

Tourism is Booming in Marina del Rey

Total economic impact of overnight visitor spending reached a record-breaking \$431.3 million last year

By Gary Walker

An upsurge in tourism-related spending is propelling unprecedented economic growth in Marina del Rey, according to a report commissioned by the Marina del Rey Convention & Visitors Bureau.

Analysts with the international real estate group CBRE Hotels estimate that tourism in the marina had a total economic impact of nearly \$431.3 million in 2016 — an increase of 13% over 2015 and a growth spurt of 73% over a 2012 estimate of \$249.13 million.

To calculate total economic impact, CBRE analysts considered direct overnight visitor spending (\$331.8 million in 2016) as well as indirect/induced spending, jobs supported by tourism and associated tax revenues. They did not include visitors lodging outside of Marina del Rey or in short-term vacation rentals.

The marina's increasing prominence as a tourism destination comes as the travel industry celebrates California Travel and Tourism Month, a special designation for the month of May created by state lawmakers last year.

"Marina del Rey is a popular recreational destination offering all of what visitors love about Southern California," reads a statement by Marina del Rey Convention & Visitors Bureau CEO Janet Zaldua. "L.A.'s marina continues to thrive as an active waterfront playground for both visitors and Los Angeles locals who enjoy the marina's resort-style amenities."

L.A. County coffers are also benefiting from an uptick in economic activity.

Total ground rent paid to the county by hotels, charter services and restaurants totaled \$13.68 million in 2016 — up 12% from \$12.25 million in 2015, according to the CRBE Hotels report. (Room revenues for the marina's six hotels totaled \$89.58 million in 2016, up 13% over the prior year.)

The transient occupancy tax, known more commonly as the hotel bed tax and collected in addition to sales tax, brought in more than \$10.2 million during fiscal year 2015-16, said Carol Baker of the Los Angeles County Department of Beaches and Harbors.

Last year about 30% of transit occupancy tax revenue — more than \$3 million of it — funded special events and activities in the marina for residents and visitors alike. This year's offerings include a new pop art festival in July, a public youth sailing program, a Halloween festival and larger productions for the annual Marina del Rey Summer Concert Series at Burton Chace Park.

The CBRE Hotels analysis estimates continued tourism spending growth for Marina del Rey through the year 2020,



Waterfront restaurants like Whiskey Red's (above) are benefitting from a steady rise of tourist spending in Marina del Rey

which bodes well for two new hotels — a Courtyard by Marriott and a Residence Inn, both on Via Marina near Tahiti Way — that received final development approvals in April.

Business-related group lunches are noticeably more frequent.

"In the first four months of this year we have had more parties of eight to 25 people during the daytime than we had

Visit California, a nonprofit that operates the state's official travel and tourism website, reported a record-breaking \$126 billion in stateside visitor spending last year, an increase of 3.2% over 2015. Statewide tourism spending generated \$10.3 billion in state tax revenue and supported an estimated 1.1 million jobs, according to a recent report commissioned by the group.

Tourism spending supported an estimated 2,955 jobs in Marina del Rey last year, according to the CBRE Hotels report.

"This report shows that tourism is a powerhouse that generates community benefits and economic value for all Californians," said Visit California President and CEO Caroline Beteta. "California Tourism Month provides an opportunity to celebrate tourism as an important pillar of our economy, and highlight an effective and dynamic industry that remains a vital asset in all regions of the state."

Up the coast, Santa Monica also continues to post strong tourism-related revenues. Last year some 8.4 million visitors to the city generated \$51 million in hotel transient occupancy tax revenue — enough to fund about 15% of Santa Monica's general fund budget, said City Hall spokeswoman Constance Farrell. ■

"The future of Marina del Rey looks brighter than ever."

— Marina del Rey Convention & Visitors Bureau CEO Janet Zaldua

Restaurants are also riding a wave of new business. Restaurant spending accounted for about 24%, or \$79.6 million, of the \$331.8 million in 2016 visitor spending, according to the CBRE Hotels report

Café Del Rey General Manager Brian Cousins saw increased tourism-related visits to his high-end Admiralty Way restaurant last year — due in part, he thinks, to the rise of nearby Playa Vista.

"There's definitely a lot more international people coming in, and we're also seeing more business tours coming in from outside the area. Because of our proximity to the tech industry, we're seeing a lot more businesses people coming from Northern California," Cousins said.

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Marina del Rey Convention & Visitors Bureau leadership concludes that local infrastructure improvements, including renovations to the Marina del Rey Hotel and the re-landscaping of Oxford Basin Lagoon, have only helped to boost business. They're also optimistic about planned upgrades to public parks and boating amenities in the years ahead.

"I'm excited about the future of L.A.'s marina," said Zaldua, who lives in Marina del Rey. "With all the new development and programming on the horizon, the future of Marina del Rey looks brighter than ever. The best is yet to come."

One of the state's largest economic drivers, tourism throughout California has expanded for the seventh year in a row.