



Legislation Details (With Text)

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**Title:** Consideration of Nikau Kai Waterman Shop and Hermosa Cyclery to Provide Beach Concessions and a Welcome/Information Center in the Sand Lot South of the Lower South Pier Parking Lot (Continued from 5-26-15 Budget Study Session #4 City Council Meeting) (Parks and Recreation Director Leyman).

APPROVE

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Beach Concessions Proposed Agreement, 2. Proposed Site Plan, 3. Nikau Kai Waterman Shop Proposal, 4. Hermosa Cyclery Proposal, 5. Perfect Day Surf Camp Proposal, 6. Camp Surf Proposal, 7. Request for Quotations for Beach Concessions

Date	Ver.	Action By	Action	Result
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**TO:**  
Honorable Mayor and Members of the City Council

**THROUGH:**  
Mark Danaj, City Manager

**FROM:**  
Mark Leyman, Parks and Recreation Director  
Jessica Vincent, Recreation Manager

**SUBJECT:**  
Consideration of Nikau Kai Waterman Shop and Hermosa Cyclery to Provide Beach Concessions and a Welcome/Information Center in the Sand Lot South of the Lower South Pier Parking Lot (Continued from 5-26-15 Budget Study Session #4 City Council Meeting) (Parks and Recreation Director Leyman).

**APPROVE**

**RECOMMENDATION:**

Staff recommends that the City Council receive the information on the results of the beach concessions and welcome/information center Request for Qualifications and award contracts to Nikau Kai Waterman Shop to provide beach concessions and a welcome/information center with the exception of bicycle rentals and Hermosa Cyclery to operate the bicycle rental concessions.

**FISCAL IMPLICATIONS:**

If approved, under the terms of the attached agreement (Attachment 1), the concession operators,

Nikau Kai Waterman Shop and Hermosa Cyclery will pay a negotiated percentage of gross revenues to the city on a monthly basis.

### **BACKGROUND:**

In summer 2014, staff partnered with Nikau Kai on a trial program, to provide information, referral and beach rentals in the sand lot south of the lower pier parking lots. On a daily basis, Nikau Kai staff placed a 10 foot by 10 foot canopy in the sandy lot and provided surf, paddle, and boogie boards for rentals. In addition, they placed a trailer in the sand lot to store equipment. Feedback from the community was positive and visitors enjoyed the opportunity to rent a surf, paddle, or boogie board, or learn about city sponsored beach programs. Additionally, visitors were guided on dining and shopping options. Although bike rentals were not included in the 2014 program, the majority of rental inquiries were for bicycles.

This trial program was included in the 2014-2015 City Council work plan. Due to the success of the program, staff issued a request for quotations (RFQ) to provide beach rentals and information and referral in the sand lot south of the lower south Pier parking lot.

### **DISCUSSION:**

In an effort to provide a total beach experience to visitors and locals, staff issued a RFQ (Attachment 7) for beach equipment rental services and welcome/information center (30 foot by 10 foot) to be located in the sand lot south of the lower south pier parking lot. In February 2015, the RFQ was sent to local businesses that offer beach, water and bicycle rental and retail equipment and posted on the City's website. Upon closing of the bid, four proposals were submitted by local South Bay businesses. Each of the groups presented their proposals on April 29, 2015, to a committee comprised of the Executive Director of the Manhattan Beach Downtown and Professionals Association, the LA County Southern Section Lifeguard Chief and staff from Parks and Recreation and General Services. Based upon recommendations from the initial meeting, Parks & Recreation Staff conducted second interviews with three of the four businesses May 9 through May 12.

Based on the submitted proposals and presentations, the committee reached a consensus that, Hermosa Cyclery had the most experience and sustainable business plan to operate the concessions and welcome/information center, followed by Nikau Kai and Camp Surf.

After thoughtful consideration of the committee's recommendations, staff held follow-up interviews with the top three vendors to further review their proposals and discuss operational details. After meeting with each vendor, Nikau Kai and Hermosa Cyclery were selected for their expertise and proven experience in their respective areas; beach rentals and bicycle rentals.

The two businesses that were not selected through the RFQ process were Perfect Day Surf Camp (Attachment 5) and CampSurf (Attachment 6). Both businesses specialize in beach camps and surf lessons. Camp Surf has an established relationship with the City of Manhattan Beach coordinating the summer surf and beach volleyball camps and has been in business for 18 years. Perfect Day Surf Camp has been providing lessons in the South Bay for 14 years. Although each of these businesses had good proposals and provide excellent surf camps, they did not provide the expertise in beach and bicycle rental of services desired from the RFQ process.

### **Staff Recommendation**

Each business provided excellent proposals which met the quality and expertise needed to operate this pilot program for the City. Staff is recommending award to both Nikau Kai Waterman Shop and

Hermosa Cyclery given each of the proposers proposed a unique set of services. Nikau Kai Waterman Shop would operate the welcome center and beach concessions for beach and water equipment rentals and Hermosa Cyclery would operate the beach concessions for bicycles only.

The footprint for the containers to store the beach concession materials will be one eight foot by 30 foot portable facility (16 foot by 30 foot when opened up) for each vendor. This footprint will provide a safety zone open for emergency vehicles (Attachment 2). Staff will continue to work with the LA County Lifeguards to ensure that the footprint will meet all safety standards and not impede access.

### **Nikau Kai Waterman Shop**

Nikau Kai demonstrated ample experience and knowledge in beach and water equipment rentals, providing rental and lessons since 2011 and operating a successful business in Downtown Manhattan Beach. Nikau Kai proposed a facility and operations concept that is sustainable. Nikau Kai discussed the facility be one 30 foot shipping container or two containers, one 20 foot and one 30 foot to properly store the equipment with removable solar panels to power the facility. The marketing strategy presented to brand “Manhattan Beach” is creative, well-thought and conveyed a “laid back, beach style”. In addition, Nikau Kai has good working relationships with Downtown Manhattan Beach Businesses, Lifeguards, Manhattan Beach Chamber of Commerce and City staff. Nikau Kai proposed to operate the facility from 9am-7pm during the summer months (Memorial Day through Labor Day) and 9am-7pm weekends thereafter; however, operational hours may vary based on the demand. The attached proposal (Attachment 3) discusses Nikau Kai’s interest in partnering with the City.

### **Hermosa “Manhattan” Cyclery**

Hermosa “Manhattan” Cyclery demonstrated abundant experience and knowledge in bicycle rentals and repair, providing bicycle rentals, repair, and retail for 40 years in Hermosa Beach. In Hermosa Beach, they also provide boogie board, umbrella, beach chair and ball rentals. The proposed facility and operations concept is sustainable; the facility proposed is one 20 foot and one 10 foot portable shipping container. Hermosa Cyclery proposed to maintain the sandy area and enhance the presentation of the area. Their proposed marketing strategy was to brand the concession as “Manhattan Cyclery” and provide maps outlining bike rides on the strand and local businesses throughout Manhattan Beach. Along with the re-branding and obtaining a Manhattan Beach business license, Manhattan Cyclery will obtain a new Tax I.D. number from the Department of Equalization, which will generate sales tax revenue for the City. They will also join the Manhattan Beach downtown and Chamber organizations and become a member of the Manhattan Beach business community. In addition, Hermosa Cyclery demonstrated the synergy available between the Manhattan and Hermosa shops and provided support to meet the needs of the community and visitors by providing various types of bicycle rentals for adults and children. They are also open to limiting their one way rental to Manhattan Beach only. Staff at Hermosa Cyclery is known as being knowledgeable and friendly. Hermosa Cyclery proposed to operate the facility from 9am-7pm daily throughout the year; however, operational hours may vary based on daylight savings and demand. The attached proposal (Attachment 4) discusses Hermosa Cyclery’s interest in partnering with the City.

### **Alternative 1**

Approve the proposal from Nikau Kai Waterman shop to provide beach concessions and welcome/information center and provide bicycle rentals.

The benefits of this option would be to have one vendor manage all operations and central branding. Nikau Kau is a current Manhattan Beach downtown business with an expertise in beach rentals.

The drawbacks to this option would be the lack of experience in the bicycle rental business and lack of bicycle inventory and staff expertise.

### **Alternative 2**

Approve the proposal from Hermosa Beach Cyclery to provide beach concessions and welcome/information center and provide bicycle rentals.

The benefits of this option would be to have one vendor to manage all operations and central branding. Hermosa Cyclery has been in business for over 40 years.

The drawbacks to this option would be the lack of experience in the board rental business and lack of surfboard and SUP inventory and staff experience.

### **CONCLUSION:**

Staff is in negotiations with both Nikau Kai Waterman Shop and Hermosa Cyclery to discuss details of the agreements. If the City Council approves moving forward with the proposal, staff will work closely with both businesses to ensure there is a unified branding and high level of customer service.

This operation of the beach rental, visitors and information center will provide a valuable resource for visitors and residents, working closely with City Staff to promote beach programs and surf lessons, Downtown Businesses to promote dining and shopping and the Manhattan Beach Chamber of Commerce to provide a total beach excursion for visitors. In addition, it will provide referrals and continuity to downtown businesses and department programs.

Community Development has reviewed the footprint for the containers as a pilot program for temporary use of the sand area at the end of the lower south Pier parking lot. After one year, Staff suggests submitting a permit to the California Coastal Commission for the long term permitted use of the beach concessions.

Staff recommends City Council approve the proposal from Nikau Kai Waterman Shop to provide beach concessions and a welcome center with the exception of bike rentals and approve the proposal from Hermosa Cyclery to provide bicycle rentals.

- Attachments
1. Beach Concessions Proposed Agreement
  2. Proposed Site Plan
  3. Nikau Kai Waterman Shop Proposal
  4. Hermosa Cyclery Proposal
  5. Perfect Day Surf Camp Proposal
  6. Camp Surf Proposal
  7. Request for Quotations for Beach Concessions

