

REVISED Staff Report

O-10-17

Lease of City Property: Spring 2021-2026 Boat Shows Cruisers University, Inc. (Annapolis Spring Sailboat Show)

Pursuant to Article II, Section 8 of the Annapolis City Charter, it is necessary for the City Council to enact an ordinance to authorize a lease of City property. Ordinance 10-17 would authorize an a lease of City property at the City Dock and surrounding areas and boat moorings in Annapolis, Maryland for the purpose of the Spring 2021 through Spring 2026 Sailboat Shows.

The lease would be executed between the City of Annapolis and Cruisers University, Inc., trading as Annapolis Spring Sailboat Show. Under the terms of the lease, Cruisers University, Inc. would have access to the lease area for select dates from Spring 2021 through Spring 2026, which consists on an initial term of one (1) year plus five (5) automatic 1-year renewal periods provided that there are no defaults or other material changes. Also provided that there are no defaults or other material changes, this lease allows for a one-time extension by the lessee/tenant for any additional four (4) years, which would make the total length of the lease ten (10) years.

Broken down the total possible term would be as follows:

Initial Term for the 2021 Shows granted upon execution of the Lease.

1st Renewal Term for the 2022 Shows renews on April 15, 2017

2nd Renewal Term for the 2023 Shows renews on December 15, 2017

3rd Renewal Term for the 2024 Shows renews on December 15, 2018

4th Renewal Term for the 2025 Shows renews on December 15, 2019

5th Renewal Term for the 2026 Shows renews on December 15, 2020

PLUS an optional extension for 4 additional Renewal Terms as follows:

6th Renewal Term for the 2027 Shows renews on December 15, 2021

7th Renewal Term for the 2028 Shows renews on December 15, 2022

8th Renewal Term for the 2029 Shows renews on December 15, 2023

9th Renewal Term for the 2030 Shows renews on December 15, 2024

Rent shall be the greater of either: (i) fifty percent (50%) of its gross receipts (after deduction of admission taxes) from the sale of tickets for admission to the shows or (ii) a specified minimum payment. That minimum payment shall be increased annually based on a Consumer Price index escalator. United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc. shall be required to pay a specified sum to cover all costs associated with City services (utility, police, fire, and trash/recycling) for these Shows, and that sum shall also be increased annually based on a Consumer Price index escalator.

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