



CITY OF LONG BEACH

C-11

DEPARTMENT OF PARKS, RECREATION & MARINE

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www.lbparks.org

November 20, 2007

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager to execute a permit with OWS Holdings, LLC, doing business as Offshore Watersports, to use and occupy portions of the docks, slips, and end ties at Rainbow Harbor for the purpose of operating a watercraft rental concession for a three-year term, with one two-year renewal option, at the discretion of the City Manager or his designee. (District 2)

DISCUSSION

Offshore Watersports has been operating in the City of Long Beach under various owners since 1996. The new owner, operating as OWS Holdings, LLC, doing business as Offshore Watersports (OWS) is requesting a permit to operate a watercraft rental concession out of Rainbow Harbor. OWS will offer hourly rentals of waverunners, bowride family boats, and Zego sports boats; see photographs attached (Attachment 1). Every vessel is equipped with safety equipment and personal floating devices. The fleet consists of four waverunners, three Zegos, and three bowride boats, for a total of ten vessels. During the boating season, which runs from Memorial Day weekend through Labor Day weekend, OWS will operate seven days per week from 10:00 a.m. to 5:00 p.m., and during the off-season, by appointment only. This service will significantly enhance the tourist industry at Rainbow Harbor 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.
- Authorized Use: Operation of a watercraft rental concession.
- Term: Three years, through December 31, 2010.
- Renewal Options: One two-year renewal option, subject to the discretion of the City Manager or his designee.

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- Permit Fee: Six percent annual gross receipts for the first year, seven percent annual gross receipts for the second year, and eight percent annual gross receipts for the third year, with an annual minimum permit fee of \$4,500.
- Dock Fee: \$14.50 per lineal foot occupied or reserved by the operator, or other fee subsequently adopted by the City Council.
- Insurance: OWS Holdings, LLC 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 November 1, 2007, and Budget Management Officer Victoria Bell on November 1, 2007.

TIMING CONSIDERATIONS

City Council action is requested on November 20, 2007, 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).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

PTH:erh

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER



Wave Runner



Bowride Family Boat



Zego Sports Boat