

C-12

May 17, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute a Fourth Amendment to Lease No. 27959 with The Gondola Getaway, Inc., a California corporation of Long Beach, CA, to extend the Lease for one year through April 30, 2023, for continued operation of the Lessee's gondola concession while a new agreement is negotiated. (District 3)

DISCUSSION

On May 14, 2002, the City Council approved Lease No. 27959 with The Gondola Getaway, Inc. (Lessee), a California corporation, for the operation of a gondola concession at the Leeway Sailing Center dock located at 5437 E. Ocean Boulevard (Leased Premises) (Attachment A). The Lessee has operated this unique business in Alamitos Bay since 1982, offering Venetian gondola cruises through the canals of Naples Island. Following the initial ten-year term of the Lease, two five-year options to extend the lease were executed, and the Lease expired on April 30, 2022.

The Lessee has requested to enter into a new Lease and is currently negotiating with City staff on the major terms and conditions of this new agreement. To allow the Lessee to continue to operate while negotiations continue, a Fourth Amendment to the Lease is required to memorialize the extension. All other terms and conditions would remain the same.

The Fourth Amendment to the Lease contains the following major terms and conditions:

- **Lessor:** City of Long Beach, a municipal corporation.
- **Lessee:** The Gondola Getaway, Inc., a California corporation.
- **Amended Term:** The Term of the Lease will be extended for one year, through April 30, 2023.
- **Premises:** Approximately 220 square feet of office space and shared dock space at Leeway Sailing Center pier and dock located at 5437 E. Ocean Boulevard (Attachment A).

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- Rent: The Minimum Rent will be \$1,500 per month and 7 percent of gross sales receipts.
- Utilities and Maintenance: Lessee will be responsible for all utilities and maintenance of the office space.
- Insurance: Lessee will purchase and maintain all applicable insurance and endorsements as required and approved by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Anita Lakhani on April 14, 2022 and by Budget Analysis Officer Greg Sorensen on April 13, 2022.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2022, to facilitate timely execution of the Fourth Amendment to Lease No. 27959.

FISCAL IMPACT

The monthly rent will continue to accrue in the Tidelands Operating Fund Group in the Parks, Recreation and Marine Department at a minimum amount of \$18,000 annually plus 7 percent of gross sales receipts. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



BRENT DENNIS
DIRECTOR OF PARKS, RECREATION AND MARINE

Attachment: Attachment A – Leased Premises

APPROVED:



THOMAS B. MODICA
CITY MANAGER