



R-18

CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



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July 19, 2011

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for the Third Amendment to Lease No. 7013 between the City of Long Beach and the Long Beach Yacht Club, a nonprofit public benefit corporation, to eliminate preferences for marina slips. (District 3)

DISCUSSION

The Long Beach Yacht Club (LBYC) has been in existence since 1929. On January 20, 1960, the City of Long Beach (City) executed Lease No. 7013 (Lease) with LBYC for approximately 70,577 square feet of City-owned property at 6201 Appian Way (Attachment). In January 1970, the City Council authorized the execution of the First Amendment, extending the term of the Lease for 50 years until January 19, 2020. On March 20, 2007, the Lease was further amended to extend the term until January 20, 2050. LBYC provides a number of water-related and other activities that benefit the community at little or no cost to the City, including sailing programs for disadvantaged youth and charitable fund-raising activities.

The City is embarking on a rebuild of the Alamitos Bay Marina, and the first phase of the project is to be Basin 4, which is adjacent to LBYC. The California Department of Boating and Waterways (DBW) has budgeted to provide over \$18 million in loan funds to the City to reconstruct Basin 4. During the evaluation for the approval of the loan, DBW staff noted that a clause in the Lease, dating back to 1960, is counter to the rules mandated by the DBW loan covenant, which requires that all slips be open to the public on an equal and reasonable basis. Therefore, an amendment to Lease No. 7013 is required to eliminate any preferences for marina slips.

LBYC has agreed to the execution of the Third Amendment. The Third Amendment will become effective at the time that the Basin 4 project, as currently planned, is fully funded and approved by the City Council. Upon repayment by the City of all DBW loans and the expiration of the associated loan covenants, the City and LBYC may further amend the Lease to restore slip preferences, as provided in the original agreement.

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This matter was reviewed by Deputy City Attorney Gary J. Anderson on May 27, 2011, and Budget Management Officer Victoria Bell on May 19, 2011.

TIMING CONSIDERATIONS

City Council action is requested on July 19, 2011, in order to commence the Alamitos Bay Marina rebuild project, which is scheduled for August 2011.

FISCAL IMPACT

There are no fiscal or job impacts associated with the recommended action.

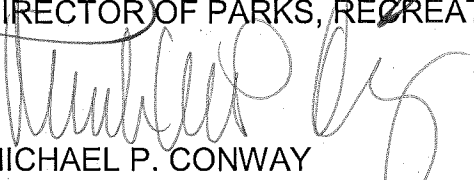
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

GC:MPC:MS:MTB

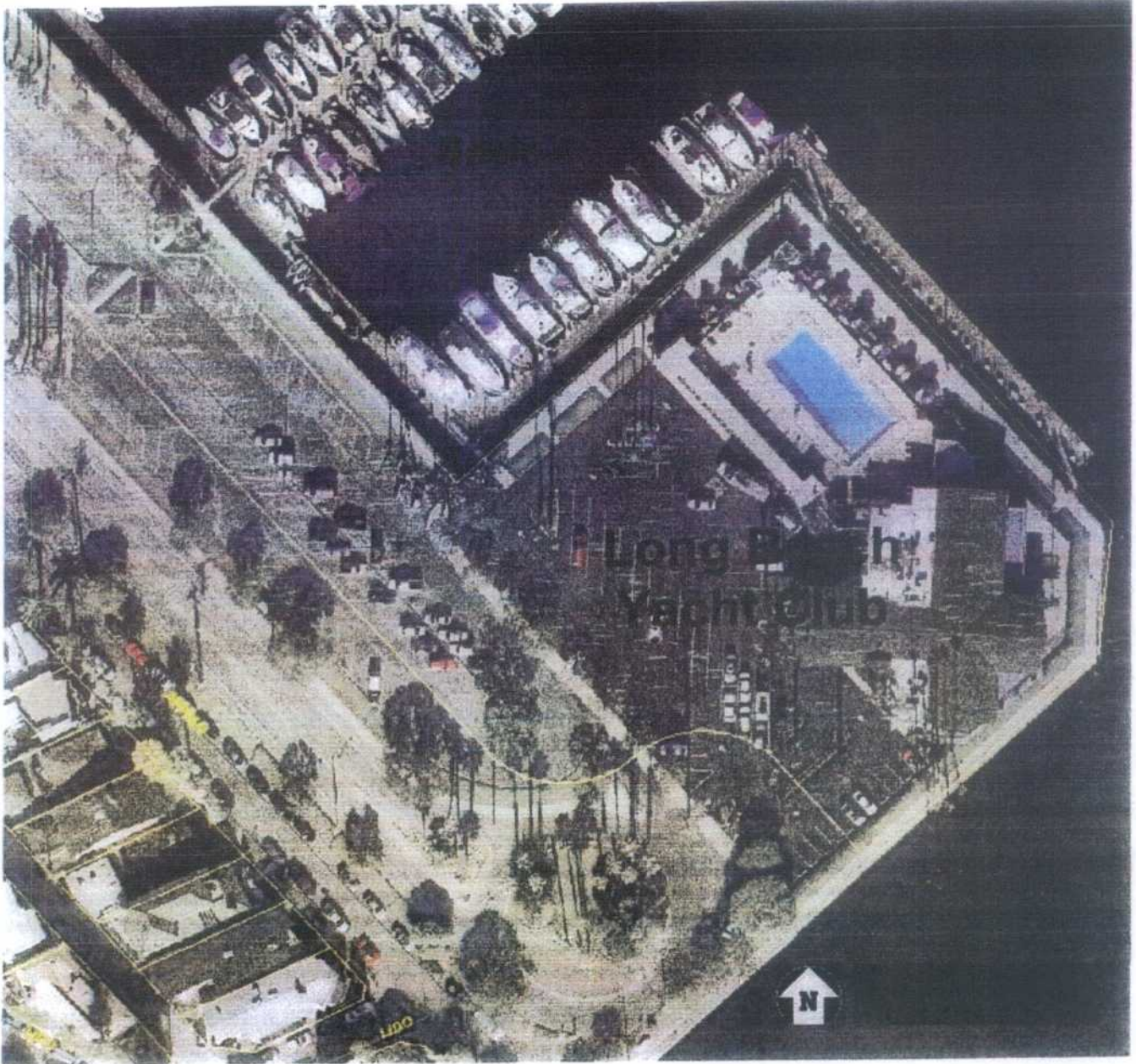
Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

Long Beach Yacht Club - 6201 East Appian Way (Site Map)



Disclaimer

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