



Legislation Details (With Text)

**File #:** 18-094

**Type:** Consent Calendar      **Status:** Passed

**File created:** 5/31/2018      **In control:** City Council/Public Financing Authority

**On agenda:** 7/16/2018      **Final action:** 7/16/2018

**Title:** Adopt Resolution No. 2018-41 authorizing the execution of a Lease Agreement with the State Lands Commission for operation and maintenance of the Huntington Beach Pier and related Concessions

**Attachments:** 1. Attachment 1 - Resolution authorizing execution of State Lands Lease.pdf, 2. Attachment 2 - State Lands Lease No 6616.1.pdf, 3. Attachment 3 REVISED - Exhibit A Land Description.pdf, 4. Attachment 4 REVISED - Exhibit B Site Map.pdf, 5. Attachment 5 - Exhibit C-1 sublease Rubys Diner.pdf, 6. Attachment 6 - Exhibit C-2 sublease Lets Go Fishing.pdf, 7. Attachment 7 - Exhibit C-3 sublease Surf City Store.pdf, 8. Attachment 8 - Exhibit C-4 sublease Kite Connection.pdf, 9. Attachment 9 - Exhibit C-5 sublease Fare Share Enterprises.pdf, 10. Attachment 10 - Exhibit C-6 sublease Abercrombie & Fitch.pdf, 11. Attachment 11 - Exhibit D Lease Maintenance Reimbursement Agreement.pdf

Date	Ver.	Action By	Action	Result
7/16/2018	1	City Council/Public Financing Authority	adopted	Pass

**REQUEST FOR CITY COUNCIL ACTION**

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Fred A. Wilson, City Manager

**PREPARED BY:** Travis K. Hopkins, PE, Director of Public Works

**Subject:**

**Adopt Resolution No. 2018-41 authorizing the execution of a Lease Agreement with the State Lands Commission for operation and maintenance of the Huntington Beach Pier and related Concessions**

**Statement of Issue:**

The current lease with the California State Lands Commission for operation and maintenance of the Huntington Beach Pier expires on January 31, 2019. A Council resolution is needed to authorize the Mayor to execute a new lease agreement.

**Financial Impact:**

The annual rent payable to the State of one-hundred-twenty-five dollars (\$125) and other minor administrative costs will be paid from the Public Works General Fund operating budget from business unit 10085101.

**Recommended Action:**

Adopt Resolution 2018-41, "A Resolution of the City Council of the City of Huntington Beach Authorizing Execution by the Mayor of a Lease Agreement Between the City and California State Lands Commission for Operation and Maintenance of Huntington Beach Pier and Related

Concessions.”

**Alternative Action(s):**

Do not adopt the resolution or execute the lease. This would allow the State to obtain a new operator or tenant.

Do not adopt the resolution and instruct staff to renegotiate specific lease terms.

**Analysis:**

In 1984, the City entered into a 35-year lease with the State Lands Commission for the tideland beneath Huntington Beach Pier. Two amendments not affecting the term of the lease were executed in 2003. The current lease expires on January 31, 2019.

The annual rent payable to the State is \$125. At the State’s discretion they may adjust this amount on the fifth anniversary of the lease and every five years thereafter through the term. The lease allows the City to sublease and collect rent from the businesses on the Pier. If the amount collected exceeds the City’s cost of operation and maintenance, fifty-percent (50%) of the excess revenue is due to the State. An annual report of the rent income and operating expenses is submitted by the City every September. The costs of operation and maintenance over the last three-years has averaged \$843,400 per year. The average annual rent collected over the same period is \$605,800, an average difference of \$237,200. Therefore, no additional rent over and above the \$125 is anticipated.

**Environmental Status:**

Not applicable

**Strategic Plan Goal:**

Enhance and maintain infrastructure

**Attachment(s):**

1. Resolution 2018-41 “A Resolution of the City Council of the City of Huntington Beach Authorizing Execution by the Mayor of a Lease Agreement Between the City and California State Lands Commission for Operation and Maintenance of Huntington Beach Pier and Related Concessions.”
2. State Lands Lease No. 6616.1
3. Exhibit A Land Description
4. Exhibit B Site Map
5. Exhibit C-1 sublease Ruby’s Diner
6. Exhibit C-2 sublease Let’s Go Fishing
7. Exhibit C-3 sublease Surf City
8. Exhibit C-4 sublease Kite Connection
9. Exhibit C-5 sublease Fare Share Enterprises
10. Exhibit C-6 sublease Abercrombie & Fitch
11. Exhibit D Lease Maintenance Reimbursement Agreement