

# CITY OF LONG BEACH

**DEPARTMENT OF PARKS, RECREATION & MARINE** 

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April 14, 2009

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

### RECOMMENDATION:

Authorize the City Manager to execute a permit with BAH Ventures, Inc., a California corporation, doing business as Rubber Duck Tours, for the purpose of operating an amphibious bus tour of downtown Long Beach and Rainbow Harbor, for a term of five years with one five-year renewal option, at the discretion of the City Manager or his designee. (District 2)

### DISCUSSION

BAH Ventures, Inc. (BAH), is proposing to operate Rubber Duck Tours, a new tourist and resident attraction out of Rainbow Harbor. This attraction will promote the many cultural and recreational destinations that make Long Beach a truly unique city. BAH will purchase a Hydra Terra T vessel or "Rubber Duck" (Duck). The Duck is fully Coast Guard approved, classified as unsinkable, will hold 47 passengers, and is able to operate on both water and land. Passengers on the amphibious tour will have a Duck's eye view of the historic downtown area, where they will learn about Long Beach's transformation from a farm community to a bustling port city. The tour will continue as passengers "splash" through Rainbow Harbor for a view of the city's beautiful coastline. The cost of the 90-minute tour will be \$30, with a discounted rate for children, seniors, military personnel, and students. This family attraction will enhance the tourist trade at Rainbow Harbor. An illustration of the Rubber Duck vessel and the proposed tour route are included (Attachment A).

BAH Ventures, Inc., was founded in December 2007, as a commercial brokerage firm with sales of over \$65 million in Los Angeles County. Brent Harrison, owner/operator of BAH, is seeking to enter into new markets and has obtained the professional expertise of Gerald Tautenhahn, a Newport Beach business owner who possesses a 100-Ton Master Captain License and over ten years of experience in maritime operations. The holder of this license is allowed to operate Coast Guard inspected passenger vessels having a Certificate of Inspection stating the number of passengers and area of operation; this would typically include small ferries and sightseeing vessels.

"We create community and enhance the quality of life through people, places, programs and partnerships"

The proposed permit contains the following major provisions:

- Authorized Use: Operation of an amphibious bus tour of downtown Long Beach and Rainbow Harbor, as well as the sale of advertising on the vessel. The City Manager or his designee shall approve the final tour route. BAH will be responsible for coordinating the selected tour route with Long Beach Transit.
- Route: The tour route will operate in and out of the Tidelands area and will encompass approximately 6.25 miles, of which 23 percent (1.44 miles) will be outside of the Tidelands area.
- <u>Term</u>: April 15, 2009 through May 31, 2014.
- Renewal Options: One five-year renewal option, at the discretion of the City Manager or his designee.
- <u>Permit Fee</u>: Six percent of annual gross receipts, with an annual minimum amount of \$4,000. Upon execution of the renewal option, BAH shall pay seven percent of annual gross receipts. This revenue will be apportioned between the Tidelands Fund and the General Fund, based on route percentage.
- <u>Launch Fee</u>: \$100 per month, or other fee subsequently adopted by the City Council.
- <u>Parking Fee</u>: \$30 per space, per month, or other fee subsequently adopted by the City Council. Specific parking locations to be determined by the City Manager or his designee.
- Advertising Fee: Six percent of annual advertising gross receipts. This revenue will be apportioned between the Tidelands Fund and the General Fund, based on route percentage.
- <u>Advertising Content</u>: BAH shall abide by the requirements set forth in Section 21.15.110 of the Long Beach Municipal Code, which governs advertising on City property.
- <u>Insurance</u>: BAH shall provide evidence of insurance as deemed sufficient by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on March 26, 2009, and Budget and Performance Management Bureau Manager David Wodynski on March 31, 2009.

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# **TIMING CONSIDERATIONS**

City Council action is requested on April 14, 2009, in order to authorize the execution of a permit with BAH Ventures, Inc., and to allow BAH to begin operations as soon as possible.

## **FISCAL IMPACT**

All launch fee and parking revenue will accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR). All permit fee and advertising fee revenue will accrue as follows: 77 percent to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR), and 23 percent to the General Fund (GP) 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:MS:eh

Attachment

APPROVED:

RICK H. WEST MANAGER

# RUBBER DUCK TOURS

