



STAFF REPORT

TO: Board of Commissioners

FROM: Suzy Watkins, Harbor Director

DATE: November 15, 2022

SUBJECT: **2023 License Proposal Review: The Sea Barn and End of the Road Adventures**

Recommendation / Proposed Motion

- **Recommendations:**
 - Review proposals submitted by The Sea Barn and End of the Road Boat Adventures
 - Provide staff direction on number of charter licenses available
- **Motion:** Approve issuance of a 2023 Monthly Revocable License Agreement with Sea Barn.
- **Motion:** Approve 2023 Monthly Revocable License Agreements for Avila Beach Junior Lifeguard Program, Avila Beach Whale Watching, Van Curaza dba Van Curaza Surf School, Avila Lighthouse Suites, and Michael Brink dba SLO Tours.

Policy Implications

District Ordinance Chapter 4, paragraph 4.030 authorizes the District to establish agreements with licensees for payment for the non-exclusive use of District property.

District Ordinance Chapter 8, paragraph 8.120 defines 'movable vendor' for which licenses are applicable.

Contracts Management Policy 3037 established policy for the development of contract agreements for private operations of District facilities.

Objective #1 – Sustain and enhance the Harbor's finances – provide for needed infrastructure; expand revenue sources; and pay down long-term liabilities.

Fiscal Implications / Budget Status

None at this time.

Alternatives Considered

None at this time.

Discussion

On August 31, 2022, the Harbor Commission approved the release of a Request for Proposals (RFP) for 2023 Revocable License to do Business on District Property. On or around September 4, 2022, the District published the approved RFP in the Tribune newspaper and on the District website.

Over the years, the District has set a precedent in the determination of capacity for licensed commercial endeavors on District owned properties. In summary, the licenses available are as follows:

- a) Harford Pier: Two Sailing Charter licenses and one Powered Vessel Tours license.
- b) Olde Port Beach: One available license for kayak and stand-up paddleboard rentals operating at Olde Port Beach based on the two “like” vendors’ practices.
- c) Business As Proposed: See District Master Plan for available uses at <http://www.portsanluis.com/2149/Master-Plan>.
- d) Food Vendors: Two Food Vendor licenses for “beach area(s)” or “other areas”.

At the close of the RFP process, the District received a total of two (2) proposals. After completing the initial submission review and the Phase I review, one proposer was invited to participate in Phase II of the RFP process. The second proposal is included for discussion and potential future license application.

1. The Sea Barn – to provide rental of beach equipment on Avila Beach. Staff recommends proposal be forwarded for Board approval of the license.
2. End of the Road Adventures – request for additional motorized vessel charter. Staff recommends two additional motorized vessel charter licenses be made available and awarded through a separate RFP.

Proposal Review

The Property Committee, consisting of Commissioners Brandy and Vessely, reviewed the above-listed proposals on November 10, 2022.

Following is a summary of the recommendations regarding the proposal:

1. *The Sea Barn (Category: Business as Proposed)*

The Sea Barn has operated a beach equipment rental business for many years under a District license. The owner, Bill Price, submitted a proposal to continue providing this service to beach visitors. Equipment available for rent includes wet suits, surfboards, boogie boards, chairs, and umbrellas. In addition, the proposal requests access to the concession site on Avila Beach by use of an off-road quad with an attached trailer to haul concession items to and from the rental site during days of operations. The equipment transport is to take place between the hours of 9:30 a.m. to 10:00 a.m. and 6:00 p.m. to 6:30 p.m. Approval and conditions for this access are included in the current License Agreement for The Sea Barn.

The proposal is a request to continue the service under the existing terms.

Staff recommends the issuance of a license. The Property Committee agreed with the staff recommendation.

2. *End of the Road Boat Adventures*

Owner Vincent Shay submitted a proposal to provide motorized boat tours specializing in wildlife and scenic photographic adventures.

The proposal requests a new chartered power vessel tour license be issued in addition to the two licenses permitted under the Ordinance. The existing licenses are currently held by other operators. Although no chartered power vessel licenses are currently available, the proposal was submitted under the “Business as Proposed” category. This category has historically been used for businesses that do not fit in the other specific license categories.

District capacity for chartered power vessel tours has been limited to two licenses for a number of years. A total of four charter licenses are available including the two sailboat charter licenses. The limitation is primarily to allow coordination of passenger loading and unloading at the public dock.

A few operators have previously held sailboat tour licenses. Historically there has not been as much demand for sail charters, and the businesses are more difficult to operate than motor vessel charters because sailboats are more dependent on weather and sea conditions. No sailboat applications were received in response to this RFP.

Staff requests discussion of whether modifying the number of vessel licenses is desirable, and recommends increasing the number of motor vessel licenses by two to meet the designated capacity of four total charters. The Property Committee agreed with the staff recommendation.

If the Board agrees to increase the number of available power vessel tour licenses, staff recommends a new RFP should be issued to publicly notice prospective operators the additional licenses are available.

Local public agency “projects” require compliance with the California Environmental Quality Act (CEQA). The issuance of a license for the proposed uses does not meet the definition of a “project”, as stated in the California Public Resources Code Section 21065 and as follows.

“Project” means an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and which is any of the following:

- (a) An activity directly undertaken by any public agency.
- (b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
- (c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other indirect physical change in the environment.

CEQA compliance is not applicable to the above licenses. The District has historically allowed use of District property for the above activities. This continued practice is not expected to cause a direct or indirect physical change in the environment.

Recommendation

Staff recommends the issuance of license to The Sea Barn. Staff recommends increasing the licenses available for power vessel charters by two (2) and issuing a new RFP for those licenses.

Staff further recommends approval of a one-year extension for 2023 for the Monthly Revocable License Agreements for existing licensees:

- Avila Beach Junior Lifeguard Program
- Avila Beach Whale Watching
- Van Curaza dba Van Curaza Surf School
- Avila Lighthouse Suites
- Michael Brink dba SLO Tours

Attachment(s): 1. Sea Barn License Proposal
2. End of the Road Boat Adventures Proposal