

1 **..Title**

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

8 **..Body**

9
10 **CITY COUNCIL OF THE**
11 **City of Annapolis**

12 **Ordinance 42-15**

13
14 **Introduced by: Mayor Pantelides**

15
16
17 **Referred to**

18 Finance
19 Rules and City Government

20
21
22 **AN ORDINANCE** concerning

23
24 **An Amendment to Lease of City Property: Fall 2015 Boat Shows**

25
26 **FOR** the purpose of authorizing an amendment adding 20 City moorings in St. Mary’s Cove on
27 Spa Creek for the Fall Brokerage Boat Show to a lease of certain municipal property to
28 the United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc., to
29 conduct boat shows for a certain period of time, subject to certain terms, provisions and
30 conditions; and all matters relating to the amendment of the lease

31
32 **WHEREAS,** pursuant to Ordinance 49-09 Amended of the Annapolis City Council, and a lease
33 agreement dated November 9, 2009, the City of Annapolis has leased to the
34 United States Sailboat Shows, Inc., and United States Powerboat Shows, Inc.,
35 certain municipal property to conduct boat shows during the period October 5,
36 2015 through October 21, 2015, inclusive; and

37
38 **WHEREAS,** the Lessee seeks to add 20 City moorings in St. Mary’s Cove on Spa Creek to the
39 leased premises to conduct the Fall Brokerage Boat Show; and

40
41 **WHEREAS,** except as specifically amended, all other provisions of the November 9, 2009
42 lease are to remain in full force and effect; and

43
44 **WHEREAS,** the Annapolis City Council believes that these proposed boat shows benefit the
45 City of Annapolis; and
46

1 **WHEREAS**, Article III, Section 8 of the Charter of the City of Annapolis requires the adoption
2 of an ordinance to authorize a lease; and
3

4 **WHEREAS**, an Addendum to Lease Agreement, setting forth amended terms has been
5 prepared and is considered satisfactory.
6

7 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**
8 **COUNCIL** that the Addendum to Lease Agreement, a copy of which is attached hereto, between
9 the City of Annapolis and United States Sailboat Shows, Inc., and United States Powerboat
10 Shows, Inc., amending the November 9, 2009 lease between the City of Annapolis and United
11 States Sailboat Shows, Inc., and United States Powerboat Shows, Inc., a copy of which is
12 attached hereto, leasing 20 City moorings in St. Mary’s Cove on Spa Creek, inclusive with all
13 other provisions of the November 9, 2009 lease remaining in full force and effect, is hereby
14 approved and the Mayor is hereby authorized to execute the amended lease on behalf of the City
15 of Annapolis.
16

17 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
18 **ANNAPOLIS CITY COUNCIL** that it is expressly found by the Annapolis City Council that
19 the property which is the subject of the amended lease will better serve the public need for which
20 the property was acquired by stimulating local interest in the boating industry, by encouraging
21 visitors and residents of the City to visit the harbor and dock area, by generating tax revenues
22 and rental income to the City of Annapolis, and by otherwise providing economic benefits to the
23 City of Annapolis.
24

25 **SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**
26 **ANNAPOLIS CITY COUNCIL** that this Ordinance shall take effect from the date of its
27 adoption.
28
29

30 **EXPLANATION**

31 CAPITAL LETTERS indicate matter added to existing law.

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

33 Underlining indicates amendments
34
35
36

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

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

14
 15 The Lessee shall pay the City a monthly late fee of 1.5% (18% per annum) on any
 16 balance unpaid more than thirty (30) days past due.
 17

18 5. Section 1.3 of the Lease Agreement is hereby amended to add as rent for the additional
 19 Old City Recreation Center and Parking Lot located at 9 St. Mary's Street,
 20 Annapolis, Maryland in the amount of Two Thousand Dollars (\$2,000.00), which the
 21 Lessee shall pay to the Lessor, in full by check payable to the City of Annapolis, within
 22 thirty (30) days of the close of the boat shows; provided, however, that if the Lessor
 23 should transfer its ownership of this property to a third party on or before Monday,
 24 October 5, 2015, then the Lessee shall not be required to pay this rent for \$2,000.00. The
 25 Lessee shall pay the City a monthly late fee of 1.5% (18% per annum) on any balance
 26 unpaid more than thirty (30) days past due.
 27

28 6. Section 8.1 is hereby amended to provide that 1) the Lessee shall furnish an
 29 adequate and equal number of trash and recycling containers for its use within the
 30 boat show grounds during the entire use and occupancy period of the Premises and
 31 shall provide for the prompt removal of all such containers; and 2) the Lessee shall
 32 collect the same recycling materials that the Lessor collects in its curbside recycling
 33 service.
 34

35 7. Except as expressly stated in this Addendum, the terms of the Lease Agreement shall
 36 remain unchanged and in full force and effect.
 37

38
 39 IN WITNESS WHEREOF, the parties have executed this Addendum the day and year
 40 first written above.
 41

42
 43 **United States Sailboats Shows, Inc.**
 44

45
 46 By: _____

1 Witness

Paul Jacobs, President

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3

United States Powerboat Shows, Inc.

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By: _____

7 Witness

Paul Jacobs, President

8

9

10 ATTEST:

City of Annapolis, Maryland

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12

13

By: _____

14 Regina C. Watkins-Eldridge, MMC,
15 City Clerk

Michael J. Pantelides, Mayor (Seal)

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18 REVIEWED AND APPROVED BY:

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22 Thomas Andrews, City Manager

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24

25 APPROVED FOR FINANCIAL SUFFICIENCY:

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29 Bruce T. Miller, Director

30 Finance Department

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33 APPROVED FOR FORM AND LEGAL SUFFICIENCY:

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35

36

37 OFFICE OF THE CITY ATTORNEY

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