



REPORT TO COUNCIL

City of Sacramento

25

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Public Hearing
November 21, 2006

**Honorable Mayor and
Members of the City Council**

Title: Agreement: Agreements with Sacramento Yacht Charter LLC for Operating Tour Vessels and Related Services Fees: Adopt a Resolution Amending the Fee and Charge Report for Old Sacramento

Location/Council District: Old Sacramento Waterfront, Council District 1

Recommendation: Adopt a resolution (1) authorizing the City Manager to execute an Agreement with Sacramento Yacht Charter LLC for charter vessel service from the City's South Barge; (2) authorizing the City Manager to execute an Agreement with Sacramento Yacht Charter LLC for historic riverboat tour boat, water taxi, and amphibious trolley services from the Old Sacramento tour boat dock; (3) authorizing the City Manager to execute a professional services agreement with Sacramento Yacht Charter LLC for management and operation of the Old Sacramento waterfront dock facilities; and (4) setting certain fees for charter boats and special events/activities on the City's waterfront facilities.

Contact: Ed Astone, Manager, Old Sacramento Management Division, 264-8209

Presenters: Barbara E. Bonebrake, Director, Convention Culture & Leisure Department, 808-8225; Ed Astone, Manager, Old Sacramento Management Division, 264-8209

Department: Convention, Culture and Leisure Department

Division: Old Sacramento Management

Organization No: 4360

Description/Analysis:

Issue: Staff recommends the City enter into three separate but related agreements with Sacramento Yacht Charter LLC ("SYC") and establish new fees for the use of the City's waterfront facilities:

Charter Vessel Service:

1. A ten-year agreement (with up to two (2) additional five (5) year extensions by mutual agreement) for use of the City's south barge, located south of the Tower Bridge and adjacent to the City's riverfront promenade, to provide, maintain, and operate a 149-passenger yacht for charter tours and events and to make certain improvements to the barge and adjacent premises that are required to provide yacht charter services to the general public.

Riverboat Tour, Water Taxi and Amphibious Trolley Services:

2. A ten-year agreement (with up to two (2) additional five (5) year extensions by mutual agreement) for use of the City's tour boat dock, visitor boat dock, waterfront boardwalk, and associated facilities to provide, maintain, and operate an historic riverboat tours, water taxi, and amphibious trolley business.

Waterfront (Docks) Area Management Services:

3. A one-year professional services agreement (with up to four (4) additional one (1) year extensions by mutual agreement) for management and operation of the Old Sacramento waterfront facilities, including the south barge, visitor boat dock, L Street Barge, and tour boat dock.

Waterfront Dock Public Fees:

4. Setting new fees for the docking of charter boats and fees for special events and activities on the facilities along the waterfront including the L Street Barge (Charter docking fees) and the South Barge (Special Event fees).

The City leases the portion of the Sacramento River where the barges and docks are located from the California State Lands Commission and any sublease of that property must be approved by the State Lands Commission.

Attachment A provides a map depicting the areas discussed in this report.

Charter Vessel Services

Under the charter vessel agreement, Sacramento Yacht Charter LLC will provide charter tours aboard a 149-passenger yacht. The agreement also includes provisions for Sacramento Yacht Charter LLC to construct improvements to the south barge and adjacent premises along the riverfront promenade that are required for the charter operation. Sacramento Yacht Charter LLC will deduct the

cost of all improvements from their rent payments to the City until the total cost of the improvements is reached. Key improvements to the barge and promenade area that are included in the agreement are: (1) retrofitting of the existing ramp between the south barge and the promenade to be in compliance with Americans with Disabilities Act (ADA) access requirements; (2) a new ramp/stair to provide a second permanent means of access to the barge; (3) a trash storage facility; (4) a public restroom adjacent to the promenade; and (5) utility connections, such as water, sewer, electric, telephone, to the south barge. SYC will be required to obtain City building permits for the improvements.

Riverboat Tours, Water Taxi and Trolley Services

The riverboat, water taxi, and amphibious trolley agreement calls for Sacramento Yacht Charter LLC to provide open-ticketed, narrated riverboat tours aboard the *Spirit of Sacramento* and the *Mathew McKinley* as well as water taxi service similar to the existing River Otter service and land-and-water tours aboard the new amphibious trolleys. The agreement requires Sacramento Yacht Charter LLC to replace both riverboats with new, ADA-compliant vessels of the same historic-replica style within the next three (3) years.

Waterfront (Docks) Area Management Services

The waterfront (docks area) operational management will become the responsibility of Sacramento Yacht Charter LLC under this agreement. SYC will be responsible for the janitorial maintenance of the facilities from the Tour Boat Dock on the north to and including the South Barge on the south. SYC will be responsible for the docking of visitor boats at the visitor boat dock including the reservation (fee) program and overnight fee collection. In addition, SYC will be responsible for the scheduling and fee collection from those charter boats using the L St. Barge. The South Barge will be available for special events. SYC will be responsible for scheduling, coordinating, and collecting fees. The presence of SYC will provide additional security for the area. For their services, SYC will retain 90% of the fees collected.

Waterfront (Docks) Fees (Public Use Fees)

The current fee for use of the L Street Barge is a flat \$25.00 docking fee. The proposed fee increase to 5% of gross receipts from each charter boat operator's "Charter Contract" is consistent with the proposed agreement with SYC for its charters. Each charter boat operator must file an application to use the L Street Barge and provide a copy of its Charter Contract prior to docking.

Staff proposes that for events involving up to 100 individuals, the fee should be the same as the existing maximum fee (\$140) for a small event. For an event involving 101-400 individuals, the fee would be \$400. This fee was established recognizing the unique nature of the waterfront, considering the charges of other assemblage

areas and recognizing that this is a public facility. Additionally, rules and regulations for events, including hours of use, deposit requirements, security, clean up, etc. will be established. The City would retain the right to waive fees in special circumstances.

Policy Considerations: The 2003 Sacramento Riverfront Master Plan calls for establishing the Sacramento riverfront as an active, vibrant urban district that provides a variety of uses and amenities for visitors and local residents. The Old Sacramento waterfront and adjacent riverfront promenade facilities are central components of the City's riverfront development. The agreements with Sacramento Yacht Charter LLC will create a comprehensive, quality river experience that will attract new and returning patrons to the downtown waterfront.

The recommendation in this report to enter into the agreements without bidding is in accordance with the provisions of Sacramento City Code section 3.68.110(F), which authorizes the City to enter into a lease without bidding if the City Council finds that it is in the best interest of the City to do so because special circumstances make the use of bid procedure inappropriate.

Environmental Considerations: This project is exempt from the provisions of CEQA pursuant to Section 15301 (Existing Facilities) of the CEQA Guidelines as follows:

Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Commission/Committee Action: None

Rationale for Recommendation: The Old Sacramento waterfront agreements with Sacramento Yacht Charter LLC will contribute to the ongoing enhancement of the riverfront as called for in the Sacramento Riverfront Master Plan by providing new and exciting opportunities for visitors to experience the river and ensuring high-quality, consistent management of the docking facilities. The yacht charter service will add to the already increasing public interest in the riverfront and attract many different customers and visitors year-round. The Old Sacramento riverboat tour program has been an important part of the visitor experience since 1987 and it is one of the few ways a visitor without their own boat can experience the river. The riverboats replicate the appearance of paddle wheelers plying the Sacramento River during the 1850-75 era, further adding to the historic ambiance of Old Sacramento.

Improvements to the south barge and adjacent promenade area that will be constructed by Sacramento Yacht Charter LLC will provide waterfront visitors with

much-needed comfort and access facilities and will greatly increase the value of the barge as a public amenity. The restroom facility to be constructed by Sacramento Yacht Charters adjacent to the promenade (behind the Embassy Suites Hotel), will be open and accessible for public use and will afford boaters, pedestrians, and other waterfront visitors clean, secure, and convenient lavatories in a location where other public restroom facilities do not currently exist. Also, the existing ramp to the south barge is not ADA accessible but will be retrofitted by Sacramento Yacht Charters in compliance with ADA requirements. By including the new ramp/stair, ADA retrofit of the existing ramp, trash storage, and restrooms in the agreement, the City is able to accomplish these improvements with no out-of-pocket expenditure and repay the lessee over time with fee credits.

The Sacramento City Code requires that leases of City-owned real property be awarded to the highest bidder through competitive bidding unless the City Council finds that it is in the best interest of the City to enter into the agreement without bidding because special circumstances make the use of the bid procedure inappropriate (Sacramento City Code §3.68.110 (F)). Staff believes that it is in the City's best interests to enter into the charter vessel and riverboat tour, water taxi, and amphibious trolley agreements with Sacramento Yacht Charter LLC without bidding because special circumstances, including the fact that the proposed agreements incorporate a sublease of real property, licenses to use City-owned real property, three distinct business operations, a design and build construction agreement, and programmatic elements, and the fact that staff utilized a RFP process authorized by the City Council to identify Sacramento Yacht Charter LLC as the recommended operator make use of the bid procedure inappropriate.

Financial Considerations: Table 1 below shows the estimated revenue that would be received by the City under the Yacht Charter and Riverboat Tours agreements. The Table is based on anticipated gross receipts submitted by SYC as part of their proposal. The City would receive payment based on gross revenues generated under each agreement less 20% of the gross that would be paid to the State Lands Commission since the City leases the portion of the Sacramento River where the barges and docks are located from the California State Lands Commission.

Current revenue budget from the existing Tour Boat operations is \$60,000 annually. The revenue is allocated to offset the General Fund operating budget. Staff will propose budget adjustments as part of the FY08 operating budget process. The anticipated new revenue from the South Barge operation will be proposed to be allocated to waterfront operations and maintenance in the FY08 budget process.

Yacht Charter Agreement. Sacramento Yacht Charter LLC will pay the City a minimum monthly docking fee of \$2,025/month for the first five years of the agreement. After Year 5, the minimum docking fee will increase annually as indexed to the Consumer Price Index. It is estimated that the minimum monthly docking fee will generate net revenue to the City of \$19,440 in Year 1, \$200,390 during the initial 10-year term and \$440,000 over the potential twenty-year (20) life of this agreement.

Sacramento Yacht Charter LLC will also pay the City a percentage of gross receipts from all activities under the agreement. The agreement specifies that Sacramento Yacht Charters may spend up to \$1.5 million, plus financing costs, to construct agreed-upon public improvements to the south barge and adjacent premises. Any improvement costs in excess of the not-to-exceed amount must be authorized by the City.

In exchange for these improvements, SYC may retain the amount equal to the rent to offset expenditures incurred for those improvements up to the \$1.5 million limit, plus financing costs. Based on gross sales revenue projections, the operator would recover the \$1.5 million plus financing costs within the initial 10-year term of the agreement. Even with the revenue retention, Table 1 shows that the City would receive net revenue from gross sales of \$6.8 million over the potential twenty-year (20) life of this agreement and combined docking/gross sales net revenue over the potential 20-year life of the agreement of \$7.3 million.

Tour Boat, Water Taxi and Amphibious Trolley Agreement. The riverboat, water taxi, and amphibious trolley agreement also requires Sacramento Yacht Charter LLC to pay a monthly docking fee. It is estimated that the docking fee will generate net revenue to the City of \$22,000 in Year 1, \$258,000 during the initial 10-year term and \$585,000 over the potential twenty-year (20) life of this agreement.

Sacramento Yacht Charter LLC will also pay the City a percentage of gross receipts from all activities under the agreement. It is estimated that this will generate net revenue to the City of \$59,345 in Year 1, \$2.3 million during the initial 10-year term and \$7.2 million over the potential twenty-year (20) life of this agreement and combined docking/gross sales net revenue over the potential 20-year life of the agreement of \$7.8 million.

Waterfront Management Agreement. Under the proposed professional services agreement, Sacramento Yacht Charter LLC will be responsible for management and operation of the Old Sacramento waterfront facilities. Along with scheduling and janitorial services, duties include the collection of docking fees at the Visitor Boat Dock, special event fees for use of the South Barge, and charter docking fees for the L Street Barge. SYC will retain 90 percent of the gross fees collected and the City will receive the remaining 10 percent. It is expected that annual gross revenues will total \$30,000.

TABLE 1
PROJECTED FINANCIAL PERFORMANCE

	Year 1	Years 1-10	Years 11-15	Years 16-20	TOTAL 20 Years
Yacht Agreement					
Docking Fees	\$ 24,300	\$ 250,487	\$ 142,412	\$ 157,235	\$ 550,134
Less 20% for State Lands					
Commission	\$ (4,860)	\$ (50,097)	\$ (28,482)	\$ (31,447)	\$ (110,027)
Net Docking Fees to City	\$ 19,440	\$ 200,390	\$ 113,930	\$ 125,788	\$ 440,107
Rent from % Gross Sales	\$ 80,413	\$ 3,087,756	\$ 3,122,229	\$ 4,319,611	\$10,529,596
Less Improvement/Financing Costs	\$ (80,413)	\$(2,000,000)	\$ -	\$ -	\$(2,000,000)
Less 20% for State Lands					
Commission	\$ -	\$ (217,551)	\$ (624,446)	\$ (863,922)	\$(1,705,919)
Net % Gross Sales to City	\$ -	\$ 870,205	\$ 2,497,783	\$ 3,455,689	\$ 6,823,677
Total Net Revenue to City--Yacht	\$ 19,440	\$ 1,070,594	\$ 2,611,713	\$ 3,581,477	\$ 7,263,784
Tour Boat, Water Taxi, Amphibious Trolley Agreement					
Docking Fees	\$ 27,600	\$ 322,148	\$ 194,161	\$ 214,370	\$ 730,679
Less 20% for State Lands					
Commission	\$ (5,520)	\$ (64,430)	\$ (38,832)	\$ (42,874)	\$ (146,136)
Net Docking Fees to City	\$ 22,080	\$ 257,718	\$ 155,329	\$ 171,496	\$ 584,543
Rent from % Gross Sales	\$ 74,181	\$ 2,854,903	\$ 2,646,155	\$ 3,536,426	\$ 9,037,484
Less 20% for State Lands					
Commission	\$ (14,836)	\$ (570,981)	\$ (529,231)	\$ (707,285)	\$(1,807,497)
Net % Gross Sales to City	\$ 59,345	\$ 2,283,922	\$ 2,116,924	\$ 2,829,141	\$ 7,229,987
Total Net Revenue to City--Tour	\$ 81,425	\$ 2,541,641	\$ 2,272,253	\$ 3,000,637	\$ 7,814,530
TOTAL ALL ACTIVITIES					
Total Net Docking Fees	\$ 41,520	\$ 458,108	\$ 269,258	\$ 297,284	\$ 1,024,650
Total Net Rent from % Gross Sales	\$ 59,345	\$ 3,154,127	\$ 4,614,707	\$ 6,284,830	\$14,053,664
NET CITY ALL ACTIVITIES	\$ 100,865	\$ 3,612,235	\$ 4,883,966	\$ 6,582,114	\$15,078,314

Fees for Charter Boats and Special Events. The proposed fee increases for the waterfront area are expected to generate approximate \$30,000 annually, an increase of \$8,000 over current collections.

Emerging Small Business Development (ESBD): Sacramento Yacht Charter will be required to adhere to all applicable City contracting and procurement regulations for construction of the south barge improvements, including ESBD program requirements.

Respectfully Submitted by: 
Ed Astone, Manager
Old Sacramento Management Division

Approved by: 
Barbara E. Bonebrake, Director
Convention, Culture, and Leisure Department

Recommendation Approved:


Ray Kerridge
City Manager

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ATTACHMENT 1**BACKGROUND INFORMATION****Yacht Charter Agreement:**

In the mid-1990's the City improved the waterfront south of the Tower Bridge with construction of the waterfront promenade, the Old Sacramento visitor boat dock, and the south barge. With the increase in awareness of the entertainment opportunities associated with the riverfront, boat operators began expressing interest in charter boat operations using the south barge as a moorage and staging location.

The moorage location is immediately adjacent to the south barge, which is the southern end of the visitor boat dock. There is a pedestrian ramp between the south barge and the promenade constructed by the City as a public amenity. The site is under master lease with the California State Lands Commission that includes all riverfront property from the Tower Bridge south to the Pioneer Memorial Bridge (State Highway 50).

The south barge is of steel construction with a concrete platform and steel posts and railings around the perimeter. It is approximately 60' wide by 160' long. Current pedestrian access to the barge is via (1) a steel bridge with aluminum ramp system connecting to the promenade and (2) an aluminum ramp/bridge connecting to the visitor boat dock. During high-water months on the river, the section of the visitor dock that runs under the Tower Bridge is removed, leaving only the promenade bridge access to the south barge.

The City's Downtown Development Group issued a Request for Proposals in September 2004 seeking proposals for the moorage and operation of commercial vessel(s) at the south barge. Three proposals were received and evaluated by a staff and stakeholder interview team based on selection criteria including: consistency with the objective to provide a quality riverfront development that maintains public access to the river; experience providing quality riverfront commercial service; proposed operation and business plan; financial capability and stability; and financial return to the City.

This proposed charter operation was presented to and discussed by the Historic Old Sacramento Foundation and the Old Sacramento Business Association, both stakeholder organizations of the Old Sacramento Historic District, on October 13, 2005 and recommended for approval by the City Council.

Significant terms of the agreement include:

- Exclusive moorage rights for South Barge
- Revenue from docking fees
- Revenue from gross receipts – first used to offset improvement costs
- 10 year initial term with two five (5) year mutual extensions
- City approval of improvements

The City has a master lease with the California State Lands Commission and any use of the property under that master lease must be via a sublease between the City and a private enterprise and must be approved by the State Lands Commission. The sublease to Sacramento Yacht Charter LLC does not become effective until it has been approved by the State Lands Commission.

Staff believes that it is in the City's best interests to enter into the charter vessel agreement with Sacramento Yacht Charter, LLC without bidding because special circumstances, including the fact that the proposed agreement incorporates a sublease of real property, licenses to use City-owned real property, a design and build construction agreement, and programmatic elements, and the fact that staff used a RFP process to identify Sacramento Yacht Charter LLC as the preferred operator make use of the bid procedure inappropriate.

Riverboat, Water Taxi, and Amphibious Trolley Agreement:

The City issued an RFP for the operation of riverboat tours adjacent to Old Sacramento in 1987 and has been under a contract since then. The existing tour boat enterprise has been active since 1987 with two boats, the Spirit of Sacramento and the Matthew McKinley. The existing lease grants a permanent moorage facility for the riverboats along with an assigned building designated as a ticket booth. The existing lease is an exclusive lease of the premise and in that lease the City has agreed that it will grant no other moorage lease for a commercial tour vessel on a permanent basis during the term of the lease including any extensions. In addition, City has agreed that it would not permit anyone other than lessee to operate regularly scheduled, non-charter tours from the City-owned dockage within the area between the Tower and the I Street Bridges.

The Spirit operates as a tour boat with a published regular schedule with open ticketing. It is also available as a charter for dinner and special theme cruises. The Matthew McKinley operates almost exclusively as a charter boat for special occasions and functions. Both are faux paddle wheelers and both present the ambiance of river boating on the Sacramento River in the mid 19th century. The Spirit operates as a tour boat and provides tours on a daily basis according to a pre-approved schedule. This requires that the Spirit operates on schedule without regard to the number of passengers on board.

The River Otter Water Taxi is the only water taxi currently operating on the Sacramento River. Established in 1996, the River Otter Water Taxi is a continuation of the City's rich history of water based passenger service. At one point, the river connected Gold Rush era Sacramento with San Francisco providing passengers with a relatively quick and safe conveyance up and down river.

Although there are excursion boats operating out of Sacramento, the River Otter Water Taxi provides a unique service of carrying passengers to destinations along the river with stops at the Riverbank Marina, Virgin Sturgeon Marina, River View Marina, Old Sacramento, and Raley's Landing.

The River Otter Water Taxi operates April through October. The taxis are 22-foot long, 24 passenger crafts with 30 horsepower Volvo Penta diesel engines. To ride the entire River Otter route takes approximately one hour. The crafts, Otter One and Otter Two were manufactured by the Port Heuneme Boat Works in Southern California.

The River Otter Water Taxi is currently owned and operated by Waterfront Area Visitor & Entertainment Services Inc. (WAVES), a nonprofit affiliate of the Sacramento Metropolitan and West Sacramento Chambers of Commerce. WAVES is a leader in efforts to make the Sacramento River a centerpiece for the region. As the lead owner, the Sacramento Metropolitan Chamber of Commerce has entered into an option to sell the business and the vessels to SYC who will continue to provide water taxi service on the river.

As part of SYC proposal, SYC included operation of an amphibious trolley to include stops in Old Sacramento. The tickets would be sold in Old Sacramento in conjunction with the tours, charters, and water taxi excursions. The Trolley would highlight Sacramento attractions via a land and water tour.

The amphibious trolleys will be built specifically for Sacramento and hold 44 passengers each. The trolleys will carry customers up, down and across the river as well as onto land traveling into the downtown and midtown sections of Sacramento. As with the paddlewheel boats and the water taxis, licensed captains will offer narrated tours of the various points and destinations along the route including landmarks in the Old Sacramento Historic District and the waterfront, the Crocker Art Museum, Leland Stanford Mansion, California State Museum, California State Capital, historic Victorian homes along Capitol Avenue and other streets on the route, the Sacramento Tavern Building, Sutter's Fort, the Old Governor's Mansion, the Cathedral of the Blessed Sacrament, Sacramento City Hall, Federal Court House Building, Discovery Park the confluence of the Sacramento and American Rivers, Union Pacific railroad bridge, Miller Park and the Sacramento Vintage Vehicle Museum and others as appropriate. The trolley design/appearance will be the subject of collaborations involving many stakeholder groups so that the trolleys

complement the City and its landmarks.

The Old Sacramento Management Division issued a Request for Proposals in March 2006 seeking proposals for an historic riverboat tour operation at the Old Sacramento dock. Three proposals were received and evaluated by a staff and stakeholder interview team based on selection criteria including: the qualifications and experience as tour boat operators; character and design of the vessel(s); the financial viability of the proposer; the expected economic impact of each proposal; and the extent to which each proposal is compatible with the uniqueness of the area and the Old Sacramento Historic District.

This proposed riverboat tour operation was presented to and discussed by the Historic Old Sacramento Foundation and the Old Sacramento Business Association, both stakeholder organizations of the Old Sacramento Historic District recommended approval by the City Council.

The City has a master lease with the California State Lands Commission and any use of the property under that master lease must be via a sublease between the City and a private enterprise and must be approved by the State Lands Commission. The sublease to Sacramento Yacht Charter LLC does not become effective until it has been approved by the State Lands Commission. Old Sacramento Management will submit the sublease agreement to the State Lands Commission for approval after the sublease has been approved by the City Council.

Staff believes that it is in the City's best interests to enter into the riverboat tour, water taxi, and amphibious trolley agreement with Sacramento Yacht Charter LLC without bidding because special circumstances, including the fact that the proposed agreement incorporates a sublease of real property, licenses to use City-owned real property, three distinct business operations, a design and build construction agreement, and programmatic elements, and the fact that staff used a RFP process authorized by the City Council to identify Sacramento Yacht Charter LLC as the preferred operator make use of the bid procedure inappropriate.

Waterfront Management Agreement:

The waterfront operational management will become the responsibility of Sacramento Yacht Charter LLC under this professional services agreement. SYC will be responsible for the janitorial maintenance of the facilities from the tour boat dock on the north to and including the south barge on the south. SYC will be responsible for the docking of visitor boats at the visitor boat dock including the reservation (fee) program and overnight fee collection; scheduling and fee collection of those charter boats using the L Street Barge, and scheduling and for collection for Special Event use of the South Barge. Minor repairs will be accomplished by SYC staff but those major repairs and replacement will still

continue to be accomplished by City Facilities. City Facilities will continue to be responsible for the adjusting of the bridges and the removal of the section of the visitor boat dock during high water.

For its services, SYC will be entitled to ninety (90) percent of the revenues collected from the boating and special event activity along the waterfront. The City shall retain the remaining ten (10) percent. It is estimated total gross receipts will be approximately \$30,000 annually.

Waterfront (Dock) Public Use Fees

The current fee for use of the L Street Barge is a flat \$25.00 docking fee for the L Street Barge. The proposed increase to 5% of gross receipts from a charter boat operator's Charter's contract is consistent with the proposed agreement with SYC for its charters.

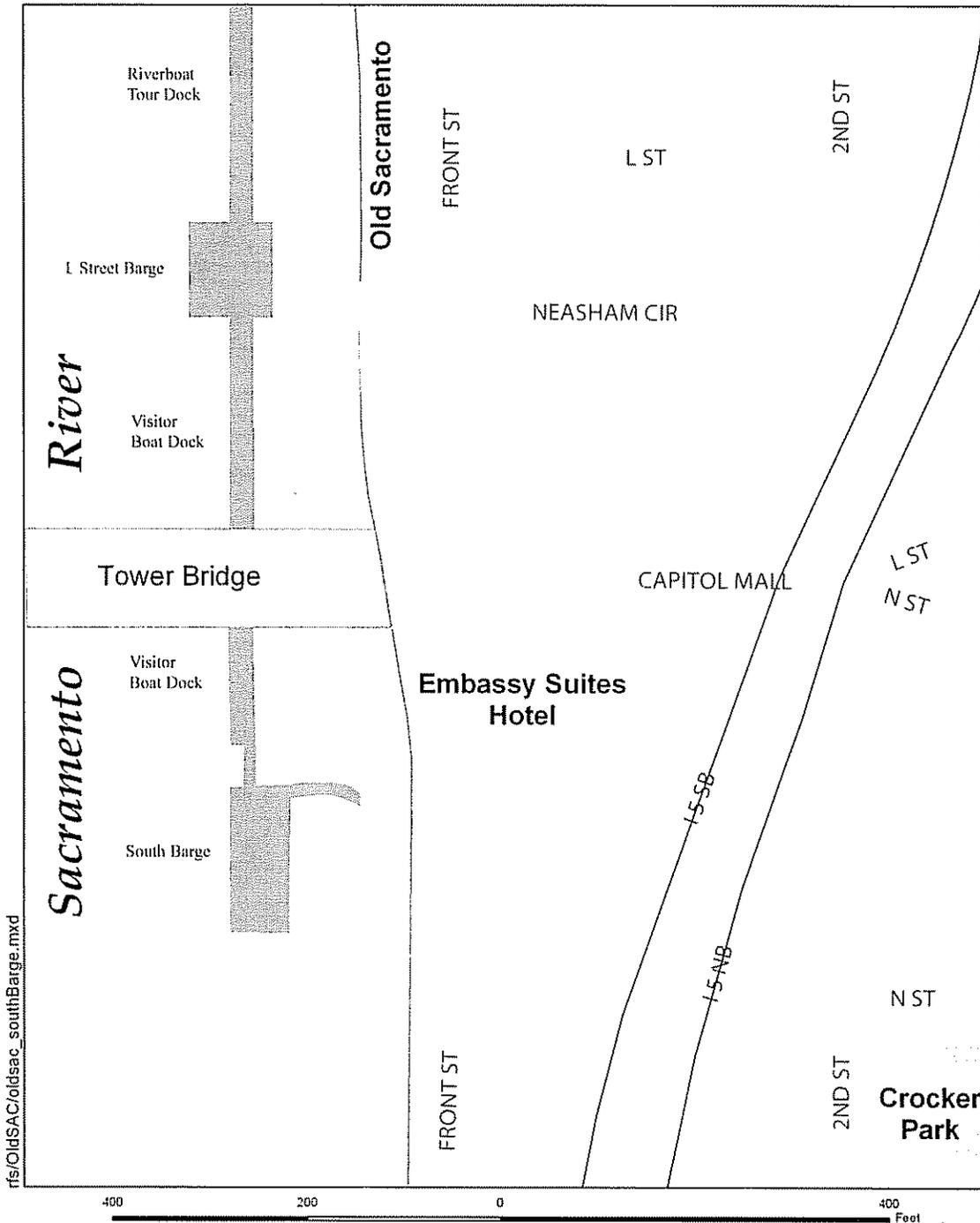
Commercial charter boats docking at the L Street Barge: five (5%) of gross receipts from a charter boat operator's Charter contract for each visit. Embarking and disembarking constitutes one visit. Each charter boat operator must file an application to use the L Street Barge and provide a copy of its Charter Contract prior to docking. The waterfront has become an active place for special events and activities. The venues that have been used and will continue to be available for use are the L St. Barge, South Barge and to a lesser extent, the visitor boat docks. The existing City fee schedule that has been followed is the fee schedule established for the use of City parks. This is no longer seen as being appropriate for the unique waterfront area. A review of various comparable facilities was used to establish a fee schedule that recognizes that there will be uses of the area for small groups as well as the maximum number allowable on the South Barge (occupancy of up to 400 individuals).

The proposed fee schedule for special events and activities on the waterfront facilities including the L St Barge (Charter Docking), and for the South Barge (Special Events) would be for groups of up to 100 individuals, fee of \$140; and for groups of 100 individuals to 400 individuals, the fee of \$400. City retains the right to waive fees in special circumstances. Rules and regulations will be established by the City for waterfront events and activities.

Adoption of the attached Resolution will amend the Fee and Charge Report to reflect the Special Event and Charter Dock fees.

Agreement location map

Attachment A



rfs/oldSAC/oldSAC_southBarge.mxd

City of Sacramento/IT
Central GIS Unit
Map Contact: D. Wilcox

Charter Vessel Agreement Location Map

Map Date: August 2006

RESOLUTION NO.

Adopted by the Sacramento City Council

Approving Agreement with Sacramento Yacht Charter LLC for the provision of Charter Services from the South Barge

BACKGROUND

- A. The Old Sacramento waterfront agreements with Sacramento Yacht Charter LLC will contribute to the ongoing enhancement of the riverfront as called for in the Sacramento Riverfront Master Plan by providing new and exciting opportunities for visitors to experience the river and ensuring high-quality, consistent management of the docking facilities. The yacht charter service will add to the already increasing public interest in the riverfront and attract many different customers and visitors year-round.
- B. Improvements to the barge and adjacent promenade area that will be constructed by Sacramento Yacht Charter LLC under the agreement will provide waterfront visitors with much-needed comfort and access facilities and will greatly increase the value of the barge as a public amenity.
- C. The Sacramento City Code requires that leases of City-owned real property be awarded to the highest bidder through competitive bidding unless the City Council finds that it is in the best interest of the City to enter into the agreement without bidding because special circumstances make the use of the bid procedure inappropriate (Sacramento City Code §3.68.110 (F)). It is in the City's best interests to enter into the charter vessel and riverboat tour, water taxi, and amphibious trolley agreements with Sacramento Yacht Charter LLC without bidding because special circumstances, including the fact that the proposed agreements incorporate a sublease of real property, licenses to use City-owned real property, a design and build construction agreement, and programmatic elements, and the fact that staff utilized a RFP process to identify Sacramento Yacht Charter LLC as the recommended operator make use of the bid procedure inappropriate

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the facts set forth in the Background are true.
- Section 2. The City Manager is authorized to execute an agreement with Sacramento Yacht Charter LLC for charter vessel service from the City's South Barge, including any extensions of amendments thereto.

RESOLUTION NO.

Adopted by the Sacramento City Council

Approving Agreement with Sacramento Yacht Charter LLC for the provision of Riverboat, Water Taxi and Amphibious Trolley Services

BACKGROUND

- A. The Old Sacramento waterfront agreements with Sacramento Yacht Charter LLC will contribute to the ongoing enhancement of the riverfront as called for in the Sacramento Riverfront Master Plan by providing new and exciting opportunities for visitors to experience the river and ensuring high-quality, consistent management of the docking facilities. The Old Sacramento riverboat tour program and water taxi services has been an important part of the visitor experience for many years and it is one of the few ways a visitor without their own boat can experience the river. The riverboats replicate the appearance of paddle wheelers plying the Sacramento River during the 1850-75 era, further adding to the historic ambiance of Old Sacramento. The amphibious trolley services are a new experience for Sacramento residents and visitors alike.

- B. The Sacramento City Code requires that leases of City-owned real property be awarded to the highest bidder through competitive bidding unless the City Council finds that it is in the best interest of the City to enter into the agreement without bidding because special circumstances make the use of the bid procedure inappropriate (Sacramento City Code §3.68.110 (F)). It is in the City's best interests to enter into the riverboat tour, water taxi, and amphibious trolley agreements with Sacramento Yacht Charter LLC without bidding because special circumstances, including the fact that the proposed agreements incorporate a sublease of real property, licenses to use City-owned real property, three distinct business operations, a design and build construction agreement, and programmatic elements, and the fact that staff utilized a RFP process authorized by the City Council to identify Sacramento Yacht Charter LLC as the recommended operator make use of the bid procedure inappropriate.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds that the facts set forth in the background are true.

- Section 2. The City Manager is authorized to execute an agreement with Sacramento Yacht Charters LLC for historic riverboat tour boat, water taxi, and amphibious trolley service from the Old Sacramento tour boat dock, including and extensions or amendments thereto.

RESOLUTION NO.

Adopted by the Sacramento City Council

Approving Agreement with Sacramento Yacht Charter LLC for the provision of management services for the Waterfront (docks) Area

BACKGROUND

- A. The proposed professional services agreement incorporates the management of the waterfront including the L St. Barge, and the visitor boat dock for the docking of boats and the use of the South Barge as a special event/activity facility. The implementation of this agreement with SYC will provide for a maximum level of coordination and service level for the boating public. This is a consulting services agreement wherein SYC is best suited to provide the expertise and management services.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute a professional services agreement with Sacramento Yacht Charters LLC for the management and operation of the Old Sacramento waterfront dock facilities, including any extensions or amendments thereto.

RESOLUTION NO.
Adopted by the Sacramento City Council
APPROVING FEES FOR THE WATERFRONT/DOCKS AREA

BACKGROUND

- A. For the use of City facilities on the riverfront such as the L St. Barge, Visitor Boat Dock and the South Barge, the fees have been those established for park use throughout the City. The L Street barge has been available for charter boat docking and the fee charged for these visits has been \$25 per visit. The South Barge without a recognized second means of egress can accommodate only 49 persons so it has had limited appeal for special events/activities. The charges for these uses have generated minimal funds, less than \$1,000 annually.

- B. With the new L St. Barge, it is expected that there will be more interest in visits by charters from outside of Old Sacramento. This warrants a market rate fee. The second means of egress on the South Barge will render this facility a more attractive location for special events and activities. There is the recognition that these are special public spaces and that use of them for private activities warrants a new fee schedule.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council adopts the following fees in conjunction in the operation of the Sacramento Waterfront:

Commercial charter boats docking at the L Street Barge: five (5%) of gross receipts from each charter boat operator's Charter contract for each visit. Embarking and disembarking constitutes one visit. Each charter boat operator must file an application to use the L Street Barge and provide a copy of its Charter Contract prior to docking.

Special events/activities on the L Street Barge and the South Barge:

Up to 100 individuals	\$140
100 or more individuals	\$400

Section 2. The City Manager or designee is authorized to adjust or waive the fees set forth in Section 1 for special circumstances.

Section 3. Based on the information presented to it and upon information in the public record, and in compliance with Public Resources Code Section 21080(b)(8), the City Council finds:

- a) The fees are for the purpose of meeting operating expenses including employee wage rates and fringe benefits.

