

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: February 18, 2010
To: Harbor Commission
From: John N. Bridley, Waterfront Director
Subject: **Business Services Report - General Update**

Business Activity Permits

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. As stated in the Business Activity Permit Policy, the purpose of the permits is 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
3. Increase the opportunities for small businesses that have no fixed place of business or lease in the Harbor by use of the Business Activity Permit.

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 (Attachment 2).

The 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. The charter permit allows the operator to load passengers from their designated slip in the Harbor. Currently, all twelve Business Activity Permits are held by charter operators (Attachment 3). There are 22 individuals on the Charter Permit wait list. In 2009, two charter permits were offered to individuals that had been on the waiting list since March 2006. The most recent charter permit was issued to Santa Barbara Sailing Adventures in December 2009.

BAP charter operators are required to submit activity logs and report their gross sales when renewing the permits each year. The purpose of this requirement is to track the level of BAP charter activity and identify any possible detrimental effects on lease operations.

Gross sales attributable to Charter BAP activity over the last five years is shown on Table 1 on the following page:

Table 1

	2004	2005	2006	2007	2008
Total BAP gross	\$ 213,924.00	\$ 305,397.95	\$ 246,734.10	\$ 326,727.26	\$ 284,886.00
Average per BAP	\$ 21,392.40	\$ 25,449.83	\$ 20,561.18	\$ 27,227.27	\$ 28,488.60

In comparison, gross sales from charter lease activity is shown on Table 2 below:

Table 2

	2004	2005	2006	2007	2008
Lessee Gross	\$4,893,231	\$4,513,112	\$5,208,008	\$5,606,130	\$5,267,832
BAP % of sales	4.37%	6.77%	4.74%	5.83%	5.41%

Table 2 indicates that the twelve BAP charter operators account for approximately 4.4% to 6.8% of charter activity in the Harbor each year.

Automatic Payment Service For Slip Fees

The City's Automatic Payment Service has been available to slip permittees since January 2002, and is an excellent option for people who travel frequently or don't want to risk accidentally missing a monthly slip fee payment.

Approximately 390 slip permittees (36% of slip accounts) currently participate in the program. Program participants receive monthly statements as usual, near the first of the month. On the fifteenth of the month, their checking account is debited for charges shown on the statement. There is no charge from the City's Billing Office to participate. However, some banks may charge a fee for electronic fund transfers. Interested parties are encouraged to check with their bank regarding any possible fees.

Application forms for Automatic Payment Service will be sent out with the April 2010 billing statements and are also available at the Harbor Patrol Office. To enroll in the program, the following four items are needed:

1. A check for the current month's slip fees
2. A completed application form
3. A voided check
4. A slip fee payment stub

The Automatic Payment Service offers most slip permittees a convenient way to pay monthly slip fees. The City's Billing Office has also offered the automatic payment option for water billing since 1999.

- Attachment 1: SBMC 17.28.040: Business Activity and Advertising in Harbor
 2: BAP Service Permits
 3: BAP Charter Permits

Prepared by: Scott Riedman, Waterfront Business Manager