



Legislation Text

File #: 10-0269, **Version:** 1

Recommendation to authorize City Manager to execute a permit with Pacific Sailing, LLC, for the use of docks, slips, and end ties for the operation of a sailboat charter service, a sailing/boating/scuba diving club, and the sale and brokering of marine vessels in Rainbow Marina for a three-year term, with one, two-year renewal option at the discretion of the City Manager or his designee. (District 2)

On July 8, 2008, the City Council authorized a permit with Pacific Sailing, LLC (Pacific Sailing), for the use of docks, slips, and end ties for the operation of a sailboat charter service and a sailing/boating club in Rainbow Marina. Pacific Sailing is an accredited American Sailing Association instructional facility offering courses designed by both the United States Power Squadron and the U.S. Coast Guard Auxiliary, which meet National Association of State Boating Law Administrators' requirements for certification. Since the inception of the permit, Pacific Sailing has seen a growth in their sailing/boating club membership by providing a very affordable alternative to other social boating clubs in the Southern California area. In November 2009, Pacific Sailing approached the Department of Parks, Recreation and Marine (PRM) to request authorization to include the sale and brokering of marine vessels on the permitted premises. Due to the change in authorized use and the fact that the current permit expires on November 30, 2010, PRM recommends execution of a new permit.

The proposed permit contains the following major provisions:

- Premises: 790 linear feet of commercial dock space, as assigned by the Marine Bureau.
- Authorized Use: Operation of a sailboat charter service, a sailing/boating/scuba diving club, and the sale and brokering of marine vessels.
- Term: January 1, 2010 through December 31, 2012.
- Renewal Options: One, two-year renewal option at the discretion of the City Manager or his designee.
- Permit Fee: Pacific Sailing shall pay the City percentage fees in the amount of six percent of annual gross charter and club receipts for the first year, six and one-half percent of annual gross charter and club receipts for the second year, and seven percent of annual gross charter and club receipts for the third year, or an annual minimum amount of \$5,000, whichever is greater.

In addition, Pacific Sailing shall pay the City five percent of commissions for brokerage sales made at or from the premises, plus five percent of net profit on new boat sales generated from business done on or from the premises.

- Insurance: Pacific Sailing shall provide insurance coverage as defined by the City's Risk Management Office.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on January 25, 2010, and Budget and Performance Management Bureau Manager David Wodynski on January 28, 2010.

City Council action is requested on March 16, 2010, in order to enable the execution of the permit.

Annual minimum revenue for charter and club activities in the amount of \$5,000 will accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR). Additional revenue from brokerage sales commissions and net profit from sales performed on or from the premises will also accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR). The City's portion of all sales tax from the new activities will accrue to the General Fund (GP) in the Citywide Activities Department (XC).

Approve recommendation.

PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER