	0
Jewelry, Luggage, Lether Goods Stores	4,437,632	2,699,647	1,737,985	\$300	5,793
Jewelry Stores	4,190,925	2,699,647	1,491,278	\$300	4,971
Luggage & Leather Good Stores	246,707	0	246,707	\$300	822
Sporting Goods, Hobby, Book Music Stores	\$9,520,891	\$16,957,993	(\$7,437,102)	\$300	0
Sporting Goods, Hobby, Musical Ins. Stores	6,264,116	11,745,866	(5,481,750)	\$300	0
Sporting Goods Stores	3,109,522	10,880,258	(7,770,736)	\$300	0
Hobby, Toys and Game Stores	1,874,920	716,246	1,158,674	\$300	3,862
Sew/Needlework/Piece Good Stores	536,518	15,835	520,683	\$300	1,736
Musical Instrument and Supplies Stores	743,156	133,527	609,629	\$300	2,032
Book, Periodical & Music Stores	3,256,775	5,212,127	(1,955,352)	\$300	0
Book Stores & News Dealers	2,208,723	4,763,228	(2,554,505)	\$300	0
Prerecorded Tapes, CDs, Record Stores	1,048,052	448,899	599,153	\$300	1,997
Miscellaneous Store Retailers	\$11,016,721	\$8,106,873	\$2,909,848	\$300	9,699
Florists	884,054	488,350	395,704	\$300	1,319
Office Supplies, Stationery, Gift Stores	4,946,053	1,120,916	3,825,137	\$300	12,750
Office Supplies and Stationery Stores	2,886,132	0	2,886,132	\$300	9,620
Gift, Novelty and Souvenir Stores	2,059,921	1,120,916	939,005	\$300	3,130
Used Merchandise Stores	1,048,098	345,658	702,440	\$300	2,341
Other Miscellaneous Store Retailers	4,138,516	6,151,949	(2,013,433)	\$300	0
Foodservice & Drinking Places	\$48,670,356	\$98,012,741	(\$49,342,385)	\$400	0
Full Service Restaurants	22,226,009	39,883,967	(17,657,958)	\$400	0
Limited Service Restaurants	20,330,478	40,054,290	(19,723,812)	\$400	0
Special Foodservices	4,000,312	17,607,445	(13,607,133)	\$400	0
Drinking Places - Alcoholic Beverages	\$2,113,557	\$467,039	\$1,646,518	\$400	4,116
Total for Select Categories	\$142,412,645	\$315,434,454	(\$173,021,809)		9,699

TABLE 6

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

Three-Mile Ring	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Food & Beverage Stores	\$461,243,748	\$600,446,058	(\$139,202,310)	\$400	0
Grocery Stores	417,227,888	570,846,508	(153,618,620)	\$400	0
Supermarkets, Grocery Stores	397,617,412	560,222,282	(162,604,870)	\$400	0
Convenience Stores	19,610,476	10,624,226	8,986,250	\$400	22,466
Specialty Food Stores	13,280,444	10,518,016	2,762,428	\$400	6,906
Beer, Wine & Liquor Stores	30,735,416	19,081,534	11,653,882	\$400	29,135
Clothing & Clothing Accessory Stores	\$181,187,475	\$182,908,835	(\$1,721,360)	\$300	0
Clothing Stores	124,009,303	131,373,296	(7,363,993)	\$300	0
Men's Clothing Stores	8,600,244	4,610,874	3,989,370	\$300	13,298
Women's Clothing Stores	31,567,435	34,278,263	(2,710,828)	\$300	0
Children's Infants Clothing Stores	5,843,995	7,073,545	(1,229,550)	\$300	0
Family Clothing Stores	66,492,780	73,126,670	(6,633,890)	\$300	0
Clothing Accessories Stores	3,194,810	1,682,867	1,511,943	\$300	5,040
Other Clothing Stores	8,310,039	10,601,077	(2,291,038)	\$300	0
Shoe Stores	22,529,301	29,514,652	(6,985,351)	\$300	0
Jewelry, Luggage, Lether Goods Stores	34,648,871	22,020,887	12,627,984	\$300	42,093
Jewelry Stores	32,573,719	20,799,585	11,774,134	\$300	39,247
Luggage & Leather Good Stores	2,075,152	1,221,302	853,850	\$300	2,846
Sporting Goods, Hobby, Book Music Stores	\$80,848,620	\$60,142,332	\$20,706,288	\$300	69,021
Sporting Goods, Hobby, Musical Ins. Stores	52,733,126	37,826,912	14,906,214	\$300	49,687
Sporting Goods Stores	26,277,740	26,687,487	(409,747)	\$300	0
Hobby, Toys and Game Stores	15,955,310	7,062,618	8,892,692	\$300	29,642
Sew/Needlework/Piece Good Stores	4,361,295	439,193	3,922,102	\$300	13,074
Musical Instrument and Supplies Stores	6,138,781	3,637,614	2,501,167	\$300	8,337
Book, Periodical & Music Stores	28,115,494	22,315,420	5,800,074	\$300	19,334
Book Stores & News Dealers	19,350,875	17,314,134	2,036,741	\$300	6,789
Prerecorded Tapes, CDs, Record Stores	8,764,619	5,001,286	3,763,333	\$300	12,544
Miscellaneous Store Retailers	\$92,650,274	\$85,659,993	\$6,990,281	\$300	23,301
Florists	7,065,112	6,026,784	1,038,328	\$300	3,461
Office Supplies, Stationery, Gift Stores	40,787,531	30,134,677	10,652,854	\$300	35,510
Office Supplies and Stationery Stores	23,584,789	16,434,395	7,150,394	\$300	23,835
Gift, Novelty and Souvenir Stores	17,202,742	13,700,282	3,502,460	\$300	11,675
Used Merchandise Stores	8,962,960	4,670,509	4,292,451	\$300	14,308
Other Miscellaneous Store Retailers	35,834,671	44,828,023	(8,993,352)	\$300	0
Foodservice & Drinking Places	\$416,736,064	\$456,611,056	(\$39,874,992)	\$400	0
Full Service Restaurants	189,855,175	187,507,524	2,347,651	\$400	5,869
Limited Service Restaurants	174,560,910	213,477,574	(38,916,664)	\$400	0
Special Foodservices	34,250,065	41,421,421	(7,171,356)	\$400	0
Drinking Places - Alcoholic Beverages	\$18,069,914	\$14,204,537	\$3,865,377	\$400	9,663
Total for Select Categories	\$1,232,666,181	\$1,385,768,274	(\$153,102,093)		92,322

TABLE 6

RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

Five-Mile Ring	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Food & Beverage Stores	\$1,094,571,969	\$1,418,238,075	(\$323,666,106)	\$400	0
Grocery Stores	991,529,822	1,332,109,557	(340,579,735)	\$400	0
Supermarkets, Grocery Stores	945,287,930	1,293,433,449	(348,145,519)	\$400	0
Convenience Stores	46,241,892	38,676,108	7,565,784	\$400	18,914
Specialty Food Stores	31,682,178	34,176,646	(2,494,468)	\$400	0
Beer, Wine & Liquor Stores	71,359,969	51,951,872	19,408,097	\$400	48,520
Clothing & Clothing Accessory Stores	\$425,240,701	\$605,359,059	(\$180,118,358)	\$300	0
Clothing Stores	292,360,993	472,656,784	(180,295,791)	\$300	0
Men's Clothing Stores	19,997,910	15,558,020	4,439,890	\$300	14,800
Women's Clothing Stores	74,731,224	86,739,238	(12,008,014)	\$300	0
Children's Infants Clothing Stores	13,952,127	25,763,842	(11,811,715)	\$300	0
Family Clothing Stores	156,570,434	315,104,343	(158,533,909)	\$300	0
Clothing Accessories Stores	7,496,544	4,932,369	2,564,175	\$300	8,547
Other Clothing Stores	19,612,754	24,558,972	(4,946,218)	\$300	0
Shoe Stores	54,051,663	77,831,226	(23,779,563)	\$300	0
Jewelry, Luggage, Lether Goods Stores	78,828,045	54,871,049	23,956,996	\$300	79,857
Jewelry Stores	74,008,111	43,629,158	30,378,953	\$300	101,263
Luggage & Leather Good Stores	4,819,934	11,241,891	(6,421,957)	\$300	0
Sporting Goods, Hobby, Book Music Stores	\$186,667,133	\$247,299,490	(\$60,632,357)	\$300	0
Sporting Goods, Hobby, Musical Ins. Stores	121,944,150	135,279,558	(13,335,408)	\$300	0
Sporting Goods Stores	60,231,055	72,996,954	(12,765,899)	\$300	0
Hobby, Toys and Game Stores	37,461,891	30,994,808	6,467,083	\$300	21,557
Sew/Needlework/Piece Good Stores	10,099,396	4,104,605	5,994,791	\$300	19,983
Musical Instrument and Supplies Stores	14,151,808	27,183,191	(13,031,383)	\$300	0
Book, Periodical & Music Stores	64,722,983	112,019,932	(47,296,949)	\$300	0
Book Stores & News Dealers	44,438,883	56,132,167	(11,693,284)	\$300	0
Prerecorded Tapes, CDs, Record Stores	20,284,100	55,887,765	(35,603,665)	\$300	0
Miscellaneous Store Retailers	\$214,066,391	\$321,912,043	(\$107,845,652)	\$300	0
Florists	16,075,607	16,850,349	(774,742)	\$300	0
Office Supplies, Stationery, Gift Stores	94,083,114	141,643,798	(47,560,684)	\$300	0
Office Supplies and Stationery Stores	54,198,455	86,743,356	(32,544,901)	\$300	0
Gift, Novelty and Souvenir Stores	39,884,659	54,900,442	(15,015,783)	\$300	0
Used Merchandise Stores	20,821,256	22,870,815	(2,049,559)	\$300	0
Other Miscellaneous Store Retailers	83,086,414	140,547,081	(57,460,667)	\$300	0
Foodservice & Drinking Places	\$981,835,670	\$1,528,105,597	(\$546,269,927)	\$400	0
Full Service Restaurants	447,017,839	572,171,800	(125,153,961)	\$400	0
Limited Service Restaurants	411,954,859	620,195,890	(208,241,031)	\$400	0
Special Foodservices	80,729,211	292,205,437	(211,476,226)	\$400	0
Drinking Places - Alcoholic Beverages	\$42,133,761	\$43,532,470	(\$1,398,709)	\$400	0
Total for Select Categories	\$2,902,381,864	\$4,120,914,264	(\$1,218,532,400)		0

TABLE 7

**ESTIMATED MARINA DEL REY VISITOR SPENDING
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

Marina del Rey Visitors¹	2,000,000
Number of LA County Visitors	
Day Visits	12,400,000
Overnight Visits	26,100,000
Total Visits	<u>38,500,000</u>
Visitor Spending by Commodity Purchased in LA County (\$Millions)³	
Accommodations	\$2,820
Food & Beverage Services	\$4,039
Food Stores	\$463
Ground Tran. & Fuel	\$4,813
Arts, Entertainment & Rec.	\$2,608
Retail Sales	\$2,642
Air Transportation	\$719
Spending by LA County Visitors	<u>\$18,104</u>
Estimated Spending per Visitor	
Accommodations	\$73
Food & Beverage Services	\$105
Food Stores	\$12
Ground Tran. & Fuel	\$125
Arts, Entertainment & Rec.	\$68
Retail Sales	\$69
Air Transportation	\$19
Spending by LA County Visitors	<u>\$470</u>
Marina del Rey Visitor Spending	
Food & Beverage Services	\$209,818,000
Food Stores	\$24,052,000
Retail Sales	\$137,247,000
Spending by Marina del Rey Visitors	<u>\$371,117,000</u>

¹ Data provided by the LA County Department of Beaches and Harbors

² Estimated by the Los Angeles Visitors & Convention Bureau Data

³ Visitor spending data from the Dean Runyan Associates *Travel Impact Study*.

TABLE 8

**2nd QUARTER 2012 RETAIL MARKET - LOS ANGELES COUNTY
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

Submarket	Square Feet (Total Inventory)	Square Feet Vacant ¹	Vacancy Rate ¹	Net Absorption ² (Year-to-date)	Under Construction	Weighted ³ Average Asking Lease Rate	Average Sales Price
Super Regional/Regional Malls	28,507,400	912,237	3.2%	(9,600)	-	\$4.10	-
Power Centers	12,165,300	997,555	8.2%	(129,900)	-	\$2.85	\$343
Lifestyle/Theme-Festival Cntrs.	5,419,300	265,546	4.9%	(42,900)	-	\$2.97	-
Community/Neighborhood Cntrs.	77,157,800	5,863,993	7.6%	(212,000)	30,000	\$2.33	\$252
Strip Centers	27,869,400	2,368,899	8.5%	125,200	44,900	\$1.62	\$298
Single Tenant Buildings	55,676,000	1,892,984	3.4%	4,000	13,500	\$2.05	\$467
Market Total	206,795,200	12,301,213	5.9%	(265,200)	88,400	\$2.34	\$340

(1) Includes vacant space which is available for direct lease and sublease.

(2) Calculation based on total vacancy.

(3) Weighted by available direct lease space. PSF Per Month. Triple Net (NNN).

Source: Colliers International - Los Angeles Basin Market Report, 2nd Quarter 2012

TABLE 9

**RETAIL LEASE RATE COMPARABLES - MARINA DEL REY
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

No.	Address	Location	Property Type	Asking Rate	Building Type	Building Size	SF Available	Vacancy
1	4240 Lincoln (Marina Center)	Marina del Rey	Street Retail	\$39.00	NNN	40,000	1,612	12%
				\$69.00	NNN		610	
				\$57.00	NNN		1,190	
				\$33.00	NNN		1,270	
2	330 Washington (Latitude 33)	Marina del Rey	Retail	\$42.00	NNN	27,349	1,874	10%
				\$42.00	NNN		951	
3	2905 Washington	Marina del Rey	Restaurant	\$32.85	NNN	13,000	5,209	40%
4	4019 Lincoln (Walgreen's Anchored Ctr)	Marina del Rey	Neighborhood Ctr.	\$42.00	NNN	7,000	1,887	27%
5	13723 Fiji Way	Marina del Rey	Restaurant	\$12.00	NNN	5,007	5,007	100%
6	586-590 Washington Blvd	Marina del Rey	Free Standing Retail	\$41.40	NNN	40,000	1,099	3%
7	2560 Lincoln	Marina del Rey	Restaurant	\$71.40	NNN	2,200	2,200	100%

Lease Rate Range	\$12.00 - \$71.40
Weighted Average Lease Rate	\$36.95

TABLE 10

RETAIL BUILDING SALES COMPARABLES
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

<u>No.</u>	<u>Building Type</u>	<u>Address</u>	<u>City</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>RBA (SF)</u>	<u>Sales Price</u>	<u>Price Per SF</u>
1	Retail Storefront Bldg	4082 Lincoln Blvd	Marina del Rey	5/16/2012	1949	4,000	\$1,900,000	\$475
2	Retail Storefront/Residential Bldg	339 Washington Blvd	Marina del Rey	1/27/2012	1946	3,572	\$1,370,000	\$384
Weighted Average								\$432
Minimum Price/SF								\$384
Maximum Price/SF								\$475

Note: Data search for the City of Marina del Rey from 10/31/2010 - 10/31/2012. Multi-property sales, sales without sales prices and non-arms length transactions were not included.

Source: Costar - 2012

TABLE 11

2nd QUARTER 2012 OFFICE MARKET
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

Submarket	Square Feet (Total Inventory)	Square Feet Vacant ¹	Vacancy Rate ¹	Net Absorption ² (Year-to-date)	Under Construction	Average Asking Rent ³	Average Asking Rent ³
						All Prop.	(Class A)
Los Angeles Central	46,472,294	8,829,736	19.0%	(28,757)	-	\$2.47	\$2.77
San Gabriel Valley	11,737,287	1,960,127	16.7%	(123,221)	-	\$1.97	\$2.32
Los Angeles West	51,135,781	8,335,132	16.3%	229,192	-	\$3.28	\$3.48
Los Angeles North	30,919,582	5,781,962	18.7%	407,122	-	\$2.16	\$2.23
Los Angeles South	30,356,761	6,799,914	22.4%	74,755	-	\$2.01	\$2.30
TriCities	23,240,037	4,229,687	18.2%	279,417	-	\$2.65	\$2.82
Market Total	193,861,742	35,936,558	18.5%	838,508	-	\$2.52	\$2.81

(1) Includes vacant space which is available for direct lease and sublease.

(2) Calculation based on total vacancy.

(3) Weighted by available direct lease space. PSF Per Month. Full Service Gross (FSG).

Source: Cushman & Wakefield Marketbeat- Greater Los Angeles, 2nd Quarter 2012

TABLE 12

OFFICE LEASE RATE COMPARABLES
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

No.	Address	Location	Property Type	Asking Rate	Building Type	Building Size	SF Available	Vacancy
1	3007 Washington (Courtyard Plaza)	Marina del Rey	Office	\$27.00	FSG	8,951	800	10%
2	4223 Glencoe (Creative Space)	Marina del Rey	Creative/Loft	\$28.20	FSG	65,000	112	14%
3	4081 Redwood (Creative Space)	Marina del Rey	Creative/Loft	\$35.88	FSG	26,610	9,200	26%
4	4051 Glencoe (Shop/Whouse/Office)	Marina del Rey	Creative/Loft	\$29.40	MG	40,000	6,903	5%
5	3013-3017 Washington	Marina del Rey	Creative/Loft	\$27.60	MG	2,999	2,050	60%
6	13360 Beach (Creative)	Marina del Rey	Creative/Loft	\$23.88	IG	7,624	1,800	100%
7	4644 Lincoln (Medical Office)	Marina del Rey	Medical Office	\$24.00	FSG	54,000	843	2%
8	4040 Del Rey	Marina del Rey	Creative/Loft	\$42.00	MG	40,000	2,780	7%

Lease Rate Range

Weighted Average Lease Rate

\$27.00 - \$35.88

\$32.23

Source: LoopNet.com - 2012

TABLE 13

OFFICE BUILDING SALES COMPARABLES
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

<u>No.</u>	<u>Building Type</u>	<u>Address</u>	<u>City</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>RBA (SF)</u>	<u>Sales Price</u>	<u>Price Per SF</u>	
1	Class C Office (Live/Work)	13368 Beach Ave	Marina del Rey	10/1/2012	1981	2,856	\$900,000	\$315	
								Weighted Average	\$315
								Minimum Price/SF	\$315
								Maximum Price/SF	\$315

Note: Data search for the City of Marina del Rey from 10/31/2010 - 10/31/2012. Multi-property sales, sales without sales prices and non-arms length transactions were not included.

Source: Costar - 2012

TABLE 14

LAND SALES COMPARABLES
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

<u>No.</u>	<u>Description</u>	<u>Address</u>	<u>City</u>	<u>Sale Date</u>	<u>Size (AC)</u>	<u>Size (SF)</u>	<u>Sales Price</u>	<u>Price Per SF</u>
1	Commercial	4210 Del Rey Ave	Marina del Rey	9/28/2012	0.51	22,240	\$5,200,000	\$233.81
2	Industrial	4207 Del Rey Ave	Marina del Rey	9/13/2011	0.10	4,208	\$300,000	\$71.29
3	Industrial	4140 Glencoe Ave	Marina del Rey	12/28/2011	0.95	41,382	\$6,800,000	\$164.32
							Overall Weighted Average	\$181.34
							Commercial Weighted Average	\$233.81
							Industrial Weighted Average	\$155.74

Note: Data search for the City of Marina del Rey from 10/31/2010 - 10/31/2012. Multi-property sales, sales without sales prices and non-arms length transactions were not included.

Source: Costar - 2012

TABLE 15

2007-2013 HOTEL OCCUPANCY RATES¹
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	Marina del Rey	Los Angeles County
2007	77.2%	77.0%
2008	76.1%	74.2%
2009	68.6%	67.3%
2010	75.4%	71.4%
2011	74.8%	75.0%
2012 (e)	78.1%	77.7%
2013 (f)	78.2%	78.0%
Average	75.5%	74.4%

E - Estimate
F - Forecast

(1) Source: PKF "The 2013 Southern California Lodging Forecast"

TABLE 16

2007-2013 HOTEL AVERAGE DAILY RATE¹
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	Marina del Rey	Los Angeles County
2007	\$176.75	\$165.57
2008	\$180.39	\$170.87
2009	\$152.15	\$151.31
2010	\$153.65	\$153.54
2011	\$168.99	\$163.04
2012 (e)	\$181.39	\$171.54
2013 (f)	\$191.37	\$179.78
Average	\$172.10	\$165.09

E - Estimate
F - Forecast

(1) Source: PKF "The 2013 Southern California Lodging Forecast"

TABLE 17

**2007-2013 HOTEL ANNUAL REVPAR (occupancy x room rate)
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS**

	Marina del Rey	Los Angeles County
2007	\$136.39	\$127.42
2008	\$137.26	\$126.83
2009	\$104.30	\$101.79
2010	\$115.84	\$109.60
2011	\$126.47	\$122.32
2012 (e)	\$141.64	\$133.24
2013 (f)	\$149.68	\$140.23
Average	\$130.23	\$123.06

E - Estimate
 F - Forecast

(1) Source: PKF "The 2013 Southern California Lodging Forecast"

TABLE 18

HOTEL MARKET PERFORMANCE¹
MARINA DEL REY VISIONING ANALYSIS
LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	<u>Occupancy</u>	<u>Average Daily Rate</u>	<u>Annual Supply</u>	<u>Occupied Room Nights Per Year</u>	<u>Occupied Room Nights Change</u>	<u>RevPar</u>	<u>RevPar Change</u>
Marina del Rey							
2007	77.2%	\$176.75	512,095	395,161		\$136.45	
2008	76.1%	\$180.39	512,095	389,647	-1.4%	\$137.28	0.6%
2009	68.6%	\$152.15	504,430	345,790	-11.3%	\$104.37	-24.0%
2010	75.4%	\$153.65	496,765	374,508	8.3%	\$115.85	11.0%
2011	74.8%	\$168.99	537,280	402,116	7.4%	\$126.40	9.1%
2012 (e)	78.1%	\$181.39	524,870	409,849	1.9%	\$141.67	12.1%
2013 (f)	78.2%	\$191.37	529,250	413,948	1.0%	\$149.65	5.6%
CAC 2007-2013		1.33%	0.55%	0.78%		1.55%	
Los Angeles County							
2007	77.0%	\$165.57	35,607,575	27,401,678		\$127.49	
2008	74.2%	\$170.87	35,178,700	26,112,428	-4.7%	\$126.79	-0.6%
2009	67.3%	\$151.31	34,804,210	23,413,865	-10.3%	\$101.83	-19.7%
2010	71.4%	\$153.54	36,215,440	25,850,980	10.4%	\$109.63	7.7%
2011	75.0%	\$163.04	36,358,702	27,277,951	5.5%	\$122.28	11.5%
2012 (e)	77.7%	\$171.54	36,103,567	28,041,704	2.8%	\$133.29	9.0%
2013 (f)	78.0%	\$179.78	36,273,759	28,293,097	0.9%	\$140.23	5.2%
CAC 2007-2013		1.38%	0.31%	0.53%		1.60%	

E - Estimate

F - Forecast

(1) Source: PKF "The 2013 Southern California Lodging Forecast"

TABLE 19

POTENTIAL HOTEL ROOM DEMAND
 MARINA DEL REY MARKET AREA
 MARINA DEL REY VISIONING ANALYSIS
 LOS ANGELES COUNTY DEPARTMENT OF BEACHES & HARBORS

	Potential Demand - 2% Annual Increase				Market Area	
	Annual 2.0% Demand Increase	Existing Room Night Supply ¹	Occupancy Level	Room Nights Available	Target Occupancy - 74% Cumulative	Rooms
2013	413,948	529,250	78.2%	559,389	83	
2018	457,032	529,250	86.4%	617,611	242	
2023	504,600	529,250	95.3%	681,892	418	
2028	557,120	529,250	105.3%	752,864	613	

	Potential Demand - 3% Annual Increase				Market Area	
	Adjusted Demand Increase	Existing Room Night Supply ¹	Occupancy Level	Room Nights Available	Target Occupancy - 74% Cumulative	Rooms
2013	413,948	529,250	78.2%	559,389	83	
2018	479,879	529,250	90.7%	648,485	327	
2023	556,311	529,250	105.1%	751,772	610	
2028	644,917	529,250	121.9%	871,510	938	

(1) Existing room night supply for 2013 based on PKF "The 2013 Southern California Lodging Forecast"