



November 14, 2019

COMMISSIONERS
MARINE ADVISORY COMMISSION
City of Long Beach
California

RECOMMENDATION:

Recommendation to support the Marine Bureau's request for City Council authorization to enter into a permit agreement with Freetime Incorporated Db a Wheel Fun Rentals, for the use of Rainbow Lagoon to offer Swan Pedal Boat rentals for a term of five years, with two, two-year renewal options.

DISCUSSION

Freetime Incorporated Db a Wheel Fun Rentals intends to enhance the beauty and activity of Rainbow Lagoon and the neighboring Pike area by offering the attractive, yet safe, swan pedal boat rentals that will appeal to users of all ages. Similar swan boat operations in the City of Los Angeles have drawn 250,000 customers since March 2018.

Established in 1999, Freetime Inc. Db a Wheel Fun Rentals is a premier recreational rental company in the United States with over 100 locations across the country and 3-million customers served annually. And since 2000, Freetime Inc. Db a Wheel Fun Rentals has operated a bike and Segway rental business out of Shoreline Village. The company has seen progressive growth in its annual sales at Shoreline Village over the past five years, recently surpassing \$600,000 in annual sales.

Freetime Inc. Db a Wheel Fun Rentals has requested a permit to operate thirty swan pedal boats in Rainbow Lagoon for a term of five years with two, two-year renewal options.

The proposed contract permit agreement shall contain the following:

- **Term:** Five years, February 1, 2020 through January 31, 2025.
- **Renewal Options:** Two, two-year renewal options at the discretion of the City Manager or designee.
- **Capacity:** Freetime Inc. Db a Wheel Fun Rentals will be permitted to operate thirty swan pedal boats with no more than ten boats to be stored together in one location upon Rainbow Lagoon waters or property. More swan pedal boats may be approved for use in Rainbow Lagoon by written request to and authorization from

the City Manager or designee. Placement and occupancy of one kiosk facility of a size and design reviewed and approved by the City Manager or designee may be placed at the west end of Rainbow Lagoon for Freetime Inc. DbA Wheel Fun Rentals to conduct swan pedal boat business. Hours of operation are 10am to 10pm, seven days per week. Additional hours of operation may be approved via written request to the City Manager or designee.

- Permit Fee: Freetime Inc. DbA Wheel Fun Rentals shall pay eighteen percent of annual gross receipts for the initial five-year term and through the duration of each two-year renewal option. Commencing in the second year of the initial five-year term Freetime Inc. DbA Wheel Fun Rentals will pay whichever is greater of the percentage rate and an annual minimum amount of \$80,000 for the duration of the initial five-year term and throughout each of the two, two-year renewal options.

SUGGESTED ACTION:

Approve recommendation and submit to City Council on December 10, 2019.

Sincerely,



ELVIRA HALLINAN
MANAGER, MARINAS AND BEACHES

