



Administrative Report

H.11., File # 26-0357

Meeting Date: 3/17/2026

To: MAYOR AND CITY COUNCIL

From: KATHERINE BUCK, ACTING WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

APPROVE AN OPTION AGREEMENT BETWEEN THE CITY OF REDONDO BEACH AND MARINE MAMMAL CARE CENTER LOS ANGELES PROVIDING AN EXCLUSIVE PERIOD TO FUNDRAISE FOR THE CONSTRUCTION OF A NEW MARINE MAMMAL CARE CENTER AND TO LEASE THE PROPERTY LOCATED AT 230 PORTOFINO WAY

AUTHORIZE THE MAYOR TO SIGN A LETTER OF SUPPORT REQUESTING \$15 MILLION IN ONE-TIME FUNDING FROM CALIFORNIA PROPOSITION 4 TO SUPPORT CONSTRUCTION OF THE NEW MARINE MAMMAL CARE CENTER

EXECUTIVE SUMMARY

The proposed Option Agreement would provide Marine Mammal Care Center Los Angeles (MMCC/Optionee) 18 months to fundraise for the construction of a new state of the art marine mammal care and visitor center and the exclusive right to lease the property at 230 Portofino Way (Premises), subject to the completion of specific obligations, to site and operate the new facility. The cost to construct the new waterfront center is estimated to be \$30M.

Staff is also requesting the City Council also authorize the Mayor to sign a letter of support requesting a one-time grant allocation of \$15 million from the California Proposition 4 (2024) funding, known as the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act, to support construction of the new Center.

BACKGROUND

The property located at 230 Portofino Way is owned by the City of Redondo Beach and was most recently occupied by the Joe's Crab Shack restaurant.

The Marine Mammal Care Center Los Angeles is a nonprofit organization dedicated to the rescue, rehabilitation, and release of marine mammals along the Los Angeles County coastline. The City maintains an agreement with MMCC for marine mammal rescue and response services within the City's coastal waters. MMCC responds to stranded marine mammals throughout the region, and currently operates a facility in San Pedro where they provide veterinary care and rehabilitation services to marine mammals. MMCC is looking for a new location to build a modern working facility that also provides visitor serving amenities.

Accordingly, the City has been in discussions with the MMCC for the potential development of a new

marine mammal care center in King Harbor, specifically at the Portofino Way site. The proposed project would provide a facility for marine wildlife rescue and veterinary care while expanding opportunities for visiting serving amenities including public education, research, and engagement related to marine conservation. The facility would also meet the goal of the King Harbor Public Amenities Plan to bring an education center to the waterfront.

Given the uncertainty of project funding and the time needed to complete development planning, the proposed Option Agreement would provide MMCC the opportunity to pursue these efforts prior to entering into a long-term ground lease with the City.

Key terms of the proposed Option Agreement include:

- Option Term
 - An initial term of 18 months for MMCC to meet fundraising goals, with a potential 6-month extension, at the City's discretion, if MMCC has secured at least 80% of its initial \$15 million fundraising target.
- Fundraising Requirement
 - MMCC must secure \$15 million in cash donations and/or signed donation pledges to support development of the proposed facility and provide the City with monthly written updates regarding fundraising progress during the Option Term.
- Lease Negotiations
 - The City and MMCC will begin negotiating the terms of a potential ground lease during the Option Term.
- Conditions to Exercise the Option
 - Prior to exercising the option, MMCC must demonstrate sufficient fundraising commitments, provide development plans and financial documentation, execute a construction contract, and satisfy applicable regulatory requirements.
- Proposed Lease Term
 - If the option is exercised and a lease agreement is approved by the City Council, the proposed ground lease would be for a term of at least 50 years following construction of the facility.

One potential avenue for fundraising for the new MMCC is receiving a one-time allocation from California's California Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act, also known as Proposition 4. Passed in 2024, Proposition 4 supports a number of initiatives critical to the long-term health of California's diverse ecosystems, including supporting coastal resilience, marine wildlife protection, and enhancing the State's ability to react to climate-driven environmental impacts.

At this time, staff recommends the Council approve the proposed Option Agreement with MMCC and authorize the Mayor to sign a letter of support advocating for \$15 million in one-time funding from proposition 4 to support construction of the new Center.

COORDINATION

The Waterfront and Economic Development Department coordinated this item with the City Attorney's Office. The City's contracted real estate attorney prepared the proposed Agreement.

FISCAL IMPACT

As part of the terms of the agreement, MMCC would reimburse the City \$10,000 for the legal fees associated with preparation of the option agreement. If the conditions of the option agreement are satisfied, the final financial terms of the lease would be negotiated and presented to the City Council for consideration of approval at that time.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENT

- Agmt - Option Agreement Between the City of Redondo Beach and the Marine Mammal Care Center Los Angeles
- Letter - \$15 million Proposition 4 Budget Request to Support the Marine Mammal Care Center of Los Angeles