



Legislation Text

File #: 13-0298, **Version:** 1

Recommendation to authorize City Manager to execute a non-exclusive permit with Marina Sailing Charters, Inc., to use and occupy portions of the docks, slips, and end ties at Rainbow Marina for the purpose of operating a sailboat charter service for a term of three years, with one, two-year renewal option at the discretion of the City Manager or his designee. (District 2)

Established in 1962, Marina Sailing Charters, Inc. (Marina Sailing), has operated a sailing charter service out of Rainbow Harbor since 1981. Currently, Marina Sailing operates out of six Southern California locations, including Marina Del Rey, Redondo Beach, Newport Beach, San Diego, the Channel Islands, and Long Beach. Marina Sailing's permit has expired and they would like to enter into a new non-exclusive permit to continue to operate a sailboat charter service out of Rainbow Marina (Attachment).

Marina Sailing provides an economical alternative to boat ownership through a low-cost annual association fee program. Members can participate in many sailing activities, including beginner to advanced sailing lessons, and various sailing events, which include racing, cruising, group day-sails, sunset sails, and charters. Sailing class instructors are United States Coast Guard licensed skippers. Marina Sailing's diverse 24-vessel fleet has a sailboat that is ideal for every sailing adventure, from a 20' sailboat to a 51' sailboat, which are available for full or half-day rentals, seven days a week, all year, except major holidays. As a part of their charter business, Marina Sailing routinely rents between 20 and 30 slips in Rainbow Marina.

The proposed permit contains the following major provisions:

- Premises: Commercial dock space, as assigned by the Manager of the Marine Bureau.
- Authorized Use: Operation of a sailboat charter service.
- Permit Term: Three years, commencing April 1, 2013 through March 31, 2016, with one, two-year renewal option at the discretion of the City Manager or his designee.
- Permit Fee: Seven percent of annual gross receipts, which includes an annual minimum payment of \$6,000. While the percentage rent of seven percent remained the same, the annual minimum represents an increase of \$1,000.
- Dock Fee: Monthly dock fees paid by Marina Sailing for each vessel shall be paid based on the City Council's approved commercial rate for the size of each vessel.
- Insurance: Marina Sailing shall provide insurance coverage as defined by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on March 14, 2013, and Budget Management Officer Victoria Bell on March 19, 2013.

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

Minimum annual revenue in the amount of \$6,000 will accrue to the Rainbow Harbor Fund (TF 411) in the Department of Parks, Recreation and Marine (PR). Annual slip revenue in the amount of approximately \$175,000 will continue to accrue to the Marina Fund (TF 403). The recommended action will result in a positive impact on jobs. Approximately two part-time jobs will be created to operate the sailboat charter service.

Approve recommendation.

GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST
CITY MANAGER