

**CITY OF SANTA BARBARA WATERFRONT DEPARTMENT**

**MEMORANDUM**

**Date:** February 17, 2011  
**To:** Harbor Commission  
**From:** John N. Bridley, Waterfront Director   
**Subject:** **Changes to Business Activity Permit Charter Policy**

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**RECOMMENDATION:** That Harbor Commission:

- A. Establish a \$25 application fee to be placed on the Six-Pack Charter Business Activity Permit Wait List effective March 1, 2011 and a \$25 annual renewal fee each March 1 thereafter for an applicant to maintain his/her position on the wait list;
- B. Establish prerequisites to the Six-Pack Charter Business Activity Permit Wait List effective March 1, 2011, including a requirement that all new applicants must be a current slip permittee and must possess a United States Coast Guard Captain's license for the applicant to be placed on the wait list,
- C. Amend the Six-Pack Charter Business Activity Permit policy so that all existing applicants on the Six-Pack Charter Business Activity Permit Wait List as of February 11, 2011, must be a slip permittee and must possess a United States Coast Guard Captain's license by March 1, 2012 to remain on the wait list; and /or be issued a Six-Pack Charter Business Activity Permit.
- D. Amend the policy so that two permitted operators of one permitted vessel shall be counted as only one of the allowed 12 charter permits; and
- E. Reduce the maximum number of Kayak Excursion Charter Permits from a total of three (3) to two (2) and eliminate the Kayak Excursion Permit category by sunset clause.

**BACKGROUND:**

The Santa Barbara Municipal Code (SBMC 17.28.040) requires that anyone engaging in a commercial activity or service in the Harbor must obtain a permit from the Waterfront Department (Attachment 1). The permits are referred to as Business Activity Permits (BAP). As stated in the Business Activity Permit Policy, it is the policy of the Harbor Commission to:

- 1. Promote business throughout the Harbor area in a safe, orderly and professional manner;
- 2. Encourage the offering of essential marine related services through the use of Business Activity Permits; and

The Department currently has a total of 71 Business Activity Permits (BAP) in effect. Of these, 59 are issued to businesses that provide services in the marinas.

The current BAP policy also authorizes the Department to issue up to twelve permits to six-passenger charter operators and up to three permits for kayak excursion operators. A list of current operators is attached (Attachment 2). The charter permit allows the operator to load a maximum of six passengers at the permitted slip in the Harbor. In order to carry passengers for hire, **anyone** carrying passengers for hire originating from Santa Barbara Harbor is required to have a charter permit, lease and/or they contract or operate in conjunction with a lease/license agreement such as Santa Barbara Sailing Center or Sea Landing. Six-Pack BAP charter permits are issued to a maximum of twelve (12) slips in the harbor and are not issued to licensed captains/vessels operating from the launch ramp or visitor slips.

Currently there are 21 individuals on the wait list for BAP charter permits with two permit offers pending to boaters that have been on the wait list since 2007 (Attachment 3).

At several Harbor Commission meetings, most recently February 18, 2010, Commissioners expressed concerns that waiting for three to four years for a charter permit offer is too long and changes should be made to enhance opportunities for slip permittees wishing to participate in the Six-Pack Charter Business Activity Permit (Charter BAP) program. Staff convened a publicly-noticed meeting of the Harbor Commission BAP Charter Committee on February 7, 2011 to discuss three topics; 1) establish a wait list prerequisite policy; 2) clarify the charter permit policy; and 3) discuss changes to the kayak excursion component of the charter BAP policy.

## **DISCUSSION:**

### **Six-Pack Charter Business Activity Permit Wait List Policy**

Currently there are no fees/prerequisites/pre-qualifications in place for the charter permit wait list as there are for other similar Department wait lists. The result is that a number of individuals on the wait list have been ineligible to accept a permit when offered, thus causing an inefficiency in the wait list/permit offer process. In some cases, ineligible individuals on the wait list have been offered a permit multiple times, only to request to be repositioned to the end of the wait list.

Staff recommends that all future wait list applicants pay a nominal wait list maintenance fee of \$25/year and be pre-qualified as slip permittees and possess a United States Coast Guard Captain's license prior to being placed on the wait list. The Charter Committee agreed with the staff recommendation but also recommended allowing those currently on the wait list without US Coast Guard licenses or a registered slip permit be 'grandfathered' in, provided they obtain a slip permit and a captain's license within one year of policy implementation or March 1, 2012. Grandfathered applicants on the wait list must also obtain slip permittee status and a Coast Guard license if offered a BAP during this one-year grace period.

### **Six-Pack Charter Business Activity Permit Policy**

The Six-Pack Charter Business Activity Permit policy clearly states that “Business Activity Permits shall not be issued for multiple vessels of one operator”, however, it does not have a restriction on multiple operators of one vessel (Attachment 4). There is precedent for two operators of one vessel (former operators of the original S/V *Sunset Kidd*, Captain Dennis Longaberger and Captain Gary Longaberger, and current operators of the sportfisher F/V *Finaddict*, Captain Duane Landis and Captain Jim Klein).

Staff recommends that two charter BAP permitted captains using the same designated vessel be counted as one BAP permit in order to open up a charter business opportunity for another qualified slip permittee/licensed captain. The number of vessels in the BAP charter program would remain at twelve (12), consistent with existing policy. Should the two permittees on one vessel split up and obtain separate vessels, no additional permits would be issued until the total number of vessels in the charter program drops back to twelve through attrition. The Charter Committee concurred with this recommendation.

### **Kayak Excursion Charter Permits (Guided Tours)**

Staff continues to receive many commercial activity requests for the launch ramp area but does not condone such activity since the primary purpose of the area is for public boat launching and short-term trailer parking. Kayak rentals and excursions are offered by three Waterfront lessees in the Harbor under percentage rent leases; Santa Barbara Sailing Center, Sea Landing and Paddle Sports. Additionally, kayak rental concessions are offered through the Parks & Recreation Department beach concessions at East Beach and West Beach.

In 1998 staff investigated a business advertising kayak excursions (tours) in the launch ramp, on the marina bulletin boards, and on leaflets placed on vehicles in the harbor parking lot. The operator was notified by staff that this was not a permitted business pursuant to Santa Barbara Municipal Code 17.28.040 and/or the Harbor Commission BAP policy. However, the business was allowed to operate under a kayak charter permit, after successfully appealing this determination to the Harbor Commission. The business has long since ceased operations at the harbor.

Two BAP kayak excursion/tour companies operate from the launch ramp occasionally. There have been problems associated with BAP kayak excursion/tour operations including congestion in the parking lot, launch ramps, harbor waters, and advertising/soliciting business in the launch ramp.

Staff recommends reducing the maximum number of kayak excursion permits from three (3) to two (2), and sunseting or eliminating kayak permits when they cease operations or sell/transfer their business to another operator (BAP and kayak permits are not transferable). During the discussion, many points were raised with respect to kayak operations that warrant convening a future Charter Committee meeting specific to kayak issues.

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The Harbor Commission Charter subcommittee (Commissioners Cramer, Sloan, and Spicer) recommended approval of the changes to the Business Activity Charter Permit Policy at the February 7, 2011 meeting.

Attachments: 1. SBMC 17.28  
2. Active charter /kayak excursion permits  
3. Charter permit wait list  
4. Current Business Activity Permit policy  
5. DRAFT Business Activity Permit policy

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