



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

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January 24, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute a first amendment to Lease No. 27959 with Gondola Getaway, Inc., to expand the area of operation to include Rainbow Lagoon. (District 2)

DISCUSSION

Gondola Getaway, Inc. (Lessee), has operated from the Leeway Sailing Center dock since May 1985. This unique operation provides gondola rides, similar to those native to Italy, through the canals in the Naples area of Alamitos Bay.

For the past 20 years, the Lessee has provided a valuable leisure service that is enjoyed by Long Beach residents and visitors alike. The Lessee is now requesting expansion of their service area to operate in the Rainbow Lagoon, which is located adjacent to the Hyatt Hotel in downtown Long Beach. Staff believes the expanded service area will complement the visitor experience in the downtown area, and recommends approval to include Rainbow Lagoon in the current lease with the Lessee. The California Coastal Commission authorized a coastal permit at its December 14, 2005 meeting.

This commercial expansion was reviewed by the Community Development Property Services Bureau and the Hyatt Regency Hotel is supportive of this plan. This letter was reviewed by Deputy City Attorney Charles Parkin and Budget Management Officer David Wodynski on December 8, 2005.

TIMING CONSIDERATIONS

This item is not time critical.

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FISCAL IMPACT

Revenue resulting from the Lessee's areas of operation will be deposited in the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR). The \$1,500 minimum monthly rent, which is included as part of the existing lease, shall remain unchanged. In addition to the minimum rent, the lessee shall pay 7 percent of gross receipts from all locations. At this time, the projected revenue from the expanded operation is unknown.

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:MS:bjg

APPROVED:



GERALD R. MILLER
CITY MANAGER