



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-733

Agenda Date: 4/23/2025

Agenda #: 11.

DATE: April 23, 2025

TO: President and Directors of the Harbor District Board

FROM: Public Works Department

TITLE: **AMENDMENT 4 TO THE PERCENTAGE PROPERTY LEASE AGREEMENT WITH OCEANSIDE HARBOR FUEL DOCK AND MINI MART, INC.**

RECOMMENDATION

Staff recommends that the Harbor District Board of Directors approve Amendment 4 to the Percentage Property Lease Agreement with Oceanside Harbor Fuel Dock and Mini Mart, Inc. for the premises located at 1380 North Pacific Street, approve a rent abatement for April and May minimum and percentage rents; and authorize the Administrative Officer to execute the amendment.

BACKGROUND AND ANALYSIS

The Oceanside Small Craft Harbor District ("District") entered into a Percentage Property Lease Agreement ("Agreement") dated September 7, 2005 with Oceanside Harbor Fuel Dock and Mini Mart, Inc. ("Lessee"), for the premises located at 1380 North Pacific Street and a portion of the Oceanside Small Craft Harbor ("Premises"). On June 3, 2015, the District approved Amendment 1, on September 9, 2020 approved Amendment 2 and on January 24, 2024 approved Amendment 3.

The Oceanside Harbor Fuel Dock is an essential function to the Harbor as it provides fuel service for commercial, private and visitor serving vessels, as well as the Harbor Patrol and other emergency responders such as the Coast Guard. The California State Water Resources Control Board (State Water Board) has mandated that the Lessee's existing fuel tanks be upgraded and replaced by December 2025. Lessee is currently in the process of the fuel tank replacement and has financed approximately \$496,000 for the required improvement. As part of this fuel tank replacement project, Lessee will install two temporary fuel tanks so that they can continue to provide fuel service during the fuel tank replacement. Initially, the temporary fuel tanks to be provided included two, 1,000-gallon tanks; however, it was subsequently determined that two, 3,000-gallon fuel tanks were needed as the 1,000-gallon fuel tanks would pump the fuel too slowly and cause an extensive amount of time to fuel patrons' tanks. This fuel tank upgrade has resulted in an additional increase in costs from \$3,000 to \$14,218. Due to this additional increase, Lessee has requested that the District abate April and May 2025 minimum rent and percentage rent to help offset the additional cost of \$11,218 to be incurred by Lessee.

FISCAL IMPACT

Description	April & May 2025 Minimum Rent Amount	April & May 2025 Estimated Percentage Rent Overage	Account
Oceanside Harbor Fuel Dock Estimated Rent Abatement	(\$5,784)	(\$1,162)	Harbor Leases 1751.4496

April and May 2025 minimum rent is \$2,892 monthly or \$5,784 for two months. April and May 2024 percentage rent received was \$1,162. Therefore, the estimated total of rent abatement requested from Lessee is valued at \$6,946.

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: Julie Cook, Property Agent II
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, Administrative Officer

ATTACHMENTS:

1. Staff Report
2. Amendment 4