

## CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

### MEMORANDUM

**Date:** June 17, 2021  
**To:** Harbor Commission  
**From:** Mike Wiltshire, Waterfront Director  
**Subject:** **Proposed License Agreement With Epic Cruises, Inc. For A Water Taxi Service**

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#### RECOMMENDATION:

That Harbor Commission recommend City Council approve a five-year license agreement and one, five-year option with Epic Cruises, Inc., d.b.a. Celebration Cruises of Santa Barbara, 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 1,000,000 passengers over this period and continues to provide a valuable service to both visitors and the boating community. Lil Toot currently charges \$5 per adult for a one-way trip and \$2 for children 12 and under. Due to continued COVID-19 protocols, Lil Toot is currently operating on the weekends and departs on the hour and half hour between noon and 5:30 p.m.

Captain Fred Hershman has over 50 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 year initial term and one, five-year option..
- **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 Stearns 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:** \$100 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 by the Department as they have no outstanding default notices on file and have been prompt with rent payments. The Hershmans also operate the 72' coastal cruise vessel *Azure Seas* and the electric duffy boat, *Whisper*, under a separate license agreement.

Prepared by: Brian J. Bosse, Waterfront Business Manager