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DEPARTMENT OF
CONVENTION, CULTURE
AND LEISURE

CITY OF SACRAMENTO
CALIFORNIA

1030 15TH STREET
SUITE 250
SACRAMENTO, CA
95814-4009

BARBARA E. BONEBRAKE
DIRECTOR

PH: 916-264-8225
FAX 916-264-7279

March 15, 2002

City Council
Sacramento, California

Honorable Members in Session

**SUBJECT: WATER TAXI SERVICE AGREEMENT ("RIVER OTTER") –
AUTHORIZATION TO EXECUTE AMENDMENT THREE TO CITY
AGREEMENT 96-065 WITH THE WATERFRONT AREA VISITOR
AND ENTERTAINMENT SERVICES**

LOCATION AND COUNCIL DISTRICT: Old Sacramento/District 1

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the execution of a sublease amendment with the Waterfront Area Visitor and Entertainment Services, a California non-profit corporation.

CONTACT PERSON: Barbara E. Bonebrake, Director, 264-7733
Convention, Culture and Leisure Department

FOR COUNCIL MEETING OF: April 30, 2002

SUMMARY:

This report provides information relating to the provision of a water taxi service on the Sacramento River (in Old Sacramento) and requests authorization to execute an amendment to City Agreement 96-065 which extends the current sublease and operating agreement with the Waterfront Area Visitor and Entertainment Services (WAVES), a California non-profit corporation.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- On May 21, 1996, Council approved an agreement with WAVES to operate a water taxi along the Sacramento River Waterfront for one year (until May 21, 1997), with options to renew.
- Two amendments have been executed extending the term of the sublease until May 5, 2002.

Since 1996, the Sacramento River Waterfront has changed significantly. The continued vibrancy of Old Sacramento, the new Embassy Suites Hotel, and the River Cats baseball team continue to draw visitors to the waterfront. These trends indicate that the water taxi service lease should be reevaluated to maximize the interests of the City. As the Waterfront Master Plan moves forward, staff will review the current service controls.

In the meantime, an agreement needs to be in place until the proposals are analyzed and brought to Council for further direction. The existing agreement is due to expire on May 5, 2002. This report requests authorization to execute a one-year extension to the existing agreement with WAVES, with City option for two one-year extensions.

FINANCIAL CONSIDERATIONS:

There are no direct financial benefits derived from this sublease. However, the new schedule being proposed by WAVES should result in an increase of patrons visiting Old Sacramento. The merchants in Old Sacramento and the Downtown Partnership should also benefit directly from the proposed mid-day shuttle between Raley's Landing and Old Sacramento. The State of California General Services building (old Money Store) has over 1,300 employees working there and it is anticipated that many will participate in the mid-day shuttle service spending their lunch hour eating and shopping in the City.

Costs associated with administering the sublease are included in the Department's operating budget.

ENVIRONMENTAL CONSIDERATIONS:

The Environmental Services Manager has determined that the action of executing an extension of the agreement between the City of Sacramento and the Waterfront Area Visitor and Entertainment Services for the management and

operation of a water taxi service is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Exemption 15061(b)(3) consists of an activity covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.


POLICY CONSIDERATIONS:

This amendment is consistent with City Council's previously approved actions concerning the water taxi service agreement and with City Policy to provide an amenity which adds to the attractiveness of the waterfront. This amendment is also consistent with the City's Strategic Plan goals of promoting and supporting economic vitality, and, improving and diversifying the transportation system.

ESBD CONSIDERATIONS:

WAVES is a non-profit organization. Non-profit organizations are not certified as small business enterprises. Consequently, ESBD considerations do not apply to this amendment.

Respectfully submitted,

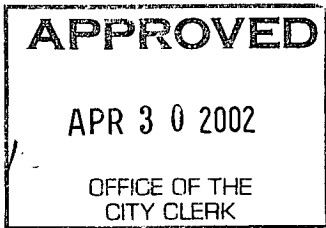


Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department.

RECOMMENDATION APPROVED:



Robert P. Thomas, City Manager



RESOLUTION NO. 2002 - 221

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

WATER TAXI SERVICE AGREEMENT ("RIVER OTTER") – AUTHORIZATION TO EXECUTE AMENDMENT THREE TO CITY AGREEMENT 96-065 WITH THE WATERFRONT AREA VISITOR AND ENTERTAINMENT SERVICES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City Manager is authorized to execute the third amendment to City Agreement 96-065.
2. The City Manager, or designee, is authorized to make minor changes to this agreement.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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