



Legislation Text

File #: 14-0407, **Version:** 1

Recommendation to authorize City Manager to execute a Public Walkways Occupancy Permit with Naples Restaurant Group, a limited liability company, for sidewalk dining at Boathouse on the Bay, located at 190 Marina Drive; and

Authorize City Manager to execute the Second Amendment to Ground Lease No. 24967 with Bancap Sea Port Village, Inc., a California corporation, for the lease of City-owned property also known as Alamitos Bay Landing. (District 3)

Formerly McKenna's on the Bay, Boathouse on the Bay (Subtenant) operates a restaurant and bar with incidental entertainment under a sublease to Ground Lease No. 24967 (Ground Lease) between the City (Landlord) and Bancap Sea Port Village, Inc. (Tenant), for the City-owned property known as Alamitos Bay Landing. The subleased premises currently consist of 6,437 square feet of interior floor space and an additional 1,185 square feet of exterior patio dining area.

The Subtenant seeks to include 1,151 square feet of public property adjoining a public sidewalk into their exterior patio dining area. The Subtenant intends to install natural gas for movable heaters and a fire pit, a new block wall along the boundary line, and a new concrete sidewalk. Chairs and tables will be movable, and may be removed at the end of the day. A standard security deposit has been secured to return the public walkway to its original condition.

Under the terms of the Ground Lease, the City receives a base rent plus percentage rent, the calculation of which incorporates the revenues of the subtenants within the leased premises. The Second Amendment to the Ground Lease is necessary to insure that the Subtenant's revenues from the Public Walkways Occupancy Permit area are included in the percentage rent payments made by Tenant to the City.

This matter was reviewed by Deputy City Attorney Richard Anthony on May 20, 2014 and by Budget Management Officer Victoria Bell on May 19, 2014.

City Council action on this matter is requested on June 10, 2014, to facilitate completion of improvements in time for summertime use.

A security deposit of \$2,647 and a permit-processing fee of \$2,647 shall be deposited into the General Fund (GP) in the Public Works Department (PW). The security deposit is intended to cover the cost of restoring the public sidewalk to its original condition when the permit is no longer in effect. Annual revenues from Ground Lease No. 24967 shall continue to accrue in

the Marina Fund (TF 403) in the Department of Public Works (PW). Approval of this recommendation will continue to provide continued support of the local economy.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF BUSINESS AND PROPERTY DEVELOPMENT

ARA MALOYAN, PE
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER