



# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

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December 13, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to enter into a new permit with Boat Rentals of America, Inc., to operate a recreational watercraft rental concession in Rainbow Marina for a term of three years and three months, with one three-year renewal option, at the discretion of the City Manager. (District 2)

## DISCUSSION

Boat Rentals of America, Inc. (Boat Rentals), is a family-owned and operated business established in 1992. Since 2008, Boat Rentals has operated a recreational watercraft rental concession in Rainbow Marina that rents power boats, electric boats, and jet skis to the public. Boat Rentals' volume has grown steadily year after year throughout its current term, providing convenient access to Long Beach waterways to more than 50,000 members of the public annually. In addition to the Rainbow Marina location, Boat Rentals currently operates out of four other California locations: Hotel Maya in Long Beach, Newport Beach, Dana Point, and Oceanside, as well as three Arizona locations: Tempe, Pleasant Harbor, and Chandler.

Permit No. 30686, between the City of Long Beach (City) and Boat Rentals, for operation of a watercraft rental concession, will expire on March 31, 2017, with no additional renewal options. Boat Rentals has submitted a proposal to provide a new, upgraded, and ADA-compliant customer service and ticketing kiosk, which will replace the existing temporary kiosk that is located on the Rainbow Esplanade. As Boat Rentals provides popular and valuable water-oriented services for the public and has committed to invest in the fabrication of a new customer service and ticketing kiosk, it is recommended that the City enter into a new permit to allow Boat Rentals to continue to provide watercraft rental services. The new kiosk, which will be provided and maintained by Boat Rentals at its sole cost and expense, will better facilitate Boat Rentals' customer service and will further enhance the charm of Shoreline Village.

The proposed permit contains the following major provisions:

- Premises: Commercial dock space in Rainbow Marina, as assigned by the Marine Bureau.
- Permitted Use: Operation of a recreational watercraft rental concession, including but not limited to, the rental of power boats, electric boats, and jet skis.
- Term: Three years and three months, from January 1, 2017 through March 31, 2020, to allow for the installation of a new kiosk. The proposed term ending date is in line with the ending date of the current permit.
- Renewal Option: One three-year renewal option (April 1, 2020 through March 31, 2023), at the discretion of the City Manager or designee.
- On-site Upgrades: Boat Rentals shall replace the existing temporary kiosk, used for customer service and ticketing, with a new portable-style ADA-compliant kiosk that is architecturally consistent with Shoreline Village. The size, design and specific location of the new kiosk is subject to approval by the City Manager or designee. The new kiosk will remain the property of Boat Rentals and will be removed by Boat Rentals upon expiration or termination of the permit.
- Permit Fee: 8 percent of annual gross receipts, or an annual minimum of \$25,000, whichever is greater. The annual minimum amount is based on Boat Rentals' past history and business plan.
- Dock Fee: For Fiscal Year 2017, the dock fee rate shall be \$18.25 per lineal foot per month, as occupied or reserved by Boat Rentals. Dock fees are subject to change as adopted by the City Council.
- Insurance: Boat Rentals shall provide insurance coverage as defined by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Linda T. Vu on November 10, 2016 and by Budget Operations Administrator Grace Yoon on November 14, 2016.

#### TIMING CONSIDERATIONS

City Council action is requested on December 13, 2016, to enable Boat Rentals to proceed with plans to replace and upgrade their customer service and ticketing kiosk as soon as possible.

FISCAL IMPACT

It is estimated that annual revenue in the amount of \$25,000 will accrue to the Rainbow Harbor Area Fund (TF 411) in the Parks, Recreation and Marine Department (PR). The recommended action will result in a positive impact on jobs as existing positions will be retained.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MARIE KNIGHT  
DIRECTOR OF PARKS, RECREATION AND MARINE

MK:SS: EH:KB:RL:lh

APPROVED:



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PATRICK H. WEST  
CITY MANAGER