



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1396

Agenda Date: 5/20/2026

Agenda #: 6.

DATE: May 20, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

TITLE: AMENDMENT 1 TO PROPERTY USE AGREEMENT WITH OCEANSIDE BEACH RESORT OWNER, LLC FOR USE OF PREMISES LOCATED ON THE STRAND

RECOMMENDATION

Staff recommends that the City Council approve Amendment 1 to the Property Use Agreement with Oceanside Beach Resort Owner, LLC for use of City-owned land and storage space located on The Strand-South Plaza Area, extending the term of the Agreement through May 31, 2031, for a five-year minimum total revenue of \$92,379; and authorize the City Manager to execute the amendment upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

On May 19, 2021, the City entered into a Property Use Agreement ("Agreement") with Oceanside Beach Resort Owner, LLC for the use of City-owned land and storage space located on The Strand-South Plaza Area ("Premises"). The term of the Agreement was for five years and provided for two additional five-year extension options. The Agreement stipulated that the property use payment ("Rent") would be adjusted according to the City's calculated fair market rental rate at the beginning of each extension.

Oceanside Beach Resort Owner, LLC (Permittee") is the operating entity for Mission Pacific Beach Resort and The Seabird Ocean Resort & Spa, which are located on Pacific Street, directly above the Premises. Permittee uses the Premises for a travel trailer kiosk which serves as a location for beach rentals and the sale of food, beverages, and retail items for resort guests and the general public. The Premises also include a 237 square foot storage unit located within the adjacent Beach Maintenance Building.

At this time, Permittee has requested to exercise the first of two extension options, extending the term of the Agreement for five years, commencing on June 1, 2026 and expiring on May 31, 2031 ("Amendment"). The proposed Amendment adjusts the monthly Rent to \$1,450, which includes Permittee's water, sewer, and electric utility use at the Premises. Per the Agreement, the Rent is to be increased by 3 percent annually, beginning on June 1, 2027. Permittee has satisfied the terms of the Agreement throughout its entirety, and staff supports continued occupancy by Permittee.

FISCAL IMPACT

The proposed Amendment will result in a total revenue in the amount of \$92,379 over the five-year term. \$86,008 will be deposited into account 1101.4351 and \$6,371 will be deposited into account 1101.4461

Description	1st Year Monthly Amount	1st Year Annual Amount	5-Year Revenue Amount	Revenue Account
Kiosk & Storage Rent	\$1,350	\$16,200	\$86,008	PM R&L-City 1101.4351
Utility Reimbursement	\$100	\$1,200	\$6,371	Reimbursement for Services 1101.4461
Total	\$1,450	\$17,400	\$92,379	

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Bryan Smithwick, Property Agent I
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Amendment 1
2. Lease Calculation