



## Legislation Text

---

**File #:** 05-3369, **Version:** 1

---

Recommendation to authorize City Manager to execute permit with Jayme Wilson, dba Spirit Cruises, for the operation of dinner cruises, yacht parties, ship charters, whale watching and harbor tours from the Long Beach Shoreline Harbor Marina for a term of three years, through December 31, 2008, with two three-year options to renew, at the sole discretion of the City Manager; and authorize City Manager to execute any amendments. (District 2)

Last spring, the Marine Bureau began evaluating the mix of commercial operations in the Long Beach Shoreline Harbor Marina and Rainbow Harbor areas to determine whether an expanded variety of businesses might be required to further complement the waterfront visitors' experience. The evaluation process included discussions with resident operators and Parks, Recreation and Marine executive staff, which concluded that the range of waterfront operations offers an enjoyable selection of activities. Jayme

Wilson's business, Spirit Cruises, is one of the operations. Since 1989, Spirit Cruises has operated from the Long Beach Shoreline Harbor Marina offering dinner cruises, yacht parties, ship charters, whale watching and harbor tours. The most recent permit with Spirit Cruises was executed in 1999 for a three-year term. Since the August 2002 expiration, they have continued operations on a month-to-month basis. Currently, the City receives 5 percent of the gross receipts from the Long Beach operation. Mr.

Wilson also operates from San Pedro's Ports O' Call.

The Long Beach Shoreline Harbor Marina and Rainbow Harbor area evaluation recommended an adjustment of the permit fees, which had not changed in more than ten years. Fees for new contracts and renewals will be negotiated at the current adjusted rate of the corresponding type of operation.

A new permit has been negotiated with Spirit Cruises and the proposed terms and conditions are as follows:

Permit Area: Commercial dock space as assigned by the Marine Bureau.  
harbor tours.

Permitted Use: Dinner cruises, yacht parties, ship charters, whale watching and harbor tours.

Dock Fee: \$13.35 per linear foot of dock space, per month, or the Long Beach Shoreline Harbor Marina dock rate established by City Council.

Term: Three-year term expiring November 30, 2008 (Initial Term), with two, three-year options to renew at the sole discretion of the City Manager.

Permit Fee: 8 percent of gross receipts derived from Permittee's Long Beach operations or annual minimum rent of \$35,000, whichever is greater.

Permit Fee Adjustment: Each year following the Initial Term of the permit, the annual minimum rent may be adjusted by the increase in the Consumer Price Index (CPI) (All Urban Consumers) for the Los Angeles-Riverside-Orange County, California area. The adjustment will be no less than the annual minimum rent for the initial permit term and no greater than 8 percent. CPI statistical data reported for the month of August will be used to calculate the increase for the rental adjustment in the first month of each consecutive permit year, following the initial three-year term.

Maintenance: The City shall be responsible for aU dock maintenance related to normal wear and tear.

Utilities: Permittee shall pay all costs associated with the utilities at the permitted site.

Insurance: Permittee shall provide insurance coverage as defined by the City s Risk Management office.

This matter was reviewed by Deputy City Attorney Charles Parkin on October 19, 2005 and Budget Management Officer David Wodynski on October 20, 2005.

City Council action is requested on November 1, 2005, to enable the execution of a permit with the adjusted fees.

Revenue for the Initial Term of the permit is estimated to be \$16 020 annually, from dock fees, and a minimum of \$35 000 annually from gross receipts of the Permittee operation. All revenue will accrue to the Tidelands Operating Fund (TF) in the Department of Parks, Recreation and Marine (PR).

Approve recommendation.

PHIL T. HESTER  
DIRECTOR OF PARKS, RECREATION AND MARINE