



Legislation Text

File #: 15-0625, **Version:** 1

Recommendation to authorize City Manager to execute all documents necessary for the Fifth Amendment to Lease No. 23858 between the City of Long Beach and Golden Shore Recreational Vehicle Park, Inc., a California corporation, for City-owned property at 101 Golden Shore. (District 2)

On January 24, 1995, the City Council authorized the execution of Lease No. 23858 (Lease) with Golden Shore Recreational Vehicle Park, Inc. (GSRVP), for the development, operation and maintenance of a recreational vehicle park at the southwest corner of Shoreline Drive and Golden Shore (Attachment). Amended to expand the development and clarify various financial terms, the Lease for the 5.16-acre Golden Shore RV Resort (RV Resort) provides for a unique California coastal vacation opportunity for up to 80 recreational vehicles. Located conveniently at the termination of Interstate 710 off of Shoreline Drive, the RV Resort provides guests with recreational vehicle parking pads with full hook-ups, an onsite management office, convenience store, kitchen and laundry facilities, a picnic table area, outdoor game area (horseshoes and shuffleboard) and an outdoor pool and spa. Under the terms of the Lease, the City receives the greater of an annual minimum rent, adjusted annually, or 7 percent of gross revenues. The RV Resort replaced an existing City-operated recreational vehicle park which was displaced by the development of the Long Beach Aquarium of the Pacific.

The 25-year initial term of the Lease expires on September 30, 2020. The Lease provides GSRVP with an option to further extend the term of the Lease for an additional 25-year period through September 30, 2045. GSRVP would like to exercise its option to begin planning for capital improvements to the RV Resort to further extend the useful life of facilities beyond 2020. While the principals of GSRVP have been with the RV Resort since inception and are committed to the long-term occupancy of the RV Resort through 2045, they would like flexibility for succession planning purposes. GSRVP has proposed an early termination option that would allow for the termination of the Lease upon one (1) year prior written notice to the City, which would be effective no earlier than 11:59 PM, September 30, 2025. Upon the termination of the Lease, the improvements to the leasehold, except for personal property, become the property of the City. An early termination provides the City with an opportunity to consider operation of the RV Resort within a City department as it did in the 1990's or an opportunity to consider a new use for the area. The GSRVP's ability to extend the term of the Lease does not require City Council approval, however, the proposed termination option does.

On April 30, 1996, the City Council authorized an amendment to the Lease to allow for a sublease for a wireless communication facility (Cell Tower). The Cell Tower is located in the

northernmost area of the leased premises. Revenues from the Cell Tower are included in the overall gross revenue calculations under the Lease of which the City receives seven percent. In 2011, the City Council adopted a new Wireless Communications Facilities Ordinance, which encourages co-location of cell providers on existing cell towers to minimize the proliferation of individual cell towers in the same area. GSRVP has requested to increase the leased premises an additional 810 square feet to the north of the leased premises to accommodate equipment necessary for co-location on the existing Cell Tower. Any future co-location on the Cell Tower would provide the City with its proportional share of additional gross revenues as allowed under the Lease.

City staff and GSRVP have negotiated the proposed Fifth Amendment to Lease No. 23858 containing the following major terms and provisions:

- Landlord: City of Long Beach, a municipal corporation
- Tenant: Golden Shore Recreational Vehicle Park, Inc., a California corporation
- Term: Tenant exercises its option and the term of the Lease shall be extended for an additional 25-year period and shall terminate on September 30, 2045.
- Additional Premises: The Premises shall be expanded to include the Additional Premises measuring approximately 810 square feet located north adjacent to the Premises.
- Right to Terminate: Tenant shall have the right to terminate the Lease at any time by providing Landlord with a minimum of one (1) year prior written notification. The effective date of termination shall be no earlier than 11:59 PM, September 30, 2025.

All remaining terms and provisions of Lease No. 23858 shall remain in full force and effect.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on May 20, 2015 and by Budget Management Officer Victoria Bell on June 9, 2015.

City Council action on this matter is requested on July 14, 2015, in order to execute the Fifth Amendment in a timely manner.

Lease revenue of \$94,844 was received in FY 14 and deposited to the Tidelands Operations Fund (TF 401) in the Parks, Recreation and Marine Department (PR). A similar, if not increased, revenue amount is anticipated for FY 15 and shall continue for the remainder of the Lease term. There is no local job impact associated with this recommendation.

Approve recommendation.

MICHAEL P. CONWAY

DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

STEPHEN P. SCOTT
INTERIM DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

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CITY MANAGER