



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

C-19

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June 19, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a permit with American Heritage Marine Institute, LLC, DBA American Pride Charters, 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 five-year term, with one, two-year renewal option at the discretion of the City Manager or his designee. (District 2)

DISCUSSION

American Heritage Marine Institute, LLC (American Heritage) has operated an educational charter boat service from the tallship, American Pride, in Rainbow Harbor, since 1998. American Heritage has provided thousands of Southern California students and Long Beach visitors with the unique experience of traveling the Pacific Ocean on a historic vessel. American Heritage has requested authorization to continue to operate from Rainbow Harbor and has expressed interest in participating in the new "In-Kind Credit" program.

In an effort to increase access to Long Beach Tidelands, the Department of Parks, Recreation and Marine (PRM) is proposing to introduce the In-Kind Credit program to allow Rainbow Harbor permittees the option to apply for in-kind credits. When contributing services in support of Long Beach Tidelands, these credits shall then be applied against dock fees. Such in-kind contributions could include, but are not limited to, sail excursions, ocean classes, and whale watching. Approval of these services is at the discretion of the Director of Parks, Recreation and Marine and will be coordinated by PRM. The Department of Parks, Recreation and Marine supports the request to execute a permit with American Heritage and intends to continue its long-standing relationship with the organization.

The following are major provisions of the proposed permit:

- Permit Area: Commercial dock space, as assigned by the Marine Bureau.
- Permitted Use: Educational charter services.
- Term: Five years, through June 30, 2012.

- Renewal Options: One, two-year renewal option at the discretion of the City Manager or his designee.
- Permit Fee: Five percent annual gross receipts, or \$4,200 annual minimum, whichever is greater.
- Dock Fee: \$14 per lineal foot occupied or reserved by the operator, or other fee subsequently adopted by the City Council.
- In-Kind Credits: In-kind contributions shall be valued at a dollar-for-dollar ratio against the retail price of services and shall be credited against permittee's 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: American Heritage shall provide insurance coverage, as defined by the City's Risk Management Office.

This matter was reviewed by Principal Deputy City Attorney Charles Parkin on May 24, 2007, and Budget and Performance Management Bureau Manager David Wodynski on May 30, 2007.

TIMING CONSIDERATIONS

City Council action is requested on June 19, 2007, to enable the execution of the permit.

FISCAL IMPACT

The Department of Parks, Recreation and Marine will receive a minimum of \$4,200 in permit fees in the first year of the contract. Dock fee revenue will be reduced based on in-kind contributions. All revenues 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:JCS:MAS:erh

APPROVED:



for Christine J. Shipper
GERALD R. MILLER
CITY MANAGER