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**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

**CITY OF SACRAMENTO
CALIFORNIA**

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SUITE 400
SACRAMENTO, CA
95814-2977

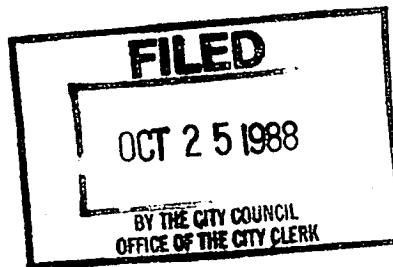
ROBERT P. THOMAS
DIRECTOR

October 18, 1988

916-449-5200

G. ERLING LINGGI
ASSISTANT DIRECTOR

WALTER S. UEDA
DEPUTY DIRECTOR



DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Riverboat Delta King Status Report

SUMMARY

This report provides information on the status of the restoration of the Riverboat Paddlewheeler Delta King. This report is transmitted as information only. No action is necessary.

BACKGROUND INFORMATION

On March 29, 1988, the Sacramento City Council approved a number of agreements and amendments to existing agreements between the City of Sacramento and the partnership of the Riverboat Delta King, Inc.

This action was necessary in order to assist the partnership in securing a \$4 million loan from the Home Federal Savings and Loan Company for the remaining restoration work on the Delta King.

The following is an overview of the agreements and amendments approved:

1. Security Agreement between State Lands, City of Sacramento, Home Savings and Loan, and Riverboat Delta King.

The State Lands Commission on January 21, 1988, approved an agreement with the City of Sacramento related to financing of the Delta King by a lender. The Master Lease provided for subleasing and encumbering of subleases for financing purposes. The lender, Home Savings and Loan, as a condition of the loan, required that they be named as secured-party lender. The State's standard form Security Agreement (Agreement and Consent to Encumbering of Lease) was modified to allow for four parties instead of three. In conjunction with the Master Plan agreement, the lender also required an Estoppel Statement.

2. Amendment of a Sublease between Delta King, Inc. and City of Sacramento.

The sublease between the City of Sacramento and Riverboat Delta King, Inc. (Agreement No. 85042) was amended to include various operating responsibilities. Major terms and conditions of this amendment are:

- a. Areas leased to Delta King include the barge, hotel bridge, promenade deck stairway, and head pier adjacent to the Delta King.
- b. Barge control - Lessee shall permit public access on "K" Street Barge from 9:00 a.m. to 11:00 p.m. daily. Public access at other times may be controlled by Delta King.
- c. Lessee shall maintain barge and other leased areas at their expense, including the elevator. The City shall be responsible for capital repairs, fire protection systems, and debris removal.
- d. City shall lease by revocable use permit the existing booth at the north end of the California Steam Navigation Company Freight Depot building and turnaround at Front and "K" Streets for a valet station.
- e. Lessee shall be responsible for utility connection from Delta King to seawall.
- f. City shall provide lease with nonexclusive easements for pedestrian and service vehicle access from Front Street to the Delta King.

3. Parking Agreement between Redevelopment Agency of the City of Sacramento and Riverboat Delta King, Inc.

The Delta King Hotel requested 44 dedicated parking spaces in the Old Sacramento South Parking Garage (Lot R) for exclusive use by hotel guests. The major terms of this proposed parking agreement is as follows:

- a. Term - 25 years (concurrent with the City's moorage sublease with the Delta King).
- b. Fees and Payments - Per a set 10-year schedule, Agency to pay 95 percent of the hotel-guest parking fees for the first five years of hotel occupancy; declining to five percent in the tenth year and phased out entirely beginning with the eleventh year. (Annual Agency payment not to exceed \$50,000).
- c. Valet Parking - Delta King authorized to operate a valet parking service with guest loading/unloading zone in the vicinity of the Delta King's "K" Street accessway.

4. Amendment to City-Agency Parking Operation Agreement.

Under the existing agreements, the City Parking Division (CPD) is responsible for operating the downtown public parking facilities, including those owned by the Redevelopment Agency. The CPD collects the parking fee revenues and, after deducting operating and standard maintenance expenses, transmits the Agency parking facilities' revenues to the Agency.

The Delta King Hotel guest parking costs will be charged against the annual net parking revenues generated by the five Agency-owned facilities and due to the Agency (up to a maximum of \$50,000 annually). CPD and Agency staff amended the existing operating agreements for Lots G, K, P, R, and U so that the appropriate Delta King Hotel guests' parking fees are collected from the net parking fee revenues. The SHRA Commission approved this agreement at their meeting of February 22, 1988.

Restoration Status

Prior to the receipt of their \$4 million loan, a majority of the exterior work on the Delta King, which was financed by the partnership, had been completed except for the paddlewheel, smoke stack, and windows. Since receiving the loan, the previously mentioned exterior items have been completed as well as approximately 98% of the rough electrical, 95% of the rough plumbing, and 95% of the rough framing.

A work force of approximately 45 to 55 persons has been employed on a regular basis since receipt of the loan.

The majority of furnishings, fixtures, and equipment have been ordered and are expected to be delivered in a timely manner.

Project coordinator Mike Coyne anticipates securing the certificate of occupancy in December of 1988 with the anticipated "Grand Opening" scheduled for March of 1989. (Exhibit A provides a deck plan for the Delta King.)

FINANCIAL DATA

This report requires no budgetary action.

RECOMMENDATION

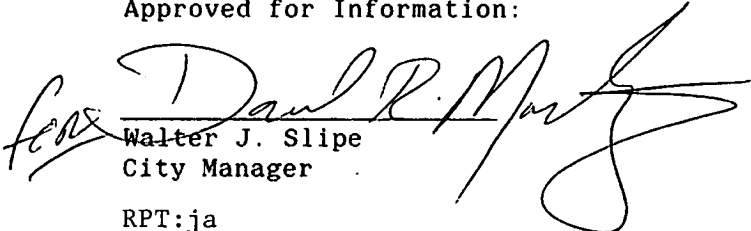
This report is filed as information only. No Council action required.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Approved for Information:

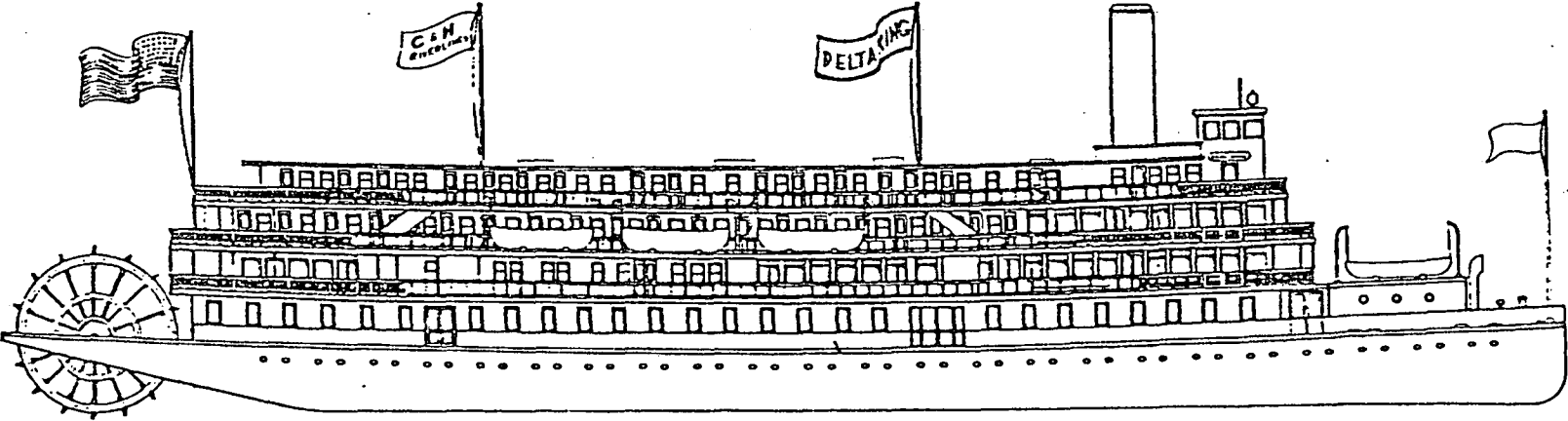
for 
Walter J. Slipe
City Manager

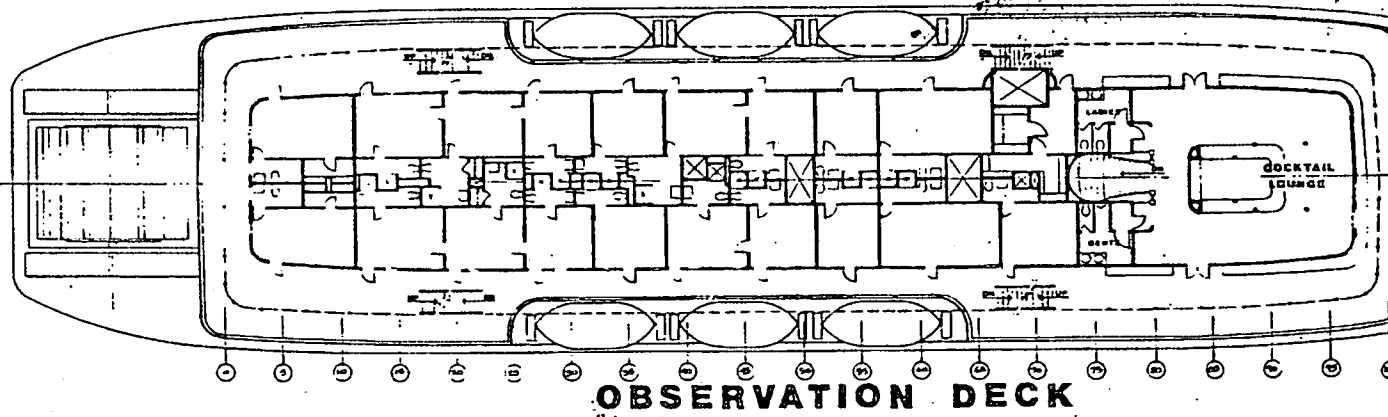
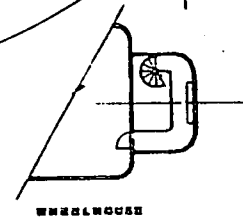
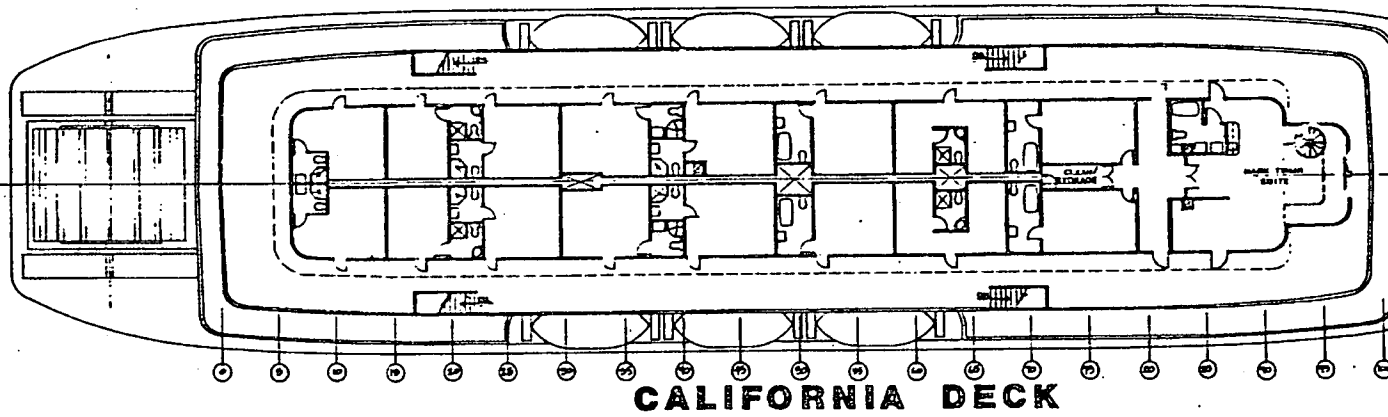
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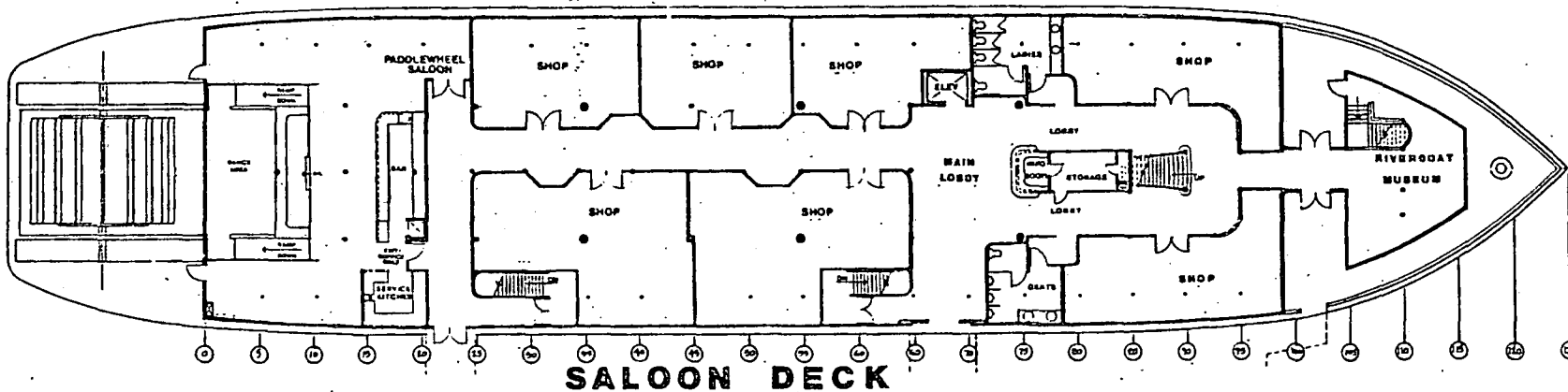
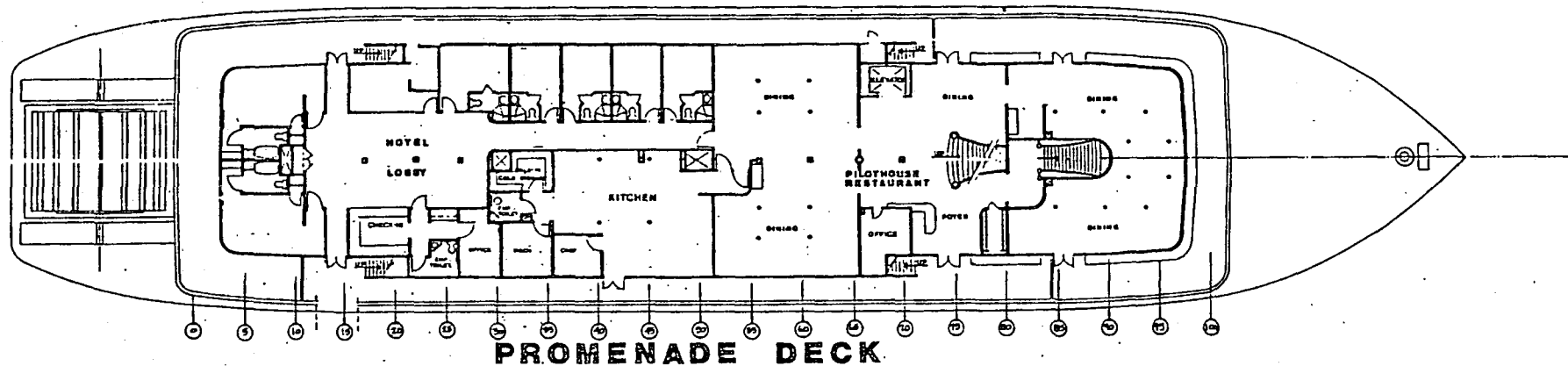
October 25, 1988
District No. 1

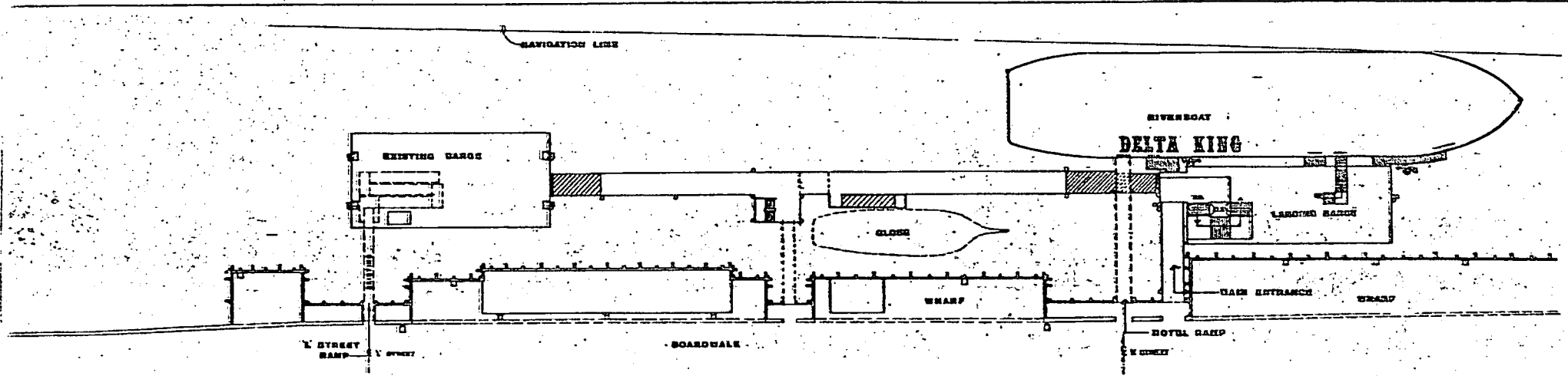
RIVERBOAT DELTA KING

OLD SACRAMENTO WATERFRONT



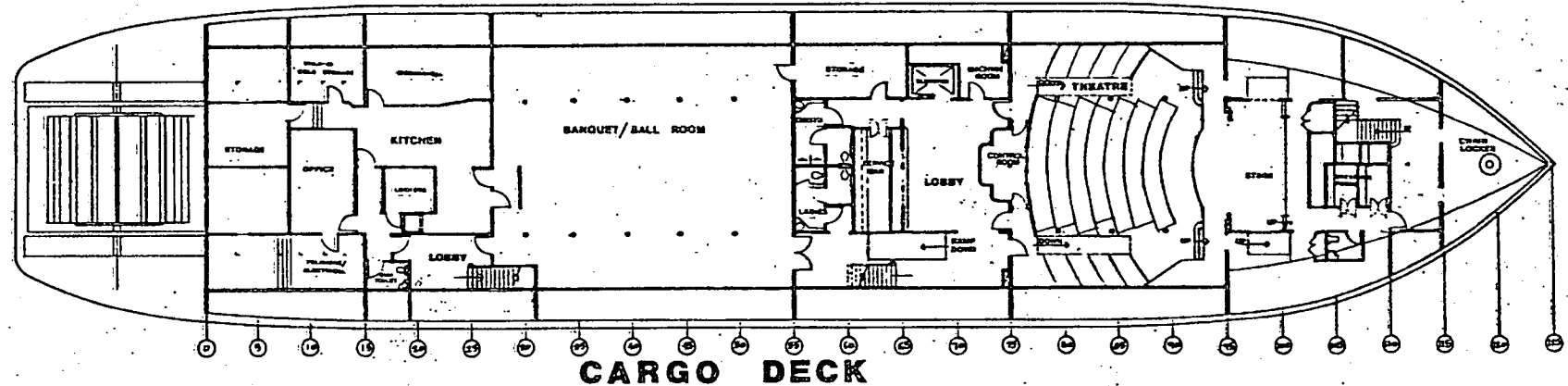




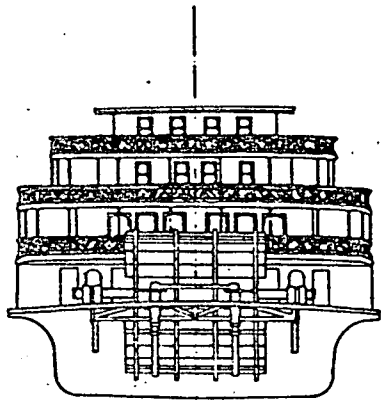


OLD SACRAMENTO SITE PLAN
 PROPOSED RIVERBOAT LOCATION

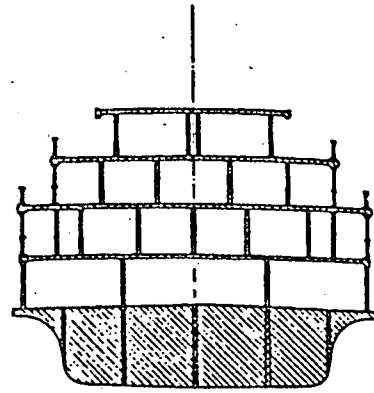
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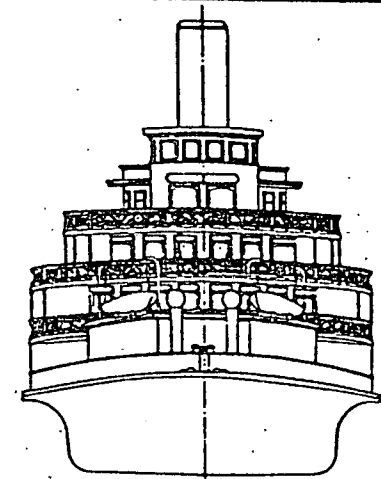
CARGO DECK



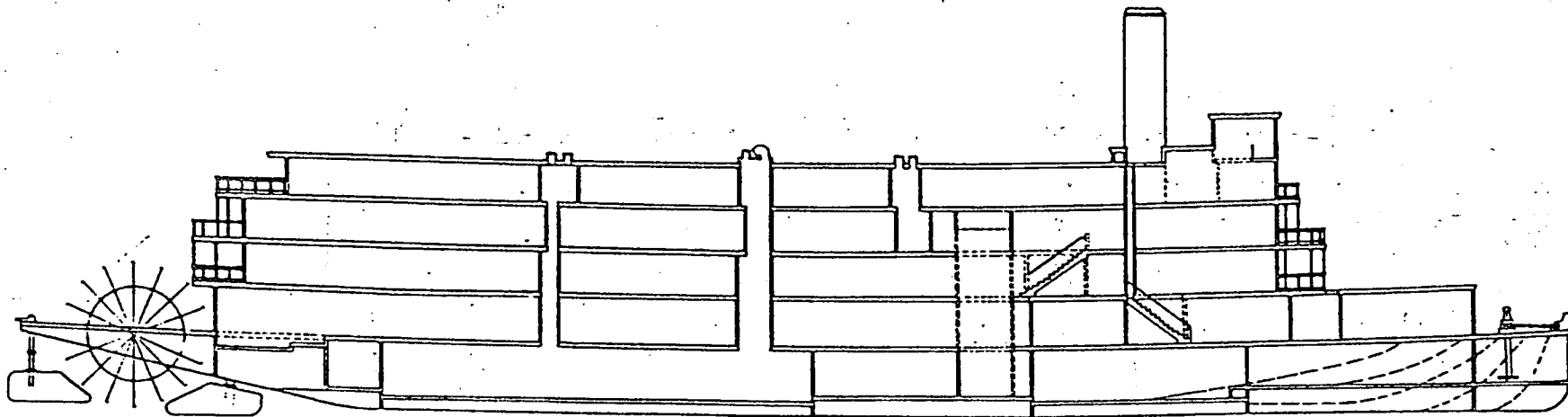
STERN ELEVATION



MIDSHIP SECTION



BOW ELEVATION



LONGITUDINAL SECTION