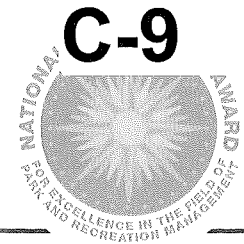




CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

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June 10, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary to enter into a permit with Children's Maritime Foundation to use and occupy portions of the docks, slips, and end ties in Rainbow Harbor for the purpose of operating an educational charter boat service for a term of five years, with one, two-year renewal option at the discretion of the City Manager or his designee. (District 2)

DISCUSSION

Since 1998, the tall ship, American Pride, has provided chartered sailing, historic interpretation, and environmental education tours originating from Rainbow Harbor. During this time, Southern California students and visitors to Long Beach have enjoyed the adventure and romance of the unique experience of traveling the Pacific Ocean on a graceful three-mast schooner.

On June 19, 2007, the City Council authorized the City Manager to execute a permit with American Heritage Marine Institute, LLC, subsequently renamed Children's Maritime Foundation (Foundation), for the operation of the American Pride in Rainbow Harbor, and to implement an In-Kind Credit Program (Program) through June 30, 2014. The Program allowed the Foundation to apply for in-kind credit to offset dock fees for youth education programs provided to day camps offered by the Department of Parks, Recreation and Marine (PRM). Each year, approximately 800 Long Beach youth enrolled in PRM summer day camps experience California history by becoming sailors while sailing on the American Pride.

On March 4, 2008, the Mayor of Long Beach proclaimed the American Pride the official tall ship of the City of Long Beach (City), and that the tall ship serves as the City's "Ambassador of Goodwill," representing the City in any port she visits. The American Pride has proven to be an interesting and unique sailing vessel that draws people to Rainbow Harbor. As the current permit will expire on June 30, 2014, PRM proposes to enter into a new permit to allow the Foundation to continue to dock and sail the American Pride from Rainbow Harbor.

The proposed permit will contain the following major provisions:

- Term: Five years, from July 1, 2014 through June 30, 2019.
- Renewal Option: One, two-year renewal option at the discretion of the City Manager or his designee.
- Permitted Area: Commercial dock space in Rainbow Harbor, as assigned by PRM.
- Authorized Use: Publicly chartered educational and historic interpretation trips, tours, and camps.
- Permit Fee: Five percent of annual gross receipts, or \$5,000 annual minimum, whichever is greater, paid on a monthly basis. The annual minimum amount shall be adjusted on an annual basis, based on the March Consumer Price Index.
- Dock Fee: \$16.65 per linear foot, or other dock fee subsequently adopted by the City Council.
- In-Kind Credit: In-kind credit shall be valued at a dollar-for-dollar ratio against the retail price of services and shall be credited against City dock fees for the calendar year in which the contribution is made. Any credit above the required annual dock fee shall not roll over to the next calendar year.
- Insurance: The Foundation shall indemnify the City and provide evidence of insurance as required by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Kendra L. Carney on May 8, 2014, and by Budget Management Officer Victoria Bell on May 15, 2014.

TIMING CONSIDERATIONS

City Council action is requested on June 10, 2014, in order to enable the execution of the permit in a timely manner.

FISCAL IMPACT

All gross receipt and dock fee revenue in the amount of \$5,000, and subsequent annual CPI increases, will continue to accrue to the Rainbow Harbor Area Fund (TF 411) in the Parks, Recreation and Marine Department (PR). The recommended action will result in a positive impact on jobs.

HONORABLE MAYOR AND CITY COUNCIL

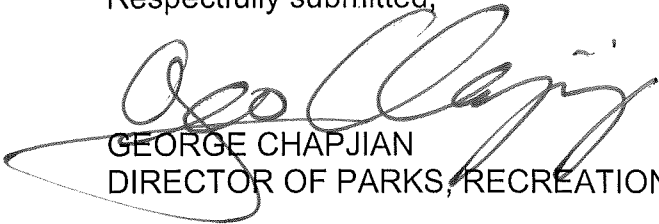
June 10, 2014

Page 3

SUGGESTED ACTION:

Approve recommendation.

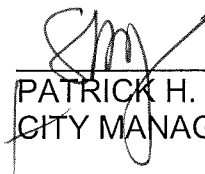
Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:SS:EH:RL:lh

APPROVED:



PATRICK H. WEST
CITY MANAGER