



Legislation Text

File #: 22-1274, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary for a Consent and Assumption Agreement between the City of Long Beach (Master Lessor) and Seal Beach Yacht Club, a nonprofit corporation (Sublessee) for tenancy of City-owned property located at the Alamitos Bay Marina Center at 255 North Marina Drive. (District 3)

On February 1, 1994, the City Council authorized the City Manager to execute Master Lease No. 23509 (Master Lease) between the City of Long Beach (Master Lessor) and BANCAP Marina Center, Inc., dba Alamitos Bay Marina Center (Master Lessee), for the remodeling, renovation, and management of City-owned property at the former Marine Bazaar Complex at 241-255 N. Marina Drive. Following the completion of the renovations, the existing tenant leases were assigned to the Master Lessee, and the property was renamed the Alamitos Bay Marina Center (ABMC). The Term of the Master Lease was recently extended through June 30, 2025, via a Fifth Amendment, and there are no remaining extension options.

Concurrent with the authorization of Master Lease, the City Council authorized the execution of a sublease with Seal Beach Yacht Club (SBYC), for an approximate 5,925 square-foot facility, located at 255 N. Marina Drive (Premises) (Attachment), for an initial term of twenty-five (25) years with an option to extend the term for an additional period of ten (10) years. Immediately following its execution, the City assigned its interest in the SBYC lease (Sublease) to the Master Lessee. For the past 50 years, the SBYC has been located at the same site at the Premises serving the Long Beach boating community by offering a venue for family-based activities through hosting and sponsoring races and regattas, sailing race programs, organized cruises, and arranged a variety of water activities.

On January 24, 2019, SBYC exercised its option to extend the term of the Sublease for an additional ten (10) years, from March 1, 2019 through February 28, 2029, four (4) years beyond the expiration of the Master Lease and recently requested to expand the Premises by incorporation of an adjacent suite by 530 square feet, for a total leased square footage of 6,455 square feet. On September 15, 2022, SBYC and Master Lessee executed the First Addendum to the Sublease to memorialize the expansion and extension.

To facilitate SBYC's long-term tenancy at the ABMC, City staff recommends the execution of a Consent and Assumption Agreement containing the following terms and conditions:

- Master Landlord: City of Long Beach
- Subtenant: Seal Beach Yacht Club (SBYC), a non-profit corporation

- Premises: Approximately 6,455 square feet, located at 255 N. Marina Drive.
- Consent: Upon termination of the Master Lease on June 30, 2025, Master Lessor agrees to assume the Sublease and honor the terms of the First Addendum to the Sublease through February 28, 2029.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on October 10, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on October 17, 2022.

City Council action on this matter is requested on November 11, 2022, to execute the Consent and Assumption Agreement in a timely manner.

There is no known fiscal or local job impact associated with this recommendation at this time. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

Approve recommendation.

JOHNNY M. VALLEJO
ACTING DIRECTOR
ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER