

APPROVED
BY THE CITY COUNCIL

JUN 29 1999

OFFICE OF THE
CITY CLERK



1.27

THOMAS V. LEE
DEPUTY CITY MANAGER
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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June 23, 1999

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: SECOND AMENDMENT TO CITY AGREEMENT NUMBER 86171
BETWEEN THE CITY AND CHANNEL STAR EXCURSIONS**

LOCATION AND COUNCIL DISTRICT: Old Sacramento, Council District 3

RECOMMENDATION:

It is recommended that Council, by Resolution, approve the Second Amendment to City Agreement Number 86171.

CONTACT PERSON: Ed Astone, Old Sacramento Town Manager, 264-8209

FOR COUNCIL MEETING OF: June 29, 1999

SUMMARY:

The proposed Second Amendment to the existing City Agreement Number 86171 renders the First Amendment, ratified by Council March 16, 1993 as having no further force and effect. All important terms of the First Amendment are contained in the proposed Second Amendment, except that all references to the vessel the "Globe" have been removed. Further, the proposed Second Amendment permits moorage of the vessels "Mathew McKinley" and the "Spirit of Sacramento" in Old Sacramento. The proposed Second Amendment also requires replacement of a temporary storage shed and makes provisions for installing cleats for mooring the two vessels.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- On March 16, 1993, City Council adopted Resolution No. 93-122 authorizing the execution of amendment number one to City Agreement No. 86171 which provided for the operation of the Globe in exchange for additional docking space in Old Sacramento for the riverboat the Matthew McKinley.
- Extensive dry rot to the Globe would have necessitated prohibitively expensive repairs, so no activities with respect to the globe were carried out under amendment number one.
- Meanwhile, in early June, 1999, the Globe vessel was completely destroyed by fire. This proposed second amendment to the existing Channel Star agreement removes all references to the Globe. The significant terms of the proposed second amendment are:
 - The first amendment to City Agreement No. 86171 is rendered to be of no further force and effect;
 - The term of the lease is consistent with the original terms contained in City Agreement No. 86171. That is, the original lease was for ten years beginning on April 6, 1987 with the initial term ending on April 5, 1997. The original lease provided for two five-year renewals by mutual consent. Therefore, the first five-year renewal began on April 6, 1997 and continues until April 5, 2002, with a final five year amendment possible thereafter by mutual consent.
 - Lessee is permitted to moor the vessels, "Matthew McKinley" and the "Spirit of Sacramento" at the location shown on Exhibit A.
 - Lessee shall make necessary utility modifications and install cleats for moorage within 60 days of the execution of this second amendment, in accordance with City standards. Any improvements shall become the property of the City.
 - City shall construct a storage facility of approximately 450 square feet at a location near the leased premises for exclusive use by Lessee.

FINANCIAL CONSIDERATIONS:

Financial terms continues as before under the original lease, City Agreement Number 86171 under which, the Lessee pays to the City a lease fee of 5% of gross receipts from activities under the lease, or a minimum of \$10,000 annually. In 1998, the fees paid to the City were in excess of \$39,000.

ENVIRONMENTAL CONSIDERATIONS:

The Waterfront Master Lease between the State of California State Lands Commission and the City of Sacramento (City Agreement Number 86013) entered into July 1, 1986 provides that, "the State Parcel shall be used by the Lessee for the construction of docks, walkways, access ramps, floating vessels and any other structures necessary or appurtenant to the development of the State Parcel and for the *mooring of vessels*" (italics added). The project does not permit construction to take place. The Lessee is required to develop plans for any physical construction activities which are subject to further environmental review.

POLICY CONSIDERATIONS:

The approval of the lease as recommended in this report is consistent with City policy to provide visitor amenities and to encourage economic development of the Old Sacramento Waterfront.

ESBD CONSIDERATIONS:


Channel Star Excursions, owned by the Basherwsl Corporation is not a registered ESBD vendor, but is the owner of the vessels "Matthew McKinley and the "San Diego" and this lease amendment is a modification of an agreement already in place with the City.

Respectfully submitted,




Ed Astone,
Old Sacramento Town Manager

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

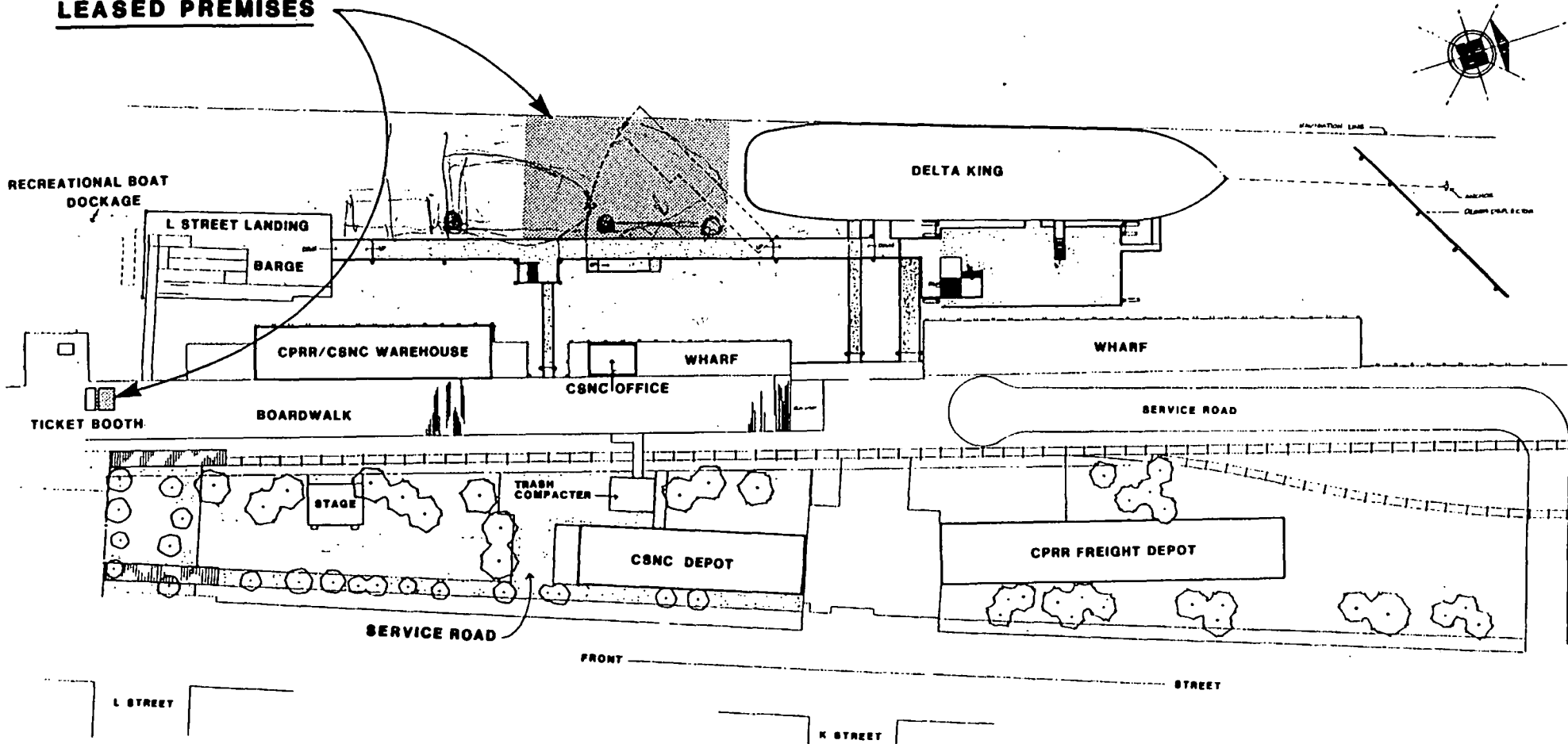
RECOMMENDATION APPROVED:



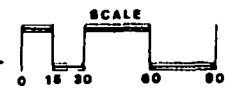
Thomas V. Lee,
Deputy City Manager

EXHIBIT A

LEASED PREMISES



OLD SACRAMENTO RIVERFRONT DOCKAGE PLAN



NO.	DESCRIPTION	DATE	BY
1	PETE PLANET		

DRAWN BY TMC
 DESIGNED BY _____
 LANDSCAPE ARCHITECT
 DATE 11/18/86
 FIELD BOOK _____ SCALE 1" = 30' 0"

CITY OF SACRAMENTO
 DEPARTMENT OF PARKS & COMMUNITY SERVICES



OLD SACRAMENTO

SHEET
 1/2
 SHEETS

APPROVED
BY THE CITY COUNCIL

JUN 29 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99- 371

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**SECOND AMENDMENT TO CITY AGREEMENT NUMBER 86171
BETWEEN THE CITY AND CHANNEL STAR EXCURSIONS**

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

The City Manager is authorized to execute the Second Amendment to City Agreement Number 86171.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____