



Resolution 2023-64

RESOLUTION APPROVING A FIVE-YEAR CONCESSION AGREEMENT WITH THE MINNEAPOLIS WATER TAXI, LLC TO EXPIRE ON DECEMBER 31, 2027

Whereas, The Minneapolis Park & Recreation Board (MPRB) is authorized to contract with public and private entities in the performance of its functions;

Whereas, The MPRB has determined that the public interest in maximizing the revenue to the MPRB would be best achieved by retaining a private concessionaire to operate river cruises on the Mississippi;

Whereas, The Minneapolis Water Taxi, LLC had submitted to the MPRB a Proposal on January 30, 2023, to operate river cruises on the Mississippi;

Whereas, The Minneapolis Water Taxi, LLC wishes to use MPRB property, specifically Boom Island, for the docking and operation of its river cruises;

Whereas, The Minneapolis Water Taxi, LLC business is a leader in clean energy using only electric propulsion for its river cruises;

Whereas, The Minneapolis Water Taxi, LLC activates the Mississippi in a unique way and provides a valued service to the community; and

Whereas, This resolution is supported in Parks for All, the MPRB Comprehensive Plan 2021-2036, which sets the "Goal 4: Work from our strengths and determine our role in partnerships" and "Goal 9: Operate financially sustainable enterprise;"

RESOLVED, That the Board of Commissioners approves a five-year Concession Agreement with the Minneapolis Water Taxi, LLC to expire on December 31, 2027; and

RESOLVED, That the President and Secretary of the Board are authorized to take all necessary administrative actions to implement this resolution.



TO: Administration & Finance Committee

FROM: Jennifer Ringold, Deputy Superintendent

DATE: 4/12/2023

SUBJECT: RESOLUTION APPROVING A FIVE-YEAR CONCESSION AGREEMENT WITH THE MINNEAPOLIS WATER TAXI, LLC TO EXPIRE ON DECEMBER 31, 2027

BACKGROUND

This action considers entering into a five-year concession agreement with Minneapolis Water Taxi, LLC (*Attachment A – Water Taxi Agreement*) to store watercraft and operate river cruises on the Mississippi River at Boom Island, beginning the Spring of 2023. The operation of a river cruise service at this location activates the Mississippi River in a unique way, provides a valued service to the community, and aligns with MPRB's Parks for All Comprehensive Plan 2021-2036.

Minneapolis Water Taxi, LLC is a small company offering intimate river cruises for up to 6 clients per trip on the Mississippi River. The cruises originate at Boom Island and travel the river corridor above St. Anthony Falls as far north as the river is navigable. Minneapolis Water Taxi, LLC has current fleet of watercraft consisting of three (3) 6 passenger boats and one (1) small houseboat to serve as an office and storage that meet all requirements of the United States Coast Guard. All Minneapolis Water Taxi, LLC operators are registered Captains with the United States Coast Guard.

Minneapolis Water Taxi, LLC is a leader in clean energy using only electric propulsion for its river cruises. There is virtually no environmental impact of the business, with zero emissions from its electric motors and no noise pollution. Batteries are recharged daily using solar power and augmented with shoreline power when needed.

The MPRB began working with Minneapolis Water Taxi, LLC in 2017 to offer river cruises on the Mississippi out of the Boom Island boat launch. The MPRB piloted the program for a few years by issuing yearly permits. In 2019 it was discovered that Minneapolis Water Taxi, LLC was mooring its watercraft adjacent to a houseboat on Nicollet Island that was encroaching on MPRB property. Due to the global pandemic and other mitigating factors, the watercraft were allowed to stay for the time being. In 2022 the MPRB informed Minneapolis Water Taxi, LLC they could no longer moor at the Nicollet Island location and was offered the opportunity to submit a proposal for mooring and operating at Boom Island.

Minneapolis Water Taxi, LLC submitted to the MPRB a Proposal on January 30, 2023, to moor its watercraft, provide a removable dock, security gate, power at Boom Island and operate river cruises on the Mississippi.



MPRB staff and representatives from Minneapolis Water Taxi, LLC worked together to negotiate terms of a Concession Agreement. A summary of the negotiated agreement are as follows:

Term of Agreement:

The term of the Agreement shall be for five (5) full Operating Seasons expiring December 31, 2027 with one, five (5) year renewal option mutually agreed upon and with MPRB Board approval.

Consideration for Use of Grounds:

Minneapolis Water Taxi LLC shall pay the MPRB a graduated rate for the following first five (5) years as follows:

- Year 1: 4% of Gross Revenues up to \$50,000
 - 6% of Gross Revenues up to \$100,000
 - 8% of Gross Revenues over \$150,000
- Year 2: 6% of Gross Revenues up to \$50,000
 - 8% of Gross Revenues up to \$100,000
 - 10% of Gross Revenues over \$150,000
- Year 3: 8% of Gross Revenues up to \$50,000
 - 10% of Gross Revenues up to \$100,000
 - 12% of Gross Revenues over \$150,000
- Year 4: 12% of Gross Revenues
- Year 5: 12% of Gross Revenues

Minneapolis Water Taxi, LLC shall pay the MPRB 12% of Gross Revenues collected upon MPRB Board approved five (5) year renewal option.

This agreement has been reviewed by Legal Counsel.

RECOMMENDATION

Staff recommends that the Board of Commissioners approves a five-year concession agreement with the Minneapolis Water Taxi, LLC to expire on December 31, 2027.

This action is supported by the following goals and strategies in Parks for All, the MPRB Comprehensive Plan 2021-2036.

Goal:

04. Work from our strengths and determine our role in partnerships

Strategy:

01. Establish well-defined programmatic, facilities, and events-based partnerships with clear goals, evaluated through an equity lens, to increase the MPRB's level of service that support a wide range of partnership types including individuals, businesses, organizations large and small, and other government agencies.



09. Operate a financially sustainable enterprise

06. Diversify funding streams to leverage existing funding with grants, site-specific revenue generations, sponsorship, and public/private partnerships through an equity lens.

Attachments:

1. Attachment A - Water Taxi Agreement 2023

Jbr 4.12.2023.