

FISCAL IMPACT NOTE

Legislation No: O-14-17

First Reader Date: 03/13/17

Note Date: 03/22/17

Legislation Title: **Lease of City Property to Chesapeake Marine Tours, Inc.**

Description: For the purpose of authorizing a lease of certain municipal property located at the City Dock in Annapolis, to Chesapeake Marine Tours, Inc. for certain periods of time from FY 2023 to FY 2027.

Analysis of Fiscal Impact:

This legislation would extend the City's current lease with Chesapeake Marine Tours, Inc. for a period of one year, commencing July 1, 2022 and terminating June 30, 2023, to be automatically renewed for four additional one year terms. The annual Rent will be calculated as the sum of the City's gross revenue for total rented dock space at the City Dock for the twelve months immediately preceding the Initial Term or applicable Renewal Term divided by the City's total rentable dock space at the City Dock consisting of one thousand four hundred twenty-three (1,423) linear feet. The Rent for the Initial Term shall be equal to the sum of the applicable Rate multiplied by the Premises' two hundred sixty (260) linear feet. The Rent for each Renewal Term shall be equal to the sum of the applicable Rate multiplied by the Premises' two hundred sixty (260) linear feet. The lessee may arrange with Baltimore Gas and Electric to have separately metered service billed directly to the lessee, or may pay to the City twice the appropriate monthly winter electric rate, as set by the City Council, for a fifty amp outlet. The current monthly winter rate for a fifty amp outlet is \$225 and if this method is selected the annual amount to be paid to the City for electricity would be \$5,400.

See below for actual revenues for FY2010 – FY2017 and estimated future revenues going forward through FY2022, assuming electricity is purchased through the City. The dollar amount of Rent to be charged for this renewal cannot be determined until FY2022.

Chesapeake Marine Tours

	Rent	Electricity	Refuse	Adjustment for dock restoration	Total
Past					
FY2011	41,895.98	2,159.91	776.79		44,832.68
FY2012	42,524.42	2,192.31	788.44		45,505.17
FY2013	43,800.15	2,258.08	812.09		46,870.32
FY2014	44,544.75	2,296.47	825.90		47,667.12
FY2015	44,544.75	2,296.46	825.90		47,667.11
FY2016	44,544.75	2,296.46	825.90		47,667.11
FY2017	48,825.40	5,400.00	3,000.00		57,225.40
Future					
FY2018	48,825.40	5,400.00	3,000.00		57,225.40
FY2019	48,825.40	5,400.00	3,000.00		57,225.40
FY2020	52,122.20	5,400.00	3,000.00		60,522.20
FY2021	46,917.00	5,400.00	3,000.00		55,317.00
FY2022	46,248.80	5,400.00	3,000.00		54,648.80