



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



2760 N. Studebaker Road, Long Beach, CA 90815-1697  
(562) 570-3100 • FAX (562) 570-3109  
www.LBParks.org

**selected**  
**best in the nation**

August 11, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute the First Amendment to Lease No. 28350 with The Bolder Group, Inc., to extend the term through September 30, 2014, and adjust the annual minimum rent. (District 3)

## DISCUSSION

The Bolder Group, Inc., (Bolder Group) has leased the Alamitos Bay Marina fuel dock from the City since 1997. The fuel dock is located just inside the entrance to the Alamitos Bay Marina. In addition to the sale of gasoline and diesel fuel, Bolder Group offers services, which include fuel tank cleaning, fuel polishing, fuel tank replacements, salvage and recovery, and towing services. The Department of Parks, Recreation and Marine has found Bolder Group to be a responsible and responsive operator, both operationally and fiscally. Bolder Group has made its services available to assist with nonlease-related City emergencies, such as vessel fuel leaks and fueling of impounded vessels. Bolder Group maintains three fully equipped vessel-assist boats that provide aid and rescue to stranded boaters throughout Los Angeles County, Catalina Island, and beyond, making Bolder Group an asset to the City's marinas.

Since April 2009, Bolder Group has managed the Long Beach Oil Absorbent Exchange Center (Center) at the Alamitos Bay Marina fuel dock. The Center provides a free and convenient way for Long Beach boaters to recover, collect, and recycle petroleum products. The bilge pad exchange program is the major component of the Center. Bilge pads are oil-absorbent pads, which, when placed in the bilge, will absorb between 12 ounces to a gallon of liquid petroleum product (fuel and/or oil). Through this program, boaters are provided with a simple means of containing bilge waste, a convenient disposal location, and replacement pads. All services, including the pads, are provided free of charge. Funding for the Center is provided through the Santa Monica Bay Restoration Foundation. Similar programs are in place in Marina Del Rey and Redondo Beach.

HONORABLE MAYOR AND CITY COUNCIL

August 11, 2009

Page 2

On February 25, 2003, the City Council authorized the execution of Lease No. 28350 (Lease) for operation of the fuel dock through September 30, 2009, with one five-year option for renewal (Attachment A). At this time, Bolder Group is requesting authorization to exercise the renewal option. In accordance with the provisions of the Lease, the annual minimum rent shall be adjusted concurrently with the extended term.

The proposed First Amendment contains the following revisions:

- Term: The term shall be extended through September 30, 2014.
- Rent: The annual minimum rent shall be adjusted to \$21,182.

All other provisions remain unchanged.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on July 16, 2009, and Budget and Performance Management Bureau Manager David Wodynski on July 24, 2009.

TIMING CONSIDERATIONS

City Council action is requested on August 11, 2009, in order to authorize the execution of the First Amendment to Lease No. 28350.

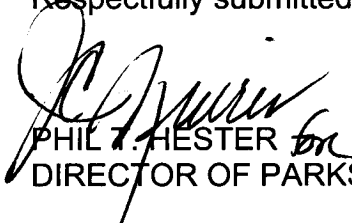
FISCAL IMPACT

Revenue in the amount of \$21,182 will accrue in the Marina Fund (TF 403) 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:MS:eh  
Attachment

APPROVED:



PATRICK H. WEST  
CITY MANAGER

3



# CITY OF LONG BEACH

Department of Parks, Recreation and Marine

2760 Studebaker Road, Long Beach, CA 90815-1697

(562) 570-3100 • FAX (562) 570-3109

RECEIVED  
CITY CLERK  
LONG BEACH, CALIF.

03 FEB 20 AM 9:58

February 25, 2003

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Lease With Bolder Group, Inc., for Alamitos Bay Fuel Dock (District 3)

## DISCUSSION

Bolder Group, Inc. (Bolder Group) operates the Alamitos Bay and the Shoreline Marina fuel docks, which are the two marine service stations located within our marinas. The Bolder Group has leased these facilities from the City since 1997, when the company was assigned the lease by the prior fuel dock leaseholder, Unocal Corporation.

In August 2000, the lease for the Alamitos Bay fuel dock was amended and restated in order to clarify its terms and to make them consistent with the terms of the lease for the Shoreline Marina fuel dock. This amended and restated lease expired in October 2002, and the company has been operating the Alamitos Bay fuel dock on a month-to-month basis, while the terms for a new lease were negotiated. Issues negotiated included the length of the lease term, the method for calculating fuel related rents, and the amount of monthly minimum rent to be paid to the City. The City has found Bolder Group to be a responsible operator. The lessee has responded quickly and effectively to all marina concerns, and on many occasions assisted the City with non-lease related emergency situations, such as vessel fuel leaks and fueling of impounded vessels. In addition, Bolder Group attempts to time its fuel purchasing activity to minimize the price charged to our marina customers.

The proposed Alamitos Bay fuel dock lease includes the following major terms and conditions:

- Location: The leased property is the Alamitos Bay fuel dock located at 227 Marina Drive.
- Use: The leased premises shall be used for the sale of fuel and supplies for boats, including gasoline, diesel fuel, lubricating oil, and parts, as well as frozen bait, packaged soft drinks, tobacco products, fishing accessories, and various other articles commonly sold at marine service stations. Additionally, the premises may be used for minor boat and engine service and repairs, and as a marine towing service.

- **Term:** The term of the proposed lease will run concurrently with the Bolder Group's Shoreline Marina fuel dock lease. Therefore, the Alamitos Bay lease will run through September 30, 2009, and will have one, five-year option for renewal. The City will have the option to terminate the lease should the lessee be in default of lease terms and fail to cure these defaults within the period proscribed by the lease.
- **Rent:** Minimum annual rent will be \$18,677, or \$0.03 per gallon of gasoline dispensed or sold, \$0.015 per gallon of diesel dispensed or sold, and 7.5 percent of other gross receipts, whichever is greater. The minimum rent was calculated to be 75 percent of the average monthly rent received during the prior three years. Additionally, Bolder Group has requested that fuel-related rents be calculated based on fuel sold, rather than on fuel delivered, as was the case for their previous lease. It is not anticipated that this change will affect the amount of rent received by the City, and this rent structure is consistent with those for similar facilities.
- **Utilities:** The lessee will be responsible for payment of all utilities.
- **Fees and Taxes:** The lessee shall be responsible for the payment of any and all fees and taxes associated with the purchase, storage and dispensing of fuel and petroleum products.
- **Minimum Hours of Operation:** The lessee's business hours from Memorial Day to Labor Day shall be from 7 a.m. until 6 p.m., seven days per week, and from 8 a.m. until 5 p.m., seven days per week, the rest of the year.
- **Maintenance:** The lessee has furnished all fueling related equipment at the Alamitos Bay dock. The lessee shall be responsible to maintain this equipment and any additional equipment at the location to the satisfaction of the Director of Parks, Recreation and Marine or his designee, and shall obtain all necessary certification renewals. The lessee shall also be required to maintain adequate product to service customers during all hours of operation.
- **Insurance:** The lessee shall maintain insurance as deemed appropriate by the City's Risk Manager.

This letter was reviewed by Deputy City Attorney James McCabe on February 7, 2003, and by Budget Manager Michael Killebrew on February 10, 2003.

#### **TIMING CONSIDERATIONS**

Council action on this matter is not time critical.

#### **FISCAL IMPACT**


Annual revenue resulting from this lease will be deposited in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR).

HONORABLE MAYOR AND CITY COUNCIL  
February 25, 2003  
Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a lease with the Bolder Group Inc. for the Alamos Marina Fuel Dock for a term to extend until September 30, 2009, with one, five-year option to renew, subject to the approval of the City Council.

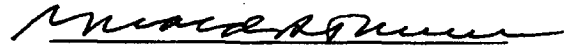
Respectfully submitted,



PHIL T. HESTER  
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:GW:DR

APPROVED:



GERALD R. MILLER  
ACTING CITY MANAGER