



GROUNDBREAKING SET FOR MARINA PARK

The long-awaited multiuse project on Balboa Peninsula is expected to be done by spring 2016.

BY TAYLOR HILL AND NICOLE SHINE
STAFF WRITERS

After years of planning, deliberation and debate, the 10.4-acre, \$39.5 million Marina Park project is off and running, with Newport Beach hosting a groundbreaking ceremony at 4 p.m. today.

Once completed, the site will feature a 24,000-square-foot sailing and community center, a 23-slip marina for visiting boaters, a new Girl Scout house and revamped tennis and basketball courts.

The project, designed by Rabbe/Herman Designs and Bundy-Finkel Architects, has been on Newport Beach resident John Corrough's radar since 2002, when he was a member of the city's Mari-

na Park Committee examining the plans at that time to build a resort hotel on the site. Once the resort idea was voted down, ideas to create a public park and marina out of the beachfront mobile home park on Balboa Peninsula came forward.

"One big missing part (in Newport Beach) has always been the lack of a single public place in the harbor where beach, park, water, docks, boating support, events, instruction and other uses could occur," Corrough said. "The local, regional and visitor boating communities will all benefit from Marina Park."

City Council members, including Newport Beach Mayor Rush Hill, will be in attendance for the ceremony, along with Nancy Nygren, CEO of the

Girl Scouts of Orange County.

Public Works Director Dave Webb said the demolition of the 57 mobile homes that were on the premises since 1955 was completed in December.

Construction of the marina is expected to start in mid-February, with more than 36,000 cubic yards of dredged sand expected to be used for beach replenishment. Once the marina is completed, demolition of the current landside facilities will begin, with the new structures and park expected to reach completion by spring 2016.

MORE INSIDE

Take a look at the future layout, and what the development will cost. **PAGE 4**

If you go

What: Marina Park project groundbreaking

When: 4 p.m. today

Where: Marina Park site at 18th Street and West Balboa Boulevard, Newport Beach

Who: Newport Beach mayor Rush Hill, Newport Beach city council members, Girl Scouts of Orange County Chairwoman Julie Miller-Phipps and the Girl Scouts of Orange County board of directors.

Cost: free

A rendering of the 10.4-acre Marina Park site lays out what the site should look like once completed.

COURTESY OF CITY OF NEWPORT BEACH



Candidate may be a bit ahead of technology curve

Council hopeful welcomes cyber currency that has come as shock to system.

With a tidy goatee and dress shirt, Michael Glenn doesn't look like a rebel.

But the Republican candidate for Newport Beach City Council is among a small band of political hopefuls across the country aiming to shake up the status quo. They're accepting campaign contributions in a currency the government doesn't mint and one that has regulators scratching their heads: bitcoins.



NICOLE SHINE
STAFF WRITER

Created in 2009, a bitcoin is a digital private currency issued by a network of Internet users instead of a bank. More than 12 million bitcoins are now in circulation.

Glenn, a software entrepreneur and newcomer to Newport Beach politics, said bitcoins represent openness and freedom.

"How people spend their money should be their business," said Glenn, 33.



BLAINE OHGASHI, STAFF PHOTOGRAPHER

Michael Glenn, who is running for Newport Beach City Council, hopes to make a splash by accepting Bitcoin donations.

But campaign finance experts see some problems. Among these is tracking down the source of a Bitcoin contribution, since personal information doesn't accompany the transaction the way it would with a debit or credit card expenditure, according to Rick Hasen, a professor of law and

political science at UC Irvine.

Another concern: volatility. On Friday, Bloomberg News reported that a currency exchange halted withdrawals of the digital currency after the price plunged more than 8 percent in one day.

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Gold coin investors hit a dead end

A military vet is one of hundreds waiting on shipments from the Tulving Co. in Newport.

Military veteran Dean Marzano – leery of stock and bond investments – decided in mid-October to sink \$39,000 of his savings in gold.

He settled on 30 ounces of American Eagle coins from the Tulving Co. in Newport Beach, which promised the shipment would arrive within seven days. Nearly four months have passed, and the San Diego resident says his order is still nowhere in sight.

"I'm running out of options," he said. "I got ahold of the shipping lady, and she says 'I don't know what to tell you. Every day, I put in the orders and the owner chooses who he wants to send purchases to. I don't know what else to tell you.'"

Marzano, 40, is not alone. Consumers across the country have reported late or missing shipments of rare, silver and gold coins purchased from the Orange County precious-metals dealer. Clients say they have lost tens of thousands of dollars in investments, prompting some to take the



LILY LEUNG
STAFF WRITER

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BITCOIN'S BUMPY HISTORY

2009

Bitcoin was born when a programmer, or programmer, known by the pseudonym of Satoshi Nakamoto mined the first 50 coins, known as the "genesis block." A one-hundred-millionth of a bitcoin, the smallest unit, is called a "satoshi."

DECEMBER 2013

A Costa Mesa dealership sold a Lamborghini for 91.4 bitcoins.

JAN. 14

Rapper Kanye West sued to stop production of "Coinye West" bitcoins, which he says unjustly cashed in on his fame, according to a report on National Public Radio.

JAN. 27

The vice chairman of the Bitcoin Foundation, an advocacy group for the digital currency, was charged by U.S. prosecutors with conspiring to commit money laundering by helping to funnel cash to Silk Road, an online purveyor of illicit goods.

WEDNESDAY

Apple pulled the last app that acts as a bitcoin wallet from its iOS App store because of "unresolved issues," according to the magazine PCWorld.

Sources: Register archives, Reuters

BITCOIN: New Internet money runs into old campaign concerns

FROM PAGE 1

The fact that Glenn has so far received only \$30 worth of bitcoins “smacks of a publicity stunt,” Hasen said.

“But if bitcoins became a serious means of taking donations,” Hasen said, “our disclosure laws would be in big trouble.”

CURRENCY HAS LITTLE TRACTION IN POLITICS

So far, only a handful of political hopefuls – who hail from states as geographically and politically diverse as Michigan and Texas – have hopped on the Bitcoin bandwagon.

The currency gives candidates a “technological sheen” and shows a libertarian streak, according to Bill Maurer, dean of social sciences at UCI and co-director of the Intel Science and Technology Center for Social Computing.

In Oakland, Port Commissioner Bryan Parker has put the virtual currency at center stage in a bid for mayor that he’s also bankrolling through a crowd-funding site.

“I see the role of technology as solving real-world problems, like job creation, in lasting ways, such as providing merchants cost-effective gateways into e-commerce and online markets,” Parker said in a statement announcing a Bitcoin fundraiser in Los Angeles last month.

Last spring, the Libertar-



What is Bitcoin?

An online currency that can be exchanged for goods and services where accepted.

A monetary system that runs on a network of its users’ computers via peer-to-peer software.

Allows direct payment between two parties without going through a bank, credit card company or other financial institution.

Is a **decentralized and unregulated monetary system** with no virtual Federal Reserve or other centralized bank.

How Bitcoin works

An introduction to Bitcoin, an electronic cash system developed in 2009:



Advantages

Almost **no transaction fees** or limitations.

Large amounts can be **transferred quickly**.

System safeguards privacy because transactions are anonymous and untraceable.

Disadvantages

System can be volatile, with large fluctuations in the value.

All **transactions are irreversible** and refunds can only be done by the person receiving the funds, if willing.

Early adopters have reaped greater rewards than those now joining.



How to begin

Set up a virtual **wallet** on your computer or mobile device with a free open-source software that you can download from **bitcoin.org**.

The wallet acts much like **personal finance software** to keep track of your Bitcoin balance and transactions. Users should treat their virtual wallet like a real one; your virtual wallet contains all your Bitcoin funds, transactions and security keys, so you will need a backup in case of computer failure or other accidents.



Getting bitcoins

Two ways to earn bitcoins:

By using real money: You can buy bitcoins with real money at online payment companies or exchanges.

By mining: New Bitcoins can only be minted, or “mined,” by advanced Bitcoin users called miners; miners are given a complex mathematical puzzle, which they can only solve with the help of special mining software. Once a miner believes he has solved a puzzle, a message goes out to the entire network; if other users agree, a new bitcoin is added to a public ledger. The successful miner is then awarded a bit of the new bitcoin for his trouble.



Using bitcoins

For vendors that accept bitcoins, you can send or receive them via your wallet application.

For each transaction, a **unique electronic signature** is added for security.

The transaction is verified by a miner and **permanently and anonymously stored** throughout the Bitcoin network.

Source: bitcoin.org, weusecoins.com, lifehacker.com, Wired magazine, Washington Post Graphic: Pai, Bay Area News Group

MCCLATCHY-TRIBUNE

ian Party, the nation’s third-largest political group, began accepting online donations in bitcoins after some members asked for it.

It was a natural fit for a party started partly in protest in 1971, when then-President Richard Nixon took the dollar further off the gold standard, said Wes Benedict, executive director of the Libertarian National Committee.

Benedict said they’ve taken in several thousand dollars in bitcoin contributions, amounting to only a fraction of their overall revenue.

“I can’t tell if it’s an up-

ward trend or a fad,” he said.

VOLATILITY, PRIVACY AT ODDS WITH LAW

The Libertarian National Committee uses a currency exchange site, BitPay, to instantly convert donations to dollars, and requires certain information from contributors, Benedict said.

Disclosure is just one aspect of bitcoins that worries campaign finance experts like Hasen. He said the currency’s volatility also could cause contributions to go beyond state and federal limits.

“Contributions on Jan. 1

might be worth something different on Feb. 1,” he said.

Hasen said he is also troubled by the currency’s anonymous nature. A Bitcoin transaction is visible on an online public ledger, but isn’t tied to a person’s identity, the way a bank transaction is. Instead, transactions are confirmed through a “digital signature,” according to documents provided by the Bitcoin Foundation, an advocacy group.

Hasen said he believes illicit donations might slip through.

“Is it from an allowed source? Can the ultimate

source of the funds be accurately traced and disclosed?” he said. “How do we know?”

REGULATORS START LOOKING FOR ANSWERS

Campaign regulators are beginning to take note.

Late last year, the Federal Election Commission deadlocked on a request by the Conservative Action Fund PAC, which asked to treat Bitcoin donations the same as in-kind donations in federal campaigns.

The political action committee’s request raised many complicated questions – particularly about

disclosure and whether bitcoins constitute money – that required more examination, said FEC chairwoman Ellen Weintraub.

The regulatory gray area hasn’t stopped the Libertarian Party, said its executive director.

“What are the rules? Who knows,” Benedict said. “Sometimes you don’t find out until you start doing things.”

MOVE BRINGS MORE ATTENTION THAN FUNDS

Scott Baugh, head of the Orange County Republican Party, said the party is not accepting bitcoins and he’s not aware of any other Republican candidates who are.

As for Glenn, Baugh said, “This fellow may be ahead of his time. It seems like he’s treading on precarious waters until these legal issues get worked out.”

Even so, Glenn, whose views are often at odds with elected leaders in Newport Beach, is reaping one benefit – free media attention.

He sees it as a mixed blessing, saying he’d rather focus on serious issues, such as opposing efforts to raise dock fees and do away with fire rings.

“This isn’t something I did for publicity,” he said. “I don’t want to be pigeonholed into being the Bitcoin guy.”

CONTACT THE WRITER:
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Marina Park

Plans for the park include basketball courts, a marina for visitors and a community and sailing center:



Current site: mobile home park
57 units on site since 1955 were removed or demolished in December



- 1 **Girl Scout building**
New 6,100-square-foot facility planned to replace current 5,500-square-foot house on site.
- 2 **Lighthouse**
A 71-foot faux lighthouse will act as the focal point of the facility.
- 3 **Sailing and community center**
24,000 square feet of classroom, office and meeting space between the two buildings.
- 4 **Marina**
23 slips for visiting boaters; more than 36,000 cubic yards of sand dredged from site. Dredged sand will be placed at Corona del Mar’s China Cove Beach and near the Newport Pier.



Sources: City of Newport Beach; Google

BRIAN MOORE, STAFF ARTIST

Project’s cost rose as plans grew, time passed

STAFF REPORT

When first conceived back in 2002, Marina Park’s plans included construction designs for a simple playground and a marina, estimated at around \$12 million. But with the inclusion of the sailing and community center, estimates in 2007 jumped to \$30 million. Today, the total cost is estimated at \$39.5 million.

Newport Beach Public Works Director Dave Webb said the added costs included unexpected negotiations with the State Lands Commission on the project’s property lines, purchasing land on the site from Southern California Edison to add more parking spaces,

and the increase in construction costs since the earlier estimate.

“The total costs went up along with construction costs that have been increasing each year,” Webb said.

But the \$39.5 million figure does not include the city’s negotiation with the 57 Marina Park mobile home tenants, which were given \$35,000 each.

According to the latest newsletter from Newport Beach city manager Dave Kiff, the “hard construction cost” of the project – which includes construction costs for both buildings and the marina – is estimated at \$29.5 million.

Timeline: Development has been no walk in park

- 1919:** Newport Beach acquires the land from an electric company and turns it into a campground. Campers paid 75 cents a day.
- 1955:** The site is converted into a trailer park and later becomes a park for mobile homes.
- 1983:** The city’s Parks, Beaches & Recreation Commission recommends that Marina Park be converted to a public waterfront park in 1985 when its lease expires. After Marina Park residents protest, the city extends the lease through 2002.
- 1997:** The State Lands Commission says Marina Park is a primary tideland and permanent residential use is inconsistent with tideland restrictions. A city study suggests that a hotel would bring the highest economic return.
- 2004:** In November, voters reject a developer’s hotel proposal.
- 2005:** Officials release proposals for converting the site to open space.
- 2006:** The hotel developer sues, seeking a new vote.
- 2007:** City settles with developer and residents, who agree to sell their homes to the city for \$35,000 each and are allowed to stay.
- 2009:** City approves park plan.
- 2013:** In August, California Coastal Commission issues a development permit. City sends out eviction notices.
- 2013:** In December, city-owned homes are removed; grading begins.

Sources: Register archives and city of Newport Beach

VITAL STATISTICS

BUSINESS LICENSES ISSUED

Costa Mesa

1 Stop Auto Mart Inc; Owner/Principal: Torres, Omar; Description: Vehicle Sales; Phone: 714-554-1222; Address: 2139 Harbor Blvd., Costa Mesa

90meter Inc.; Owner/Principal: Newton, Leena; Description: Computers; Phone: 714-466-6055; Address: 3525 Hyland Ave., Costa Mesa

Adam’s Barber Shop; Owner/Principal: Whitted, Susan; Description: Barber/Beauty Salon; Phone: 714-545-3415; Address: 2750 Harbor Blvd., Costa Mesa

Chelsea Doyle; Owner/Principal: Doyle, Chelsea; Description: Cosmetologist; Phone: 951-225-5058; Address: 3030 Harbor Blvd., Costa Mesa

Club Pilates Costa Mesa; Owner/Principal: Borga, Brittany; Description: Health Spa, Gym, Fitness; Phone: 949-791-7184; Address: 1525 Mesa Verde Drive, Costa Mesa

Coast Newport Hair Salon; Owner/Principal: Pinon, Carole J.; Description: Barber/Beauty Salon; Phone: 714-501-4841; Address: 2283 Fairview Road, Costa Mesa

County Auto Finance; Owner/Principal: Pouretzadi, Suzan; Description: Vehicle Sales; Phone: 949-505-3750; Address: 377 E. 21st St., Costa Mesa

DB Fitness; Owner/Prin-

cipal: Brown, Derek; Description: Miscellaneous Business Services; Phone: 949-478-4555; Address: 1810 Newport Blvd., Costa Mesa

Domingo R. Sandoval; Owner/Principal: Sandoval, Domingo R.; Description: Car Wash; Phone: 949-600-0283; Address: 2284 Miner St., Costa Mesa

Fang Tung; Owner/Principal: Tung, Fang; Description: Massage, Certified Therapist; Phone: 714-668-1278; Address: 2905 Red Hill Ave., Costa Mesa

- Information from city of Costa Mesa

Newport Beach Fleur Six Bridal; Owner/Principal: Lu, Susan; Description: Women’s Clothing Stores; Phone: 949-891-2809; Address: 17 Pinehurst Lane, Newport Beach

Fully Fit LLC; Owner/Principal: Boutin, Robin; Description: Physical Fitness Facilities; Phone: 949-423-5505; Address: 919 Bayside Drive, Suite F4, Newport Beach

Glammed Girl; Owner/Principal: Randall, Jill; Description: Misc Professional Svcs; Phone: 714-475-9917; Address: 413 E. Bay Ave., Newport Beach

Gobookit Inc; Owner/Principal: Harvard Business Services; Description: Misc Business Svcs; Phone: 800-509-6390; Address: 4590 MacArthur Blvd., Suite 500, Newport Beach

- Information from city of Newport Beach



ANGIE MARCOS, STAFF

Adam’s Barber Shop, located at 2750 Harbor Blvd. in Costa Mesa, was recently issued a business license.

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