

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: October 17, 2013
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Business Services Report**

Business Activity Permit Update

The Waterfront Department moved forward with regulating Business Activity Permits (BAPs) in 1972. The BAP program establishes rules and guidelines for individuals who have no fixed place of business or lease space in the Harbor District, but wish to conduct marina-related business in that District. The BAP program provides these individuals the opportunity to promote and offer their services, in a safe, orderly, and professional manner.

It was the Department's intent to make sure that those working within the Waterfront District meet the following requirements:

1. Obtain a City Business License (available at City Hall); and,
2. Obtain Commercial Liability Insurance in an amount based on the type of business being undertaken and naming the City of Santa Barbara Waterfront Department as additionally insured.
3. Annual Fee of \$20 for service businesses and \$250 for BAP six-passenger charters.

The type of commercial liability insurance is divided into three categories as follows:

Category	Type of Business Activity	Minimum Liability
I	6-Pack Charters	1,000,000
II	Major Boat repair (engine, hull & canvas repair), Commercial, diving, salvage and dredging	500,000
III	Minor boat maintenance (boat cleaning, detailing, stenciling, sanding, varnishing, minor painting, minor engine maintenance such as oil, fluid and filter changes)	300,000

If the requirements are met by the proposed permittee and approved by the Department, they are provided with a BAP identification card and placed on the Waterfront Department's list of approved BAPs. This list appears on the Waterfront Department's website and allows those seeking marina-related services an easy mechanism to acquire them. All BAPs are required to annually renew their permit by August 1 at which time their business license is checked as well as their insurance information.

Currently there are 65 BAP holders operating in the Waterfront. The annual average number of BAP holders over the past four years has been 67. The current list of BAP holders is attached. (Attachment 1)

The BAP program continues to be an important program in the Waterfront. The BAP program provides piece of mind to slip holders, boat owners and visitors knowing that those legally conducting business in the Waterfront have a business license, the required insurance, and authorization to be working in the marinas.

First Quarter of Fiscal Year 2014 Slip Transfer Data

At the September meeting, Commissioners requested details regarding the number and type of slip transfers taking place in addition to the revenue generated. Attachments 2 through 4 provide the details regarding the data requested by the Harbor Commission.

A total of 13 slip transfers took place during the first quarter of Fiscal Year 2014 compared to 16 that took place during the first quarter of Fiscal Year 2013. Seven of the 13 transfers were of slips smaller than thirty feet. However, a greater number of larger slips (40'+) transferred in Fiscal Year 2013 (four compared to one), accounting for the higher revenue in Fiscal Year 2013 compared to Fiscal Year 2014. Slip transfer data is attached on the following pages as Attachments 2, 3, and 4.

Parking Permit Update

At the September meeting, Harbor Commissioners requested an update on the amount of parking permits sold on an annual basis and whether that total had declined or increased over the last few years. The table below summarizes the total amount of parking permits sold over the past five fiscal years. Blue permits are only sold to permittees (one per slip) and red permits are available for purchase to the general public. Overall, the sale of parking permits over the past 5 fiscal years increased by 12%.

Five Year Parking Permit Data

Fiscal Year	Revenue	Blue	Red	Total
2009	\$325,536	822	3,189	4,011
2010	\$336,314	790	3,391	4,181
2011	\$336,161	787	3,498	4,282
2012	\$364,353	756	3,849	4,605
2013	\$354,378	700	3,798	4,498
5-year Avg.	\$343,348.40	771	3,545	4,315

Luke Self-Pay Parking Systems Update

In April of this year the final five Luke Self Pay Parking Systems (Lukes) were installed at the Cabrillo East and West parking lots. This latest installment brings the total to 13 Lukes in five Waterfront Parking Lots including: Harbor West, Garden Street, Chase Palm Park, Cabrillo West, and Cabrillo East.

Prior to the introduction of the Lukes, the primary method of payment for these lots was the Honor Fee System. The process was very labor intensive and required that each patron fold bills to insert into the honor fee payment box, parking staff would then remove the bills and coin from the individual slots, and accounting staff would then unfold and account for the bills and coins.

The Lukes offer a more user-friendly and technologically efficient means to pay for parking by accepting credit cards and debit cards while making payment processing more timely. Since the first installment of Lukes, approximately 60% of Luke transactions have been made by credit card.

As part of the Department's performance measures for Fiscal Year 2013, labor costs were tracked at the Garden Street parking lot and saw a reduction of \$27,279. The various efficiencies of the Luke system combined with the recent parking fee change have resulted in a 30.5% increase, or \$109,453, in first quarter revenue from the five Luke-served parking lots over last fiscal year.

Attachments:

1. Current list of BAP holders
2. Five-year Slip Transfer history
3. First Quarter FY 14 Slip Transfers
4. First Quarter FY 13 Slip Transfers

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