

FISCAL IMPACT NOTE

Legislation No: O-9-17

First Reader Date: 2/27/17

Note Date: 3/8/17

Legislation Title: Lease of City Property: Fall 2021-2026 Boat Shows

Description: For the purpose of authorizing a lease of certain municipal property located in the general harbor, Dock Street and Edgewood Road areas to United States Sailboat Shows, Inc. and United States Powerboat Shows, Inc., for certain periods of time from 2021 to 2026, to conduct boat shows.

Analysis of Fiscal Impact: This legislation would permit a lease between the City (the Lessor), and the United States Sailboat Show, Inc. and the United States Powerboat Show, Inc. (the Lessees) for a periods of time from 2021 to 2026. This lease will provide the City with the greater of either: fifty percent (50%) of the Lessee's gross receipts (after deduction of admission taxes) from the Lessee's sale of tickets for admission to the Show during the Term of this Lease; or the sum calculated by increasing Three Hundred Eighty-Five Dollars (\$385,000.00) by fifty percent (50%) of the amount of the Consumer Price Index (CPI) increase over the twelve (12) months preceding the Initial Term.

The Rent for each Renewal Term shall be the greater of either: fifty percent (50%) of the ticket sales during the applicable Renewal Term of this Lease or, the amount of the minimum payment for the immediately prior term of this Lease increased by fifty percent (50%) of the amount of the CPI increase over the twelve (12) months preceding each respective Renewal Term. The maximum amount that the Renewal Minimum Payment shall increase during the Initial Term and all Renewal Terms under this Lease shall be ten percent (10%)

In addition to the Rent, the Lessee shall reimburse the Lessor the sum calculated by increasing Thirty-Eight Thousand Six Hundred Twenty-Five Dollars (\$38,625.00) by fifty percent (50%) of the amount of the CPI increase over the twelve (12) months preceding the Initial Term for the costs incurred by the Lessor as a result of the Lessee's use of the Premises, including, but not limited to, utilities, inspections, parking and transportation, facilities and services, trash and recycling services, police services, fire services, and other safety services (collectively, the "City Fees"). The Lessee shall pay the Lessor the City Fees, in full, at the same time the Lessee pays the Rent.

The City Fees for each renewal term shall be the amount of City Fees paid for the immediately prior term of this Lease increased by fifty percent (50%) of the amount of the CPI increase over the twelve (12) months preceding each respective Renewal Term. The maximum amount that the City Fees shall increase during the Initial Term and all Renewal Terms under this Lease shall be ten percent (10%).