



Legislation Text

File #: 15-1227, **Version:** 1

Recommendation to authorize City Manager to execute all documents necessary for the Third Amendment to Lease No. 28350 between the City of Long Beach and The Bolder Group, Inc., a California corporation, for the continued operation of the City-owned facilities known as the Alamitos Bay Marina Fuel Dock and the Shoreline Marina Fuel Dock. (Districts 2,3)

The Bolder Group, Inc. (Bolder), leases two marina fuel docks from the City of Long Beach (City) under Lease No. 28350 (Lease), which was approved by the City Council on February 25, 2003, with Lease amendments approved on August 11, 2009 and May 8, 2012. The Lease covers the operation of the Alamitos Bay Marina (ABM) fuel dock and the Shoreline Marina (SLM) fuel dock. In addition to the sale of gasoline and diesel fuel, Bolder also offers additional marine motor craft services, including the sale of oils, filters, and related vessel parts; short-term vessel repair; towing services; convenience store operations; and fuel tank cleaning, polishing, replacements, and salvaging. Bolder also assists the City with emergencies related to hazardous materials in the water and in the recovery of abandoned vessels.

Between 2010 and 2014, the City replaced the underground storage tanks that are used to store fuel at ABM and SLM, and installed new piping at both locations that was necessary to meet new State regulations. As a result of the installation of these tanks and pipes, it became apparent that the ABM fuel dock would require additional capital improvements to function efficiently. The needed improvements include upgraded electrical systems, new docks and piles, an Americans with Disabilities Act-compliant gangway, and improvements to several buildings.

The City has contracted with Concept Marine Associates, a Division of TranSystems Corporation, to conduct a needs assessment of the ABM fuel dock to be used to determine all of the items required to properly operate the ABM fuel dock. These items will be included in a Request for Proposals (RFP) process to attract a long-term operator that can implement the needed investments and operate both fuel docks. Staff expects to have all of the information from the needs assessment incorporated into an RFP by February 2016, and a new Lease executed by June 30, 2016.

Lease No. 28350 is set to expire on December 31, 2015. In an effort to maintain Lease consistency and operational continuity with Bolder's management, as well as oversight of ABM and SLM, staff recommends a six-month term extension to the Lease, as well as an option for an additional six months, should unforeseen circumstances be identified during the needs assessment, or if the time required to transition from the current operator to the new

operator chosen through the RFP process cannot be completed during the first six-month extension period.

The proposed Third Amendment to Lease No. 28350 will contain the following provisions:

- Term: Six-month term extension, beginning January 1, 2016 and continuing through June 30, 2016.
- Additional Extension: In order to ensure that the fuel docks continue to operate during the approval process of a new Lease and the transition to a new operator, the term of the Lease may be extended for an additional period of six months, through December 31, 2016, at the discretion of the City Manager or his designee.
- All other provisions of the Lease shall remain in effect.

This matter was reviewed by Deputy City Attorney Linda Vu and by Budget Management Officer Victoria Bell on November 9, 2015.

City Council action is requested on December 1, 2015, in order to execute the Third Amendment to Lease No. 28350 prior to the December 31, 2015 expiration date.

Estimated revenue in the amount of \$15,000 for both marinas will continue to be deposited in the Marina Fund (TF 403) in the Parks, Recreation and Marine Department (PR) through the first six-month term of the amendment. There is no local job impact associated with this recommendation.

Approve recommendation.

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

APPROVED:

PATRICK H. WEST
CITY MANAGER