

160 Duke of Gloucester Street
Annapolis, MD 21401

Signature Copy
O-42-15

..Title

An Amendment to Lease of City Property: Fall 2015 Boat Shows – For the purpose of authorizing an amendment adding 20 City moorings in St. Mary’s Cove on Spa Creek for the Fall Brokerage Boat Show to a lease of certain municipal property to the United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc., to conduct boat shows for a certain period of time, subject to certain terms, provisions and conditions; and all matters relating to the amendment of the lease.

..Body

**CITY COUNCIL OF THE
City of Annapolis**

Ordinance 42-15

Introduced by: Mayor Pantelides

**Co-sponsored by: Alderman Littmann, Alderman Budge, Alderman Paone,
Alderman Arnett and Alderwoman Finlayson**

Referred to

Finance

Rules and City Government

AN ORDINANCE concerning

An Amendment to Lease of City Property: Fall 2015 Boat Shows

FOR the purpose of authorizing an amendment adding 20 City moorings in St. Mary’s Cove on Spa Creek for the Fall Brokerage Boat Show to a lease of certain municipal property to the United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc., to conduct boat shows for a certain period of time, subject to certain terms, provisions and conditions; and all matters relating to the amendment of the lease

WHEREAS, pursuant to Ordinance 49-09 Amended of the Annapolis City Council, and a lease agreement dated November 9, 2009, the City of Annapolis has leased to the

United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc., certain municipal property to conduct boat shows during the period October 5, 2015 through October 21, 2015, inclusive; and

WHEREAS, the Lessee seeks to add 20 City moorings in St. Mary's Cove on Spa Creek to the leased premises to conduct the Fall Brokerage Boat Show; and

WHEREAS, except as specifically amended, all other provisions of the November 9, 2009 lease are to remain in full force and effect; and

WHEREAS, the Annapolis City Council believes that these proposed boat shows benefit the City of Annapolis; and

WHEREAS, Article III, Section 8 of the Charter of the City of Annapolis requires the adoption of an ordinance to authorize a lease; and

WHEREAS, an Addendum to Lease Agreement, setting forth amended terms has been prepared and is considered satisfactory.

SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that the Addendum to Lease Agreement, a copy of which is attached hereto, between the City of Annapolis and United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc., amending the November 9, 2009 lease between the City of Annapolis and United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc., a copy of which is attached hereto, leasing 20 City moorings in St. Mary's Cove on Spa Creek, inclusive with all other provisions of the November 9, 2009 lease remaining in full force and effect, is hereby approved and the Mayor is hereby authorized to execute the amended lease on behalf of the City of Annapolis.

SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that it is expressly found by the Annapolis City Council that the property which is the subject of the amended lease will better serve the public need for which the property was acquired by stimulating local interest in the boating industry, by encouraging visitors and residents of the City to visit the harbor and dock area, by generating tax revenues and rental income to the City of Annapolis, and by otherwise providing economic benefits to the City of Annapolis.

SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that this Ordinance shall take effect from the date of its adoption.

United States Powerboat Shows, Inc.

Witness

By: _____
Paul Jacobs, President

ATTEST:

City of Annapolis, Maryland

Regina C. Watkins-Eldridge, MMC,
City Clerk

By:  _____
Michael J. Pantelides, Mayor (Seal)

REVIEWED AND APPROVED BY:

Thomas Andrews, City Manager

APPROVED FOR FINANCIAL SUFFICIENCY:

Bruce T. Miller, Director
Finance Department

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

OFFICE OF THE CITY ATTORNEY

Edgewood Road property, Two Thousand Sixty Dollars (\$2,060.00) each year used ("Edgewood Road Rent"). Lessee shall pay Lessor the Minimum Base Rent, in full, within thirty (30) days of the close of the boat shows. Any further monies over the Minimum Base Rent due to Lessor as a result of ticket sales shall be paid by Lessee to Lessor simultaneously with Lessee's payment of State admissions tax. Proof of gross receipts from ticket sales shall be supplied at that time by Lessee to the City of Annapolis Director of Finance in a form satisfactory to the Director of Finance. In addition to the Base Rent, Lessee shall pay Lessor Additional Rent equal to Twenty-Five Thousand Seven Hundred Fifty Dollars (\$25,750.00) toward the costs incurred by the City in providing electricity, water, inspections, and public safety services to the boat shows and in providing increased public services during the boat shows. Lessee shall pay Lessor the Additional Rent and, if applicable, the Edgewood Road rent, in full, at the time Lessee pays the Minimum Base Rent.

The Lessee shall pay the City a monthly late fee of 1.5% (18% per annum) on any balance unpaid more than thirty (30) days past due.

5. Section 1.3 of the Lease Agreement is hereby amended to add as rent for the additional Old City Recreation Center and Parking Lot located at 9 St. Mary's Street, Annapolis, Maryland in the amount of Two Thousand Dollars (\$2,000.00), which the Lessee shall pay to the Lessor, in full by check payable to the City of Annapolis, within thirty (30) days of the close of the boat shows; provided, however, that if the Lessor should transfer its ownership of this property to a third party on or before Monday, October 5, 2015, then the Lessee shall not be required to pay this rent for \$2,000.00. The Lessee shall pay the City a monthly late fee of 1.5% (18% per annum) on any balance unpaid more than thirty (30) days past due.
6. Section 8.1 is hereby amended to provide that 1) the Lessee shall furnish an adequate and equal number of trash and recycling containers for its use within the boat show grounds during the entire use and occupancy period of the Premises and shall provide for the prompt removal of all such containers; and 2) the Lessee shall collect the same recycling materials that the Lessor collects in its curbside recycling service.
7. Except as expressly stated in this Addendum, the terms of the Lease Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum the day and year first written above.

United States Sailboats Shows, Inc.

Witness

By: _____
Paul Jacobs, President

Addendum to Lease Agreement (Fall 2015)

This Addendum to Lease Agreement is made this _____ day of _____, 2015 by and between The City of Annapolis, a municipal corporation of the State of Maryland ("Lessor"), and United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc. (collectively, "Lessee").

Whereas, the parties entered into a Lease Agreement dated November 9, 2009 (Fall 2015) for the lease of certain City property in connection with the Lessee's boat shows in the City of Annapolis (collectively, the "Lease Agreement"); and

Whereas, the parties wish to amend the Lease Agreement.

Now, therefore, and in consideration of the terms stated below and the consideration cited in the Lease Agreement, incorporating the recitals above, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. All terms not otherwise defined are used as set forth in the Lease Agreement.
2. Section 1.1 of the Lease Agreement is hereby amended so that the Premises includes all twenty (20) of the City boat moorings, #41-60, located in St. Mary's Cove, Spa Creek, inclusive, for use in the production of the Annapolis Fall Brokerage Boat Show, a feature of the United States Sailboat Show and United States Powerboat Show.
3. Section 1.1 of the Lease Agreement, Exhibit A is hereby amended to include use of the first floor of the Old City Recreation Center and Parking Lot located at 9 St. Mary's Street, Annapolis, Maryland; provided, however, that if the Lessor should transfer its ownership of this property to a third party on or before Monday, October 5, 2015, then the Lessee shall have no right to use the Old City Recreation Center and Parking Lot located at 9 St. Mary's Street, Annapolis, Maryland as part of the Premises, and the Lessor shall not be liable to the Lessee or any other third party for any damages incurred due to this transfer of ownership.
4. Section 1.3 of the Lease Agreement is hereby amended to add payment for sixteen (16) days use of the additional twenty (20) St. Mary's Cove moorings (#41-60) in Spa Creek at a fixed daily market rate of \$25.00 per mooring per day, such that a total of Eight Thousand Dollars (\$8,000) shall be added to the Minimum Base Rent. In acknowledgement of this addition to the Minimum Base Rent, Section 1.3 of the Lease Agreement shall be deleted and the following shall be inserted in lieu thereof:

Except as provided in Section 2.3, Base Rent shall be (A) the greater of (i) fifty percent (50%) of Lessee's gross receipts (after deduction of admission taxes) from the sale by Lessee of tickets for admission to the boat shows for the terms stated in Section 1.1 above ("Ticket Sales Base Rent") or, (ii) Three Hundred Eighty-Three Thousand Nine Hundred Fifty Dollars (\$383,950.00) ("Minimum Base Rent"), plus (B) if the Lessee uses the

EXPLANATION

CAPITAL LETTERS indicate matter added to existing law.

~~Strikethrough~~ indicates matter stricken from existing law.

Underlining indicates amendments

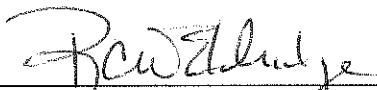
ADOPTED this 21th day of September, 2015.

Aye: 9 Mayor Pantelides, Alderman Budge, Alderman Paone,
Alderman Pindell Charles, Alderman Finlayson,
Alderman Littmann, Alderman Kirby,
Alderman Pfeiffer and Alderman Arnett.

THE ANNAPOLIS CITY
COUNCIL


Michael J. Pantelides, Mayor

Date: 9/29/15

ATTEST 
Regina Watkins-Eldridge, MMC,
City Clerk

Date: 9/29/15