

**APPROVED**  
BY THE CITY COUNCIL

**DEC 16 1997**

OFFICE OF THE  
CITY CLERK



1.8

AG97-193

THOMAS V. LEE  
DEPUTY CITY MANAGER  
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO  
CALIFORNIA

1030 15<sup>TH</sup> STREET  
SUITE 250  
SACRAMENTO, CA  
95814-4009

PH 916-264-8109  
FAX 916-264-7279

December 8, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Sacramento Marina Boat Broker - Authorization to Execute Lease

**LOCATION AND COUNCIL DISTRICT:** Four

**RECOMMENDATION:**

It is recommended that Council, by resolution, authorize the City Manager to execute a lease of City space for a boat brokerage at the Sacramento Marina.

**CONTACT PERSON:**

Doug Renz, Marina Supervisor, 264-5712  
Ed Astone, Old Sacramento Town Manager, 264-8209

**FOR COUNCIL MEETING OF:** December 16, 1997

**SUMMARY:**

This report provides information on the terms of a proposed lease to operate a boat brokerage at the Sacramento Marina. Also, this report requests Council approval to execute the negotiated lease with a term of sixty-three months beginning on March 1, 1998, and ending on June 30, 2003, with a five-year renewal by mutual consent.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

On March 18, 1997, staff presented a report to Council providing information on the status of the Marina Fund and recommending Council approval of a resolution authorizing the City Manager to issue a Request for Proposal (RFP) for boat brokerage services at the Sacramento Marina.

At this meeting, Council approved Resolution Number 91-140, the intent of which is to provide improved public services at the Marina, allow increased access to the Sacramento River and to generate new revenue to the Marina Fund. Although staff worked closely with the Purchasing and MBE/WBE offices, advertising the RFP on the Internet, the City's Bid Line, and in local and regional newspapers, only one response was received. This responsive was deemed non-responsive to the intended scope of the project.

An Invitation to Bid (ITB) was issued on May 19, 1997, with a response deadline of July 25, 1997. The range of the search was expanded, however, again, only one response was received. The response, by Barry Paulsen's Boat Center, did address the intended scope of the ITB.

At its meeting of November 18, 1997, Council (1) found and determined that special circumstances made the use of the bid process inappropriate, pursuant to Section 12.02.073 F of the City Code, and (2) authorized the City Manager to negotiate a lease agreement without bidding with Barry Paulsen's Boat Center.

This report requests Council approval to execute the negotiated lease agreement with Barry Paulsen's Boat Center. The boat brokerage operation is the first step in an overall plan to stabilize the Marina Fund and to provide for long-term development of the Marina site. The lease will require the lessee to perform, at lessee's cost, tenant improvements valued at not less than \$25,000 during the original term of the lease. These improvements include a stairway and gang plank with gate from the area adjacent to the retail sales area to Boat Dock F, and a temporary fence at the in the auxiliary lot, east of the railroad tracks on Ramp Way. These improvements are subject to approval by the City, must be maintained by the Lessee, and will become the property of the City at the termination of the lease. The Lessee will be permitted to deduct 50% of the monthly revenue due the Marina Fund until the costs of the improvements are rebated. The net annual guaranteed new revenue to the Marina Fund increases from \$24,700 in year one to \$64,600 in year five.

**FINANCIAL CONSIDERATIONS:**

The lease term is sixty-three months beginning on March 1, 1998, and ending on June 30, 2003 with a five-year renewal by mutual consent. The proposed lease payments are \$1,000 per month for office/retail space for the months of March through September, and \$100 per month during the months of October through February. In year one, the total guaranteed revenue totals \$49,400, which is comprised of \$23,100 in fees charged to the lessee for leased office/retail space and for berth and side ties rentals, \$26,300 from the City's share of the lessees receipts. The contract provision permitting a 50% reduction in revenue to the Marina Fund to rebate the costs of the stairway will reduce the net revenue to the Marina Fund to \$24,700 in year one, with a guaranteed net return of \$64,600 in year five. The rent income charged to the lessee remains stable at \$23,100 for all five years of the lease, while the City's share of the lessee's receipts rises from \$26,300 in the first year of the agreement, to \$41,500 by the year 2003. Therefore, the guaranteed net revenue to the City rises from \$24,700 in year one to \$64,600 in year five.

**ENVIRONMENTAL CONSIDERATIONS:**

The execution of the proposed agreement is not subject to CEQA review, pursuant to CEQA Section 15378 (b) (3) "general policy and procedure making", however, future boat repair activities, and future capital improvement actions will be subject to CEQA review, and will follow appropriate CEQA guidelines.

**POLICY CONSIDERATIONS:**

The proposed lease is consistent with City policy to secure the stability of the Marina Fund while providing improved public amenities in a cost-effective manner.

**MBE/WBE:**

Staff has worked with the City's MBE/WBE and Purchasing offices to maximize MBE/WBE participation in the selection process.

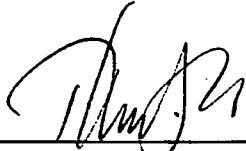
Respectfully submitted,



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Thomas V. Lee,  
Deputy City Manager

**RECOMMENDATION APPROVED:**



*for:* 

---

William H. Edgar  
City Manager

**APPROVED**  
BY THE CITY COUNCIL

**DEC 16 1997**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 97-674**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**SACRAMENTO MARINA BOAT BROKER - AUTHORIZATION TO EXECUTE LEASE**

BE IT RESOLVED THAT COUNCIL OF THE CITY OF SACRAMENTO:

Authorizes the City Manger to execute an agreement for leased space at the Sacramento Marina with Barry Paulsen's Boat Center for the operation of a boat brokerage.

\_\_\_\_\_  
MAYOR

**ATTEST:**

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

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**FINANCIAL CONSIDERATIONS:**

The lease term is sixty-three months beginning on March 1, 1998, and ending on June 30, 2003 with a five-year renewal by mutual consent. The proposed lease payments are \$1,000 per month for office/retail space for the months of March through year, and \$100 per month during the months of October through September. The guaranteed income includes \$23,100 per year from office/retail space, berth and side ties rentals and commission income increasing from \$26,300 in the first year of the agreement, to \$41,500 by the year 2003. In year one, the total guaranteed revenue totals \$49,400. The provision permitting a 50% reduction in revenue to the Marina Fund to rebate the costs of the stairway will reduce the net revenue to the Marina Fund to \$24,700 in year one, with a guaranteed net return of \$64,600 in year five.

**ENVIRONMENTAL CONSIDERATIONS:**

The execution of the proposed agreement is not subject to CEQA review, pursuant to CEQA Section 15378 (b) (3) "general policy and procedure making", however, future boat repair activities, and future capital improvement actions will be subject to CEQA review, and will follow appropriate CEQA guidelines.

**POLICY CONSIDERATIONS:**

The proposed lease is consistent with City policy to secure the stability of the Marina Fund while providing improved public amenities in a cost-effective manner.

**LEASE AGREEMENT**

**CITY OF SACRAMENTO/SACRAMENTO MARINA**

This Lease Agreement (herein called "Lease") dated, for reference purposes only, this 16th day of December, 1997, is made by and between the City of Sacramento, a political subdivision of the State of California, (herein called "City") whose address is:

City of Sacramento  
Downtown Department  
1030 15th Street Suite 250  
Sacramento, CA 95814

and Barry Paulsen's Boat Center, (herein called "Lessee") whose address is:

Barry Paulsen's Boat Center  
11521 Folsom Boulevard  
Rancho Cordova, CA 95670

Both Parties agree as follows:

1. RECITALS:

- a. City is the owner of Sacramento Marina, located in the City of Sacramento; and
- b. City and Lessee are desirous of providing for public convenience a new and used boat and boating accessory sales facility, boat rentals and boat maintenance services in said marina; and
- c. Lessee is desirous of entering into this lease agreement with City to provide said services in said marina.

CITY OF SACRAMENTO  
A Municipal Corporation

BARRY PAULSEN'S BOAT CENTER

\_\_\_\_\_  
Thomas V. Lee,  
DEPUTY CITY MANAGER

\_\_\_\_\_  
~~OWNER~~ PRESIDENT

APPROVED AS TO FORM:

Diane Balter  
Diane Balter,  
DEPUTY CITY ATTORNEY

ATTEST:

\_\_\_\_\_  
CITY CLERK

c:\marina-lease-final-12-97



12/10/97 03:51 1316176  
12-09-97 10:40AM FROM EP BOAT CENTER

SEABOURN LEGEND  
TO 011/8721316176

PG05/005

002

CITY OF SACRAMENTO  
A Municipal Corporation

BARRY PAULSEN'S BOAT CENTER

\_\_\_\_\_  
Thomas V. Lee,  
DEPUTY CITY MANAGER

*Barry R. Paulsen, President* ←  
OWNER

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane Balter,  
DEPUTY CITY ATTORNEY

ATTEST:

\_\_\_\_\_  
CITY CLERK

c:\marina-lease-final-12-97

## LEASE AGREEMENT

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CITY OF SACRAMENTO  
A Municipal Corporation

BARRY PAULSEN'S BOAT CENTER

\_\_\_\_\_  
Thomas V. Lee,  
DEPUTY CITY MANAGER

\_\_\_\_\_  
~~OWNER~~ PRESIDENT

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Diane Balter,  
DEPUTY CITY ATTORNEY

ATTEST:

\_\_\_\_\_  
CITY CLERK

c:\marina-lease-final-12-97

*faxed to Clerk 11/20/97*

*Placement, Consent, 2pm*

*Complete Rpt + Agreement to follow*

November 20, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Sacramento Marina Boat Broker - Authorization to Execute Lease

**LOCATION AND COUNCIL DISTRICT:** Four

**RESOLUTION:**

*Delay to 12/16/97*

*Count  
per K. Elder  
12/3/97*

resolution, authorize the City Manager to execute  
lease at the Sacramento Marina.

Marina Supervisor, 264-5712  
Old Sacramento Town Manager, 264-8209

November 9, 1997

in terms of a proposed lease to operate a boat  
Also, this report requests Council approval to  
term of sixty-three months beginning on March 1,  
with a five-year renewal by mutual consent.

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

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CITY OF SACRAMENTO  
CONVENTION CENTER

1030 15th Street, Suite 250  
Sacramento, CA 95814

PH: 916-264-5291  
FAX: 916-264-7687

FAX COVER LETTER

If you do not receive all pages or are disconnected, please call back as soon as possible: (916) 264-5291

DATE: 11-20-97

TO: Val Burrows

COMPANY: City Clerk

FAX NUMBER: \_\_\_\_\_

TOTAL PAGES: 2

FROM: Kristin Elder

COMMENTS: Val,

Would you please  
reschedule this  
report at 2pm (consent)  
on Dec 9?

We're still wrangling over the agreement  
terms. I hope to have it to you  
by next Tues.! (RPT + agreement)  
Thank you - Kristin



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THOMAS V. LEE  
DEPUTY CITY MANAGER  
DOWNTOWN DEPARTMENT

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CALIFORNIA

1030 15<sup>TH</sup> STREET  
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December 8, 1997

City Council  
Sacramento, California

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**COMMITTEE/COMMISSION ACTION:**

None.

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A Municipal Corporation

BARRY PAULSEN'S BOAT CENTER

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Thomas V. Lee,  
DEPUTY CITY MANAGER

*Barry R. Paulsen, President*  
\_\_\_\_\_  
OWNER



APPROVED AS TO FORM:

\_\_\_\_\_  
Diane Balter,  
DEPUTY CITY ATTORNEY

ATTEST:

\_\_\_\_\_  
CITY CLERK