



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

2760 N. Studebaker Road, Long Beach, CA 90815-1697

August 2, 2005

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www.lbparks.org

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Authorize the City Manager to execute a permit, and any amendments, with Fantasea Enterprises, Inc., through December 31, 2008, with two three-year options to renew, at the sole discretion of the City Manager. (District 2)

## DISCUSSION

Rainbow Harbor was officially opened approximately five years ago, and since that time, the City has entered into a number of permits with commercial vessel operators. A number of the original permits have expired or are set to expire in the upcoming year. In an effort to gauge the demand for commercial dock space in Rainbow Harbor, a Request for Proposal (RFP) was sent out to 47 commercial vessel operators. Twelve responses were received, and of the 12, eight were operators currently operating in Rainbow Harbor seeking extended contracts and/or expanded business lines. Of the four that were not current operators, one has purchased an existing Rainbow Harbor operation and is currently operating under that existing permit. The requested new permit would accommodate one of the three remaining respondents. The Marine Bureau has determined that Fantasea Enterprises, Inc., would complement the current operations in Rainbow Harbor. They have been in marine charter business operations for more than 32 years. The business is currently headquartered in Newport Beach, California, and the lines of business include corporate yacht charters, private yacht charters and various other charters for 250 to 400 passengers. The proposed permit terms and conditions are as follows:

- Premises: Commercial dock space as assigned by the Marine Bureau.
- Permitted Uses: Charters in excess of 250 passengers, which are pre-sold and not sold on an individual ticket basis.
- Dock Fee: \$12.70 per linear foot of dock space, per month, or the Rainbow Harbor dock rate established by City Council.
- Permit Fee: 8 percent of gross receipts from Permittee's Long Beach operations with the following monthly minimum guarantees:
  - \$3,000 per month from September 2005 through August 2006
  - \$4,000 per month from September 2006 through August 2007

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- \$5,000 per month from September 2007 through August 2008
- \$6,000 per month after September 2008
- Maintenance: The City shall be responsible for all routine dock maintenance.
- Utilities: Permittee shall pay all costs associated with the utilities at the permitted site.
- Insurance: Evidence of general liability, automobile, property and workers' compensation insurance naming the City as an additional insured will be required as directed by the City's Risk Manager.
- Term: August 15, 2005 through December 31, 2008, with two three-year options to renew at the sole discretion of the City Manager.

This matter was reviewed by Deputy City Attorney Charles Parkin and Budget Management Officer David Wodynski on July 25, 2005.

TIMING CONSIDERATIONS

City Council action is requested on August 2, 2005, to enable the Permittee to begin operating in Rainbow Harbor for the fall and holiday seasons.

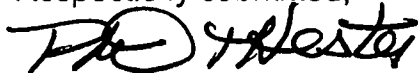
FISCAL IMPACT

Estimated annual revenue in the amount of \$66,400 per year, which was calculated based on the dock fee plus minimum commercial fee, will accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER  
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:MS:BG

APPROVED:

*for*   
GERALD R. MILLER  
CITY MANAGER