



Legislation Details (With Text)

File #: 05-2481 **Version:** 1 **Name:** City-owned Property at 700 Queensway Drive
Type: Agenda Item **Status:** Approved
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Title: Recommendation to authorize City Manager to execute all documents necessary for the assignment of the lease for City-owned property at 700 Queensway Drive to Queensway Hotel, LLC, a Delaware limited liability company, for the continued operation of the Coast Hotel. (District 2)

Sponsors: Community Development

Indexes:

Code sections:

Attachments: 1. 030805-C-10att.pdf, 2. 030805-C-10sr.pdf

Date	Ver.	Action By	Action	Result
3/8/2005	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager to execute all documents necessary for the assignment of the lease for City-owned property at 700 Queensway Drive to Queensway Hotel, LLC, a Delaware limited liability company, for the continued operation of the Coast Hotel. (District 2)

In May 1988, the Board of Harbor Commissioners entered into a lease agreement (Lease) with Forte Hotels International, Inc. for the operation of a 195-room hotel at 700 Queensway Drive (see Exhibit A). Subsequently, a number of Lease assignments ensued and in 1999, the Lease was assigned to the current lessee, Boutique Hotel Company - Long Beach, LLC (Boutique). The Department of Community Development currently oversees the Lease. Boutique has requested the City's consent to the assignment of the Lease to Queensway Hotel, LLC (Queensway), a Delaware limited liability company, for the continued operation of the Coast Hotel. All terms and conditions of the existing Lease will remain in full force and effect. Staff, with the assistance of real estate consulting firm Keyser Marston and Associates (KMA), have reviewed Queensway's financial background for operation of the Coast Hotel. KMA has concluded that Queensway has the financial capability and sufficient background and experience as a hotel operator and recommends approval. Staff has inspected the premises and reviewed the proposed assignment documents and has found them to be consistent with the City's requirement for consent to an assignment of the Lease. In order to facilitate the assignment of the Lease, the City Council must formally authorize the City Manager to execute a Ground Lease Estoppel and a Consent to Assignment and Assumption of Ground Lease. This letter was reviewed by Deputy City Attorney J. Charles Parkin on February 24, 2005 and Budget Management Officer David Wodnyski on February 28, 2005.

[Timing Considerations]

[Fiscal Impact]

Approve recommendation.

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[Respectfully Submitted,]