

RESOLUTION No. 534

Adopted by The Sacramento City Council on date of #534
Jan 20, 1939

WHEREAS, the City of Sacramento, prior to 1932, received from the City Wharf less than its fixed charges in conduct of same, which deficit it had to meet by general taxation, and

WHEREAS, in that year, after due proceedings, it leased said wharf to The River Lines at a yearly rental of \$20,000.00, plus maintenance, and

WHEREAS, said The River Lines met said payments until June 17 1936, it having paid to the City the sum of \$84,333.33 as rental, and paid \$33,624.32 for maintenance, and canceled obligations of the City amounting to \$9,000.00, a total of \$126,957.65, and

WHEREAS, during the period of the lease, owing to strike conditions, it was unable to operate its boats from said wharf for very nearly twelve months, lacking but thirteen days, and

WHEREAS, during said strike periods, it paid the said rental, although, as stated, it had no beneficial use of said wharf, and

WHEREAS, its operating costs have increased 53%, which had been offset to but small extent by any increase in rates, and

WHEREAS, by reason of the loss of business due to said strike conditions, (a considerable portion of which has become permanent in that connections made by shippers during the time the boats of said The River Lines were tied up have been continued) and the increase in operating costs, it has operated during the last several years at a loss and was unable to pay said rental, and is in a situation now which is very apt to cause it to go out of business, and

WHEREAS, testimony by well informed, responsible and representative citizens and merchants before the City Council showed that, if it does go out of business, Sacramento will lose terminal rates which it now enjoys, and

WHEREAS, said testimony before the City Council also showed that, if terminal rates are lost to Sacramento, industrial plants, wholesalers and jobbers will be placed in a position where they cannot compete on even terms with those located in a city with terminal rates, and will be compelled to move from Sacramento to such cities, which would be a great blow to the success and prosperity of Sacramento, and

WHEREAS, merchants, wholesalers, jobbers and managers of industries have appeared before the Council and urged that relief be given to The River Lines in a substantial reduction of rent, and even the cancellation of the unpaid rentals, and

WHEREAS, experience has shown that the said rentals were reasonable in prosperous times, but too high for the present unsettled economic conditions,

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NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the said lease made and executed with said The River Lines on the 31st day of March 1932, by and with the consent of said The River Lines, be amended and revised as set forth below:

"This agreement made and entered into this 31st day of March, 1932, and amended on the _____ day of January, 1939, by and between 'THE RIVER LINES' an unincorporated association, hereinafter sometimes called "First Party" and 'CITY OF SACRAMENTO', a municipal corporation, hereinafter sometimes called "Second Party",

WITNESSETH:

WHEREAS, CALIFORNIA TRANSPORTATION COMPANY, a corporation, SACRAMENTO NAVIGATION COMPANY, a corporation, and FAY TRANSPORTATION COMPANY, a co-partnership, have for many years prior hereto been engaged in the control, maintenance, management and operation of steamboats, diesel boats, barges, rafts and sundry other water craft in, on and about San Francisco Bay and its tributaries, including the Sacramento and San Joaquin Rivers, and they and each of them have during such period operated regular lines of transportation of freight and passengers for hire to and from the City of Sacramento and other points without the corporate limits of the City of Sacramento; and

WHEREAS, "First Party", an unincorporated association, was on the 9th day of January, 1932, formed and organized to operate the physical properties of the said CALIFORNIA TRANSPORTATION COMPANY, a corporation, SACRAMENTO NAVIGATION COMPANY, a corporation, and FAY TRANSPORTATION COMPANY, a co-partnership, and is now so operating said physical properties; and

WHEREAS, and heretofore there has, by appropriate action of the Governing Body of the said City of Sacramento and "Second Party" herein, been allocated, leased and/or franchised to "First Party" and/or to its component companies or some of them, certain wharf and dockage rights to the use of portions of the waterfront of the said City of Sacramento, said portions of said waterfront being more particularly described as follows, to-wit:

To THE RIVER LINES, an unincorporated association:

Parcel one: Beginning at the northeast corner of the Sacramento City Municipal Wharf, which wharf is situate on or adjacent to Front Street between "O" and "Q" Streets, in the City of Sacramento, County of Sacramento, State of California; said point being the northerly end of the warehouse on said wharf, distant 93 feet at right angles westerly from the center line of Front Street; thence from the point of beginning, in a southerly direction 176 feet to a point on the easterly line of said wharf; thence in a westerly direction 49 feet to a point distant 145.3 feet at right angles westerly from the center line of Front Street; thence northerly 176 feet to the northerly line of said wharf; thence easterly 49 feet to the point of beginning.

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Parcel two: Beginning at southeast corner of the Sacramento City Municipal Wharf, which wharf is situate on or adjacent to Front Street, between "O" and "Q" Streets in the City of Sacramento, County of Sacramento, State of California, said point being at the northerly end of the open wharf granted to the Western Pacific Railway Company April 1st, 1912, and distant 377 feet southerly from the northerly end of said City Municipal Wharf; thence from the point of beginning westerly 49 feet to a point 149 feet at right angles westerly from the center line of Front Street; thence northerly 27 feet to a point 148.5 feet at right angles from the center line of Front Street; thence easterly 49 feet to a point on the easterly line of said wharf; thence southerly 27 feet to the point of beginning.

To CALIFORNIA TRANSPORTATION COMPANY, a corporation:

Parcel one: Beginning at a point on the Municipal Wharf; which said point is located N. $71^{\circ} 17' 12''$ W. 63.00 feet; thence S. $18^{\circ} 40'$ W. 74.55 feet from the center line intersection of "M" and Front Streets, of the City of Sacramento; thence from the point of beginning N. $71^{\circ} 17' 12''$ W. 101.10 feet to the Pier Head Line of the Sacramento River; thence N. $18^{\circ} 42' 48''$ E. 287.97 feet along the said Pier Head Line to a point; thence N. $15^{\circ} 54' 27''$ E. 165.00 feet along the said Pier Head Line to a point; thence S. $75^{\circ} 01' 36''$ E. 65.00 feet to a point; thence S. $7^{\circ} 56' 18''$ W. 236.20 feet to a point; thence S. $18^{\circ} 40'$ W. 225.00 feet to the point of beginning, together with office space which is described as follows:

Beginning at the northeast corner of the above described parcel and running thence in a northerly direction 24.50 feet; thence in a westerly direction 38.20 feet; thence in a southerly direction 26.10 feet to a point on the above described parcel; thence in an easterly direction 39.20 feet to the point of beginning and containing 966. sq. ft.

To SACRAMENTO NAVIGATION COMPANY, a corporation:

Beginning at a point located 74.55 feet in a southerly direction from the center line of "N" Street produced West, and 74.0 feet west of the center line of Front Street; thence in a southerly direction parallel to the center line of Front Street 168 feet; thence easterly 11 feet; thence in a southerly direction parallel to the center line of Front Street, 163 feet; thence in a westerly direction 26 feet; thence in a southerly direction 163 feet; thence westerly 49 feet to the present fender line which at this point is 142 feet more or less west of the center line of Front Street; thence northerly along the present fender line 494 feet, more or less; thence easterly 90 feet, more or less, to the point of beginning.

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To FAY TRANSPORTATION COMPANY, a co-partnership:

Beginning at a point located on the East Wall of the Sacramento City Municipal Wharf which wharf is situate on or adjacent to Front Street at or near the foot of "P" Street in the City of Sacramento, County of Sacramento, State of California; said point of beginning being 176 feet in a southerly direction from the north end of the warehouse on said wharf; thence in a southerly direction parallel to the center line of Front Street 174 feet; thence in a westerly direction 45 feet to the present finder line which, at this point is 142 feet more or less West from the Center line of Front Street; thence northerly along the present finder line 174 feet; thence easterly 45 feet to the point of beginning.

and

WHEREAS, under the provisions of Sacramento City Ordinance No. 540 (Fourth Series) the City Council of said City of Sacramento and "Second Party" herein, may upon recommendation of the City Manager of said City of Sacramento fix the consideration to be paid said City of Sacramento by an Operating Company, whose component companies and/or itself hold allocations, leases and/or franchises of portions of the water front of said City of Sacramento. Said fixed consideration as so determined to be paid to said City of Sacramento by said Operating Company to be in lieu of the considerations provided for to be paid to said City of Sacramento in allocations, leases and/or franchises; and

WHEREAS, the City Manager of the City of Sacramento has, after a complete and competent survey, made and rendered to the City Council of the "Second Party", a report and recommendation concerning the consideration to be paid to said "Second Party" by said "First Party" in connection with the lease of said water front properties, and same having been considered by the Council,

NOW, THEREFORE, be it agreed by and between the parties hereto as follows:

ARTICLE I

This agreement shall commence on the 1st day of April 1932, and terminate on the 31st day of March 1942, unless sooner abrogated, amended or terminated by the parties hereto in writing.

ARTICLE II

"Second Party", in lieu of the rentals heretofore provided to be paid by "First Party" and/or any of its component companies by reason of any allocation, lease and/or franchise, ("First Party" being such an operating company as is contemplated and described in Sacramento City Ordinance No. 540, Fourth Series) fixes as such

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substituted consideration, the sum of SIX THOUSAND DOLLARS (\$6,000.00) per year during each and every year during the term of this agreement, to be paid at the rate of FIVE HUNDRED DOLLARS (\$500.00) per month on the first of each and every month during the term of this agreement; said rental of \$500.00 per month shall begin October 1 1938. That, in addition "First Party" shall pay to "Second Party" an additional amount when its annual report to the Railroad Commission, after an adjustment for depreciation to its component companies, shows a profit based on the following schedule:

10% of profit made when it is between 0 and \$20,000.00;

15% of profit if between \$20,000.00 and \$30,000.00; and

20% of profit made when it exceeds \$30,000.00;

Provided that the maximum payments of rent and bonus shall not exceed \$15,000.00 in any one year.

"First Party" shall, on or before the 15th day of April in each and every year, make an account and settlement with "Second Party" of the percentage of profit agreed to be paid as hereinabove set out.

The results of the operation of the Sacramento Motor Transport, or any other subsidiary company that might be operating in the transportation field, to be included in the profit and loss settlement on which returns to the City are based.

That the debt of \$45,666.67 for rent overdue from the date of the original lease to the present date shall be continued as an obligation, but that it be written off and cancelled at the rate of Five Hundred Dollars (\$500.00) per month, beginning October 1 1938, for each and every month "First Party" continues to operate; it is the intent of both parties hereto, and is one of the considerations causing "First Party" to enter into this modified agreement and to continue operations as herein agreed, that said indebtedness be wholly written off and cancelled if "First Party" continues to operate for a sufficient period, whether it be under this agreement or one to be hereinafter entered into.

The provisions of Article VI of the original lease is omitted herefrom since same has been fully executed and all obligations therein mentioned has been cancelled.

ARTICLE III

"First Party" will assume and pay from the date of this agreement all costs of operation of said wharf properties and will maintain and keep in a good state of repair and efficiency all elevators, buildings and equipment generally now located in, on or about said properties.

ARTICLE IV

"First Party" shall allow the use of said portion of said Sacramento Municipal Wharf heretofore leased to it by Sacramento City Ordinance No. 544 (Fourth Series) and of any and all facilities thereof or incidental thereto for the loading and unloading of boats and vessels of all description whenever feasible and irrespective of ownership. Such use other than by "First Party"

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shall not interfere with the use, operation, occupancy or the rights of "First Party" or its constituent companies as allocated as hereinbefore set out, or be construed to in any manner diminish the rights now possessed by such constituent companies of "First Party". Such use of said portion of said wharf property and its facilities shall be conditioned upon such users thereof, paying to "First Party" such dockage, elevator and storage dues and rates as are set forth and fixed by Sacramento City Ordinance No. 96 (Third Series) as the same now is or may hereafter be amended. Such dockage, elevator and storage dues and rates shall be accounted for to "Second Party" on the first of each month succeeding their collection. "First Party" may sublet any portion of the premises herein leased, and may store any freight, merchandise or property therein or thereon, on any terms that to it may seem fit, and "Second Party" shall have no right to any rent or compensation therefor."

ARTICLE V

"First Party" shall relinquish from the effect of this agreement that portion of Sacramento Municipal Wharf set forth in Subdivision (c) of Section (2) of Sacramento City Ordinance No. 544 (Fourth Series) upon the conditions therein set forth being performed by "Second Party".

ARTICLE VI

"First Party" shall carry compensation and liability insurance in any insurance company that may be approved by "Second Party", in such amounts as shall fully protect "Second Party", from any claim for damage arising through the negligence of "First Party" in the maintenance and operation of said properties or otherwise. It is understood that instead of securing insurance in new companies, "First Party" may provide that the policies for compensation and liability insurance now carried by it in certain companies may be extended to apply to such damage, and such companies shall be deemed acceptable to "Second Party".

ARTICLE VII

"Second Party" shall at all times keep all buildings, elevators and equipment situate in, on or about the wharf properties herein described, insured to their full insurable value against loss by fire and in the event of destruction or partial destruction of said properties (by fire or otherwise) to rebuild and/or replace the same within sixty (60) days after such destruction or partial destruction.

ARTICLE VIII

The payments provided to be made herein in Articles II and IV of this Agreement shall be in lieu of any and all payments provided to be made to "Second Party" by "First Party", California Transportation Company, a corporation, Sacramento Navigation Company, a corporation, and Fay Transportation Company, a co-partnership, and arising by reason of any allocation, lease and/or franchise of said above described wharf properties of any portion or

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portions thereof, and said payments shall also be in lieu of any dockage, toll, wharfage, rates, elevator charges, and charges of every kind and character theretofore levied and collected by "Second Party" from "First Party", California Transportation Company, a corporation, Sacramento Navigation Company, a corporation, and Fay Transportation Company a co-partnership. For the purposes of this agreement, the payments aforesaid and heretofore made to "Second Party" by "First Party", California Transportation Company, a corporation, Sacramento Navigation Company, a corporation, and Fay Transportation Company, a co-partnership, or either of them, shall be deemed to be included in and paid to "Second Party" by the payments provided for to be made by this agreement.

ARTICLE IX

Should this agreement be terminated by act of the parties, by operation of law, or otherwise, or at all, or should it for any reason become inoperative, then and in that event the allocations, leases and/or franchises of the wharf properties, respectively held by "First Party", or any of its component companies, to-wit: California Transportation Company, a corporation, Sacramento Navigation Company, a corporation, or Fay Transportation Company, a co-partnership, shall revert to "First Party" and its component companies, and said allocations, leases, and/or franchises shall again become operative and available to such respective holders, the same as though this agreement had never been executed.

ARTICLE X

It is understood and agreed that for and in consideration of this amended and modified agreement that "First Party" continue its business and operations.

IN WITNESS WHEREOF, "First Party" has caused these presents to be executed by its President and Vice-President thereunto duly authorized, and "Second Party" has caused these presents to be executed on its behalf by its Mayor thereunto duly authorized and attested by its City Clerk thereunto duly authorized, the day and year first hereinabove written.

THE RIVER LINES, an unincorporated association, "First Party",
By

President

By

Vice-President

CITY OF SACRAMENTO, a municipal corporation, "Second Party",
By

Mayor

ATTEST:

City Clerk

Adopted by the City Council on date of January 20th, 1939 by the following vote:
AYES: Anderson, Arnold, Lidwell, Coughlin, Harry, Kunz, Monk, Truesdale.
NOES: Welsh.

H. G. Denton

CITY CLERK

MAYRO