



Legislation Text

File #: 17-0209, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Andy Sywak, Economic Vitality Manager

SUBJECT:

Assignment of Manhattan Village Park City Parking Area Ground Lease with 1334 Partners LP (Manhattan Country Club) (Finance Director Moe and Economic Vitality Manager Sywak).

CONSENT TO ASSIGNMENT

RECOMMENDATION:

Staff recommends that the Council approve the assignment of the Manhattan Village Park City Parking Area lease from the Manhattan Country Club (1334 Partners LP) to the Bay Club, LLC.

FISCAL IMPLICATIONS:

No fiscal implications associated with the recommended action. The new Assignee of the Lease (Bay Club) is accepting the terms.

BACKGROUND:

The Bay Club LLC, a privately owned lifestyle company that operates premium health/fitness clubs, is purchasing the leases and improvements to the Country Club/Tennis Complex (1330-1332 Parkview Ave.) and the adjoining Office Building (1334 Parkview Ave.) from the current owners, 1334 Partners LP. The Bay Club will become the new operator of the property operating as Bay Club Manhattan Club LLC. As part of the deal, 1334 Partners also wishes to assign a parking lot lease (Attachment 1 - Parking Lot Lease) to the new owners. All three leases are for property owned by the City.

The parking lot lease is for 50 parking spaces at the Manhattan Village Park City Parking Area situated just east of the mall at the corner of Parkview Avenue and Park Place. It was originally drafted and executed in 1985. An amendment was passed in 2003 (Attachment 2 - First Amendment to Parking Lot Lease) that extended the term to coincide with the lease expirations of both the Office Building and Tennis Club leases on December 31, 2043. These leases have two 15-year extension options.

DISCUSSION:

Both the leases for the Country Club/Tennis Complex and the Office Building were approved by Council in 2003 with language stipulating that the City Manager may consent to have the lease

assigned to another qualified entity. However, the lease for the parking lot does not contain any language delegating lease assignment to the City Manager and must be approved by Council.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachment/Attachments:

1. Parking Lot Lease
2. First Amendment to Parking Lot Lease