



CITY OF LONG BEACH

Department of Parks, Recreation and Marine

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January 18, 2005

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

SUBJECT: Execution of a Permit with Catalina Classic Cruises, Inc. for Office Space at 322 Golden Shore (District 2)

DISCUSSION

Catalina Classic Cruises, Inc. (CC Cruises) has been in marine charter business operations for more than 30 years. The business is currently operated from a home-based location in San Pedro, providing transportation services to Catalina Island for a variety of children's camps, the Boy Scouts of America, Catalina Marine Institute and managing the summer overflow transportation services from Catalina Express. In addition, CC Cruises provides ancillary services to local homeland security agencies to ensure safe vessel operations in the Long Beach-Catalina Island area waters.

Since the purchase of the Red & White Fleet, through the Catalina Cruises bankruptcy in 2001, CC Cruises' business has outgrown its home-based operation in San Pedro. Recently, the owners contacted the Parks, Recreation and Marine Department about potential office space in the building at the entrance to Catalina Landing, located at 322 Golden Shore. The Department of Community Development, Property Services Bureau was consulted in the development of the proposed permit. The proposed permit terms and conditions are as follows:

- Permit Area: Approximately 300 square feet of office space located at 322 Golden Shore.
- Authorized Use: First floor of the building for office space only.
- Permit Fee: \$450 per month.
- Maintenance: The Permittee will be responsible for all day-to-day maintenance.
- Utilities: The Permittee will pay all costs associated with the utilities at the 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.

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- Term: One-year term with either party having the right to terminate the permit by providing the other party with a 30-days written notice. At the conclusion of the initial term, the City Manager will have the option to extend the permit for two additional one-year terms.

This matter was reviewed by Deputy City Attorney J. Charles Parkin on January 5, 2005 and by Budget Management Officer David Wodynski on January 7, 2005.

TIMING CONSIDERATIONS

City Council action on this matter is requested on January 18, 2005, to enable the Permittee to get established in the office space prior to the onset of the spring season.

FISCAL IMPACT

Revenue from the requested permit, in the amount of \$5,400 per year, will be deposited in the Tidelands Operations Fund (TF) in the Department of Parks, Recreation and Marine (PR).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Authorize the City Manager to execute a one-year permit with Catalina Classic Cruises, Inc. for a rental rate of \$450 per month; and,
2. Authorize the City Manager to execute amendments to extend the permit for two additional one-year terms.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:



GERALD R. MILLER
CITY MANAGER