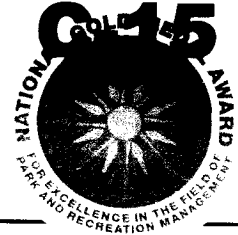




CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



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April 1, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a permit with Boat Rentals of America, Inc., to operate a recreational watercraft rental concession at Rainbow Marina for a term of three years, with two three-year renewal options, at the discretion of the City Manager or his designee. (District 2)

DISCUSSION

Boat Rentals of America, Inc. (Boat Rentals) is a privately owned business established in 1992. Boat Rentals currently operates out of three locations, Newport Beach (opened in 1992), Marina del Rey (opened in 1996), and Oceanside Harbor (opened in 1997). Boat Rentals is requesting authorization to open a fourth location in Rainbow Marina by May 2008. Boat Rentals' corporate mission statement is, "To provide our customer with the best service and value while offering a variety of recreational boating opportunities in a clean, safe and reliable craft."

Boat Rentals will operate a ten-vessel fleet, which includes hourly rentals of electric bay cruisers, small powerboats, and pontoon style boats. They will not be offering overnight, open ocean, or Catalina trips. In addition, Boat Rentals plans to expand the Rainbow Marina operation to include wave runners, and possibly parasailing. All renters will be required to remain inside the outer breakwater. Every vessel is equipped with safety equipment and personal floating devices. All renters will be instructed on the operation and safety features of the vessel, including the use of equipment such as life jackets, fire extinguishers, flares, and the first aid kit. Boat Rentals will operate seven days per week, with extended hours during the boating season, i.e., Memorial Day weekend through Labor Day weekend. This service will significantly enhance the tourist industry at Rainbow Marina by providing a distinctive recreational experience.

The following are major provisions of the proposed permit:

- Premises: Commercial dock space, as assigned by the Marine Bureau.
- Permitted Use: Operation of a recreational watercraft rental concession.

"We create community and enhance the quality of life through people, places, programs and partnerships"

HONORABLE MAYOR AND CITY COUNCIL

April 1, 2008

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- Term: Three years, through March 31, 2011.
- Renewal Options: Two three-year renewal options, at the discretion of the City Manager or his designee.
- Permit Fee: Eight percent of the annual gross receipts (standard for all new contracts for commercial operators in Rainbow Marina), with an annual minimum amount of \$4,500 (derived from calculations based on similar types of businesses and operator's business plan).
- Dock Fee: \$14.50 per lineal foot occupied or reserved by the operator, as set and adopted by the City Council.
- Insurance: Boat Rentals of America, Inc., shall provide insurance coverage as defined by the City's Risk Management Office.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on March 17, 2008, and Budget Management Officer Victoria Bell on March 18, 2008.

TIMING CONSIDERATIONS

City Council action is requested on April 1, 2008, to enable the execution of the permit.

FISCAL IMPACT

Annual revenue in the amount of \$4,500 will accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR).

SUGGESTION ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:MS:erh:ak

APPROVED:



PATRICK H. WEST
CITY MANAGER