

December 10, 2019

C-11

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager, or designee, to terminate Permit No. 29998, and execute a new permit agreement, including any necessary amendments, with Dockside Boat & Bed, Inc., of Long Beach, CA, to occupy and use portions of the docks, slips, and end ties in Rainbow Harbor, for the purpose of operating bed and breakfast inn accommodations and charters, for a three-year term, beginning January 1, 2020 to December 31, 2022, with the option to renew for two additional three-year periods, at the discretion of the City Manager. (District 2)

DISCUSSION

City Council approval is requested to terminate Permit No. 29998 and execute a new permit with Dockside Boat & Bed, Inc. (Dockside), to occupy and use portions of docks, slips and end ties in Rainbow Harbor to operate bed and breakfast inn accommodations. Since 1999, Dockside has operated bed and breakfast inn accommodations and charters from Rainbow Harbor (Attachment). Dockside contracts the use of private vessels as overnight accommodations, then rents the vessels to those looking to experience accommodations in a marine environment.

At its meeting on August 8, 2006, the City Council authorized Permit No. 29998 to allow Dockside to continue operations in Rainbow Harbor. With the economic downturn in 2008-2009, Dockside fell upon financial hardship and was unable to stay current with percentage rate and slip rent payments. The City of Long Beach (City) consequently put Permit No. 29998 into holdover status and instituted penalty fees. Permit No. 29998 was not extended after 2012, and Dockside was authorized by the Parks, Recreation, and Marine Department (Department) to continue operation as long as monthly percentage rate and slip fee payments were made on time. Dockside has been up to date and current on their monthly payments since going to holdover status. The Department supports Dockside's request to enter into a new permit, as their operation is unique and essential to supporting a vital waterfront and thriving commercial harbor area.

The proposed new permit will contain the following major provisions:

- Permittee: Dockside Boat & Bed, Inc., of Long Beach, CA.
- Permit Area: Rainbow Harbor, Dock 5.
- Permitted Use: The Permittee will provide all vessels to operate overnight boat and bed inn services in Rainbow Harbor. The Permittee will not store any items on Dock 5 nor on any other City property without written consent of the City.

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- Term: Three-year term from January 1, 2020 to December 31, 2022.
- Options to Renew Term: Two additional three-year options.
- Dock Fee: The Permittee will pay \$18.25 per linear foot occupied or reserved by, or Rainbow Harbor Dock Rate as established by the City Council, or any rate subsequently adopted after execution of the permit. The Permittee is currently assigned 240-feet of dock space on Dock 5, or other Dock as approved by the City in Rainbow Harbor.
- Permit Fee: The Permittee will pay 8 percent of gross receipts, excluding taxes, for all bookings and sales or an annual minimum guarantee of \$15,000, whichever is greater. The Permittee will also pay the City's Transient Occupancy Tax. Permit fee is due by the 20th of the month for the prior month.
- Late Fees: Permit Fee and the monthly gross receipt statement are due by the 20th of the month for the prior month. Should payment not be received by the 21st of the month for the prior month, the Permittee will pay a late fee of \$50 per month.
- Standards of Service: All vessel interiors and exteriors must be presented to a high aesthetic standard as approved by the City. All vessel utilities (water, electrical, etc.) and appliances and facilities, such as HVAC, sinks, showers and toilets, and windows, if provided on the vessels, will be in good working order, with the exception of stoves and ovens, which will be shut off. The Permittee will provide at the Permittee's expense, smoke alarms, CO detectors, and fire extinguishers on all vessels at all times.
- Inspection: The City's authorized representatives will have access to and across the Permit Area during business hours and in the event of an emergency, at any other time for inspection, repair of publicly-owned utilities and structures, and for fire and police services. The City will have the right to board and inspect any vessels to assure compliance by the Permittee with the provisions of this Permit. The City will coordinate inspections with the Permittee.
- Holidays, Special Events and Filming: The Permittee understands that during holidays (i.e., Fourth of July, etc.), during special events (i.e., the Long Beach Grand Prix, Jazz Festival, etc.), and filming events, the Rainbow Harbor area may experience increased attendance and noise. Due to the increased activity, the City may limit access or activity in Rainbow Harbor, Rainbow Harbor parking, or the access to Rainbow Harbor area. The Permittee waives any and all claims against the City for any adverse impact on Permittee's operation during these events.
- Advertising Signage: The Permittee, at its own cost, may place or erect and maintain its signs on the Permit Area, with advance written approval by the City. The Permittee's signs will be in compliance with City sign ordinances and conditions of the Department.

- Trash Removal and Disposal: The City will provide trash receptacles at the end of the Permit Area for use by the Permittee. The City will provide all trash collection and disposal services at no charge to the Permittee. The Permittee understands that Rainbow Harbor is located at the end of the Los Angeles River and that from time to time, especially during rain events, trash may accumulate in Rainbow Harbor. While the City will make a reasonable effort to remove the trash in the water, the trash removal process may take time and is an ongoing process due to the Rainbow Harbor location.
- Utilities: The Permittee will be responsible to provide and pay for all utilities.
- Permits: The Permittee will be responsible to obtain and pay for all required City permits and any other permits that may be required by federal, state or county agencies for its operation.
- Insurance: The Permittee will purchase and maintain all applicable insurance and endorsements as required and approved by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Arturo D. Sanchez on November 13, 2019 and by Revenue Management Officer Geraldine Alejo on November 18, 2019.

TIMING CONSIDERATIONS

City Council action is requested on December 10, 2019, to ensure the Permit is in place expeditiously and avoid any interruption in concession services to Rainbow Harbor.

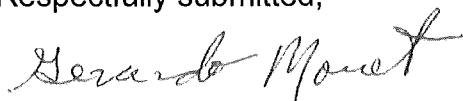
FISCAL IMPACT

The City is estimated to receive annual revenue in the amount of \$67,560. Revenue will accrue in the Tidelands Operating Fund Group in the Parks, Recreation and Marine Department. This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. The approval of this recommendation will result in a positive impact on jobs, although the number of additional local jobs is unknown at this time.

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,



GERARDO MOUET
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:


THOMAS B. MODICA
ACTING CITY MANAGER



Dockside
Boat and Bed