



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



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www.LBParks.org

selected
best in nation

February 17, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the First Amendment to Lease No. 28285 with Heritage Yacht Sales, Inc., to amend the term and provisions of the lease allowing for the construction of a new reconfigured dock, gangway, and utilities in Basin #1, located in Alamitos Bay Marina; and add Yacht Haven Marina, Inc., a California corporation, as a lease holder along with Heritage Yacht Sales, Inc. (District 3)

DISCUSSION

In October 2008, Mr. Tony Duni (Lessee), owner of both Heritage Yacht Sales, Inc. (Heritage) and Yacht Haven Marina, Inc., submitted a proposal to the Department of Parks, Recreation and Marine (PRM) regarding the construction of a new reconfigured dock, gangway, and utilities at Basin #1, located in Alamitos Bay Marina. The anticipated cost of this project is \$400,228, and shall be the sole responsibility of Lessee. Upon completion of the project, all improvements shall become the property of the City of Long Beach.

Heritage operates offices in Long Beach and Newport Beach. Along with the brokering of all types of marine vessels, Heritage is the Southern California dealer for Mainship Trawlers and Alerion Express Sailboats. Heritage owns and operates Yacht Haven Marina, Inc., in the Port of Los Angeles, where they manage a total of 165 slips ranging in size from 30 feet to 65 feet. PRM supports Lessee's ability to coordinate and complete the project, which will increase marine trade, providing a positive economic impact for the City of Long Beach.

In exchange for the capital investment, PRM negotiated the following major provisions:

- Term: March 1, 2009 through February 28, 2033.
- Authorized Use: Premises shall be used for the sale and brokering of marine vessels.
- Minimum Rent: The annual minimum rent shall be \$24,000. A temporary reduction of the annual minimum rent will become effective upon issuance of the certificate of occupancy. For five consecutive years thereafter, the annual minimum rent shall be \$18,000. Following the temporary reduction, the annual minimum rent shall again be \$24,000, after which the annual minimum rent shall be adjusted annually by utilizing the Consumer Price Index.

- Quarterly Percentage Rent: Beginning March 1, 2009, and continuing through February 28, 2025, Lessee shall pay five percent of any commissions for brokerage sales made at or from the premises, plus five percent of net profit on new boat sales.

Beginning March 1, 2025, and continuing through February 28, 2033, Lessee shall pay six percent of any commissions for brokerage sales made at or from the premises, plus six percent of net profit on new boat sales.

- Improvements: Lessee shall be solely responsible for the costs to construct a new reconfigured dock, gangway, and utilities at Basin #1, located in Alamos Bay Marina, as illustrated on Exhibit A. Lessee shall obtain all the necessary building permits and approval from the California Coastal Commission and all other required regulatory permits prior to commencing with construction.
- Performance Bond: Lessee shall secure a performance bond for the completion of the project.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on January 28, 2009, and Budget Management Officer Victoria Bell on January 27, 2009.

TIMING CONSIDERATIONS

City Council action is requested on February 17, 2009, in order to authorize the execution of the First Amendment to Lease No. 28285.

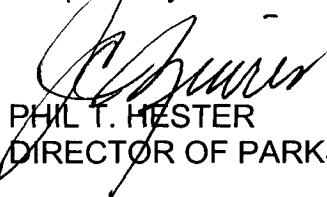
FISCAL IMPACT

Revenue in the amount of \$24,000 will continue to be deposited in the Tidelands Operating Fund (TF) in the Department of Parks, Recreation and Marine (PR).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:eh
Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

ALAMITOS BAY MARINA

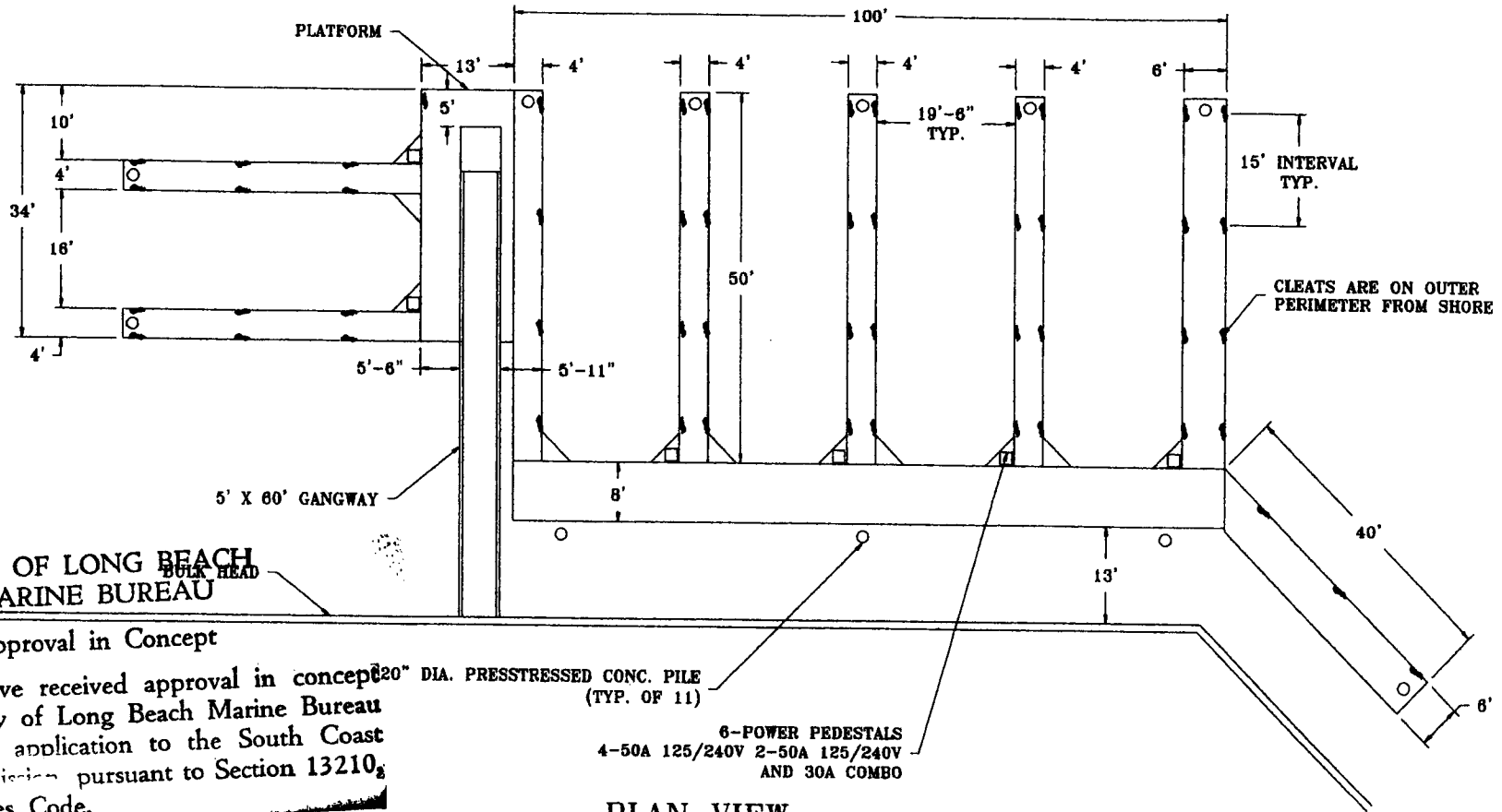
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Long Beach, CA 90803
Los Angeles County

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Department Of Parks, Recreation & Marine

EMERGENCY NUMBERS
Fire & Police - 911
Coast Guard - Channel 16 VHF





CITY OF LONG BEACH
MARINE BUREAU

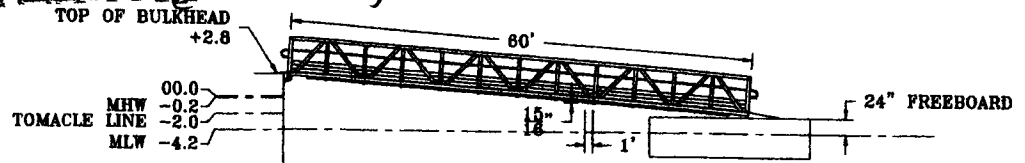
Approval in Concept

These plans have received approval in concept only by the city of Long Beach Marine Bureau as required for application to the South Coast Regional Commission pursuant to Section 13210, Public Resources Code.

20" DIA. PRESTRESSED CONC. PILE
(TYP. OF 11)
6-POWER PEDESTALS
4-50A 125/240V 2-50A 125/240V
AND 30A COMBO

PLAN VIEW
SCALE 1" = 15'

Date: 1/3/07 By: *[Signature]*



BRIDGE ELEV. PROFILE

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1	PLAN VIEW	7/2/08
REV	DESCRIPTION	APPR'D DATE

DWG #: 60760