



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

# C-14

2760 N. Studebaker Road, Long Beach, CA 90815-1697

(562) 570-3100 • FAX (562) 570-3109

www.lbparks.org

February 6, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute the Third Amendment to Lease No. 25092 between the City of Long Beach and James J. Choura, dba El Dorado Food Service, for a food and beverage operation at the El Dorado Golf Course Restaurant, located at 2400 Studebaker Road, for a term extending through March 31, 2012. (District 5)

## DISCUSSION

On April 8, 1997, the City Council authorized the execution of a lease agreement with Mr. James J. Choura for the food and beverage operation at the El Dorado Golf Course Restaurant, for a two-year term, with one three-year and three five-year options for renewal (Attachment 1). Under the provisions of the original lease, Mr. Choura was required to make facility improvements to comply with the Americans with Disabilities Act of 1990 (ADA) prior to receiving authorization for the initial three-year extension. All improvements were completed in compliance with the ADA.

On August 24, 1999, the City Council authorized the execution of the First Amendment to the Lease to extend the term through March 31, 2002 (Attachment 2). In addition to extending the term, the First Amendment included a requirement for the completion of six additional facility improvement projects before authorization would be granted to execute the next term extension. The completion of the six projects extended beyond a three-year term, concluding in December 2002. Following the March 31, 2002, expiration of the First Amendment, Mr. Choura continued to operate on a month-to-month lease.

In June 2003, Parks, Recreation and Marine staff completed the final inspection and approval of all of the projects. On July 8, 2003, the City Council authorized the Second Amendment to the Lease to extend the term through March 31, 2007 (Attachment 3).

In accordance with the lease requirements, Mr. Choura has requested authorization to exercise the second five-year renewal option to extend the lease term through March 31, 2012. One five-year renewal option remains.

The lease includes a provision to adjust the minimum rent every five years. The adjustment shall be 75 percent of the average annual total rent paid during the previous five years. If this amount is less than the minimum already in place, the minimum will remain the same. Should Mr. Choura elect to exercise the last five-year renewal option, the rent analysis will include payments from November 2006 through October 2011.

Rent for the term extending through March 31, 2012, shall be 8 percent of gross monthly receipts, or \$7,400, whichever is greater, for an annual minimum rent of \$88,800.

This item was reviewed by Principal Deputy City Attorney Charles Parkin on January 18, 2007, and Budget Management Officer David Wodynski on January 23, 2007.

TIMING CONSIDERATIONS

City Council action is requested on February 6, 2007, to authorize the execution of the Third Amendment to Lease No. 25092.

FISCAL IMPACT

During the term of the Third Amendment, the minimum annual lease revenue will be \$88,800. All revenue will be deposited into the General Fund (GP) 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:GP:ERH:erh  
Attachments (3)

APPROVED:

*for Christine F. Shippey*  
GERALD R. MILLER  
CITY MANAGER



# CITY OF LONG BEACH

Department of Parks, Recreation and Marine

2760 Studebaker Road, Long Beach, CA 90815-1697

RECEIVED  
CITY CLERK  
LONG BEACH, CALIF.  
97 APR -3 AM 7:44

April 8, 1997

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Approval of Lease Agreement with James Choura dba El Dorado Food Service (5)

REVENUE: \$78,000/yearly - (General Fund)

It is recommended that the City Council request the City Attorney to prepare and authorize the City Manager to execute a lease agreement between the City of Long Beach and Mr. James J. Choura, dba El Dorado Food Service, for the food and beverage operation at the El Dorado Golf Course Restaurant located at 2400 Studebaker Road.

### BACKGROUND

Mr. James Choura has been operating the El Dorado Golf Course restaurant since 1981. In light of the termination of his lease agreement, a selection process was conducted with the assistance of the City Auditor's Office, a golf commissioner, and a professional restaurant consultant. After reviewing the three proposals for capacity to provide service to the golf patrons and the surrounding community, menu quality and pricing, experience, proposed rent to the City, improvements made to the facility, and the ability to obtain financing, Mr. James Choura was selected as having the best overall proposal.

The terms of the proposed lease agreement are as follows:

- o In the first two years of the proposed lease agreement, the lessee will be required to remodel the outdoor snack bar restroom to include ADA requirements, and improve the overall appearance of the snack bar. He will also be required to clean up the outdoor storage and trash area adjacent to the south parking lot. The total amount for the above improvements will be at least \$85,000.
- o In order for the lessee to be granted three (3) extensions of five (5) years each, the following improvements will be required: rebuild the City owned cooking line, refinish table tops, reupholster all chairs, install a new soda system, install new signage, and remodel or relocate the existing bar area, as approved by the City, expending at least \$210,000, on the remodel and relocation.

HONORABLE MAYOR AND CITY COUNCIL

April 8, 1997

Page 2

- o The rent will be 8 percent of gross sales or \$6,500 per month, whichever is greater. To the extent that percentage rent is paid, 25 percent of percentage rent will be deposited into a capital improvements account that can be used for improvements to the building. The minimum rent will be adjusted every five years to be 75 percent of average annual total rent paid during the prior five years. If this amount is less than what is already being paid, the minimum will remain the same.
- o The Lessee has proposed offering Lotto to its bar patrons. The City Attorney's office has determined that there are no legal restrictions against selling lottery tickets on this site. The City would receive 8 percent of ticket sales either received or retained by the Lessee to the extent that total gross receipts exceed minimum rent.
- o Prior to making any improvements to the facility, Lessee must submit cost estimates from at least three licensed contractors and shall obtain approval of all plans, specifications and construction cost estimates for improvements from the Director of Parks, Recreation and Marine.
- o Lessee is responsible for all utilities.
- o Lessee shall, at his own cost and expense and satisfaction to the City, maintain the premises and all improvements stated in the lease agreement, both interior and exterior, in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. Lessee shall also remove graffiti within 24 hours after first appearance.
- o Lessee must comply with all ADA requirements.
- o The prices for food and beverage, rentals and services, must be approved in writing by the Director of Parks, Recreation and Marine. Prices must be fair and reasonable, and comparable to prices for similar foods, beverages, and services in the Long Beach area. Lessee must notify the Director of Parks, Recreation and Marine at least 30 days prior to any proposed increases.

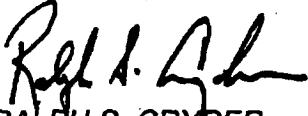
This lease agreement was reviewed by Deputy City Attorney Donna Gwin on March 20, 1997.

HONORABLE MAYOR AND CITY COUNCIL  
April 8, 1997  
Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Request the City Attorney to prepare and authorize the City Manager to execute a lease agreement between the City of Long Beach and Mr. James J. Choura, dba El Dorado Food Service, for the food and beverage operation at the El Dorado Golf Course Restaurant located at 2400 Studebaker Road.

Respectfully submitted,

  
RALPH S. CRYDER  
Director

RSC:BGN:bn

APPROVED:

  
JAMES C. HANKLA  
CITY MANAGER



# 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

August 24, 1999

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Lease Extension With James J. Choura, d.b.a. El Dorado Food Service (District 5)

## DISCUSSION

Mr. James Choura has been operating the El Dorado Golf Course Restaurant since 1981. On April 8, 1997, following a selection process conducted with the assistance of the City Auditor's Office, a member of the Golf Commission, and a professional restaurant consultant, the City Council approved a new lease agreement between the City of Long Beach and Mr. James Choura (Lessee) for a term from April 1, 1997 through March 31, 1999, with one, three-year extension option, followed by three, five-year extension options. In order to be granted the first, three-year extension, Mr. Choura was required to remodel the outdoor snack bar restroom to include Americans with Disabilities Act (ADA) requirements, improve the overall appearance of the snack bar, as well as clean up the outdoor storage and trash area adjacent to the south parking lot.

The required improvements have been completed to the satisfaction of the Director of Parks, Recreation and Marine, and approval of an extension for a period of three years is requested, with the following terms:

- Improvements: During the three-year extension period, the Lessee will make the following improvements: rebuild the cooking line, grill and stove owned by the City, refinish table tops; reupholster all chairs at the restaurant; install a new soda system; install new signage; remodel or relocate the bar, as approved by the City, expending at least \$210,000 on the remodeling and relocation. These improvements must be completed in order for the Lessee to be granted three additional extensions of five years each.

Prior to making any improvements to the facility, the Lessee must submit cost estimates from at least three licensed contractors and shall obtain approval of all plans, specifications and construction cost estimates from the Director of Parks, Recreation and Marine.

HONORABLE MAYOR AND CITY COUNCIL

August 24, 1999

Page 2

- **Rent:** The rent will continue to be 8 percent of gross sales, or \$6,500 per month, whichever is greater. To the extent that percentage rent is paid, 25 percent of percentage rent will be deposited into a capital improvement account that can be used for improvements to the building. At the end of the three-year extension period, and every five years thereafter, the minimum rent will be adjusted to be 75 percent of average annual total rent paid during the prior five years. If this amount is less than what is already being paid, the minimum will remain the same.
- **Utilities:** The Lessee is responsible for all utilities.
- **Maintenance:** The Lessee shall, at his own cost and expense and to the satisfaction of the City, maintain the premises and all improvements, both interior and exterior, in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. The Lessee is also responsible for the removal of graffiti within 24 hours after first application.
- **Pricing:** The prices for food and beverage, rentals and services, must be approved in writing by the Director of Parks, Recreation and Marine. Prices must be fair and reasonable, and comparable to prices for similar foods, beverages, and services in the Long Beach area. The Lessee must notify the Director of Parks, Recreation and Marine at least 30 days prior to any proposed increases.

This matter was reviewed by Deputy City Attorney Donna Gwin on August 10, 1999.

#### FISCAL IMPACT

Annual revenue of \$78,000 will be generated into the General Purpose Fund (GP-105).

HONORABLE MAYOR AND CITY COUNCIL  
August 24, 1999  
Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an amendment to Lease No. 25092, between the City of Long Beach and Mr. James J. Choura, d.b.a. El Dorado Food Service, for the food and beverage operation at the El Dorado Golf Course Restaurant located at 2400 Studebaker Road, extending the term of the lease for a period of three years with three, five-year options to extend.

Respectfully submitted,



Phil T. Hester  
Director of Parks, Recreation and Marine

APPROVED:

  
HENRY TABOADA  
CITY MANAGER

PTH:LNP





# 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

July 8, 2003

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT: Second Lease Extension With James J. Choura, DBA El Dorado Food Services (District 4)**

## DISCUSSION

City Council authorization is requested to execute an extension to the lease between James J. Choura, doing business as El Dorado Food Services, and the City for the El Dorado Golf Course restaurant. The City Council authorized the execution of the lease on April 8, 1997 (Attachment A), and a first extension on August 24, 1999. The terms of the original lease contain the provision that Mr. Choura may request up to three extensions of five years each, following the expiration of the first extension, provided he has made certain improvements to the facility. These improvements, which are listed on Attachment B, have been completed. However, the main improvement specified, the remodel of the restaurant's bar, was delayed beyond the date specified in the lease and was in fact completed on December 1, 2002. Mr. Choura has provided the attached letter (Attachment C) indicating the reasons for the delay.

The terms of the proposed second extension to the lease are as follows:

- **Term:** The term of the second extension, if approved, will conclude on March 31, 2007. Please note that this date is five years from the date completion of the improvements was anticipated in the original lease. Following the expiration of the second extension, Mr. Choura will be able to request up to two additional term extensions of five years each.
- **Rent:** The rent will continue to be 8 percent of gross sales or \$6,500 per month, whichever is greater. Twenty-five percent of the percentage rent received is deposited into a capital improvement account that can be used for further improvements to the building. Should Mr. Choura receive additional extensions to the lease, the minimum rent will be adjusted to be 75 percent of average annual total rent paid during the prior five years. However, if this amount is less than what is already being paid, the minimum will remain the same.

HONORABLE MAYOR AND CITY COUNCIL

July 8, 2003

Page 2

- Utilities: The Lessee is responsible for all utilities.
- Maintenance: The Lessee shall, at his own cost and expense and to the satisfaction of the City, maintain the premises and all improvements, both interior and exterior, in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. The Lessee is also responsible for the removal of graffiti within 24 hours after application.
- Pricing: The Director of the Parks, Recreation and Marine Department must approve the prices for all items and services sold, rented or provided by the lessee. Any price increase must receive the prior written approval of the Director.

This letter was reviewed by Deputy City Attorney Michael Mais, on June 19, 2003, and Budget Manager Michael Killebrew on June 16, 2003.

#### TIMING CONSIDERATIONS

City Council action on this item is not time critical.

#### FISCAL IMPACT

Annual revenue generated from this lease, which was \$104,400 for FY 02, is deposited into the General Fund (GP) in the Department of Parks, Recreation and Marine (PR).

#### IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an amendment to Lease No. 25092, between the City of Long Beach and Mr. James J. Choura, doing business as El Dorado Food Service, for a term extending through March 31, 2007, and minimum rent of \$6,500 per month, with two, five-year options to extend subject to the approval of the City Council.

Respectfully submitted,



PHIL T. HESTER  
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:GW:DR  
Attachments

APPROVED:



GERALD R. MILLER  
CITY MANAGER



# CITY OF LONG BEACH

Department of Parks, Recreation and Marine

2760 Studebaker Road, Long Beach, CA 90815-1697

RECEIVED  
CITY CLERK  
LONG BEACH, CALIF.  
97 APR -3 AM 7:44

April 8, 1997

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Approval of Lease Agreement with James Choura dba El Dorado Food  
Service (5)

REVENUE: \$78,000/yearly - (General Fund)

It is recommended that the City Council request the City Attorney to prepare and authorize the City Manager to execute a lease agreement between the City of Long Beach and Mr. James J. Choura, dba El Dorado Food Service, for the food and beverage operation at the El Dorado Golf Course Restaurant located at 2400 Studebaker Road.

## BACKGROUND

Mr. James Choura has been operating the El Dorado Golf Course restaurant since 1981. In light of the termination of his lease agreement, a selection process was conducted with the assistance of the City Auditor's Office, a golf commissioner, and a professional restaurant consultant. After reviewing the three proposals for capacity to provide service to the golf patrons and the surrounding community, menu quality and pricing, experience, proposed rent to the City, improvements made to the facility, and the ability to obtain financing, Mr. James Choura was selected as having the best overall proposal.

The terms of the proposed lease agreement are as follows:

- o In the first two years of the proposed lease agreement, the lessee will be required to remodel the outdoor snack bar restroom to include ADA requirements, and improve the overall appearance of the snack bar. He will also be required to clean up the outdoor storage and trash area adjacent to the south parking lot. The total amount for the above improvements will be at least \$85,000.
- o In order for the lessee to be granted three (3) extensions of five (5) years each, the following improvements will be required: rebuild the City owned cooking line, refinish table tops, reupholster all chairs, install a new soda system, install new signage, and remodel or relocate the existing bar area, as approved by the City, expending at least \$210,000, on the remodel and relocation.

## HONORABLE MAYOR AND CITY COUNCIL

April 8, 1997

Page 2

- o The rent will be 8 percent of gross sales or \$6,500 per month, whichever is greater. To the extent that percentage rent is paid, 25 percent of percentage rent will be deposited into a capital improvements account that can be used for improvements to the building. The minimum rent will be adjusted every five years to be 75 percent of average annual total rent paid during the prior five years. If this amount is less than what is already being paid, the minimum will remain the same.
- o The Lessee has proposed offering Lotto to its bar patrons. The City Attorney's office has determined that there are no legal restrictions against selling lottery tickets on this site. The City would receive 8 percent of ticket sales either received or retained by the Lessee to the extent that total gross receipts exceed minimum rent.
- o Prior to making any improvements to the facility, Lessee must submit cost estimates from at least three licensed contractors and shall obtain approval of all plans, specifications and construction cost estimates for improvements from the Director of Parks, Recreation and Marine.
- o Lessee is responsible for all utilities.
- o Lessee shall, at his own cost and expense and satisfaction to the City, maintain the premises and all improvements stated in the lease agreement, both interior and exterior, in good condition, in substantial repair, in a safe, clean, sanitary condition, and in compliance with applicable laws. Lessee shall also remove graffiti within 24 hours after first appearance.
- o Lessee must comply with all ADA requirements.
- o The prices for food and beverage, rentals and services, must be approved in writing by the Director of Parks, Recreation and Marine. Prices must be fair and reasonable, and comparable to prices for similar foods, beverages, and services in the Long Beach area. Lessee must notify the Director of Parks, Recreation and Marine at least 30 days prior to any proposed increases.

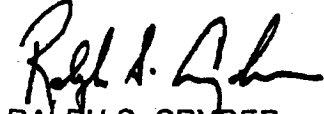
This lease agreement was reviewed by Deputy City Attorney Donna Gwin on March 20, 1997.

HONORABLE MAYOR AND CITY COUNCIL  
April 8, 1997  
Page 3

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Request the City Attorney to prepare and authorize the City Manager to execute a lease agreement between the City of Long Beach and Mr. James J. Choura, dba El Dorado Food Service, for the food and beverage operation at the El Dorado Golf Course Restaurant located at 2400 Studebaker Road.

Respectfully submitted,

  
RALPH S. CRYDER  
Director

RSC:BGN:bn

APPROVED:

  
JAMES C. HANKLA  
CITY MANAGER

## EXHIBIT "C"

IMPROVEMENTS AFTER INITIAL TERM

After the initial term, Lessee shall perform the following improvements to the Premises:

- 1) Rebuild the cooking line, grill and stove owned by the City;
- 2) Refinish table tops;
- 3) Reupholster all chairs at the Premises;
- 4) Install a new soda system;
- 5) Install new signs;
- 6) Remodel or relocate the bar, as approved by Lessor, expending at least \$210,000 on the remodeling and relocation.

97CNCURA.EXC

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**EL DORADO PARK  
GOLF COURSE**

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TEL: (562) 795 7751

FAX: (562) 594 8891

May 22, 2003

**To: Department of Parks, Recreation and Marine  
City of Long Beach  
2760 Studebaker Road  
Long Beach, California 90815  
Attention: Mr. Phil Hester**

**From: El Dorado Services  
2400 Studebaker Road  
Long Beach, California 90815  
Jim Choura**

**Re: Lease Renewal El Dorado Park Golf Course Restaurant**

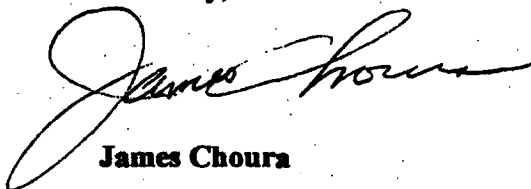
Dear Mr. Hester,

We are pleased to notify the City of Long Beach of our completion of the required conditions for our lease extension. We are asking to exercise our option to extend our lease until March 31, 2007 as is stated in our existing lease agreement. We have completed Section C of the lease extension as agreed. Items 1 thru 5 were completed prior to January 2000. Item number 6 was completed December 1, 2002. We have agreement with your staff that we are in full compliance on all items. Please note that completion of item number 6 was delayed for the following reasons.

1. The discovery phase required three full sets of plans and conceptual drawings before approval could be achieved.
2. Once a concept was decided, parking issues required mitigation.
3. The Alcohol Beverage Control Board required a new application process and notification of all neighbors within 500 feet of the golf course property. This included neighborhood meetings and hearings.
4. Application and Conditional use permit hearings.
5. Water source infrastructure relocation.

We are pleased to report the final outcome of the improvements are positive. The restaurant customers, golfers, American Golf staff and our neighbors are enjoying the much needed improvements. We are proud to be able to provide food and beverage services at El Dorado Park Golf Course since 1983 and look forward to a bright future.

Sincerely,



James Choura



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**EL DORADO**  
MANAGEMENT GROUP

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CONCESSIONS | VENUES | FOOD SERVICE