



## Legislation Text

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**File #:** 18-0172, **Version:** 1

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Recommendation to adopt Specifications No. RFP PR17-042 and authorize City Manager, or designee, to issue a permit, and any amendments, with ABA Enterprises, LLC, of Beverly Hills, CA, and Gateway Enterprises, LLC, of Los Angeles, CA, collectively doing business as Shoreline Village, in Long Beach, CA, for placement and operation of retail merchandizing units along the esplanade in Rainbow Harbor and a portion of the adjacent Shoreline Aquatic Park, for a term of ten years, with the option to renew for one additional five-year period, at the discretion of the City Manager. (District 2)

City Council approval is requested to authorize the City Manager, or designee, to issue a permit, and any amendments, with ABA Enterprises, LLC, and Gateway Enterprises, LLC, collectively doing business as Shoreline Village, for the placement and operation of retail merchandizing units (RMUs) on the esplanade in Rainbow Harbor, which stretches from the western edge of Shoreline Village to Shoreline Aquatic Park.

Since 2007, the Department of Parks, Recreation and Marine (PRM) has permitted retail RMUs on the esplanade in Rainbow Harbor via Permit No. 30618 with Harbor Breeze Corporation. The RMUs have historically encompassed a varying tenant mix of food vendors and souvenir stands. PRM believes that the practice of permitting RMUs is essential to supporting a vital waterfront and thriving commercial harbor. However, PRM also believes that further investment into the RMU program is needed to improve the aesthetics and functionality of the aging RMUs, as well as to better reflect and mirror the development that the area and the City of Long Beach (City) has seen over the past 11 years. Therefore, since the permit with Harbor Breeze Corporation has expired, a Request for Proposals (RFP) process was completed to provide for continuation and re-evaluation of the RMU program in Rainbow Harbor.

The RFP was advertised in the Long Beach Press-Telegram on February 17, 2017, and 8,760 potential proposers were notified of the RFP opportunity. Of those proposers, 53 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing) <<http://www.longbeach.gov/purchasing>>. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Two proposals were received on April 28, 2017. Of those two proposers, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), or certified Small Business Enterprises (SBEs), and both were Long Beach businesses (Local).

A selection committee, comprised of staff from PRM, the Department of Economic Development, and a volunteer from the City's former Redevelopment Agency Board, reviewed the written proposals and evaluated each firm based on the criteria set forth in the RFP. Both firms were invited to interview in June 2017.

The selection committee determined that Shoreline Village was the firm most qualified to procure, operate, and maintain the RMUs. The selection committee's decision was based on Shoreline Village's proposed approaches to tenant screening and selection, tenant mix and marketing outreach, the aesthetics of the proposed RMUs, and accompanying placement strategy - all of which met or exceeded the intent of the RFP.

Under the proposed permit, Shoreline Village will procure, operate, and maintain 8 to 18 RMUs along the esplanade in Rainbow Harbor and a portion of the adjacent Shoreline Aquatic Park.

The proposed permit contains the following major provisions:

- Term: Ten years, commencing upon full execution of the permit.
- Renewal Option: One, five-year renewal option, at the discretion of the City Manager, or designee.
- Permit Area: The esplanade in Rainbow Harbor and a portion of the adjacent Shoreline Aquatic Park. Placement of the RMUs has not yet been finalized; however, Shoreline Village has proposed locations for the RMUs (Attachment 1). Final RMU locations will be predetermined by PRM, subject to the mutual consent of Shoreline Village, and will be in immediate proximity of limited electrical utilities, or locations where electrical service can be conveniently established by PRM. Whenever practical, RMUs will be sited at locations, which are on the land side of the permit area's pedestrian esplanade and/or park walkways, to protect visitors' unobstructed views of Rainbow Harbor and waterways beyond.
- Permitted Use: The placement and operation of up to 18 RMUs. RMUs shall include a mix of grab and go food service options (Food RMUs) and quality retail items (Retail RMUs) that will complement existing food and retail storefronts within Rainbow Harbor. RMUs may not be used for non-operational storage of back stock or other equipment. In addition to the static RMUs, Shoreline Village, at its discretion, may operate up to three mobile RMUs on a seasonal basis within the permit area.
- Permit Fees: Shoreline Village shall pay an annual minimum of \$17,000, or 10 percent of gross receipts, whichever is greater. To account for the production and fabrication of the RMUs during the first permit year, the annual minimum shall be a prorated amount of \$1,417 per month, for only the months that the first RMUs

are placed and operational.

- RMU Footprints: Shoreline Village shall operate within an established physical footprint for each location, defined by the open operational configuration of the RMUs. To avoid the potential for “spill” or “operational creep” beyond the intended boundaries, additional merchandizing equipment, i.e., displays, tables, signage, or similar components that extend beyond the established footprint boundaries, will be prohibited. For Retail RMUs, the physical footprints shall range from a minimum of 14’ by 4’ to a maximum of 13’ by 6’. For Food RMUs, the physical footprints shall range from a minimum of 14’ by 7’ to a maximum of 10’ by 10’. The overall complement of RMUs and their footprints shall be at the discretion of Shoreline Village, subject to the mutual consent of PRM.
- RMU Design Standards: All RMUs shall be furnished by Shoreline Village at their own expense. The RMUs will be of a consistent architectural standard, subject to the pre-approval of PRM. The RMU equipment must be presented at a high aesthetic standard, with color and design features consistent with, and complimentary to, the existing architectural design of the permit area. The aesthetic standard for the RMUs will be evaluated both in their open operational configuration, as well as their closed, secure configuration, and be subject to PRM’s appearance standard. Shoreline Village, at its discretion, may use shade umbrellas and chairs or stools for RMU staff comfort, provided these items meet the same high aesthetic standard and match the theme of the RMUs. As Shoreline Village has not yet placed their order to procure the RMUs, there are currently no renderings of final versions of RMU designs. However, Shoreline Village has provided PRM with examples of potential retail and food RMU designs (Attachment 2).
- Standards of Service: All RMUs shall be presented at high operational standards, i.e., clean, well maintained, and professionally staffed. All RMUs must be actively used to display merchandise, and demonstrate and/or serve as points of sale for the products or services offered through the RMUs.
- Current Tenant Transition Plan: Current Harbor Breeze Corporation RMU tenants shall have the opportunity to apply for, and become tenants of Shoreline Village. Current tenants must complete Shoreline Village’s application process, fit Shoreline Village’s proposed tenant mix, and be able to meet, or agree to adapt, to Shoreline Village’s desired standards of service and product offerings. Current Harbor Breeze Corporation RMU tenants and tenant’s employees shall have the opportunity to apply for, and become tenants/employees of Shoreline Village. Current tenants must complete Shoreline Village’s application process, fit Shoreline Village’s proposed tenant mix, and be able to meet, or agree to adapt, to Shoreline Village’s desired standards of service and product offerings.

· Insurance: Shoreline Village shall purchase and maintain all applicable insurance and endorsements as required and approved by the City's Risk Manager.

### **Local Business Outreach**

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the RFP specifications. Through outreach, 956 Long Beach vendors were notified to submit proposals, of which 12 downloaded and two submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the proposer pool.

This matter was reviewed by Deputy City Attorney Linda T. Vu on January 29, 2018 and by Budget Management Officer Rhutu Amin Gharib on February 2, 2018.

City Council action to adopt Specifications No. RFP PR17-042 and execute a permit is requested on February 20, 2018, to ensure the permit is in place as soon as possible so that Shoreline Village may procure the RMUs and begin operations.

Estimated annual revenue in the amount of \$17,000 from permit fees will accrue to the Rainbow Harbor Area Fund (TF 411) in the Parks, Recreation and Marine Department (PR). There may be increases in this revenue dependent on whether gross receipts of the RMUs exceed the minimum threshold. The recommended action will result in a positive impact on jobs, although the exact number is unknown at this time.

Approve recommendation.

MARIE KNIGHT  
DIRECTOR OF PARKS, RECREATION AND MARINE

JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER