



## **STAFF REPORT**

**TO:** Board of Commissioners

**FROM:** Kristen Stout, Business Manager

**DATE:** August 27, 2019

**SUBJECT:** **2020 License to do Business on District Property – Request for Proposals**

### **Recommendation / Proposed Motion**

- Recommendation: Staff recommends approval of the release of the Request for Proposals for the “2020 Revocable Licenses to conduct Business on District Property.”
- Motion: Approve the release of the Request for Proposals for the “2020 Revocable Licenses to conduct Business on District Property.”

### **Policy Implications**

District Policy 3037 - Contracts Management

### **District Major Objective/Goal**

Objective #2 – Expand money generated opportunities to support Harbor operations that are consistent with affordability and accessibility for the public.

### **Fiscal Implications / Budget Status**

- None at this time.

### **Alternatives Considered**

The following actions were considered but are not recommended at this time:

- None at this time.

### **Discussion**

In 2012 (revised in 2017), the District developed a competitive proposal process for approving “Licenses to do Business on District Property.” These licenses are month-to-month, with two (2) one-year extensions possible. At this time, only one licensee (Momentum Paddlesports, dba Central Coast Kayaks) is required to submit a new proposal to be able to continue business in 2020 as they have been operating since 2017 and are at the end of their 3-year period. The other existing licensees will be entering into their second or third year and are not required to submit a new proposal.

License Capacity

Over the years, the District has set a precedent in the determination of capacity for licensed commercial endeavors on District-owned properties. For 2020, the District will accept proposals for the following locations and may issue licenses based on the capacity limits:

- a) Avila Beach (Capacity 5): There are currently five licensed commercial enterprises that have permission in 2020 to use portions of Avila Beach including the Junior Lifeguard camp, surf lessons/instruction, rental of kayaks and stand-up paddleboards, and the rental of beach equipment including boogie boards and wet suits (2). Currently, the District is at capacity for the allowed licensed commercial endeavors and may not accept additional proposals for this location.
- b) Harford Pier (Capacity 4): There are currently four licensed commercial enterprises that have permission in 2020 to use portions of the Harford Pier for sailing charters (2), power vessel tours (2), and ocean-related merchandise (note: there is one licensee who operates both power vessel tours and a sailing charter). Currently, the District is at capacity for the allowed licensed commercial endeavors and may not accept additional proposals for this location.
- c) Olde Port Beach (Capacity not Determined): As mentioned above, there is one license expiring (Momentum Paddlesports, dba Central Coast Kayaks) on Olde Port Beach for a business that provides rentals of kayaks and stand-up paddleboards. While the District is not at capacity for licenses issued at this location in 2020, there is only room for a maximum of two kayak and stand-up paddleboard rentals as the District does limit the number of licenses issued to “like” vendors to a total of two.
- d) Business As Proposed: See District Master Plan for available uses at <http://www.portsanluis.com/2149/Master-Plan>.

Table 1 - Type of Business & Number of Licenses Available	Location		
	Beach	Landing	Other
Sailboat Charter - Capacity Met, no licenses available	-	-	-
<b>Kayak &amp; Stand-up Paddle Board Rentals - 1 license available</b>	<b>1 Olde Port Beach</b>	-	-
Powered Vessel Tours - Capacity Met, no licenses available	-	-	-
<b>Business as proposed-</b> (see District Master Plan for available uses at <a href="http://www.portsanluis.com/2149/Master-Plan">http://www.portsanluis.com/2149/Master-Plan</a> ).	Accepting Proposals	-	Accepting Proposals
Surf Instruction & Summer Camp – Capacity Met, no licenses available	-	-	-
Food Vendors - Not Available	-	-	-

**Table 2 – Timeline:**

<b>Key RFP Item</b>	<b>Date</b>
Request for Proposals Issued	<b>September 3, 2019</b>
Deadline for Submission of Questions	<b>September 16, 2019</b>
Answers to Written Questions Posted on Website	<b>September 18, 2019</b>
Proposals Are Due	<b>October 1, 2019, 4:30 pm</b>
Notifications of Interviews, Week of	<b>October 14, 2019</b>
Finalists Interviewed, Week of	<b>October 21, 2019</b>
Property Committee Review	<b>November 7, 2019</b>
Proposed to Harbor Commission for Approval	<b>November 19, 2019</b>

The Property Committee reviewed this item at their August 8, 2019, meeting and the Committee was generally supportive of moving ahead. In the Property Committee report, staff suggested the possibility of allowing existing Port San Luis Lessee’s who currently provide prepared food product to be eligible to submit a proposal for a license for food vending on Olde Port Beach. The Property Committee asked staff to send an inquiry to the existing food service lessees to determine if there was interest, prior to the Board of Commissioners’ meeting. District staff sent out a brief survey and received no affirmative responses. As a result of the lack of interest as well as past history of vendor “wars” and/or contentious disagreement, District staff is not recommending the issuance of any licenses for food vending.

**Conclusion**

The “2020 License to do Business on District Property Request for Proposals” process, license availability draft detail and key dates are presented to the Board of Commissioners for their review, comment, and approval, per District Policy 3037 – Contracts Management. Based on the above information, District Staff recommends the Board of Commissioners accept the following license proposals:

1. One available license for kayak and stand-up paddleboard rentals operating at Olde Port Beach based on the two “like vendors” practice.
2. Businesses as proposed for “beach area(s)” or “other areas”. These proposals are other than those businesses listed in Table 1 and businesses that are allowed in the Port Master Plan.