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March 3, 2020

Ms. Janet Zaldua
Chief Executive Officer
Marina del Rey Convention & Visitors Bureau
4551 Glencoe Avenue
Suite 260
Marina del Rey, CA 90292

Dear Ms. Zaldua:

In accordance with the request of the Marina del Rey Convention & Visitors Bureau, we have completed an analysis of the economic impact of tourism on the community of Marina del Rey for calendar year 2019. The fieldwork and data collection for this study was undertaken in February 2020.

The scope of our work included an analysis of the following:

- The flow of dollars through the economy attributable to visitor spending;
- The number of jobs supported by the tourism industry; and,
- Associated tax revenues generated from visitors.

It should be noted that our analysis was limited to overnight visitors that stay in Marina del Rey, including hotel guests as well as visitors to Marina del Rey who stay in private homes or other non-hotel accommodations, but not inclusive of other visitors who stay in lodging facilities outside of the community perimeters, those that pay for vacation rental services such as Airbnb, and/or day visitors. Thus, we believe that the figures presented in this report are conservative estimates of the economic impact of tourism on the community of Marina del Rey.

We thank you for the opportunity to conduct this study.

Sincerely,



Bruce Baltin
Managing Director
CBRE Hotels Advisory

EXECUTIVE SUMMARY

INTRODUCTION

The Marina del Rey Convention & Visitors Bureau retained CBRE Hotels to conduct an analysis of the economic impact of tourism on the community of Marina del Rey for calendar year 2019. The impact was measured primarily by the flow of dollars through the economy attributable to overnight visitors and by the number of jobs supported by the tourism industry. This study was undertaken in February of 2019.

It should be noted that we obtained data regarding visitor levels, spending, and the Regional Input-Output Modeling SYSTEM (RIMS) economic multipliers from Visit California, Los Angeles Tourism & Convention Board, and the Los Angeles County Economic Development Corporation (LAEDC). The data obtained, and the methodology utilized, is discussed in greater detail in the methodology section within this report. We have also footed data to specific sources, when possible.

SUMMARY OF FINDINGS

The economic impact of tourism to Marina del Rey for calendar year 2019 is estimated to have been \$398,176,000. The impact in 2019 is estimated to have increased 0.1 percent over 2018, for which the revised total economic impact was approximately \$397,597,000. It is important to note that an updated study relative to visitor spending patterns in LA County was undertaken since the time that we issued our 2018 report on the Economic Impact of Tourism in Marina del Rey. Additionally, we were provided revised data from the hotels in Marina del Rey. As a result, we have utilized revised visitor spend percentages and considered a revised Economic Impact number of \$397,597,000 for 2018.

Total Economic Impact of Tourism: Marina del Rey			
	2019	% Change	2018
Hotel Guests			
Occupied Hotel Rooms	344,258	-1.2%	348,327
Double Occupancy Factor	1.78	-1.0%	1.79
Total Number of Hotel Guests	285,720	-10.4%	318,797
Number of Hotel Visitor Days	611,000	-2.2%	625,000
Private House Guests (VFRS)			
VFR's as Percentage of Total Visitors	35%		35%
Total Number of VFR Overnight Visitors	153,849	-10.4%	171,660
VFR Visitors' Average Length of Stay	4.39		4.39
Number of VFR Visitor Days	675,000	-10.4%	753,000
Total			
Total Overnight Visitor Days	1,286,000	-6.7%	1,378,000
Total Number of Overnight Visitors	440,000	-10.2%	490,000
Average Daily Expenditure for Visitors (Rounded)	\$238	7.3%	\$222
Total Visitor Spending (based on average daily spending)	\$306,289,474	0.1%	\$305,843,497
Multiplier	1.3		1.3
TOTAL ECONOMIC IMPACT	\$398,176,000	0.1%	\$397,597,000
NUMBER OF JOBS SUPPORTED	2,698	0.1%	2,694
Rent Paid to Los Angeles County			
Hotel Rental Revenues	\$9,753,113	1.0%	\$9,654,422
Charter Yacht Rental Revenues	\$365,811	0.6%	\$363,552
Restaurant Rental Revenues	\$4,477,182	0.8%	\$4,439,916
TOTAL RENT PAID TO LOS ANGELES COUNTY	\$14,596,106	1.0%	\$14,457,891
Associated Tax Revenue¹			
Total Bed Tax Revenues	\$11,741,000	3.2%	\$11,382,000
Sales Tax (Meals + Non-Food retail)	\$1,103,000	0.2%	\$1,101,000
TOTAL MEASURABLE TAX REVENUES FOR MARINA DEL REY	\$12,844,000	2.9%	\$12,483,000

¹Excludes taxes from utility, general business, property, transportation and any sales tax derived from indirect spending
Note: Numbers have been rounded

- Total direct visitor spending is estimated to have been approximately \$306.3 million in 2019, approximately a 0.1 percent increase over the 2018 revised estimate of approximately \$305.8 million.
- The total economic impact of tourism to Marina del Rey is estimated to have been approximately \$398.2 million in calendar year 2019.
- Tourism to Marina del Rey is estimated to have supported approximately 2,698 jobs in calendar year 2019, representing a 0.1 percent year-over-year increase.
- Total rent paid to the County of Los Angeles by hotels, restaurants, and charter yacht companies in Marina del Rey totaled approximately \$14.6 million in 2019, representing a 1.0 percent growth over 2018.
- Total measurable tax revenues for Marina del Rey increased 2.9 percent from approximately \$12.5 million in 2018 to approximately \$12.8 million in 2019.
- We believe that these figures are conservative estimates of the total impact of tourism, as we did not include in this analysis all day visitors to Marina del Rey, as well as taxes on restaurant and charter yacht sales other than those from overnight visitors to Marina del Rey, which do constitute a significant source of revenues for the community.

ASSUMPTIONS AND CONDITIONS OF THE STUDY

It should be noted that this economic impact study is limited to overnight visitors who stay in hotels and private homes located in Marina del Rey and does not reflect the impact of other visitors to Marina del Rey who stay in lodging facilities outside of the community limits or those that utilize Airbnb or other vacation rental services. Additionally, Marina del Rey's attractions, such as Fisherman's Village, public beaches and parks, and shopping centers, generate a number of day visitors to the area; however, this study does not address the economic impact of these day visitors, another substantial source of revenues for the community.

DEFINITIONS

Overnight Visitors – a combination of overnight visitors who pay to stay at hotels in Marina del Rey and those visitors who stay at private homes in the community of Marina del Rey.

Hotel Guests – those overnight visitors who pay to stay at lodging facilities (hotels/motels) in the community of Marina del Rey. The primary purpose of their visits to Marina del Rey varies and includes business and leisure visitors. This does not include guests that pay for short term vacation rentals, i.e. Airbnb.

Private House Guests (VFR's) – those overnight visitors who do not pay to stay at private homes in the community of Marina del Rey, not including those that utilize Airbnb and other vacation rental services. In many cases, the primary purpose of their visits is to visit friends and/or relatives in Marina del Rey, hence the term VFRs (Visiting Friends and/or Relatives).

Day Visitors – those visitors to Marina del Rey who stay in accommodations outside of Marina del Rey.

Multiplier – a means to determine the indirect economic benefits of visitor expenditures in a community, such as spending by hotels and restaurants and their employees. The multiplier is applied to direct spending by visitors to measure the total flow of visitor dollars through the economy.

Visitor Days – a calculation that takes into account both the number of visitors and their length of stay so that each day of their visit is reflected as a unique entity. In the case of hotel guests, visitor days are calculated by multiplying occupied hotel room nights by the double occupancy factor. In the case of VFR's, visitor days are calculated by multiplying total VFR's by their average length of stay.

Double Occupancy Factor – the double occupancy factor refers to the average number of reported adults per room acquired by surveying Marina del Rey hotels

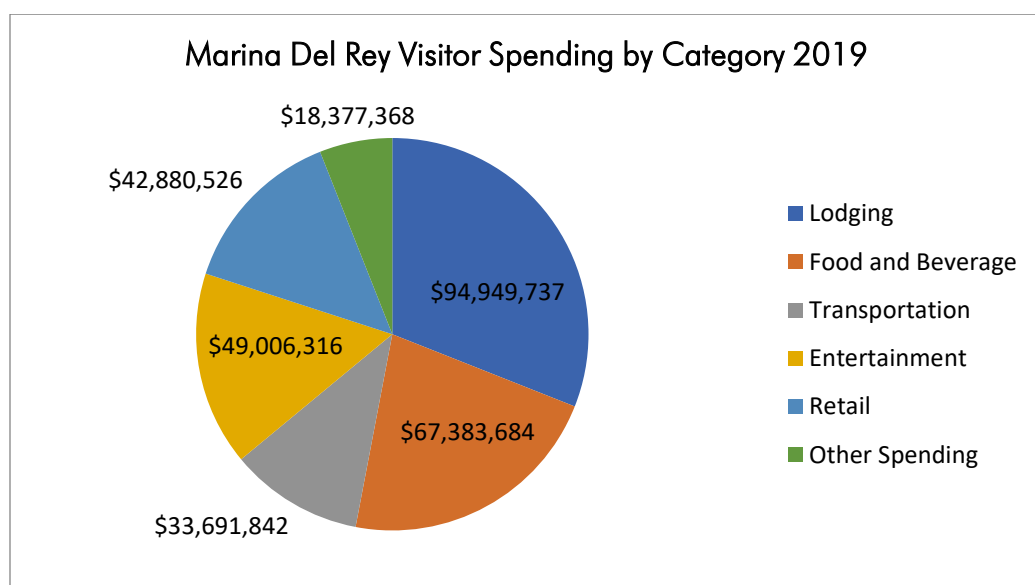
CONCLUSIONS

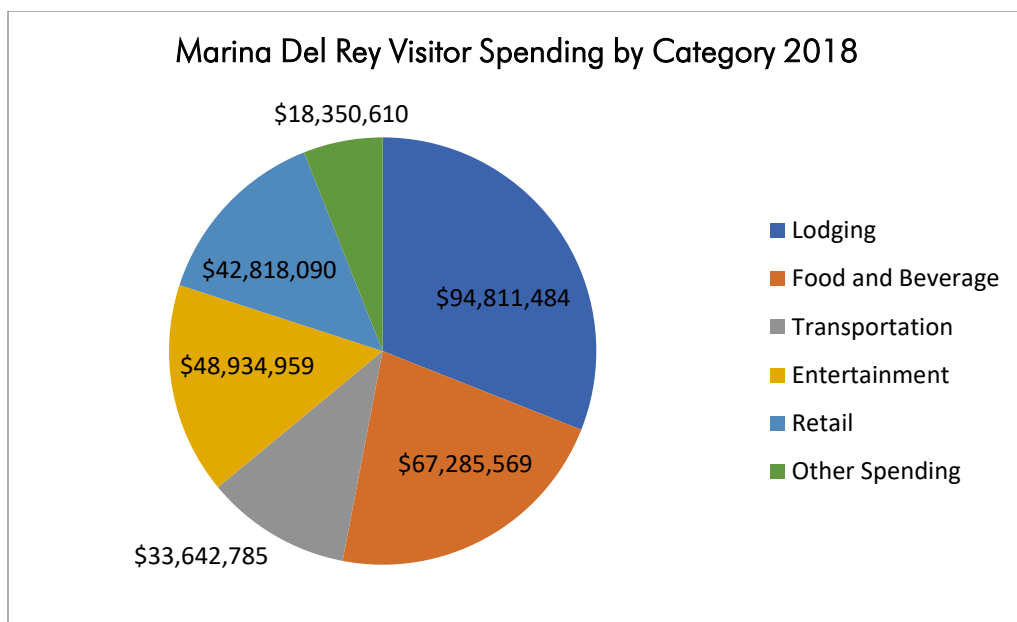
Overnight Visitors

ECONOMIC IMPACT - Overnight Visitors						
	2019			2018		
	Visitor Days:		1,286,000	Visitor Days:		1,378,000
	Total Spending	Spending/Day	Percentage of Revenue ¹	Total Spending	Spending/Day	Percentage of Revenue ¹
Lodging	\$94,949,737	\$73.82	31%	\$94,811,484	\$68.82	31%
Food and Beverage	67,383,684	52.39	22	67,285,569	48.84	22
Transportation	33,691,842	26.20	11	33,642,785	24.42	11
Entertainment	49,006,316	38.10	16	48,934,959	35.52	16
Retail	42,880,526	33.34	14	42,818,090	31.08	14
Other Spending	18,377,368	14.29	6	18,350,610	13.32	6
Total Spending	\$306,289,474	\$238.14	100%	\$305,843,497	\$222.00	100%
Multiplier	1.3			1.3		
TOTAL IMPACT	\$398,176,000			\$397,597,000		

¹Percentages Derived from LATCB Visitor Survey

- In 2019, the direct spending of overnight visitors is estimated to have accounted for approximately \$306.3 million, while approximately \$91.9 million was generated through indirect and induced spending (the multiplier effect).
- In 2018, based on revised data, the direct spending is estimated to have accounted for approximately \$305.8 million, while approximately \$91.8 million was generated through indirect and induced spending (the multiplier effect).
- It should be noted that overnight visitor spending is not limited to the environs of Marina del Rey; however, we believe that whatever leakage occurs from the immediate community is more than offset by the revenues generated from day visitors.





Overnight Visitors by Type of Accommodation

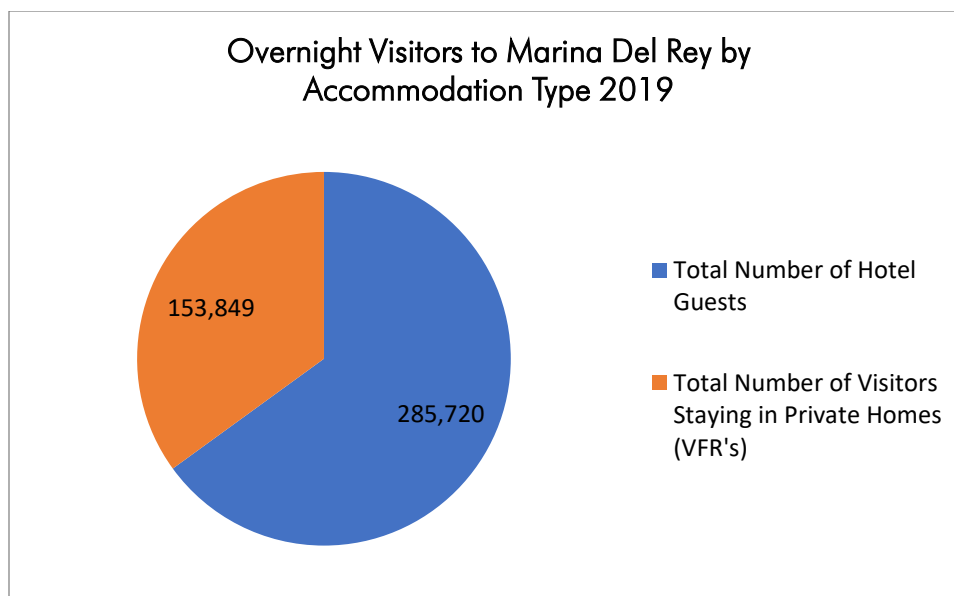
Overnight Visitors by Type of Accommodation			
	2019	% Change	2018
Occupied Hotel Room Nights	344,258	-1.2%	348,327
Double Occupancy Factor ¹	1.78		1.79
Average Length of Stay for Hotel Guests ²	2.14		1.96
Total Number of Hotel Guests	285,720	-10.4%	318,797
HOTEL VISITOR DAYS (Rounded)	611,000	-2.2%	625,000
Total Number of Visitors Staying in Private Homes (VFR's)	153,849	-10.4%	171,660
Average Length of Stay for VFR's ³	4.39		4.39
VFR VISITOR DAYS (Rounded)	675,000	-10.4%	753,000
TOTAL			
Total Number of Visitors	439,570	-10.4%	490,456
Total Number of Visitor Days	1,286,000	-6.7%	1,378,000

¹ Double Occupancy Factor Acquired by Surveying MDR Hotels

² Average Length of Stay Acquired by Surveying MDR Hotels

³ VFR Average Length of Stay Acquired from LATCB Visitor Spending Analysis 2016/2017 (Latest Available)

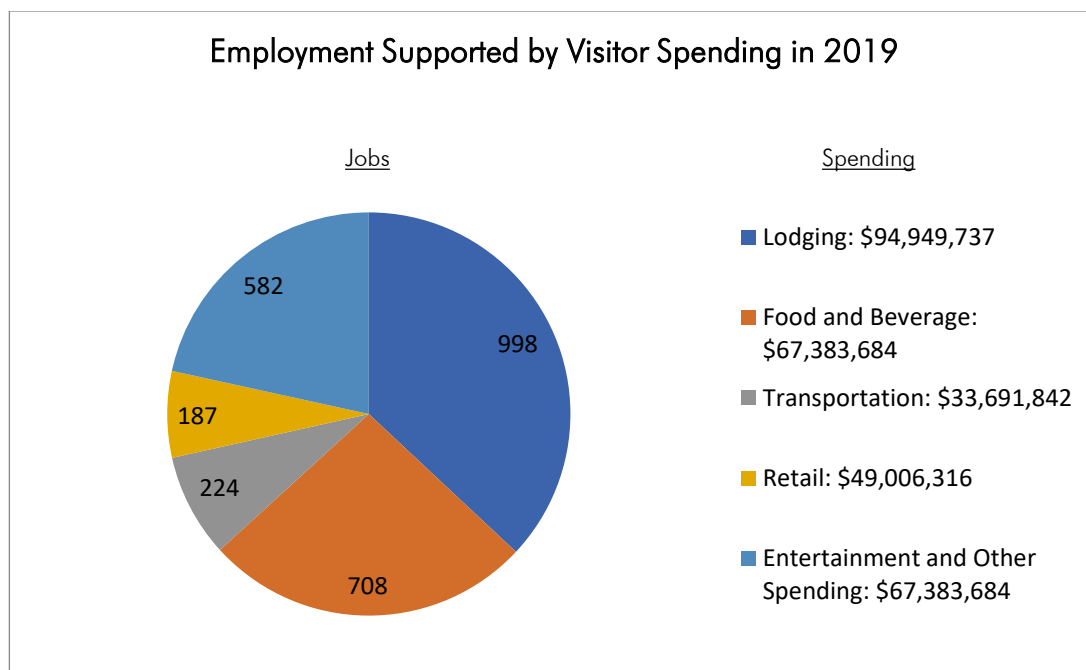
- We estimate that in 2019, there were approximately 440,000 visitors to Marina del Rey for a total of approximately 1.29 million visitor days, which marks a 6.7 percent decrease from the year-ago figure of approximately 1.38 million visitor days.
- In 2019, the total number of hotel guests is estimated to have been approximately 286,000 for a total of approximately 611,000 hotel visitor days. Additionally, the total number of VFR's is estimated to have been approximately 154,000 for a total of approximately 675,000 VFR visitor days.



Employment

Overnight Visitor Spending Category 2019	
Category	
Lodging ¹	\$94,949,737
Food and Beverage	\$67,383,684
Transportation	\$33,691,842
Entertainment	\$49,006,316
Retail	\$42,880,526
Other	\$18,377,368
Related Jobs ²	
10.51 jobs/\$1 million in spending for Hotels	998
10.51 jobs/\$1 million in spending for Food and Beverage Establishments	708
6.64 jobs/\$1 million in spending for Transportation	224
4.36 jobs/\$1 million in spending for Retail	187
8.64 jobs/\$1 million in spending for Entertainment and Other Spending	582
TOTAL JOBS	2,698
¹ Rooms Revenue Only	
² Each multiplier measures the total number of jobs created in each category as a result of visitor spending by type of commodity purchased	
<i>Dean Runyan California Travel Impacts, 2000-2018p</i>	

In Marina del Rey, visitor spending on lodging, food and beverage, transportation, entertainment and retail created and/or supported roughly 2,698 jobs in 2019.



Taxes

Measurable Tax Revenues			
	2019	% Change	2018
Rooms Revenue	\$94,949,737	0.1%	\$94,811,484
TOT Tax Rate	12%		12%
TOT Generated	\$11,740,938	3.1%	\$11,382,456
Sales Revenue (F&B and Retail)	\$110,264,211	0.1%	\$110,103,659
Tax Rate to County	1%		1%
Sales Tax Generated	\$1,102,642	0.1%	\$1,101,037
Total Measurable Tax Revenues for Marina del Rey	\$12,843,580	2.9%	\$12,483,493

- According to the information submitted by the Marina del Rey hotels, transient occupancy tax (TOT) in calendar year 2019 totaled approximately \$11.7 million, reflecting total rooms revenues of approximately \$94.9 million.
- In addition to TOT, the County of Los Angeles receives 1.0 point of the sales tax generated from meals and beverages, as well as non-food retail. We have estimated that tourism-related meals, beverages, and non-food retail sales generated approximately \$1.1 million in 2019 of sales tax revenue. These numbers do not reflect sales tax collected on restaurant and entertainment revenues generated by local patrons and day visitors.

Ground Rent

Rent Paid to Los Angeles County			
Category	2019	% Change	2018
Hotel Rental Revenues	\$9,753,113	1.0%	\$9,654,422
Charter Yacht Rental Revenues	\$365,811	0.6%	\$363,552
Restaurant Rental Revenues	\$4,477,182	0.8%	\$4,439,916
Total Rent Paid to Los Angeles County	\$14,596,106	1.0%	\$14,457,891

- According to information submitted by Marina del Rey hotels, restaurants, bars, and charter yacht rental companies, these visitor-related businesses generated a total of approximately \$14.6 million in rental revenue for the County in 2019, an increase of 1.0 percent over the year-ago figure.

METHODOLOGY

The methodology used to determine the total economic impact of tourism in Marina del Rey includes an estimation of direct overnight visitor spending. Additionally, our analysis includes an estimation of the number of jobs supported by the tourism industry in Marina del Rey and the associated tax revenues (sales and transient occupancy tax revenues) generated by overnight visitors.

TOTAL ECONOMIC IMPACT

The total economic impact of tourism in Marina del Rey consists of the application of a final-demand multiplier to an analysis of direct visitor spending expenditures. The following text discusses the methodology in greater detail.

Direct Visitor Spending

Our analysis of visitor spending is limited to spending by overnight guests that stay in the community of Marina del Rey. For the purposes of this analysis, the six hotels in Marina del Rey were surveyed with regards to their revenues by department, occupancy rate, average guest length of stay, double occupancy factor, employment, expenditures, and taxes and rent paid to the county of Los Angeles. These hotels include the following:

- Marriott Marina del Rey
- Jamaica Bay Inn
- Foghorn Harbor Inn
- Marina del Rey Hotel
- Ritz Carlton Marina del Rey
- Hilton Garden Inn Marina del Rey

Additionally, the source of visitor expenditure data for this study was provided by the Los Angeles Tourism & Convention Board. We were provided with the amalgamated and weighted spend by category for all domestic and international overnight visitors to Los Angeles County for 2018, the most recent data available. Although these percentages obtained from Los Angeles Tourism & Convention Board reflect spending for all of Los Angeles County in 2018, we are of the opinion that these spending patterns are representative of that of the typical overnight visitor to Marina del Rey in 2019. In addition, the spending patterns presented herein are similar to those of overnight visitors staying in comparable incorporated cities within Los Angeles County. Data from the Los

Angeles Tourism & Convention Board was used with respect to the percentage allocation of daily expenditures for the following categories:

- Lodging;
- Food and beverage;
- Transportation;
- Retail (Shopping);
- Entertainment;
- Other spending (i.e. spa, grooming, health club)

The following table presents the average spending ratios for overnight visitors, by segment, for Los Angeles County in 2018.

Overnight Visitors to Los Angeles County Per Capita Spending by Category 2018			
Category	% Spent	\$ Spent/Visitor	\$ Spent/Day
Lodging	31%	\$214.54	\$59.60
Food + Beverage	22	152.26	42.29
Transportation	11	76.13	21.15
Entertainment	16	110.73	30.76
Shopping/Retail	14	96.89	26.91
Other	6	41.52	11.53
Total (Rounded)	100%	\$692.07	\$192.24

Source: Los Angeles Tourism and Convention Board

For all overnight visitors, taking into account those that stay in private homes, lodging generally represents the biggest single expense while traveling in Los Angeles. In 2018, approximately 31 percent of all expenditures were for lodging. Accordingly, our analysis of overnight visitor spending began with an examination of revenues generated from the rental of hotel and motel rooms.

We were provided with the total rooms revenue and total number of occupied rooms generated by hotel guests for calendar year 2019 for the hotels in Marina del Rey. Together, the Marriott Marina del Rey, Jamaica Bay Inn, Foghorn Harbor Inn, Marina del Rey Hotel, Ritz Carlton Marina del Rey, and the Hilton Garden Inn offer 1,108 guestrooms. These six hotels were surveyed to obtain information regarding total number of guests and double occupancy for 2019. Additionally, transient occupancy tax for the Marina del Rey community was examined. The table presented below presents the historical market performance based on the information provided by the hotels in Marina del Rey.

Historical Market Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2018	404,258	N/A	348,327	N/A	86.2%	\$272.19	N/A	\$234.53	N/A
2019	404,420	0.0%	344,258	-1.2%	85.1%	\$275.81	1.3%	\$234.78	0.1%

Source: Marina del Rey Hotels

The supply of hotel rooms in Marina del Rey has stayed constant while the number of occupied room nights in 2019 was 344,258, which translates to an occupancy rate of 85.1 percent for the market. This represents a 1.2 percent year-over-year decrease in occupied room nights as the local hotel market comes off of an 86.2 percent occupancy rate, which is well above the long term average for Marina del Rey. The average daily room rate (ADR) of hotels in Marina del Rey experienced an increase of 1.3 percent in 2019. As a result of a decrease in occupied rooms and

an increase in ADR, the competitive market's RevPAR (revenue per available room) remained effectively flat at \$234.78 versus a prior-year RevPAR of \$234.53.

To determine total visitor days for overnight guests, we focused on the number of hotel and motel guests in Marina del Rey. Specifically, we arrived at a double occupancy factor, based on the surveyed hotels and industry trends, by which we multiplied the number of occupied rooms in Marina del Rey to ascertain the number of hotel visitor days. Based on the information gathered and our knowledge of the local lodging market, we have calculated a double occupancy factor of 1.78 in 2019 to account for the number of people per room. Once we calculated the total hotel visitor days, we employed data from the Los Angeles Tourism and Convention Board in order to come to a value for total VFR visitor days. Based on the latest LATCB data available, we have utilized a VFR factor of 35 percent and an average length of stay of 4.4 days, meaning that 35 percent of all visitors to Marina del Rey stay in private homes for a period of, on average, 4.4 days and do not pay for lodging. Utilizing this factor, we have generated a total number of VFR visitor days. Combining these two values for VFR visitor days and hotel visitor days we have arrived at a total number of visitor days for overnight guests in Marina del Rey.

We utilized our calculation of rooms revenue as a basis for determining the average expense per day for lodging, as it is the most recent and accurate tracking available. To determine the daily lodging spending per hotel guest, we divided the average daily rate by the occupancy factor for each year. By definition, VFR's do not spend on lodging therefore our rooms revenue total serves as an indicator of total overnight visitor spending. Dividing rooms revenue by total visitor days calculated above gives us daily spending on lodging per day for all overnight visitors. The following table summarizes these calculations.

Overnight Visitors and Daily Lodging Expenditure		
	2019	2018
Total Occupied Rooms	344,258	348,327
Occupancy Factor	1.78	1.79
Average Length of Stay (Hotel Guests)	2.14	1.96
Total Hotel Visitors	285,720	318,797
Average Daily Rate	\$275.81	\$272.19
Daily Lodging Spend per Hotel Guest	\$155.29	\$151.74
Total Lodging Spend for All Overnight Visitors	\$94,949,737	\$94,811,484
Total Visitor Days (including Hotel and VFR Guests)	1,286,182	1,377,692
Daily Lodging Spend for all Visitors	\$73.82	\$68.82

Source: CBRE Hotels

For the other expense categories, we then multiplied the average expense per day by the percentages provided by Los Angeles Tourism & Convention Board's survey for each category (food and beverage, entertainment, local transportation, non-food retail, and other spending) to derive the average spend per day for a typical overnight visitor.

Overnight Visitors to Marina del Rey		
Daily Spending per Visitor by Category		
2019		
Category	% Spent	\$ Spent/Day
Lodging	31%	\$73.82
Food and Beverage	22%	52.39
Transportation	11%	26.20
Entertainment	16%	38.10
Shopping/Retail	14%	33.34
Other	6%	14.29
Total	100%	\$238.14

Source: CBRE Hotels

We have taken into consideration that the percentages derived from the LATCB study are representative of visitors to Los Angeles County as a whole; however, we are of the opinion that these spending patterns are fairly representative of that of the typical overnight visitor to Marina del Rey. After deriving the average spend per day for an overnight visitor to Marina del Rey, we have utilized our estimate for total overnight visitor days to estimate the total spend for all overnight visitors to Marina del Rey.

Total Overnight Visitor Spending Marina Del Rey	
2019	
Daily Spend per Overnight Visitor	\$238.14
Total Overnight Visitor Days (Rounded)	1,286,000
Total Overnight Visitor Spending	\$306,289,474

The Multiplier Effect

The total impact of direct visitor spending to Marina del Rey is amplified by means of an economic multiplier. A multiplier is used to estimate the impact that the visitor dollar makes beyond the initial goods/services purchased. The infusion of new dollars into the local economy also produces additional goods and services. In short, "direct" visitor spending creates indirect and induced economic benefits for the community. For example, visitor spending collected "directly" within a hotel restaurant also "indirectly" supports food and beverage suppliers and delivery services. Moreover, the direct and indirect spending induces further spending in the community by employees of the benefiting businesses.

In discussions with the Economic Development Corporation and reflecting the current economic conditions experienced in 2019, we are of the opinion that an economic multiplier of 1.3 is appropriate for Marina del Rey. This multiplier is also made in light of the historical demand multipliers produced by the U.S. Bureau of Economic Analysis in the RIMS II Economic modeling system for the Los Angeles-Long Beach Metropolitan Statistical Area. In addition, this multiplier is used in economic impact studies for comparable incorporated cities within Los Angeles County. Therefore, we applied a multiplier of 1.3 to the total direct visitor spending for hotel guests to determine the overall economic impact of visitors to Marina del Rey.

EMPLOYMENT

In order to determine the correlation between visitors to Marina del Rey and employment, we utilized information from the *California Travel Impacts, 2000-2018* study published by Dean Runyan & Associates for Visit California in April 2019. This data was obtained from the Bureau of Labor Statistics Covered Employment and Wages, the Bureau of Economic Analysis' Regional Economic Information System, and industry receipts. Figures from this study provided the basis for

our estimation of the impact of a \$1.0 million in output delivered to final demand in a certain industry on employment in various tourism-related industries, including lodging, entertainment and other service industries, food and beverage establishments, transportation, and non-food retail trade. Based on the above data, we ascertained the number of jobs supported by visitor spending in the community of Marina del Rey.

TAXES

Tax collections represent a large source of revenue generated from overnight visitors to Marina del Rey, with the transient occupancy tax (TOT) being the largest single source of tax revenue generated from tourism. We were provided with TOT data for calendar year 2019 from the hotels within the community of Marina del Rey.

In addition, government revenues drawn from tourism include:

- Sales Tax
- Property Tax
- Business Tax
- Utility Tax

We were unable to quantify the percentage of property, business and utility tax revenues associated with visitor spending, as well as sales tax associated with any and all indirect visitor expenditures. Additionally, our analysis does not take into account sales tax derived from restaurant revenues related to the purchase of food and beverage by day visitors and local patrons. For these reasons, our estimate underestimates the impact of tourism relative to tax revenues. Thus, our analysis of the total tax revenues for the community of Marina del Rey is limited to measurable tax revenues, which include direct sales tax and transient occupancy tax (TOT). It should be noted that the transient occupancy tax rate for Marina del Rey is 12.0 percent, while one percent represents the portion of sales receipts allocated to the county.

GROUND RENT

As part of Los Angeles County, hotels, restaurants, and charter yacht companies in Marina del Rey are subject to a ground lease, most of which are based on terms wherein the lessor and lessees share the resultant cash flows generated by the sale of hotel rooms, food and beverage, yacht rentals, bike rentals, telephone charges, parking fees, and miscellaneous sales. Based on the information submitted by the Marina del Rey hotels, restaurants, and yacht charter companies they paid a total of approximately \$14.6 million to Los Angeles County in rent in 2019, reflecting a 1.0 percent growth over 2018. We are of the opinion that these businesses rely principally on tourist business and therefore any rent paid to the county can be considered attributable to the impact of tourism in Marina del Rey.

SUMMARY AND FORECAST

The economic impact of tourism to the community of Marina del Rey in 2019 was significant, representing approximately \$398.2 million.

Marina del Rey is an affluent, predominately commercial community which enjoys the unique recreational and scenic amenities of a small craft harbor. The harbor, related facilities, hotels, restaurants, and specialty retail shops help make Marina del Rey a popular local attraction in Los Angeles County. Marina del Rey has experienced continued growth in the last several years, and the community is enjoying a surge in popularity and development. Additionally, Marina del Rey is

well located relative to a diverse and growing collection of prominent entertainment, technology, media-related, medical, and professional service firms headquartered in the surrounding communities of Culver City, Playa Vista, Santa Monica, and Venice. In the past few years, the area has become the epicenter of technology company activity in Southern California with the emergence of Silicon Beach. The community's diverse business environment has been able to maintain revenues, with improved regional tourism and retail sales to support further growth.

There are several under-construction developments in Marina del Rey that are expected to boost commercial and leisure travelers to the area. The anticipated completion of the 288-room, dual-branded Courtyard and Residence Inn later this year will bring the total number of hotels and motels in Marina del Rey from six to seven, and is expected to drive a significant increase in occupied hotel room nights in Marina del Rey. Further, with a significant number of residential units currently under development, the housing market outlook for Marina del Rey remains positive. There is also a significant amount of commercial development that is anticipated to bring added restaurants, retail, and office space to the neighborhood. With the addition of the foregoing lodging, residential, and commercial real estate developments, Marina del Rey will be able to further establish itself as a desired destination for tourists and business travelers.

Given its coastal location proximate to Silicon Beach and the nearby commercial offices, Marina del Rey is anticipated to remain a popular destination for commercial and leisure travelers to the Los Angeles County area. Considering that the market is operating at above its long-term level of stabilization, we anticipate that occupancy in the Marina del Rey hotel market will gradually return to normalized levels as ADR continues to grow.

Addendum
Terms and Conditions

TERMS AND CONDITIONS

1. CBRE, Inc. through its advisor (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) If any, existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this report and, therefore, makes no representations relative to the condition of improvements. CBRE advisors are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
 - (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions

regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
7. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of the performance of the subject property. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
8. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by the advisors. Any user of the Report is advised to retain experts in areas that fall outside the scope of the advisor for such matters.
9. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
10. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
11. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
12. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
13. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own consultants and advisors for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.