



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

**C-11**



September 18, 2012  
2760 N. Studebaker Road, Long Beach, CA 90815-1697  
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www.LBParks.org

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HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute a permit with Integrity Ventures Group, Inc., dba Pacific Sailing and Catalina Charters, for the use of docks, slips, and end ties for the operation of a sailboat charter service, a sailing and boating club, and the sale and brokering of marine vessels in Rainbow Marina for a five-year term, with two, one-year renewal options at the discretion of the City Manager or his designee. (District 2)

## DISCUSSION

On March 16, 2010, the City Council authorized a permit with Pacific Sailing, LLC (Pacific Sailing), for the use of docks, slips, and end ties for the operation of a sailboat charter service and a sailing and boating club in Rainbow Marina. In 2011, Pacific Sailing began experiencing financial difficulties and the City of Long Beach (City) ultimately cancelled their permit on June 30, 2012. Subsequently, Integrity Ventures Group, Inc., acquired Pacific Sailing and is requesting a permit to operate a sailing and boating club and a sailboat charter business under the name Pacific Sailing and Catalina Charters.

The proposed permit contains the following major provisions:

- Premises: Commercial dock space in Rainbow Marina, as assigned by the Marine Bureau (Attachment).
- Authorized Use: Operation of a sailboat charter service, a sailing and boating club, and the sale and brokering of marine vessels.
- Term: August 1, 2012 through July 31, 2017.
- Renewal Options: Two, one-year renewal options at the discretion of the City Manager or his designee.
- Permit Fee: Pacific Sailing and Catalina Charters shall pay the City seven percent of annual gross receipts for the initial five-year term, and eight percent of annual gross receipts if the one-year renewal options are executed, or an annual minimum amount of \$5,000, whichever is greater.

Pacific Sailing and Catalina Charters shall pay the City five percent of any commissions for brokerage sales made at or from the premises, plus five percent of net profit on new boat sales generated from business done on or from the premises.

As part of the terms of the permit, upon Council approval, Pacific Sailing and Catalina Charters shall pay the City the sum of \$150,000, which represents Pacific Sailing's back debts.

- Insurance: Pacific Sailing and Catalina Charters 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 July 24, 2012, and Budget Management Officer Victoria Bell on July 26, 2012.

#### TIMING CONSIDERATIONS

City Council action is requested on September 18, 2012, in order to enable the execution of the permit.

#### FISCAL IMPACT

The commercial dock fee is set at 20 percent above the recreational dock fee. Currently, the operator is using 18 slips in the Rainbow Marina, generating \$14,293 in dock fees per month. In addition, the operator will pay a permit fee totaling seven percent of gross sales per month, or a minimum of \$5,000 per year, whichever is greater. Revenue will accrue to the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). In FY12, the one-time payment of \$150,000 will accrue to the Marina Fund (TF 403). The recommended action will result in a positive impact on jobs. However, the exact number is unknown at this time as it will be dependent upon customer volume at Rainbow Marina.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
GEORGE CHAPJIAN  
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:MS:erh  
Attachment

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

**INTEGRITY VENTURES GROUP, INC.,  
DBA PACIFIC SAILING AND CATALINA CHARTERS**

**Location: Rainbow Marina located in Rainbow Harbor  
200 Aquarium Way, Long Beach, CA 90802**



**Slips Included in Permit:**

- |      |      |
|------|------|
| 5005 | 5052 |
| 5006 | 5053 |
| 5007 | 5056 |
| 5027 | 5057 |
| 5031 | 5058 |
| 5033 | 5076 |
| 5035 | 5079 |
| 5043 | 5080 |
| 5051 |      |