



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 7, 2016

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Five Year License Agreement With Epic Cruises, Inc.

RECOMMENDATION:

That Council approve a five-year license agreement with Epic Cruises, Inc. for a water taxi service, shore boat service and limited charter service operating from Santa Barbara Harbor.

DISCUSSION:

Fred and Kathy Hershman have operated the Santa Barbara Water Taxi, a.k.a. "*Lil Toot*", under license agreements since October 2003. *Lil Toot* has carried over 390,000 passengers over this period and continues to provide a valuable service to both visitors and the boating community. Last year the *Lil Toot* received a grant from the California Air Resources Board to install a new fuel saving engine. *Lil Toot* currently charges \$5 per adult for a one-way trip and \$1 for children 12 and under.

Captain Fred Hershman has over 45 years of motorboat/sailing experience. He has six years of Coast Guard ship handling and navigation experience and is an active member of the Coast Guard Auxiliary, Santa Barbara Flotilla.

The basic terms of the proposed license agreement are as follows:

- **Term:** Five Years.
- **Water Taxi Service:** The water taxi must operate hourly between the Harbor and Stearns Wharf, from 12:00 noon – sunset, weather and sea conditions permitting. Extended hours and more frequent trips are encouraged.
- **Charter Service:** Licensee may offer a charter service only prior to 12:00 noon and after 5:00 p.m. and within City waters. Licensee may sell or provide food and/or beverage only onboard the vessel as part of the Charter Service.
- **Shore Boat Service:** Licensee may provide shore boat service, providing transportation between shoreside facilities (such as Cabrillo Landing, the launch ramp, and Stearns Wharf) and vessels moored in City waters (such as the east of Wharf mooring and anchorage areas).

- **Restrictions on Use:** Charters may take place only outside of the normal Water Taxi operating hours- before 12:00 noon and after 5:00 p.m.
- **License Fee:** \$50 per month or a percentage of gross sales, whichever is greater.
- **Percentage Fee:** Variable depending on type of sales activity.

The Water Taxi is a valuable transportation service between the Harbor and Wharf and Fred and Kathy Hershman are considered a tenant in good standing. The Hershmans also operate the 72' coastal cruise vessel *Azure Seas* under a separate lease.

The Harbor Commission recommended that the City Council approve the lease agreement at their May 19, 2016, meeting. A copy of the license agreement is available for review at the Waterfront Administration office.

PREPARED BY: Brian Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office