



# Shoreline Village Ground Lease Extension

City Council Meeting - September 12, 2023

# Shoreline Village – 429 Shoreline Village Drive

## Background

- **Lessee**: Gateway Enterprises, LLC and ABA Shoreline Village, LLC, as tenants-in-common (collectively, “Lessee”) since April 2000.
- **Leased Premises**: Approximately 7.09 acres of City-owned waterfront property in the State Tidelands.
- **Current Term**: The current term is scheduled to terminate on November 14, 2047.
- **Use**: Operation of a multi-tenant retail center and ancillary uses consistent with the Tidelands Trust Doctrine.
- **Rent**: Monthly percentage rent based on twenty percent (20%) of the adjusted net operating income paid in the prior calendar year.



# Second Amendment to Amended and Restated Lease

## Major Terms

- **Planned Improvements**: A “like new” refresh of the Leased Premises including a complete renovation of the boardwalk, façade updates, building and common area/access enhancements and a parking structure.
- **Minimum Capital Investment**: Lessee shall be required to invest a minimum of \$8 million in capital improvements to the Leased Premises.
- **Extension Term**: The lease shall be extended approximately twenty-five (25) years through November 13, 2072.
- **Extension Fee**: Within 30 days after entitlement of the proposed project by the Coastal Commission, Lessee shall remit an extension fee of \$1.5 million to the City.
- **Mutual Termination Option**: Either party may terminate the changes evidenced by the Second Amendment if the Coastal Commission does not approve or substantially alters the proposed project from what was approved by the Planning Commission on June 15, 2023.

## Recommendation

Authorize the City Manager, or designee, to execute all documents necessary for the Second Amendment to Amended and Restated Lease No. 24800 with Gateway Enterprises, LLC, a California limited liability company, and ABA Shoreline Village, LLC, a Delaware limited liability company, as tenants-in-common for City of Long Beach-owned property located at 429 Shoreline Village Drive, commonly known as Shoreline Village. (District 1)