

CITY OF LONG BEACH

Department of Parks, Recreation and Marine

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November 9, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Authorization to Execute a Lease Agreement With the Navy Yacht Club – Long Beach for the Rental of Land and Improvements at 223 Marina Drive (District 3)

DISCUSSION

The property at 233 Marina Drive is located between Basin 1 and Basin 2 at the Alamitos Bay Marina (see Attachment "A"). The property was previously leased to Little Ships Fleet of Long Beach, a local yacht club, who terminated their lease on April 30, 2001. In 2002, the Department of Parks, Recreation, and Marine issued a Request For Proposals for the use of the facility and received two responses. A committee, including local residents, reviewed the two proposals. One proposal was for a junior sailing program and the other proposal was for a vessel sales operation, in conjunction with a small restaurant. The committee rejected the vessel sales proposal and selected the junior sailing program proposal. However, the Chief of Lifeguards subsequently determined that the waters were too dangerous for such a program at that location, and that proposal was also rejected. The facility has since remained unoccupied.

In 1967, the Navy Yacht Club–Long Beach (NYC–Long Beach) established their clubhouse and facilities at the Naval Shipyard and Naval Station, remaining at the location until 1992, when the naval facilities closed. NYC–Long Beach then moved to their current location at the Navy Weapons Station Seal Beach (NWSSB). Following the September 11 terrorist attack, NYC–Long Beach was not allowed to utilize their facilities for a period of approximately five months. Continued intermittent restricted access of non-essential personnel at NWSSB has begun to erode the membership and the viability of NYC–Long Beach.

Recently, NYC–Long Beach has expressed an interest in leasing the property at 223 Marina Drive. The premises contain approximately 3,500 square feet of land and approximately 300 square feet of building. An appraisal conducted in June 2004, by an independent appraiser and Member of the Appraisal Institute (MAI), of a comparable water-adjacent site, determined a land value of \$26.50 per square foot. Utilizing an 8 percent rate of return on land value, the monthly rent would be \$600. This information was prepared with the assistance of the Community Development Property Services Bureau. Other terms of the proposed lease are as follows:

- **Premises:** 223 Marina Drive (See Attachment "A"), containing a land area of approximately 3,500 square feet and a building area of approximately 300 square feet.

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- Use: Operation of a yacht club office, including use for meetings and social events.
- Rent: \$600 per month. Annual CPI adjustments would apply.
- Term: One year, with two, one-year options for renewal subject to the approval of the City Manager.
- Maintenance and Utilities: Shall be the sole responsibility of the NYC–Long Beach.

This letter was reviewed by Deputy City Attorney Charles Parkin on October 4, 2004, and by Budget Management Officer David Wodnyski on September 27, 2004.

TIMING CONSIDERATIONS

City Council action on November 9, 2004, would enable the NYC–Long Beach to finalize plans for their November general membership meeting.

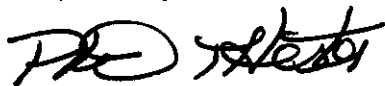
FISCAL IMPACT

The annual revenue of \$7,200 will be deposited into the Tidelands Fund. There are no other fiscal impacts associated with the recommended action.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a lease with the Navy Yacht Club–Long Beach for the use of the land and improvements at 223 Marina Drive for a term of one year, with an option to renew for two additional one-year periods.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE



Er MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

PTH:MSF:GP:MPC
ATTACHMENT