



Legislation Text

File #: 23-0464, Version: 1

Recommendation to authorize City Manager, or designee, to execute an agreement and all documents necessary to enter into a Beach Concession Agreement with The Gondola Getaway, Inc., of Long Beach, CA, to operate a gondola concession in Alamitos Bay, for a term of five years, from May 1, 2023, to April 30, 2028, with three five-year renewal options, at the discretion of the City Manager. (District 3)

The Gondola Getaway, Inc. (Concessionaire), has operated its unique business in Alamitos Bay since 1982, offering Venetian gondola cruises through the canals of Naples Island. On May 14, 2002, City Council approved Lease No. 27959 with Concessionaire, for the operation of a gondola concession at the Leeway Sailing Center dock located at 5437 East Ocean Boulevard (Attachment - Premises Depiction/Description). On May 17, 2022, City Council authorized the Fourth Amendment to the Lease, to extend the term through April 30, 2023.

To allow the Concessionaire to continue to operate and maintain the concession, and to bring the terms of the agreement in line with the City's standard terms, approval of a new Beach Concession Agreement with Concessionaire is requested.

The proposed Beach Concession Agreement has been negotiated with the following major terms and provisions:

- Premises: Existing improvements (the "Building" and adjacent storage) and 85 feet of dock space located at 5437 East Ocean Blvd., commonly known as the Leeway Sailing Center pier and dock.
- Use: Operation of a gondola service within Alamitos Bay.
- Initial Term: Five years, commencing on May 1, 2023.
- Renewal Options: Concessionaire will have three additional five-year options to extend, with 90 days' notice before expiration of the previous term, subject to approval of the City Manager.
- Rent: Five percent of gross receipts, or an annual minimum of \$14,400, whichever is greater. The annual minimum amount is based on Concessionaire's history and business plan, and the imposition of Dock Fee payments. The percentage rate due will increase by one percent upon execution of each renewal option.
- Dock Fee: Concessionaire will pay monthly \$19.72 per linear foot occupied or reserved, the "Rainbow Harbor/Alamitos Bay Commercial Slip Fee" rate as set forth in the

City of Long Beach Tidelands Master Fees and Charges schedule. Concessionaire is currently assigned 85 feet of dock space. The dock fee will increase by three percent upon execution of each renewal option.

- Utilities: All utilities will be metered separately and paid for directly by the Concessionaire.
- Refuse and Maintenance: Concessionaire will be responsible for refuse collection and maintenance of the building.
- Restroom Facilities: City will provide to Concessionaire a restroom key that will access the Leeway Sailing Center facilities adjacent to the Premises for customers who are unable to access the public restroom. Concessionaire shall keep the Sailing Center secured and locked when not in use and shall keep the restroom therein clean after each customer's use. City reserves the right to revoke restroom privileges at any time.
- Onsite Parking: No exclusive right to parking will be provided. Area parking is currently free to the public and should be first come, first serve.
- Insurance: Concessionaire 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 19, 2023 and by Budget Analysis Officer Greg Sorensen on April 5, 2023.

LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$250 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$250 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$250 from a party, participant, or their representatives during a proceeding and for 12 months following the date a final decision is rendered.

City Council action is requested on May 9, 2023, to allow for timely execution of the agreement.

The City will receive an estimated annual revenue amount of \$35,514 during the initial five-year term. Revenue will accrue in the Tidelands Operating Fund Group in the Parks, Recreation and Marine Department. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The local job impact is unknown at this time.

Approve recommendation.

BRENT DENNIS
DIRECTOR
PARKS, RECREATION AND MARINE

APPROVED:

THOMAS B. MODICA
CITY MANAGER