



Legislation Text

File #: 19-0490, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute a short-term lease agreement with Beach Ventures Enterprises, Inc. of Long Beach, CA, and any related documents and amendments, for the continuation of food, beverage, and equipment rental concessions on the City's beaches, through December 31, 2019. (Districts 2,3)

On February 2, 2010, the City Council authorized the execution of Lease No. 31767 (Current Lease) with Beach Ventures Enterprises, Inc., dba Alfredo's Beach Club (Beach Ventures) for the operation of food, beverage and/or equipment rental concessions at Alamitos, Cherry, Granada, Bayshore, and Mothers' Beaches, as well as Rainbow Lagoon, through December 31, 2019. Beach Ventures has continuously operated the City' of Long Beach's (City) beach concession stands since 1996 and has been a consistent presence on City beaches through its provision of concessions to beachgoers, special events, festivals, weddings and other events.

In February 2019, the City's Public Works Department (PW) notified the Parks, Recreation and Marine Department (PRM) that it would begin construction on improvements to the Alamitos Beach Concession Stand in April and that Beach Ventures would need to vacate the premises and cease its tenancy of that location. At the direction of the City Attorney's Office, PRM notified Beach Ventures that it would not be possible to partially terminate a provision in the Current Lease, therefore a new Lease would be required for continued tenancy of the beach concession stands at Cherry, Granada, Bayshore, and Mothers' Beaches, as well as a small area adjacent to Rainbow Lagoon (Leased Premises).

On February 4, 2019, the City exercised its 60-day termination option of the Current Lease, with an effective termination date of April 5, 2019. Concurrently, the City has issued Request for Proposals (RFP) No. PW19-018, which seeks proposals for operators of one or all the concession stands. To avoid any interruptions in services to residents, Beach Ventures has agreed to continue its tenancy and operation of the remaining concession stands through December 31, 2019. Therefore, a new short-term lease is being requested to memorialize Beach Ventures' continued tenancy of the Leased Premises and prorate and incorporate applicable Current Lease terms to compensate for a shortened lease term and loss of tenancy of the concession stand at Alamitos Beach.

The proposed new lease will contain the following major provisions:

- **Lessor:** City of Long Beach, a municipal corporation.
- **Lessee:** Beach Ventures Enterprises, Inc., doing business as Alfredo's Beach Club.

- Leased Premises: Beach concession stands at Cherry, Granada, Bayshore, and Mothers' Beaches, as well as a paddle boat/aqua cycle rental concession at Rainbow Lagoon.
- Use: The Leased Premises will be used for the operation of food, beverage and equipment rental concessions, including mobile food cart and ice cream truck sales, at designated sites; serving of alcoholic beverages within designated or permitted areas, subject to State and Local regulatory statute; provision of event planning services to include weddings and special events, as coordinated through, and separately permitted by the City's Office of Special Events and Filming; and provision of community-based events, such as movies on the beach, and the like.
- Term: April 6, 2019 through December 31, 2019
- Rent: Beach Ventures will pay a prorated annual minimum for the eight-month term of the proposed new Lease of \$16,658, or 15 percent of monthly Gross Receipts, whichever is greater. The Current Lease's annual minimum rent is \$41,644, has been reduced by 40 percent to account for the loss of Alamitos Beach Concession Stand.
- Utilities and Maintenance: Beach Ventures will pay for all utilities and shall maintain the Leased Premises and all improvements at a level satisfactory to the City.
- Insurance: Beach Ventures will provide PR with appropriate insurance, as set, reviewed and approved to sufficiency by the City's Risk Manager.
- Termination: Either party may terminate one or all of the areas within the Leased Premises upon 60 days' prior written notice.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez on April 23, 2019 and by Rhutu Amin Gharib, Budget Management Officer on May 1, 2019.

City Council action is requested on May 21, 2019, to ensure the new short-term lease is in place expeditiously and avoid any interruption in concession services to the affected areas and memorialize Beach Ventures' continued tenancy of the Leased Premises.

The proposed new Lease will accrue revenue to the Tidelands Operating Fund Group in the Parks, Recreation and Marine Department (34) in the amount of \$16,658. The requested action is not expected to require additional staff hours beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. Approval of this recommendation will provide continued support to our local economy by assisting in the preservation of employment of eight employees residing in Long Beach. The number of additional local jobs resulting from the hiring of several subcontractors and seasonal personnel is unknown at this time.

Approve recommendation.

GERARDO MOUET
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST
CITY MANAGER