

CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



April 9, 2013

2760 N. Studebaker Road, Long Beach, CA 90815-1697
(562) 570-3100 • FAX (562) 570-3109
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HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a non-exclusive permit with Little Ships Fleet Yacht Club for the use of City-owned property, commonly known as the storage shed, located in Alamitos Bay Marina at 223 Marina Drive for a term of five years. (District 3)

DISCUSSION

The Little Ships Fleet Yacht Club (Little Ships) is a nonprofit organization founded in 1937, for the purpose of providing a low-cost alternative yacht club experience. Little Ships is a fully accredited, nonprofit yacht club affiliated with the Southern California Yachting Association, as well as other yachting organizations in Southern California. Little Ships' primary focus is to ensure that members have the opportunity to improve their sailing skills and knowledge, while experiencing the fun and joy of yachting. The initial application fee is \$100, with an annual membership fee of \$125.

In order to provide a low-cost yacht club experience, Little Ships does not maintain a full-service on-shore facility for its members, choosing instead to conduct membership meetings and social events at various yacht clubs throughout the Long Beach area. However, Little Ships needs a facility in which to store boating equipment and supplies. Since 2002, Little Ships has rented the storage shed located at 223 Marina Drive and, over the years, has made numerous repairs to the shed to ensure its integrity. The current permit has expired and Little Ships is requesting a new permit.

In 2008, Little Ships agreed to the most recent permit amendment, in which Little Ships paid \$850 per year. However, since 2008, Little Ships' membership has declined by 57 percent due to the weak economy. Therefore, Little Ships is requesting a rent reduction to \$425 per year. Little Ships will continue to maintain the storage shed in its current condition throughout the term of the permit. In order to compensate for the lower rent, Little Ships will commit that its membership will donate a minimum of 50 hours per year to local boating charity events.

Because the storage shed is located in Alamitos Bay Marina (ABM), and the equipment stored in the shed is used to host and conduct events in ABM, losing access to the storage shed would create a significant hardship for Little Ships. In addition, Little Ships' presence in ABM is a benefit to the City of Long Beach (City) and the marina enterprise, as the events hosted by Little Ships showcase and promote the City's

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marina operation. Little Ships is geared to small vessel events and racing, which enhances the demand for smaller vessels, and thereby supports the financial strength of ABM. In addition, Little Ships joins with other clubs in Long Beach to host larger events, such as Long Beach Race Week and the annual Long Beach Charity Regatta.

The proposed permit contains the following major provisions:

- Premises: A storage shed located in Alamitos Bay Marina at 223 Marina Drive.
- Authorized Use: The premises shall be used solely for the storage of boating equipment and supplies as needed for club events.
- Term: Five years, commencing April 1, 2013 through March 31, 2018. Either party shall have the right to terminate the permit at any time with a 60-day written notice.
- Renewal Options: None.
- Rent: \$425 paid annually. In exchange for the reduction in rent, Little Ships shall donate a minimum of 50 hours per year to local boating charity events.
- Maintenance: Little Ships shall be required to maintain the storage shed in a manner that is satisfactory to the Director of the Department of Parks, Recreation and Marine.
- Insurance: Little Ships shall provide insurance coverage as defined by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on February 19, 2013, and Budget Management Officer Victoria Bell on February 22, 2013.

TIMING CONSIDERATIONS

City Council action is requested on April 9, 2013, in order to enable the execution of the permit in a timely manner.

FISCAL IMPACT

Annual revenue in the amount of \$425 will be deposited in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). There is no impact to jobs associated with the recommended action.

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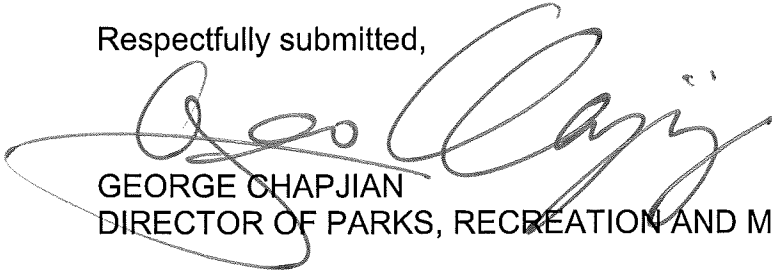
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:JK:MS:RL:lh

APPROVED:



PATRICK H. WEST
CITY MANAGER