

20



CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
Assistant Director

CITY MANAGER'S OFFICE
RECEIVED
OCT 8 1986

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

October 14, 1986

APPROVED
BY THE CITY COUNCIL

OCT 14 1986

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Riverboat Commercial Tour Vessel Lease

SUMMARY

This report provides information relating to the provision of commercial riverfront tours in Old Sacramento. This report: (1) requests authorization to call for proposals relating to the riverfront commercial tour vessel lease; and (2) requests approval of the selection criteria to determine the best responsible proposer.

BUDGET AND FINANCE COMMITTEE ACTION

The Budget and Finance Committee reviewed the attached report at their meeting of October 14, 1986. Committee action will be presented verbally to the Council.

RECOMMENDATION

It is recommended that the City Council, by resolution:

1. Approve the proposal specifications for the riverfront tour vessel lease; and

City Council
October 14, 1986
Page Two

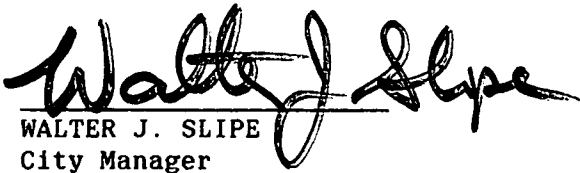
2. Approve the standards for selection of the best responsible proposer as presented in Attachment I.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



WALTER J. SLIPE
City Manager

RPT:ja

October 14, 1986
District 1

RESOLUTION NO. 86-779

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**RESOLUTION CALLING FOR SEALED OFFERS OR PROPOSALS
RELATING TO THE RIVERFRONT COMMERCIAL TOUR VESSEL
LEASE IN OLD SACRAMENTO**

APPROVED
BY THE CITY COUNCIL

OCT 14 1986

OFFICE OF THE
CITY CLERK

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The Sacramento City Council hereby invites and calls for sealed offers or proposals for a riverfront commercial tour vessel lease in accordance with the specifications entitled "Invitation to Propose for Riverfront Commercial Tour Vessel Lease in Old Sacramento." Copies of the specifications are available in the office of the City Clerk, Room 203, 915 I Street, Sacramento, California 95814. Sealed offers or proposals shall be submitted to the City Clerk no later than 10:30 a.m., November 12, 1986.
2. The offers or proposals will be opened on November 12, 1986 by the City Clerk in the Council Chambers, 915 I Street, Sacramento, California at 10:30 a.m. or as soon thereafter as practicable.
3. The City Clerk shall publish this resolution in the official newspaper of the City once a week for two consecutive weeks.

MAYOR

ATTEST:

CITY CLERK



CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
Assistant Director

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

October 3, 1986

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Riverfront Commercial Tour Vessel Lease

SUMMARY

This report provides information relating to the provision of commercial riverfront tours in Old Sacramento. This report: (1) requests authorization to call for proposals relating to the riverfront commercial tour vessel lease; and (2) requests approval of the selection criteria to determine the best responsible proposer.

BACKGROUND INFORMATION

The Department of Parks and Community Services is responsible for administering the Old Sacramento Riverfront project. Developed and funded by the Sacramento Housing and Redevelopment Agency, the Old Sacramento Riverfront Master Plan area includes the reconstruction and revitalization of approximately 4.5 acres of riverfront area. Designed to interpret the 1849 to 1870 period, principal elements of the plan include historic riverfront buildings, floating hulks, and historic ships. Proposed uses for the riverfront area are commercial, tour boats, public open space, and riverfront access. The Specific Use and Leasing Plan approved January 1985 includes historic ships to be moored on the reconstructed riverfront which will contribute to the historic ambience of the area. The Plan includes docking facilities at several locations along the riverfront.

The Department of Parks and Community Services, in cooperation with SHRA, has developed a request for proposal for a lease for a Riverfront Commercial Tour Vessel in Old Sacramento. The tour vessel, which will dock between the Delta King and the L Street Landing Barge, will be a "western style riverboat" depicting the interpretive period of 1849 to 1870.

Proposal specifications for a riverfront commercial tour vessel lease have been prepared and a copy is on file in the City Clerk's office.

Terms of the proposed lease include a ten year term with the Department of Parks and Community Services' authorization to extend the term on a year-by-year basis up to an additional ten years and a minimum annual guarantee of \$10,000. The successful proposer shall be required to furnish a western style riverboat tour vessel depicting the interpretive period of 1849 to 1870. Design and construction of this vessel shall be in accordance with specifications approved by both the City and SHRA.

In order to reach as many potential proposers as possible, an advertising campaign designed to encourage proposals has been planned and will be implemented following City Council authorization to call for proposals. Staff is contacting both coastal and inland waterfront cities including Seattle, Washington and San Diego, California who have existing successful waterfront tour boat operations.

Selection criteria have been identified and included as Attachment I in order to assist the selection advisory committee in determining "the best responsible proposer" pursuant to the provisions of Chapter 12, Article III of the Sacramento City Code.

FINANCIAL DATA

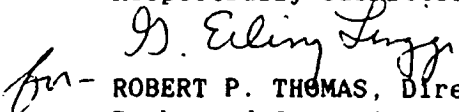
The amount of revenue to the City is dependent upon the terms of the new lease. Terms of the proposed lease include an annual minimum guarantee paid to the City of \$10,000. Revenue realized under the riverfront commercial tour vessel lease will be deposited in the General Fund in order to offset City costs of operating Old Sacramento.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve this report and refer it to the full Council for action. Further, it is recommended that the Council, by resolution:

1. Approve the proposal specifications for the riverfront tour vessel lease; and
2. Approve the standards for selection of the best responsible proposer as presented in Attachment I.

Respectfully submitted,

for - 
ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:

JACK R. CRIST
Deputy City Manager

RPT:ja

October 14, 1986
District 1

SELECTION CRITERIA

Standards to determine "Best Responsible Proposer" as established by the City Council.

I. Proposer's Experience

- A. Proven experience maintaining and operating similar or related tour boat operations or business activities as verified and supported by references, letters, and other supporting evidence. (Minimum of three years' experience.)
- B. Minimum of four business or professional references.
- C. Possession of valid license as required by U.S. Coast Guard.
- D. Proven ability to maintain compatible relations with both public agencies and the general public.
- E. Demonstrated ability to operate a business on government waters for the safety and convenience of the general public and operated in the best interests of the government and the public.
- F. Proven ability to maintain necessary records for the operation of a lease.

II. Method of Operations

- A. Ability to make an effort to constantly enhance services to the public.
- B. Feasibility of new and compatible services proposed.
- C. Quality and design of proposed tour vessel.
- D. Quality and safety of proposed equipment, inventory, and services.
- E. Plans for advertising and promoting tour vessel services both independently and in conjunction with other area attractions.

III. Organization and Management Approach

- A. Clear lines of responsibility so that City can rely on proposer to be responsive.
- B. Adequacy of proposed staffing plan to provide quality services.
- C. Qualifications and experience of key personnel assigned to sites.

IV. Proposed Contract Fee to City

- A. Percentage return to City.
 - B. Dollar return to City.
 - C. Reasonableness of proposed rent.
- V. Financial Responsibility
- A. Demonstrated line of credit necessary to construct, equip, and operate the tour vessel and related facility.
 - B. Proposed method of financing.
 - C. Reasonableness of estimates of gross receipts and cash flow analysis.

Meeting folder 10/14/86



CITY OF SACRAMENTO #20

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
Assistant Director

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

October 29, 1986

Enclosed is Addendum Number One for the "Request for Proposal for Riverfront Commercial Tour Vessel Lease."

Please attach this addendum to your proposal documents and acknowledge acceptance by noting on your proposal package that Addendum Number One has been received and accepted.

Sincerely,

Robert P. Thomas, Director
Parks and Community Services

RPT:jh

Enclosure

Addendum Number One
October 29, 1986

Request for Proposal for Riverfront Commercial Tour Vessel Lease.

This addendum is applicable to the work designated herein and shall be part of and included in the proposal packet, and the proposer shall acknowledge his acceptance of this addendum by writing its number designation on the proposal form.

SUMMARY

Proposal submission requirements

Sealed proposals (two originals and two copies) must be submitted to the office of the City Clerk, 915 I Street, Room 203, Sacramento, CA 95814, by 10:30 a.m. on December 9, 1986.

TENTATIVE SCHEDULE

December 9, 1986	Proposals due 10:30 a.m., Office of the City Clerk, 915 I Street, Room 203, Sacramento, California 95814.
December 12 through December 24, 1986	Department review and determination of "best responsible" proposer. May include oral interviews.
January 6, 1987	City Council Award of Lease 7:30 p.m., Council Chamber, City Hall, 915 I Street
January 7, 1987, or as soon thereafter as reasonable	Lease Effective.



CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
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Robert P. Thomas, Director
Parks and Community Services

RPT:jh

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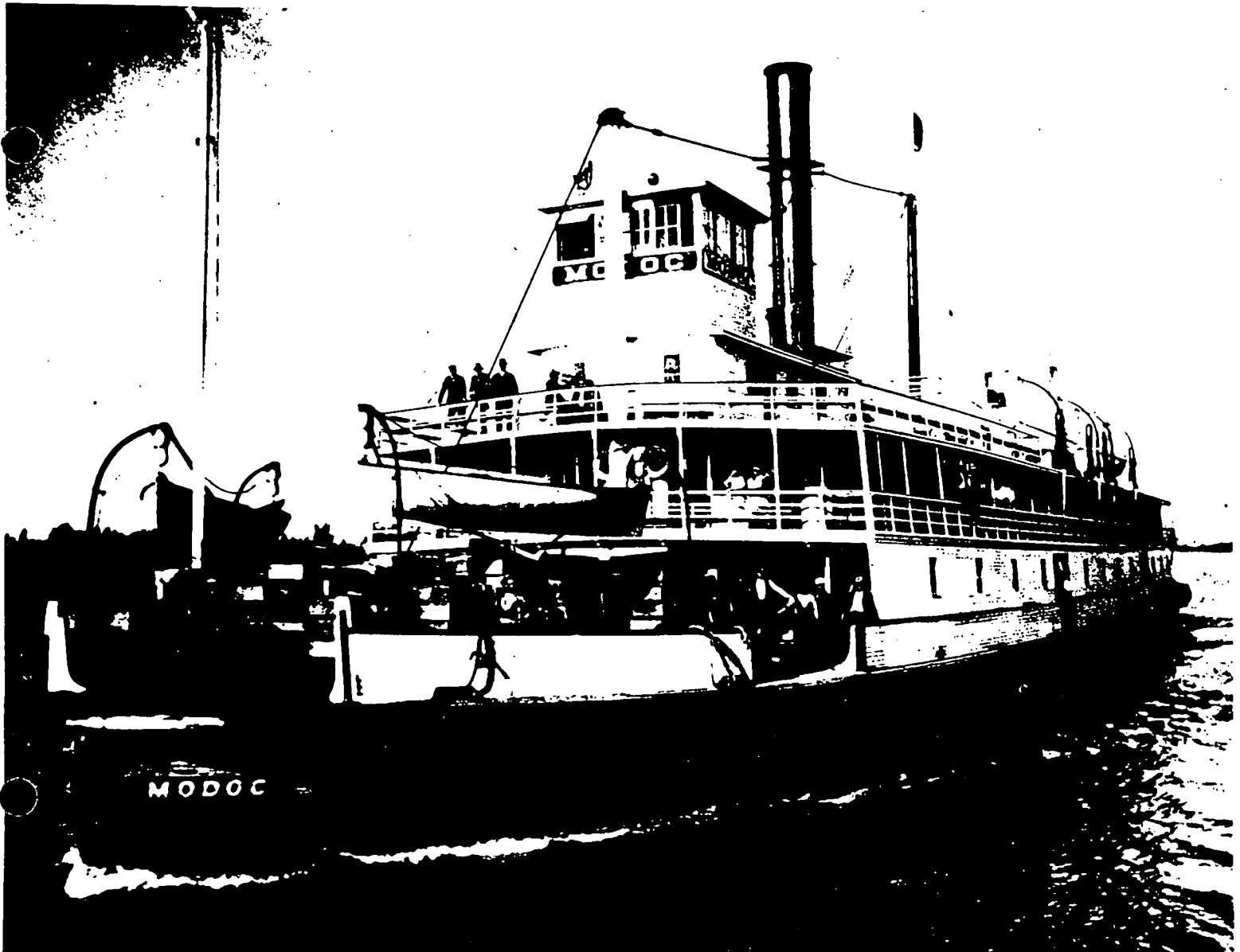
REQUEST FOR PROPOSAL



RIVERFRONT COMMERCIAL TOUR VESSEL LEASE



CITY OF SACRAMENTO
DEPARTMENT OF PARKS AND COMMUNITY SERVICES





CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
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CROCKER ART MUSEUM DIVISION
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SOLICITATION OF PROPOSALS

Dear Prospective Proposer:

Pursuant to Council resolution, the City of Sacramento is inviting sealed proposals for the Riverfront Commercial Tour Vessel Lease in Old Sacramento in accordance with Chapter 12, Article II, of the Sacramento City Code. In soliciting proposals, it is the intent of the City of Sacramento to provide the best possible services to the public.

The award will be made to the best responsible proposer who, as determined by the City Council, will operate consistently with the contract and in the best interests of both the City and the public. Proposals will be evaluated by a selection advisory committee. The evaluation process may include a personal interview. A pre-proposal conference will be held on October 29, 1986, at 10:00 a.m., at the Department of Parks and Community Services, 1231 I Street, Suite 400, Sacramento, California 95814-2977.

Copies of the Request for Proposal are available in the office of the City Clerk, 915 I Street, Room 203, Sacramento, California 95814. Sealed proposals shall be submitted to the office of the City Clerk no later than 10:30 a.m., Tuesday, November 11, 1986. Proposals will not be accepted after this time. The proposals will be opened on Tuesday, November 11, 1986, by the City Clerk, at 10:30 a.m., or as soon thereafter as practicable.

Questions regarding the request for proposal process should be addressed to Liz Brenner, Department of Parks and Community Services, 1107 Second Street, Suite 300, Sacramento, California 95814, (916) 449-2032.

Sincerely,

Robert P. Thomas, Director
Parks and Community Services

CITY OF SACRAMENTO
DEPARTMENT OF PARKS AND COMMUNITY SERVICES
RIVERFRONT COMMERCIAL TOUR VESSEL LEASE

SUMMARY

The City of Sacramento, Department of Parks and Community Services, seeks to award a Riverfront Commercial Tour Vessel contract in Old Sacramento. Lessee responsibilities to include, but are not limited to, providing a quality tour vessel operation. Exclusive home port rights for docking in Old Sacramento will be given to Lessee.

Following is a summary of the successful proposer requirements. Further information is provided in the "Proposed Lease" section.

The successful proposer shall be required to:

- 1) Provide tour vessel.
- 2) Completely equip and maintain the operation at own expense.
- 3) Pay rent to the City as proposed.
- 4) Conform to schedule of tour vessel construction and commencement of tour boat services as proposed.
- 5) Be open for business in accordance with the schedule included in the "Proposed Lease" section. Closure permitted only with approval of Director of Parks and Community Services, or his authorized representative.
- 6) Pay utilities and taxes as specified in the lease.
- 7) Conform to all provisions as contained in the lease.

Pre-Proposal Conference

The City will hold a pre-proposal conference on October 29, 1986, at the Department of Parks and Community Services, 1231 I Street, Suite 400, Sacramento, California 95814-2977.

Proposers must provide for their travel and related expenses in connection with the pre-proposal conference.

Proposal Submission Requirements

Sealed proposals (two originals and two copies) must be submitted to the office of the City Clerk, 915 I Street, Room 203, Sacramento, California 95814, by 10:30 a.m., on November 11, 1986.

Proposals should be submitted in the format outlined in the Proposal Submission Requirements for Riverfront Commercial Tour Vessel Lease section.

No proposal will be accepted which does not contain:

- 1) A specific proposed percentage of gross receipts from any activities under the lease.
- 2) A \$10,000 minimum guarantee per lease year.

Lessee Selection Process

The selection process will include both an evaluation of the proposals by a selection advisory committee and reference reviews. The process may also include a personal interview by the selection advisory committee. The department reserves the right to seek supplementary information from any proposer at any time after the official proposal opening and before the award. Such information will be limited to clarification or amplification of material contained in the original proposal.

Selection Criteria

Criteria used as a basis for evaluating proposals have been adopted by the City Council and are included in the Selection Criteria section of this document.

TENTATIVE SCHEDULE

October 15, 1986	Request for Proposal Available to Public/Proposal Period Open.
October 29, 1986	Pre-proposal Conference 10:00 a.m., Department of Parks and Community Services, 1231 I Street, Suite 400, Sacramento, California 95814-2977.
November 11, 1986	Proposals due 10:30 a.m., Office of the City Clerk, 915 I Street, Room 203, Sacramento, California 95814.
November 14 through November 26, 1986	Department review and determination of "best responsible" proposer. May include oral interviews.
December 9, 1986	City Council Award of Lease 7:30 p.m., Council Chamber, City Hall, 915 I Street.
December 10, 1986, or as soon thereafter as reasonable	Lease Effective.

CITY OF SACRAMENTO
DEPARTMENT OF PARKS AND COMMUNITY SERVICES

GENERAL INFORMATION

The City of Sacramento, Department of Parks and Community Services, is responsible for administering the Old Sacramento Riverfront project. Developed and funded by the Sacramento Housing and Redevelopment Agency, the Old Sacramento Riverfront Master Plan area includes the reconstruction and revitalization of approximately 4.5 acres of riverfront area. Designed to interpret the 1849 to 1870 period, principal elements of the plan include historic riverfront buildings, floating hulks, and historic ships. Proposed uses for the riverfront area are commercial, tour boats, public open space, and riverfront access.

The Specific Use and Leasing Plan approved January 1985 includes historic ships to be moored on the reconstructed riverfront which will contribute to the historic ambience of the area. The Plan includes docking facilities at several locations along the riverfront.

The City of Sacramento, Department of Parks and Community Services, in cooperation with the Sacramento Housing and Redevelopment Agency (SHRA) invites proposals for a contract for a Riverfront Commercial Tour Vessel operation in Old Sacramento at the docking area between the Delta King and the L Street Landing Barge. The tour vessel must be a "Western Style Riverboat" depicting the interpretive period of 1849 to 1870. Proposers will be required to submit vessel specifications and construction schedule.

Presently, the City has three leases with private firms for docking privileges at the L Street Landing Barge next to the proposed docking site. The lease with the River City Queen, a Sacramento based provider of daily tours, will expire on December 31, 1986, and will only be renewed until such time as the Riverfront Commercial Tour Vessel lease is scheduled to commence operations. The lease with the Yolo County based Elizabeth Louise, a charter operation which utilizes the L Street Landing Barge approximately two to three times a year, will expire on December 31, 1986, and the City anticipates renewal. The third lease is with Exploration Cruise Lines, a Seattle, Washington, based operation which provides spring and fall tours from the San Francisco Bay Area to Sacramento, will expire on December 31, 1986. It is the intent of the City to renew this lease.

SHRA, on behalf of the City, has finalized dockage and access systems to permanently moor the Riverboat Delta King. A pedestrian walkway will be provided between the Delta King and the existing L Street Landing Barge. This configuration will allow for the successful proposer's tour boat to dock and utilize a portion of the Old Sacramento Riverfront as a home port. (Refer to Exhibit A of the "Proposed Lease Section.") The walkway will be 12 feet wide and 3 feet above the water level. No other tour boats will be allowed to dock in this area. The area between the existing L Street Landing Barge and the

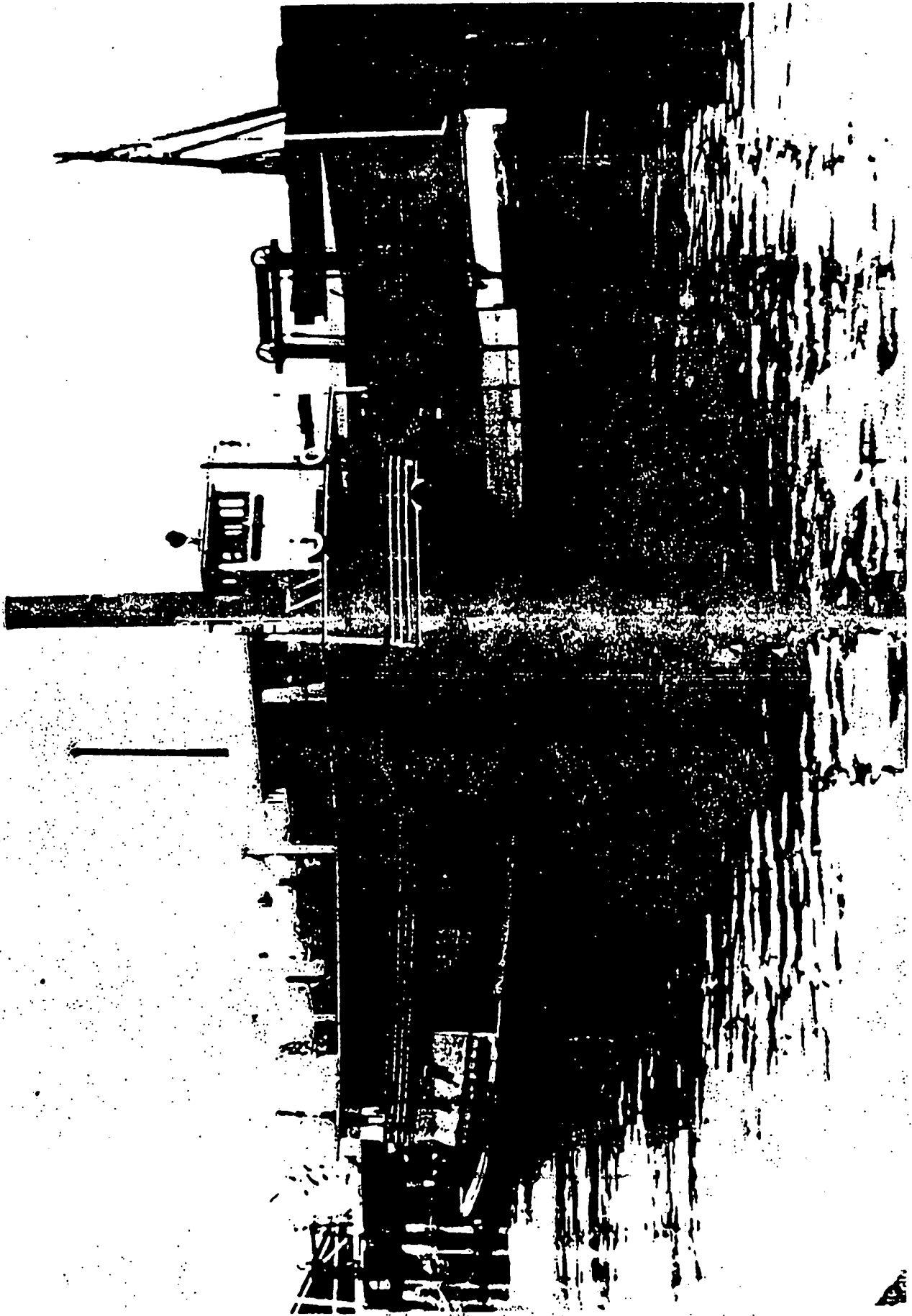
recreational docking area will be used for transient tour boats, and tour vessels which originate in the Bay Area will be allowed to dock alongside the barge.

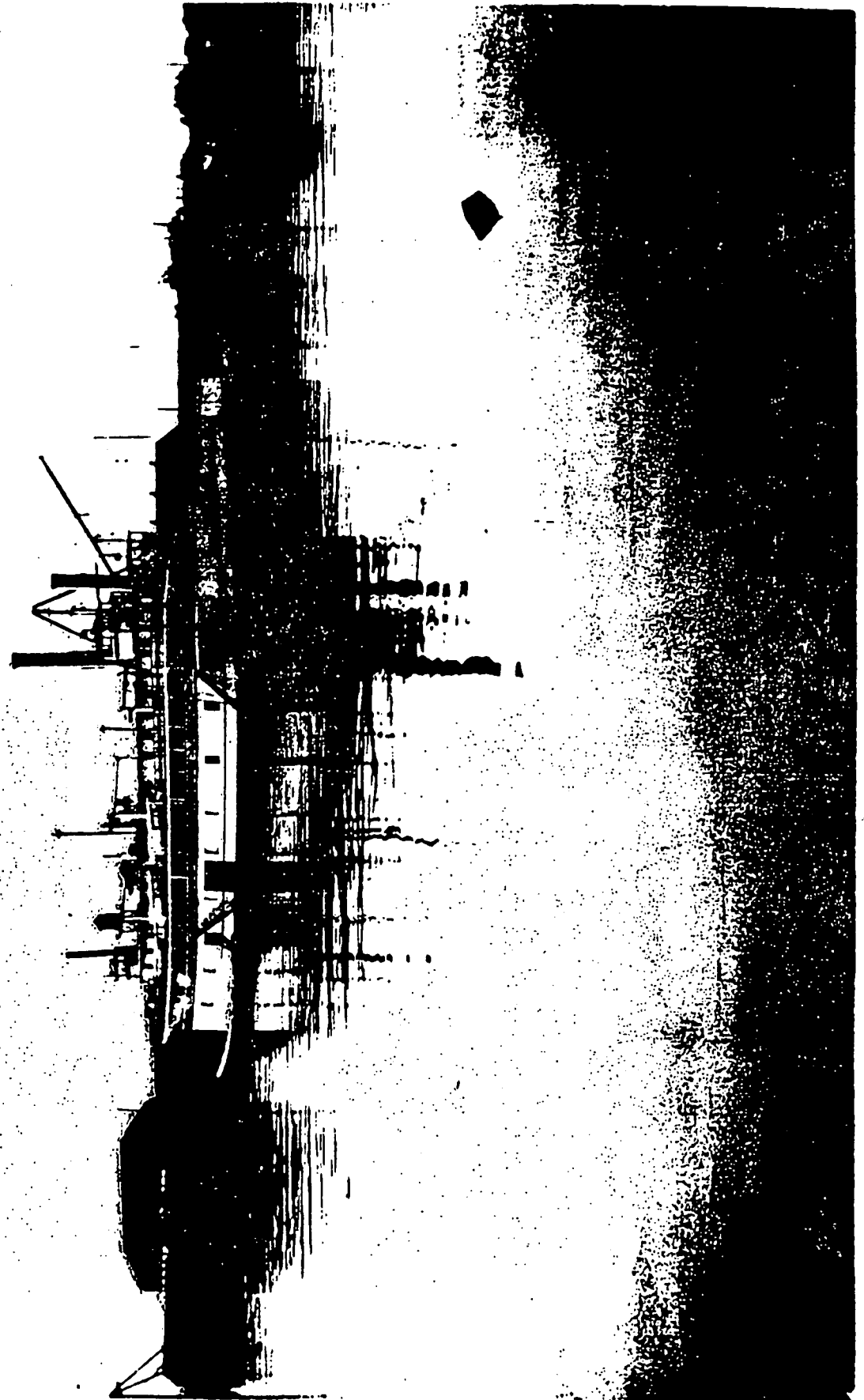
Based on preliminary indications, the market for the private sector tour boat industry looks promising. According to the Market Study and Development Strategy prepared by John M. Sanger Associates for SHRA in May 1984,

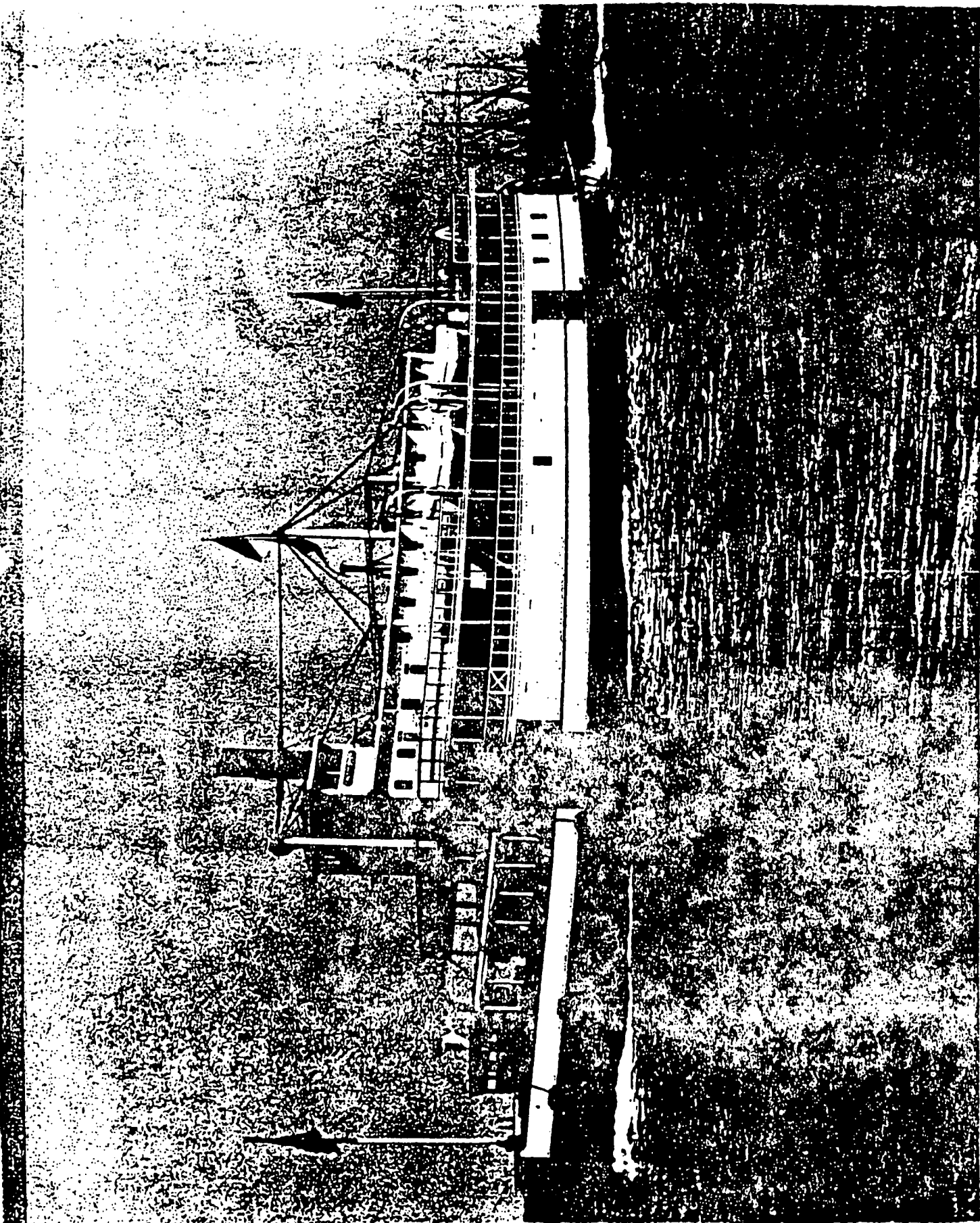
"It is estimated that potential demand for daily river tours leaving from and returning to Old Sacramento or the Docks area is approximately 65,000 passengers per year at present based on the level of tourist activity currently in the Sacramento area. Presently there is capacity for only about 20,000 tour boat passengers, leaving an estimated unmet demand of 45,000 passengers per year. By 1990 the demand for these local river tours is expected to reach about 96,000 annual passengers. Approximately half of this total demand is expected to occur from late spring to late fall, with half of this on weekends. Therefore, potential daily weekend passengers are estimated at 900 per day during the peak season, with an average of about 380 per day on weekdays."

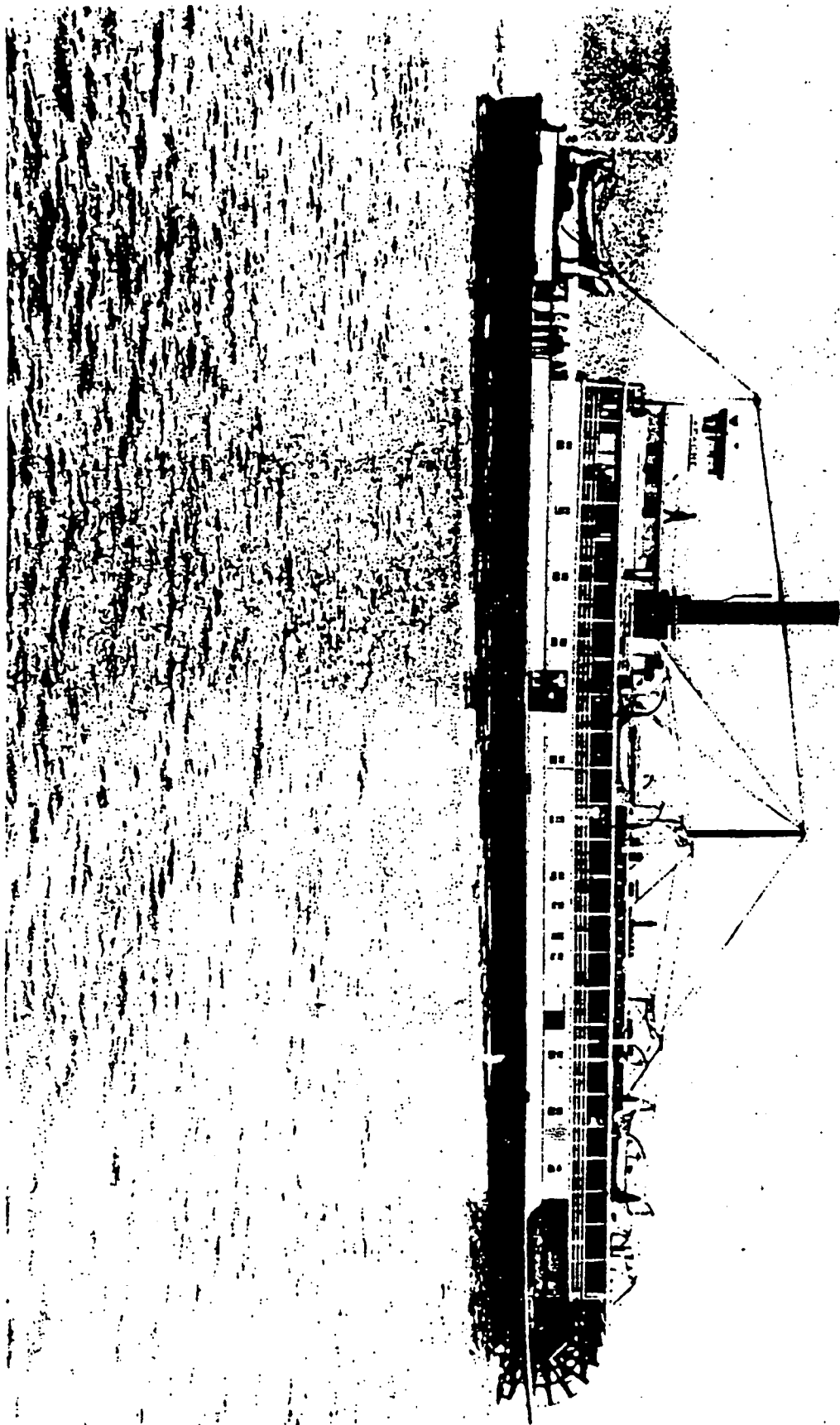
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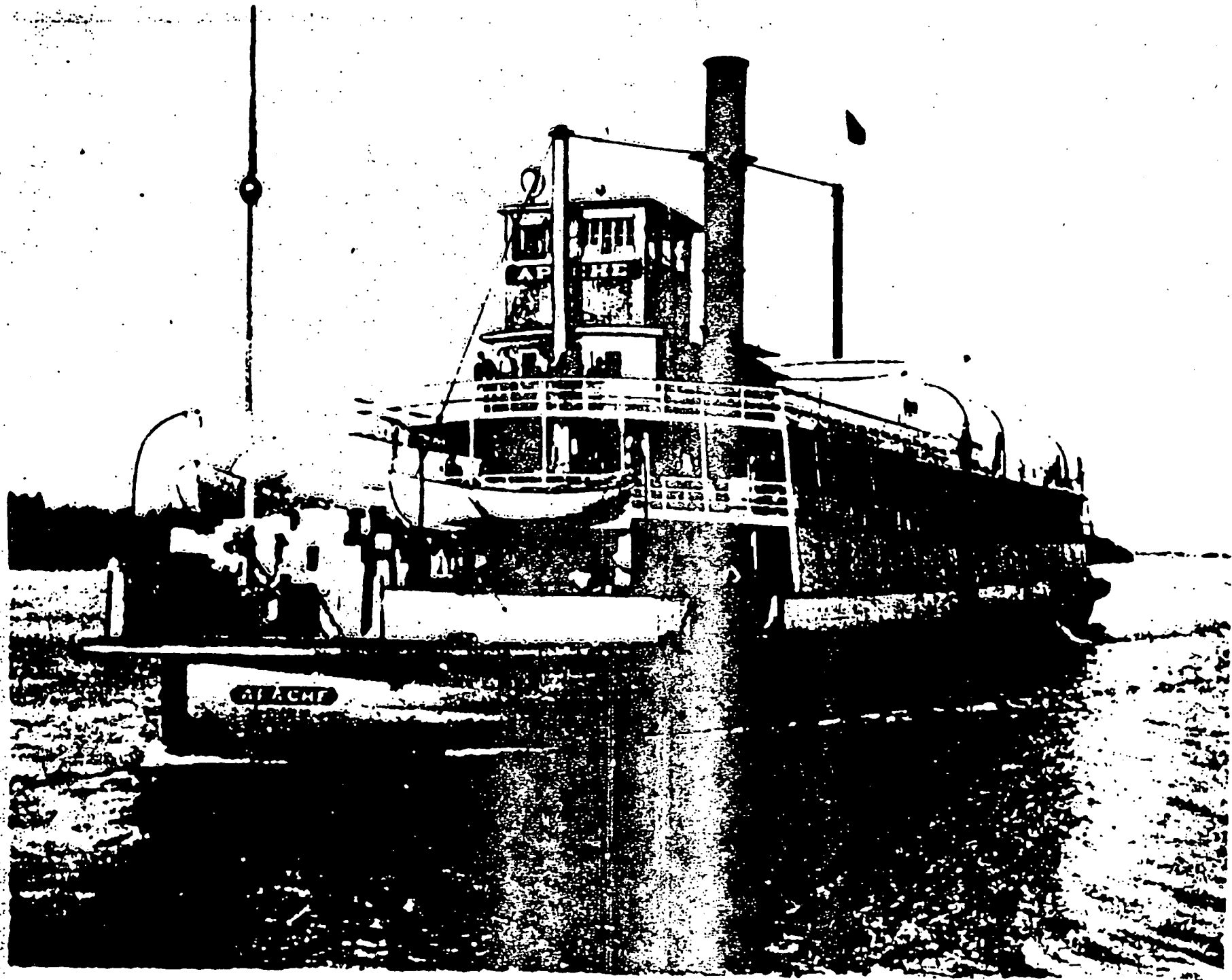
EXHIBIT A
ITEM

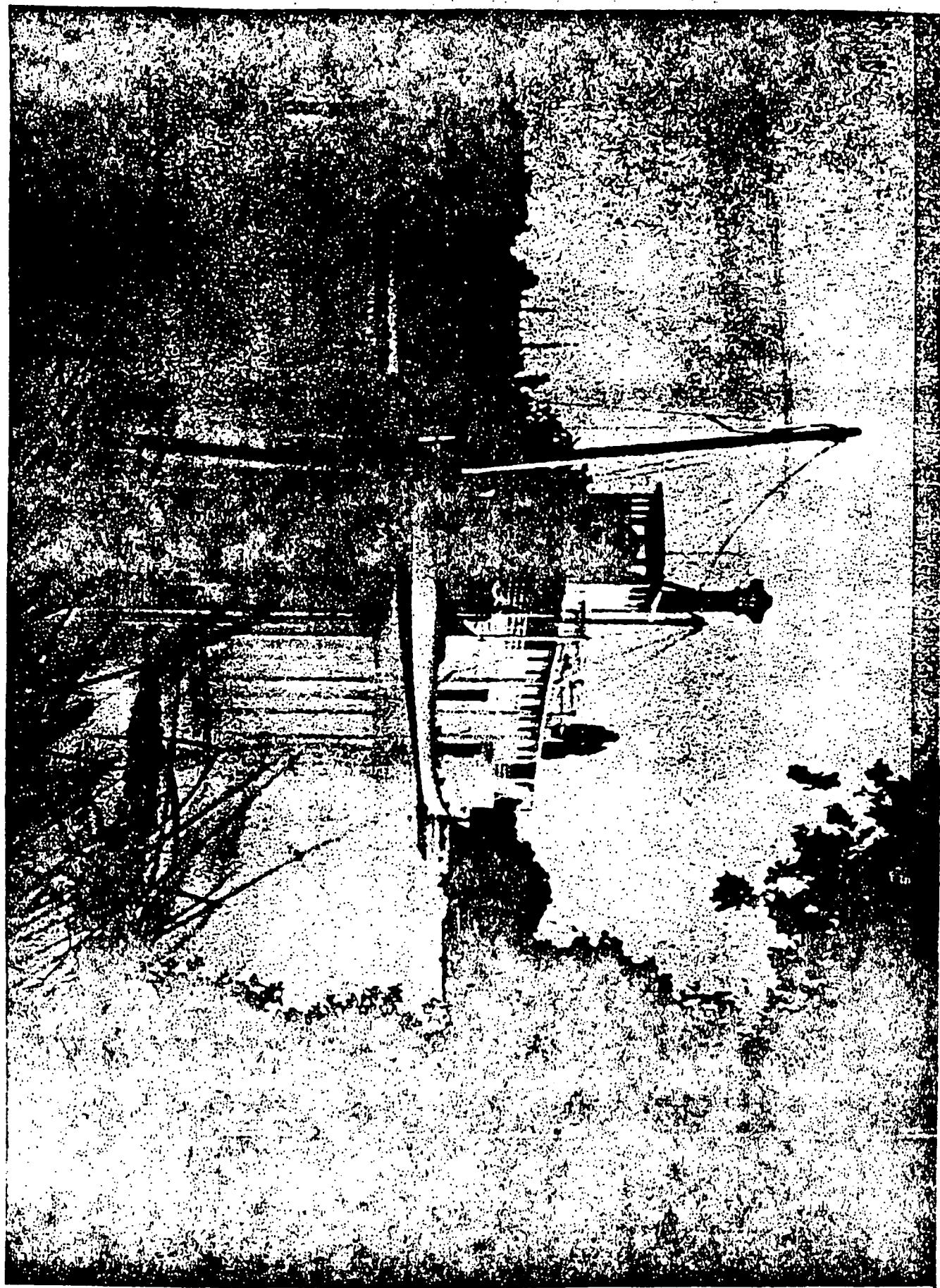




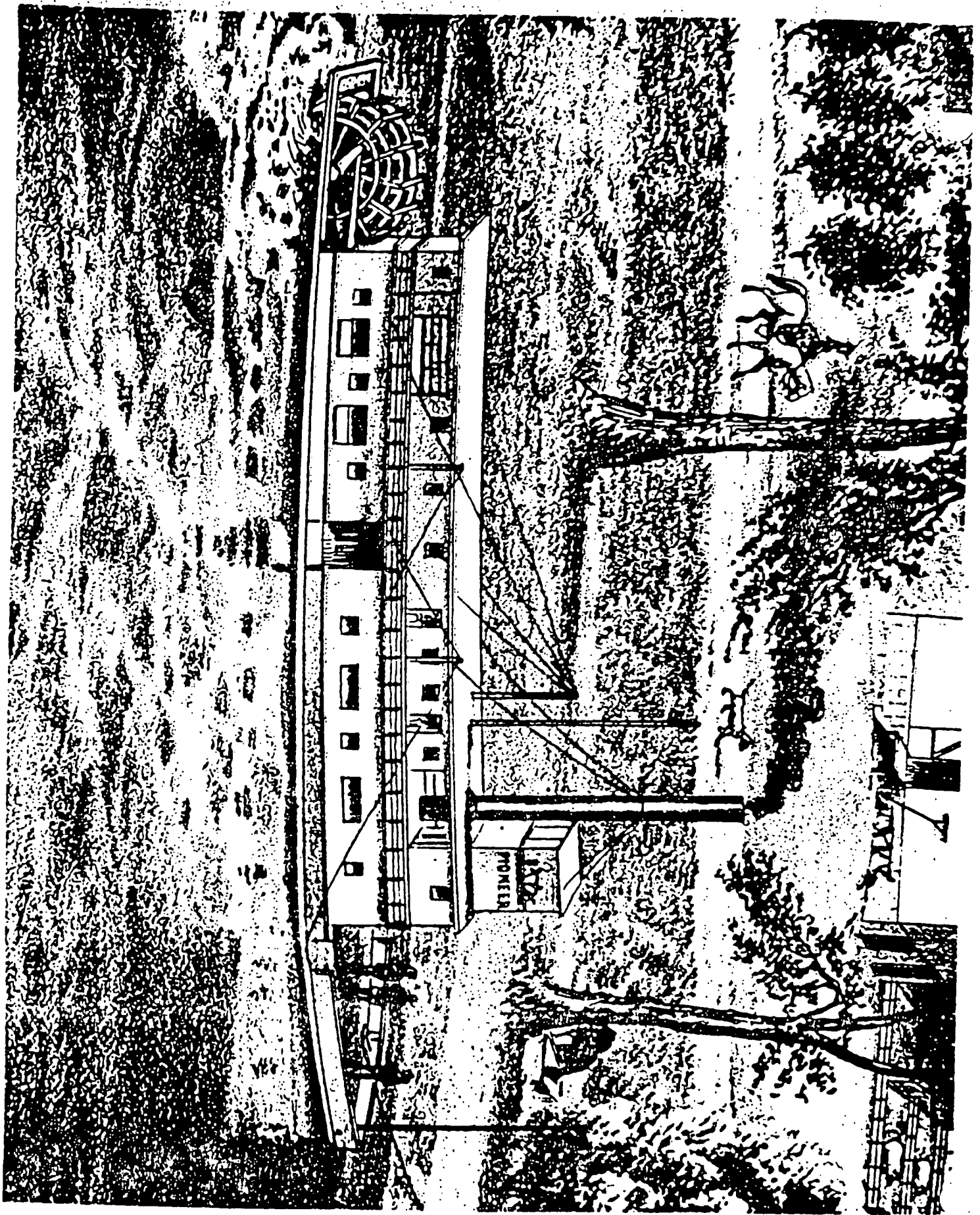






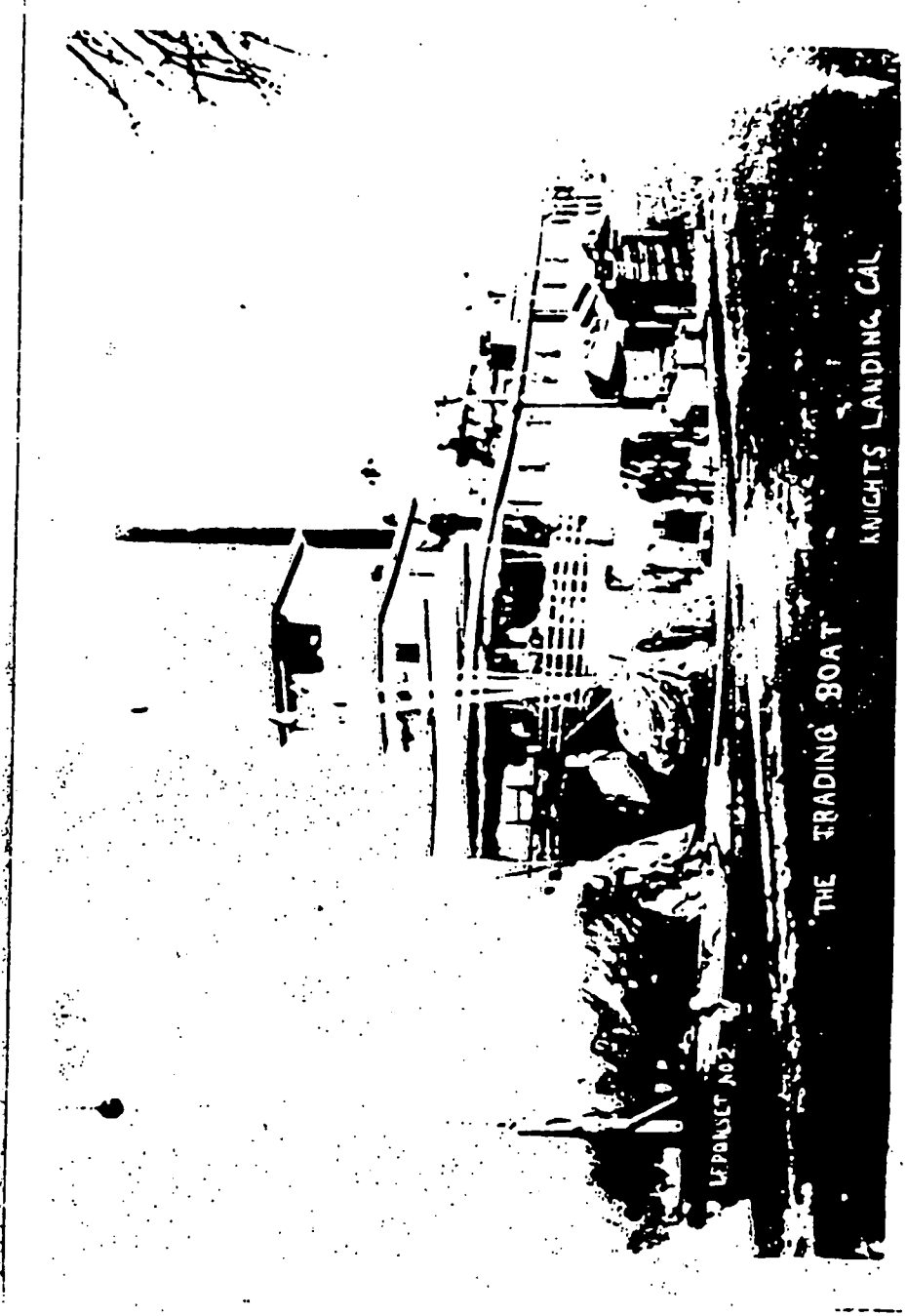


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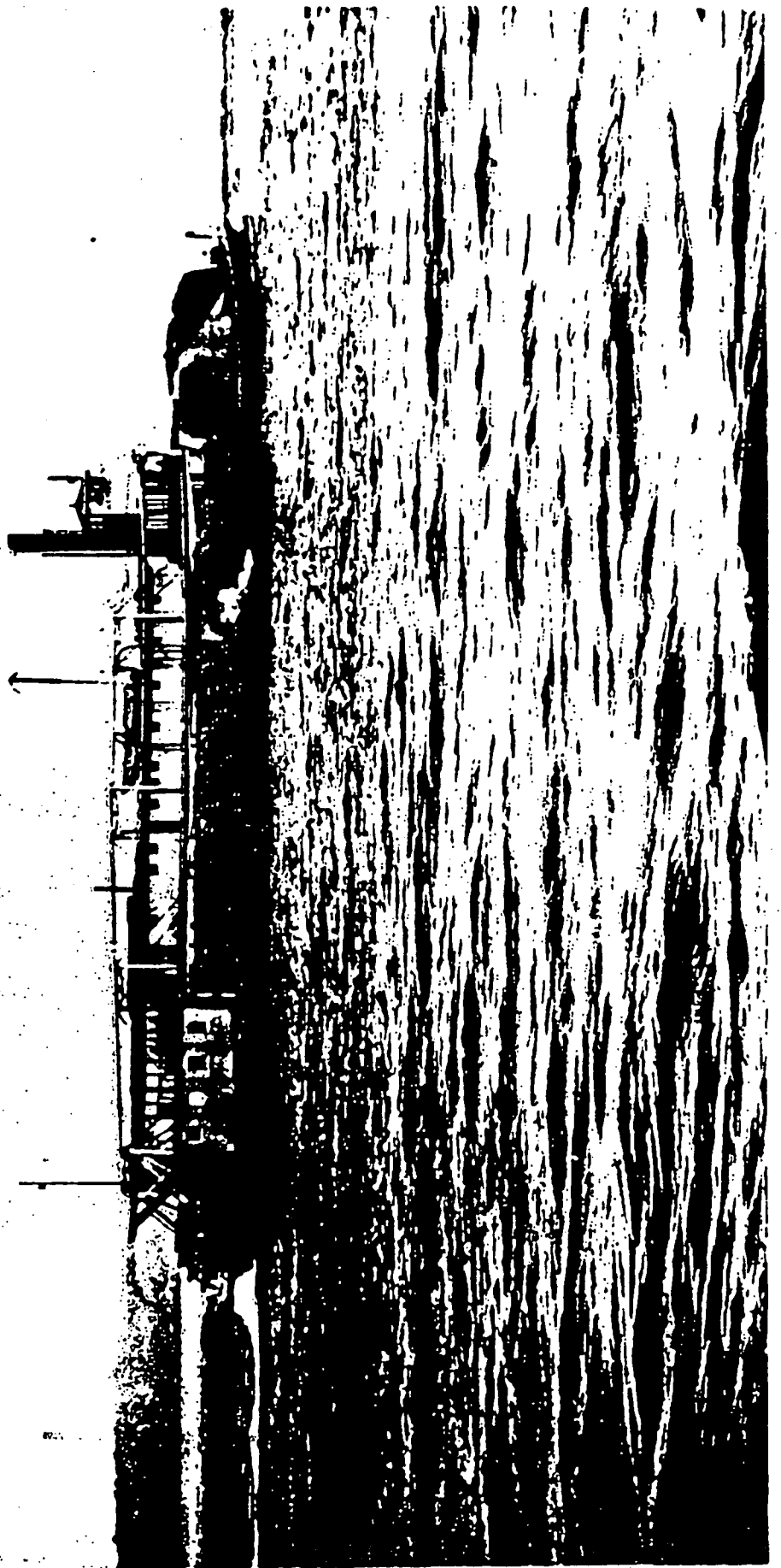


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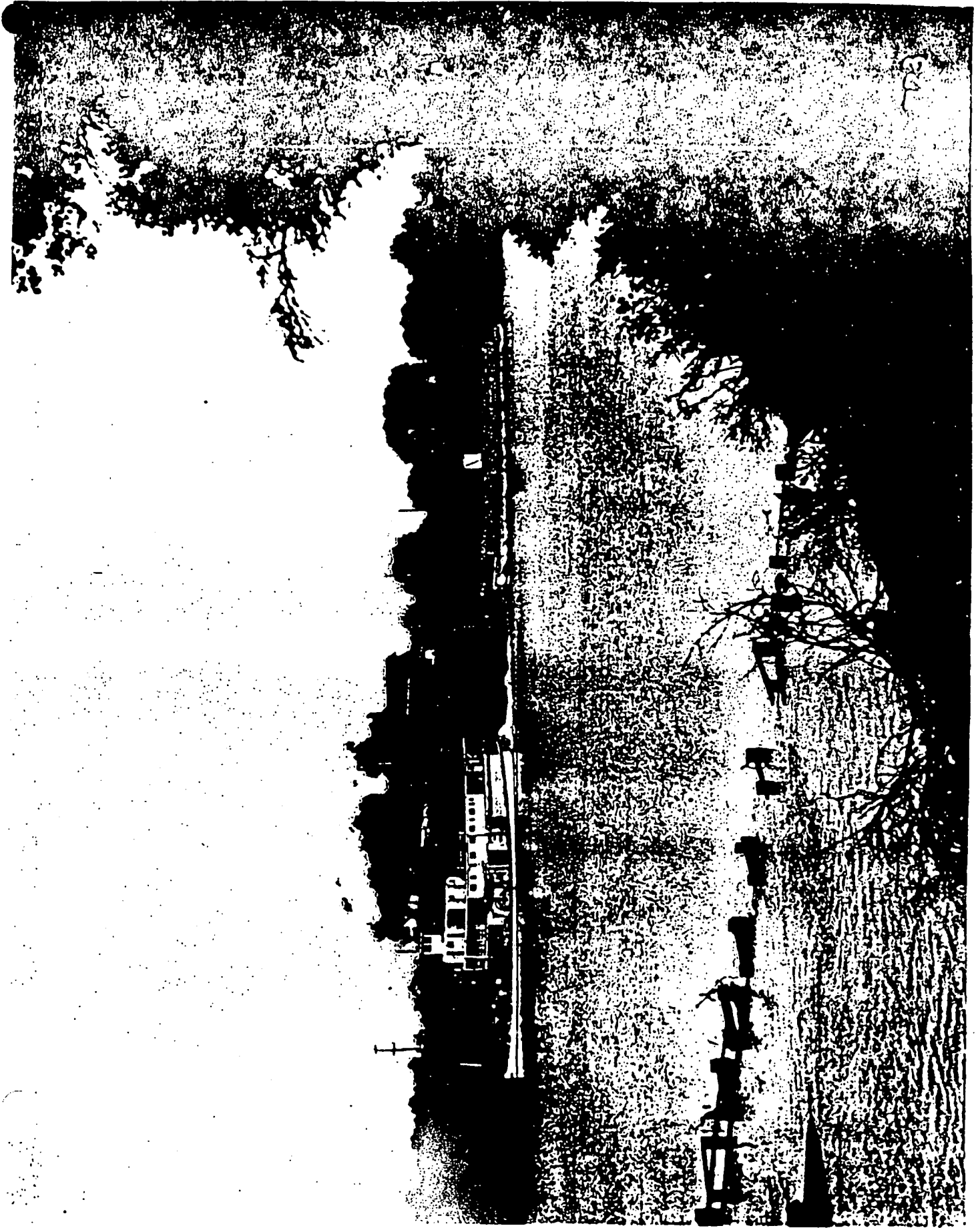
LEPINESET NO 2

THE TRADING BOAT
KNIGHTS LANDING, CAL.



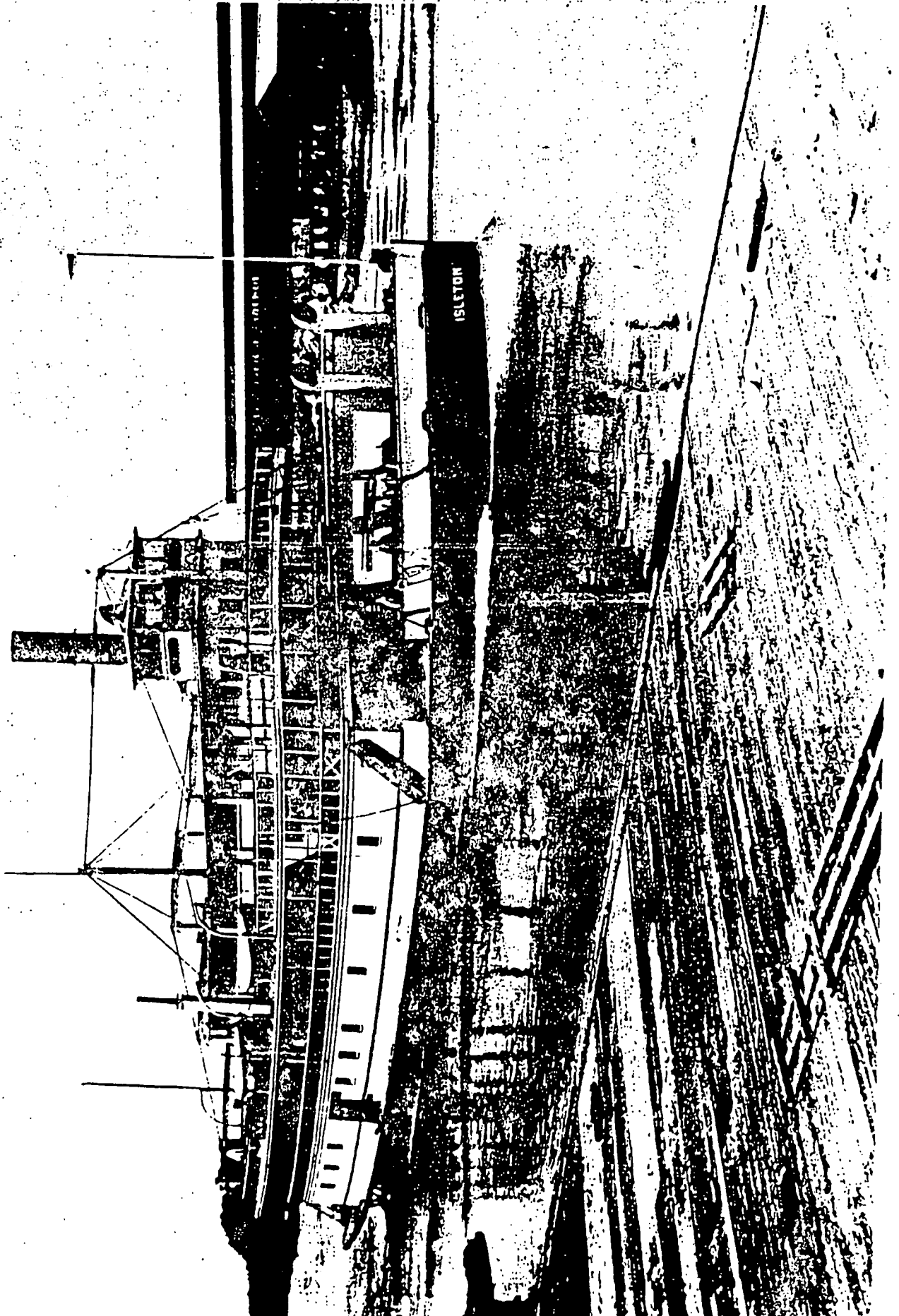


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INFORMATION TO PROPOSERS

1. Proposals for the Riverfront Commercial Tour Vessel contract in Old Sacramento shall be submitted in accordance with these specifications.
2. The attached "Proposed Lease for Riverfront Commercial Tour Vessel" identifies the basic form which the City proposes to use in granting the lease proposed to be entered into between the City and Lessee.
3. The City desires to grant a Riverfront Commercial Tour Vessel lease at the location named above in accordance with Chapter 12, Article II, of the Sacramento City Code for the provision of a tour vessel operation.
4. Proposers should take into account that lessees are required under the lease to provide, at their expense, a tour vessel and all equipment and fixtures necessary for the operation of the lease and to meet or exceed the minimum vessel and equipage requirements as set forth in the proposed lease.
5. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to City as required by this lease, and shall comply with all applicable governmental permits, laws, ordinances, and regulations.
6. The term of the lease shall commence on _____, and terminate on _____.
7. The City Council reserves complete discretion to award the lease to the proposer it deems to be the best responsible proposer as defined in City Code Section 12.39.
8. Item B sets forth the estimated possessory interest tax to the Lessee.
9. Pre-proposal Conference. Prospective proposers are invited to attend a pre-proposal conference which will be held at the Department of Parks and Community Services, 1231 I Street, Suite 400, Sacramento, California 95814-2977, on October 29, 1986, at 10:00 a.m. The subject of this conference will be limited to clarifying, if necessary, the terms of the proposal documents. Should a proposer find a discrepancy in, or omission from, the proposal documents; or if he/she should be in doubt as to their meaning, such matters should be presented at this conference in order that written clarification may be given to all eligible prospective proposers.
10. It is the responsibility of the proposers to familiarize themselves with the premises described in this proposal.
11. Proposers must submit two sealed original proposals, plus two copies, and must clearly identify that their proposal is for the "Riverfront Commercial Tour Vessel."

B. ESTIMATED POSSESSORY INTEREST TAX TO LESSEE
RIVERFRONT COMMERCIAL TOUR VESSEL

The County of Sacramento Assessor's Office has prepared a preliminary evaluation of the possessory interest value on the Riverfront Commercial Tour Vessel Lease, APN 006-0075-001.

Assumptions made in this valuation are as follows:

1. Term of possession - 20 years.
2. Rent to the City of Sacramento - \$10,000/year.
3. Rent is economic with Lessee paying expenses.
4. Constant income premise used in valuation.

The Possessory Interest Value derived by capitalizing the income stream on the above basis is approximately \$85,000. Taxes on this value at the prevailing rate would be approximately \$918.00/year.

A thorough appraisal of the property rights will be made by the County of Sacramento's Assessor's Office after the contract has been awarded and the final terms are available. The value may be lower or higher depending on the level of economic rent and term of possession.

OLD SACRAMENTO RIVERFRONT
COMMERCIAL TOUR VESSEL LEASE

Section 1. Grant of Lease.

There is hereby granted by the CITY OF SACRAMENTO (hereinafter referred to as "City") to _____ (hereinafter referred to as "Lessee") a Lease of those premises described in Exhibit A, for the term specified in Section 3 subject to all the terms, conditions, and limitations contained in this lease.

Section 2. Use of Demised Premises.

The lease grants to Lessee a permanent moorage facility for a western-style riverboat in Old Sacramento and an assigned building for use by Lessee in the operation of tour vessel services. Lessee shall provide an appropriate vessel and all equipment and improvements necessary to provide quality and safe river tour services to the public and shall use the demised premises for that purpose and no other.

Section 3. Term.

The term of this lease is twenty (20) years commencing on _____ and terminating on _____, subject to prior termination at any time by the City in the event of Lessee's breach of any of the terms or conditions of the lease and further subject to termination by City without cause at anytime after ten years have elapsed by City's serving six months' written notice on Lessee.

If Lessee shall for any reason hold over beyond such term with the consent, express or implied, of City, such holding over shall be month-to-month only subject to the terms and conditions of this lease, but shall not be a renewal hereof, and the consideration to be paid shall be at the rates then prevailing under the terms of this lease.

Section 4. Lease Fee.

a) Lessee shall pay to the City's Revenue Division, City Hall, 915 I Street, Room 104, Sacramento, California 95814, as a lease fee a percent or percentages of the gross receipts as defined in Section 5 from any activities under the lease in the following amounts:

(1) ___ percent of gross receipts from any activities under the lease for the first ___ year/s.

(2) ___ percent of gross receipts from any activities under the lease for the remaining ___ year/s.

Lessee shall make payment thereof to the City's Revenue Division on or before the twentieth (20th) day of each month on the receipts received during the preceding calendar month.

b) Notwithstanding the provisions of Subsection a) herein above, Lessee shall pay to the City, as a guaranteed minimum fee, the following amount for each of the twenty (20) separate years comprising the term of this lease: \$10,000.

The gross receipts lease fee provided in Subsection (a) and the annual guaranteed minimum fee provided in this Subsection (b) shall be calculated separately for each of the twenty (20) years of the term; the first year to commence on the effective date of this lease, and the nineteen (19) subsequent years to commence on the anniversary of the effective date of this lease.

If, for any year during the term of this lease, the sum of the fees due and payable under the provisions of Subsection (a) hereinbefore set forth for said year are less than the annual guaranteed minimum fee, then an amount equal to the entire difference between the annual guaranteed minimum fee and the sum of the monthly gross receipts lease fees theretofore paid shall be paid by Lessee to the City's Revenue Division on or before the twentieth (20th) day of the month next succeeding the last month of the applicable year.

(c) A late charge of five percent of the amount due shall be added to any amount which is not received by the City's Revenue Division, City Hall, 915 I Street, Room 104, Sacramento, California 95814, on or before the date due.

Section 5. Gross Receipts Defined.

(a) The term "gross receipts" as used in this lease is defined to be all money, cash, receipts, receivables, assets, property, or other things of value including, but not limited to, the entire price charged for all merchandise sold and services provided, whether or not payment is made at the time of sale.

(b) There shall be deducted from said gross receipts only the following:

(1) Sales and excise taxes applicable thereto required to be collected by the Lessee, his agents, or employees.

(2) Federal, state, municipal, or other taxes required by law to be collected from the consumers, but the amount of such taxes shall be shown on the books and records elsewhere herein required to be kept and maintained.

(3) Sums refunded on a sale previously included in gross receipts.

Section 6. Waiver.

The waiver by City of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or

condition herein contained. The subsequent acceptance of any sum due hereunder by City shall not be deemed to be a waiver of any prior occurring breach by Lessee of any term, covenant, or condition of this lease other than the failure of Lessee to pay the particular sum so accepted regardless of City's knowledge of such prior existing breach at the time of acceptance of such sum.

Section 7. Taxes and Assessments.

Lessee shall pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the State of California, County of Sacramento, City, or any tax or assessment levying body upon any interest in this lease or any possessory right which Lessee may have in or to premises covered hereby or improvements thereon by reason of his use or occupancy thereof or otherwise as well as all taxes, assessments, fees, licenses, and charges on goods, merchandise, fixtures, appliances, and equipment owned or used by him in or about said premises. The possessory interest created under this lease is subject to property taxation and Lessee shall be subject to payment of property taxes levied on the possessory interest by the County of Sacramento.

Section 8. Liability of Lease; Indemnity and Hold Harmless.

This lease is entered into upon the basis that the City shall not be liable in any respect whatsoever for the consequences of Lessee's operation of its vessel or use of the leased premises or use of the City-owned docks and other property which provide access to the leased premises and Lessee's vessel in connection with Lessee's operations. Based upon that understanding, the parties agree as follows:

(a) Lessee undertakes its activities under this lease at its sole and exclusive risk and assumes all liability for loss or injury to its patrons,

guests, employees, officers, or agents. City of Sacramento or Sacramento Housing and Redevelopment Agency shall not be liable to any vessel, person, or property owner for the consequences of any occurrence arising out of or in any way related to Lessee's activities under this lease.

(b) Lessee shall assume the defense of, and indemnify and save harmless, the City and the Sacramento Housing and Redevelopment Agency, its officers, employees, and agents and each and every one of them from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected by reason of, or resulting from, directly or indirectly, the performance of this lease by Lessee whether within or without the scope of this lease, whether or not it is caused in part by a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by City or Agency.

(c) The provisions of this paragraph shall not apply to any liability, claim, or damage resulting from the acts of a City official, employee, or agent intentionally or willfully inflicting injury to any person or property while in the course and scope of employment.

Section 9. Insurance.

During the term of this lease, Lessee shall maintain in full force and effect at his own cost and expense the following insurance coverage:

(a) Workers' Compensation

Full Workers' Compensation Insurance and Employer's Liability policy, or provide evidence of ability to undertake self-insurance. Workers' Compensation in compliance with California statutes and Employer's Liability coverage of at least \$1,000,000 per occurrence. In the event the Lessee is self-insured, he shall furnish a Certificate of Permission to Self-Insure by

the Department of Industrial Relations Administration of Self-Insurance, Sacramento, and evidence of at least \$1,000,000 per occurrence excess Workers' Compensation limit combined with the Self-Insurance Retention.

b) General Liability Insurance

The Lessee must provide sufficient broad coverage to include:

Comprehensive Auto and General Liability Insurance
Broad Form Property Damage Liability
Personal Injury Liability
Products and Completed Operation Liability
Contractual Liability
Liquor Liability

The amount of the policy shall not be less than Three Million Dollars (\$3,000,000.00), Single Limit Per Occurrence, issued by an admitted insurer or insurers as defined by the California Insurance Code providing that the City of Sacramento and Sacramento Housing and Redevelopment Agency, its officers, employees, and agents are to be named as "Additional Insureds" under the policy, and the policy shall stipulate that this insurance will operate as Primary Insurance and that no other insurance effected by the City, Agency, or other Named Insured will be called on to contribute to a loss covered thereunder.

c) Certificate of Insurance

The Lessee will have the City's standard Certificate of Insurance completed and filed with the City's Risk Management Division, 5730 24th Street, Sacramento, California 95822, within fifteen (15) days of the execution of this lease and prior to engaging in any operation or activity set forth in this lease. Said policies shall provide that no cancellation, change in coverage, or expiration by the insurance company or the insured shall occur during the

term of this lease without thirty (30) days' written notice to the City prior to the effective date of such cancellation or change in coverage.

Section 10. Performance Bonds.

Lessee shall obtain, upon the effective date of this lease, and continue in full force and effect during the term thereof a bond or bonds issued by a corporation or corporations in form satisfactory to the City in an aggregate amount of not less than \$10,000 or shall deposit with City a non-interest bearing cash deposit in the amount of \$10,000 which bond or bonds or cash deposit shall guarantee and be conditioned upon the faithful performance of this lease by Lessee and his agents, contractors, and employees and shall guarantee full and complete reimbursement to the City in the event of criminal or tortious appropriation by Lessee or any of his agents, contractors, or employees of monies or property belonging to the City and collected by, or under the control of, Lessee or monies or property for which Lessee is accountable to City. The Lessee shall provide the City's Risk Management Division with a copy of said bond or bonds within fifteen (15) days of the execution of this lease and prior to engaging in any activity pursuant to this lease.

Section 11. Maintenance and Inspection of Records.

a) Lessee shall, at all times during the term of this lease and for a period of three years thereafter, keep true, accurate, and complete financial records and accounts of its operations of the leased premises and such other financial or business records as may be required by the Director or authorized City representatives. The Director, or authorized City representatives, shall have the right at all times to examine and audit said records and accounts.

b) Lessee further agrees to furnish to the City's Revenue Division within twenty (20) days of the end of each calendar month a report showing all gross receipts derived from the operation of the leased premises for that period. The report shall contain a monthly statement of the total number of vessel passengers and shall further detail the number of full fare passengers and the number of passengers in each and every discount category offered including, but not limited to, children's rates, group discounts, or other special fares.

c) Lessee shall also furnish the City's Department of Parks and Community Services with an annual statement of the gross receipts of the total lease operations. The statement must detail the gross amount realized from each and every activity under the lease. The annual statement of gross receipts shall be submitted on or before the fifteenth (15th) of April for the previous calendar year. All statements must be certified by a Certified Public Accountant or Public Accountant of the State of California.

d) Lessee shall furnish to the City's Department of Parks and Community Services a copy of each and every sales tax return submitted to the State Board of Equalization during the term of the lease no later than thirty (30) days after the filing dates established by the State. Lessee shall also furnish a copy of each and every correspondence between Lessee and the State Board of Equalization during the term of the lease within thirty (30) days after the mailing.

e) Lessee further agrees to furnish to the City's Department of Parks and Community Services, on or before the fifteenth (15th) of April, an annual financial statement for the previous calendar year. This statement must consist of a balance sheet and income statement covering the calendar year of the lease which may or may not be the lease anniversary date. The statement

must be prepared by a Certified Public Accountant or Public Accountant on their stationery for the Lessee and only include financial data for the operation of the leased premises.

f) Lessee shall obtain and install cash registers or other accounting equipment acceptable to the Director through which Lessee shall record all gross sales from the operation of the leased premises (and no others). Such machines shall be non-resetable and shall supply an accurate recording of all sales on tape and a receipt for each transaction. Lessee shall not purchase or install the machine before obtaining the Director's written approval of the specific equipment to be purchased. All such equipment shall have a customer display which is visible to the public. Lessee shall maintain cash register tapes during the term of this contract and for a period of three years thereafter and shall make such cash register tapes available to the City on request. In addition, Lessee shall provide the City upon request with any other records bearing in any way upon the operation of the leased premises to assist City in determining the amount of gross receipts.

Section 12. City Provided Facilities and Services; Limitation on Damages in Event Use of or Access to Lease Premises Interrupted.

a) City shall provide the premises indicated on Exhibit A which is attached hereto and by incorporation is made a part hereof.

(b) City shall maintain the adjacent wharves, docking, and access areas but shall not maintain any portion of the leased premises.

(c) In the event that Lessee's ability to use the leased premises is interrupted due to any cause whatsoever, whether such interruption involves the leased premises themselves or an interruption of access to them and whether or not fault for the interruption can be interrupted to City, Sacramento Housing

and Redevelopment Agency, their officers, employees, or agents, Lessee's sole remedy against City shall be an abatement for the period of interruption of the lease fee imposed by Section 4. Neither the City nor the Sacramento Housing and Redevelopment Agency, nor any of their officers, agents, or employees shall be liable for any damages including consequential damages incurred by Lessee as a result of an interruption in the use of the leased premises.

(d) The City schedules use of docking facility in the Old Sacramento Riverfront area and Lessee's schedule shall be subject to City approval.

Section 13. Lessee Provided Facilities and Services and Lessee Obligations.

a) Lessee shall maintain the leased premises open for business to the general public in accordance with a schedule provided to the Director of Parks and Community Services.

b) Lessee shall, at his expense, assure that the leased premises and the areas immediately adjacent thereto including all areas within six (6) feet from the assigned building and the docks be kept in a safe, clean, wholesome, and sanitary condition and shall conduct the tour vessel operation in such way as to prevent the escape of debris from these activities or premises.

c) Lessee shall not throw, deposit, discharge, or otherwise place any refuse, garbage, debris, bait, sewage, or waste matter on the demised premises of any description upon or into the waters of the Sacramento River. Lessee agrees not to throw, deposit, discharge, or otherwise place any oil, paint, varnish, spirits, coal tar, contaminated bilge water, flammable liquid, refuse or residuary product of coal, petroleum, asphalt, bitumin, or other carbonaceous substances upon or onto neither the docks nor the waters of the Sacramento River.

d) Lessee shall assume the responsibility and expense for all telephone service, water, gas, sewer, electrical service, and disposal of garbage, refuse, and rubbish in connection with the activities incident to the lease operations and deposited on the demised premises.

e) Lessee shall furnish, at his own expense, tour vessel and all supplies, fixtures, and equipment necessary for the operation of both the tour vessel and the ticket booth in accordance with the provisions of the lease.

f) Lessee shall promptly comply with written reasonable orders that may be issued from time to time by the Director as to matters concerning the operation of the leased premises including, but not limited to, menu items, prices, and hours of operation as it may affect the best interests of the public using the commercial tour vessel services in Old Sacramento.

g) Lessee will not, in the operation of leased premises, interfere in any way with the general or specific use or enjoyment of the area by the public.

h) Lessee shall neither permit nor carry on any activity nor allow any condition on the vessel or real property which is a public or private nuisance.

i) Lessee shall confine any amplified sound system to the vessel and shall immediately comply with any request of the Director of Parks and Community Services, or his authorized designee, concerning the use of such sound system.

j) It is understood and agreed Lessee is an independent contractor and neither he nor any of his agents or employees shall be considered for any purpose whatever to be employees of the City.

k) Lessee shall not engage in any other business or activity at the said premises not authorized under this contract or in the rules and regulations. Prohibited activities include, but are not limited to:

(1) acting as a moorage facility for any other commercial vessel, river tour boat, or pleasure/recreation craft;

(2) acting as a lease or rental facility for any type of water sports-oriented equipment; i.e., rafts, jet skis, paddle boats, canoes, kayaks, water skis, ski boats, fishing boats, diving/scuba equipment, or supplies;

(3) sale of marine petroleum products.

l) Lessee, or his designated representative(s), shall, to the extent of his authority, maintain law and order around the demised premises at all times.

m) In the event Lessee fails, refuses, or neglects to perform any of the duties required to be performed by him by virtue of the provisions of the preceding sections, City may enter upon the demised premises and perform such services, but this right shall not be construed to be a duty on the part of City to provide said services. Lessee shall reimburse City for costs of such services on the first day of the month next succeeding the month in which the service was performed.

Section 14. Access and Emergencies.

a) The tour vessel services shall be accessible only via southern portion of walkway, adjoining the L Street Landing Barge to Front Street in Old Sacramento. No other method of route and boarding shall be permitted for any activities under this lease.

b) City shall maintain the right to control access to the tour vessel as necessary for reasons of public health, safety, or benefit.

c) Lessee agrees to remove commercial tour vessel at own expense upon direction by any governmental agency whose responsibility it is to maintain the safety or the rate of flow of the Sacramento River including, but not limited to, the U.S. Army Corps of Engineers or the U.S. Bureau of Reclamation.

d) In the event the described vessel or any other vessel for which Lessee is responsible should become wrecked, sunk, damaged, or destroyed by fire or any other means on the Sacramento River, Lessee shall mark its position immediately by buoy or beacon by day, or by an electric light visible for 100 yards by night, and maintain such markings until the obstruction is removed. Lessee shall assume all cost and responsibility for the immediate removal of said vessel.

Section 15. Optional Services

a) Lessee may provide limited refreshment services and souvenir sales to tour vessel patrons. Provision of said services, including but not limited to food, beverages, alcoholic beverages and souvenir sales, shall be subject to the prior written approval of the Director. Lessee shall supply and have ready for sale each and every item authorized for sale by the Director in sufficient quantities to meet the customers' demands therefore.

b) Sale of any alcoholic beverage is contingent on Police Department approval and an Alcoholic Beverage Control license. Lessee shall restrict all sale, serving and consumption of alcoholic beverages to the tour boat vessel. No alcoholic beverages shall be allowed off the tour vessel, including but not limited to the public accessways and the L Street Landing Barge.

c) Lessee shall record all gross sales from the provision of any and all approved optional services on the cash register or other accounting equipment required by Section 11(f). Lessee shall not purchase or install the machine

before obtaining the Director's written approval of the specific equipment to be purchased. All such equipment shall have a customer display which is visible to the public. Lessee shall make such cash register tapes available to the City on request. In addition, Lessee shall provide the City, upon request, with any other records bearing in any way upon the provision of optional services of the contract to assist City in determining the amount of gross receipts including, but not limited to, copies of Lessee's state sales tax reports.

Section 16. Design and Construction of the Tour Vessel.

a) Lessee shall furnish and operate a western style riverboat tour vessel in Old Sacramento at the site described in Exhibit A attached hereto. Such tour vessel must interpret the historical period 1849-1870.

b) The design, methods, materials, dimensions, initial construction of and all subsequent improvements to the tour vessel shall be done in accordance with plans and specifications approved in writing in advance by the Director of Parks and Community Services, or his authorized designee which specifications shall make provisions for handicap access. All construction shall be performed in accordance with schedule provided in Exhibit B.

Once the work is begun, Lessee shall with reasonable diligence prosecute to completion all initial construction of vessel as well as any and all subsequent improvements, additions or alterations. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to City as required by this lease, and shall comply with all applicable governmental permits, laws, ordinances, and regulations.

Lessee shall pay or cause to be paid the total cost and expense of all vessel construction and works of improvement. No such payment shall be construed as rent. Lessee shall not suffer or permit to be enforced against the premises or any part of it any mechanic's, materialman's, contractor's, or subcontractor's lien arising from any work of improvement, however it may arise. However, Lessee may in good faith and at Lessee's own expense, contest the validity of any such asserted lien, claim, or demand, provided Lessee has furnished the bond required in California Civil Code Section 3143 (or any comparable statute hereafter enacted for providing a bond freeing the premises from the effect of such a lien claim).

Lessee shall defend and indemnify Lessor against all liability and loss of any type arising out of work performed on the premises by Lessee, together with reasonable attorney's fees and all costs and expenses incurred by Lessor in negotiating, settling, defending, or otherwise protecting against such claims.

c) Lessee's commercial tour vessel shall not be docked at the premises if, in the City's opinion, it becomes so unseaworthy or so deteriorated that it is likely to sink or damage floats or other vessels, or become a menace to navigation.

d) All signage, on-board or advertisement must be executed in the correct period letter style and color as indicated in the "Guideline for Signs for the Old Sacramento Historic District," incorporated herein by reference as if set forth hereat in full, and shall be subject to review and approval in writing by the Director or his authorized representative.

e) Lessee agrees to post a sign, affixed to the L Street Landing Barge sign area, advertising tour vessel operation. Such sign and wording on such sign shall be subject to the provisions of the preceding paragraph.

f) Lessee must comply with all applicable regulations regarding provisions for exterior illumination, seasonal, festival or special event lighting, including but not limited to provisions of the "Old Sacramento Riverfront Specific Use and Leasing Plan" and the "Guidelines for Signs for the Old Sacramento Historic District," incorporated herein by reference as if set forth hereat in full. Any and all non-compliances must be corrected in accordance with City directives.

Section 17. Equal Rights.

a) Lessee agrees that he shall not make any discrimination, distinction, or restriction on account of sex, color, race, religion, handicap, ancestry, or national origin contrary to the provisions of Section 51 of the Civil Code of the State of California which is incorporated herein by reference as if set forth hereat in full. Upon a final determination by a court of competent jurisdiction that the Lessee has violated said section, this contract may, at City's option, be deemed forfeited.

b) All provisions of Part 2.8 of Division 3, of Title 2 (Section 12900 through 12996) of the California Government Code (California Fair Employment and Housing Act) are hereby incorporated herein by reference as if set forth hereat in full. Upon any final determination by a commission or court of competent jurisdiction that the Lessee has violated any of said statutory provisions in the performance of this contract, this contract may, at City's options, be deemed forfeited.

c) Lessee shall make a concerted effort to employ a work force which is representative of the minority population of the City of Sacramento. City hereby furnishes Lessee with data from the 1980 Census relating to percentages of minority populations within the City of Sacramento (Exhibit C). The goals

established in the plan of Lessee shall not be construed as "quotas" but are goals which Lessee will make a good faith effort to achieve.

Section 18. Alterations and Repairs.

a) Lessee acknowledges that he has fully inspected the premises and accepts the same and improvements thereon in their existing or planned condition and agrees that no demands for any alterations, additions, or repairs are to be made upon City.

b) Lessee shall not make, nor suffer to be made, any alterations of the facilities or any part thereof, except movable furniture and trade fixtures, without the written consent of the City first obtained, and any additions to or alterations of said facilities shall be at Lessee's expense and shall become at once a part of the realty and belongs to the City. Lessee shall keep the facilities and the property in which they are situated free from any liens arising out of any work performed, material furnished, or obligations incurred.

c) Lessee shall cause to be repaired at his own expense any and all damage and injury to the property of City occurring during the term of this lease, except damage caused by willful or intentional act of a City officer, agent, or employee.

Section 19. Security Devices.

Lessee may provide at his own expense any legal devices, installations, or equipment designed for the purpose of protecting the demised premises from theft, burglary, or vandalism provided, however, that written approval for any such installation be first obtained from the Director. In no case shall private security measures interfere with or restrict access to and egress from City facilities.

Section 20. Compliance.

a) Any violation of any rules, regulations, or instructions of the Director or his authorized representative which has not been corrected by Lessee within thirty (30) days or such lesser time as may be reasonable after the mailing by Director of a written notice of such violation shall be sufficient cause for the cancellation of this contract and termination thereof without compensation or the payment of damages to Lessee.

b) Lessee and his agents or employees shall at all times comply with and abide by all pertinent or applicable regulations and ordinances of the City, the County of Sacramento, and the laws of the State of California and the United States insofar as the same or any of them are applicable, and to obtain and keep in effect all necessary permits and licenses required for any and all operations permitted herein.

c) In the event Lessee fails, refuses, or neglects to perform any of the duties required to be performed by him by virtue of the provisions of the preceding sections, City may enter upon the demised premises and perform such services, but this right shall not be construed to be a duty on the part of the City to provide said services. Lessee shall reimburse City for costs of such services on the first day of the month next succeeding the month in which the service was performed.

Section 21. City's Right of Entry.

Lessee's demised premises and vessel shall at all times be open to the inspection of authorized City representatives and other proper governmental authorities.

Section 22. Assignment and Subleasing.

Lessee shall not, without the written consent of City, assign, hypothecate, mortgage, or grant control of this contract or of the business conducted

pursuant thereto or sublease any portion of the demised premises. Any such attempted assignment, hypothecation, mortgaging, or granting of control without the written consent of City shall, at the election of City and without notice, render this contract null and void and of no further force and effect.

Section 23. Damage and Destruction of Premises.

In the event of the total destruction or damage of the demised premises by flood, fire, earthquake, storm, or other casualty beyond the control of Lessee, this contract and any and all rights of the parties thereunder shall terminate in the event City so elects. If City elects to rebuild the structures on the premises, this contract shall continue in full force and effect; provided, however, that the rent to be paid by Lessee herein shall be abated during the time of reconstruction and shall be reinstated commencing upon the date the premises again become tenantable. In the event of partial destruction, this contract shall continue in full force and effect; provided, however, that the annual guaranteed minimum fee to be paid by Lessee herein shall be abated during the time of such reconstruction in the proportionate amount that the damaged area bears to the total structure and said annual guaranteed minimum fee shall be reinstated in full upon the completion of said reconstruction.

Section 24. Default and Termination.

a) The following events are hereinafter called "Events of Default":

(1) The failure of Lessee to punctually pay the rentals or make any other payments required hereunder when due within fifteen (15) days after written notice from City.

(2) The failure of Lessee to maintain the quality and number of services as required in this contract where such failure continues for more than ten (10) days after written notice from Director to correct the condition therein specified.

(3) The failure of Lessee to keep, perform, and observe any and all promises, covenants, conditions, and agreements set forth in this contract on its part to be so kept, performed, or observed within thirty (30) days or such lesser time as may be reasonable after written notice of default thereunder from the Director provided, however, that where fulfillment of such obligation requires activity over a period of time and Lessee shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently, said time limit may be waived in the manner and to the extent allowed by the Director.

(4) The filing of a voluntary petition in bankruptcy by Lessee; the adjudication of Lessee as bankrupt; the appointment of any receiver of Lessee's assets, the making of a general assignment for the benefit of creditors; a petition or answer seeking an arrangement for the reorganization of Lessee under the Federal Reorganization Act; the occurrence of any act which operates to deprive Lessee permanently of the rights, powers, and privileges necessary for the proper conduct and operation of the leased premises granted herein; the levy of any attachment or execution which substantially interferes with Lessee's operations under this contract and which attachment or execution is not vacated, dismissed, stayed, or set aside within a period of sixty (60) days.

(5) The abandonment, vacation, or discontinuance of Lessee's operations on the demised premises without the written consent of the Director of Parks and Community Services.

(6) The death or dissolution of Lessee.

b) Upon the occurrence of any one or more of the "Events of Default," City shall have the right to terminate this contract. Upon such termination,

Lessee's right to possession of the Lessee's demised premises shall terminate and Lessee shall surrender possession thereof immediately. In such event, Lessee hereby authorizes City to enter upon the demised premises, or any part thereof, immediately and to take possession of said premises and all improvements, equipment, and inventory.

Election by City to terminate this contract shall not prejudice any rights or claims City may have for sums remaining due it or for damages or pursuing such other remedies as may be available to City by law or equity, all remedies of the City to be cumulative and not alternative.

Section 25. Surrender and Disposition of Vessel, Equipment, Furniture, Furnishings, and Trade Fixtures.

Upon the expiration of the term hereof, or sooner termination of the contract as provided for, Lessee shall peaceably vacate the demised premises and any and all improvements located thereon and deliver up the same to City in a reasonably good condition, ordinary wear and tear excepted.

Within thirty (30) days of any cancellation or other termination, Lessee shall remove, at his own expense, his own vessel, furniture, furnishings, equipment, inventory, and trade fixtures. Said removal shall be conducted in an expeditious and orderly manner and shall be accomplished in such a way as to minimize the nature and the extent of any disruption of service to the public contracted for herein and the premises shall be restored to their original condition, ordinary wear and tear excepted. It is agreed that City, or City's assignee, during said thirty-day period, shall have the first right to purchase the furniture, furnishings, equipment, and trade fixtures of Lessee for the same price that Lessee would be willing to sell said goods to any other person. Should Lessee fail to remove said items within said thirty-day period,

he shall lose all right, title, and interest in and to said items, and City may elect to keep same upon the demised premises or to sell, remove, or demolish them. In the event of such sale, removal, or demolition, Lessee shall reimburse City for any cost in excess of any consideration received by City as a result of said sale, removal, or demolition.

Section 26. City's Remedies on Default.

It is agreed that if Lessee shall refuse to surrender or deliver up possession of the Lessee's demised premises after City shall have become entitled to the possession thereof, then in that event, City, in the exercise of its police power or any other power contractual or otherwise that it may possess, may repossess said premises as its former estate and expel, remove, and put out of possession Lessee using such force in so doing as may be needful or proper without being liable for prosecution for damages therefor and without prejudice to any other remedy allowed by law available in such cases. In addition, City shall have any and all rights and remedies provided by law.

Section 27. Notices.

All notices and orders that may be given under this contract may be served by first class mail or in person to City at Department of Parks and Community Services, 1231 I Street, Suite 400, Sacramento, California 95814-2977, and to Lessee at _____, or such address as either may provide to the other in writing. Service shall be deemed complete upon deposit in the mail or upon delivery.

Section 28. Attorney's Fees.

In the event either party hereto shall commence any legal action or proceeding including an action for declaratory relief against the other by reason of the alleged failure of the other to perform or keep any term,

covenant, or condition of this agreement by him to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to other relief as may be granted in such litigation and his court costs, a reasonable attorney's fee to be fixed by the court, and such recovery shall include court costs and attorney's fees on appeal.

Section 29. Entire Agreement; Amendment in Writing.

This agreement contains the entire agreement between the parties. Any agreements or representations not contained herein are null and void. This agreement may be amended only by a writing signed by both parties.

Section 30. Time of Essence.

Time is expressly declared to be in the essence of this agreement.

CITY

City of Sacramento
A Municipal Corporation

By _____
City Manager

ATTEST:

LESSEE

City Clerk

By _____

APPROVED AS TO FORM:

Deputy City Attorney

Date

OLD SACRAMENTO RIVERFRONT DOCKAGE PLAN

APPROXIMATE LOCATION AND AREA
FOR THE COMMERCIAL TOUR VESSEL LEASE

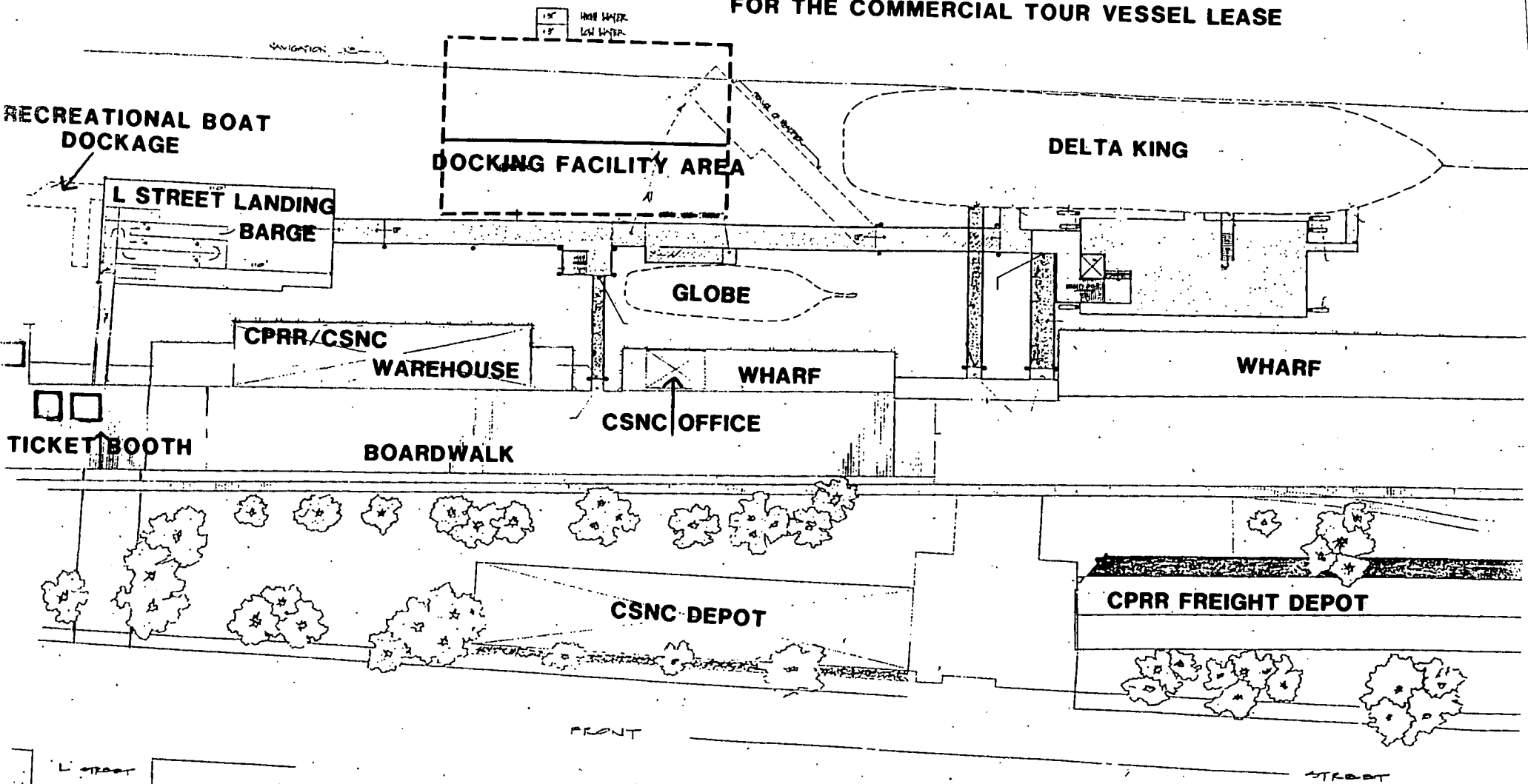


EXHIBIT "B" - SCHEDULE OF TOUR VESSEL CONSTRUCTION AND COMMENCEMENT OF SERVICES

EXHIBIT C

CITY OF SACRAMENTO - RACIAL COMPOSITION

1980 CENSUS

White	186,477	67.63%
Black	56,866	13.37
Spanish Origin	59,160*	14.20*
Asian American	24,017	8.71
Native American	3,322	1.20
Others	<u>25,059</u>	<u>9.09</u>
	514,901	114.20%

*Persons of Spanish Origin are also counted in the five racial categories

PROPOSAL CHECK LIST

It is imperative that you answer all the questions asked and furnish all forms included in the Proposal Package. Please complete this check list and make sure that all items are completed in full and all required data is furnished.

1. Proposal in letter form	Yes	No
2. Proposer's Questionnaire	Yes	No
3. Certificate of Proposer	Yes	No
4. Proposed Fee	Yes	No
5. Statement of Experience	Yes	No
6. Financial and Background Data	Yes	No
7. Proposer	Yes	No
8. References	Yes	No
9. Description of Vessel	Yes	No
10. Construction or Rehabilitation Schedule	Yes	No
11. Method of Operation	Yes	No
12. Proposed Method of Financing	Yes	No
13. Estimate of Gross Receipts	Yes	No
14. Cash Flow Analysis	Yes	No

PROPOSAL PACKAGE

PROPOSAL QUESTIONNAIRE

All information requested in this Proposal Package MUST be furnished by the proposer and MUST be submitted with the Proposal. Forms must be complete and accurate. Omission, inaccuracy, or misstatement may be cause for the rejection of a proposal.

By submission of this Proposal, the proposer acknowledges and agrees that the City has the right to make any inquiry or investigation it deems appropriate to substantiate or supplement information contained in this questionnaire and authorizes the release to the City of any and all information sought in such inquiry or investigation.

PROPOSER: _____

ADDRESS: _____

_____ ZIP CODE _____

TELEPHONE: _____

CONTACT PERSON: _____

How did you learn of this offering?

() 1. Word of mouth?

() 2. Newspaper or magazine (which one)?

() 3. Other (describe)

PROPOSAL PACKAGE

CERTIFICATE OF PROPOSER

I (we), as _____
(insert: "sole owner," "a partner," "President," "Secretary," or
other proper title)

of _____, do make this
(insert name of proposer)

certificate in support of a proposal for a lease with the City of Sacramento
for a Riverfront Commercial Tour Vessel in Old Sacramento.

I (we) agree, in the event that this proposal is the successful proposal, to
enter into an agreement with the City of Sacramento on the terms and conditions
set forth on the lease form included in the request for proposals.

I (we) understand and agree that any falsification in this proposal package
will be grounds for rejection of this proposal or cancellation of any contract
agreement awarded pursuant to this proposal.

I (we) certify under penalty of perjury that the information contained in our
proposal package is correct and true in all respects to the best of my (our)
knowledge.

Signed:

(Signature)

Date _____

(Title)

PROPOSAL PACKAGE

PROPOSED FEE

Proposer may propose to pay the City the same percentage as monthly rent throughout the entire term of the lease or proposer may propose to pay a graduated percent as monthly rent. If a graduated rent is proposed, proposer must clearly indicate the beginning and ending lease year for each percentage proposed.

I propose to pay the City the following percentages as monthly rental:

____% of the gross receipts from any activities under the lease for the years 1987- ____

____% of _____

____% of _____

I agree to pay an Annual Guaranteed Minimum Fee of \$ _____ (not less than \$10,000). In the event that the sum of the fees due and payable on a monthly basis totals less than the annual guaranteed minimum fee, then an amount equal to the difference between the specified amount and the sum of the monthly fees shall be paid by the Lessee to the City on or before the twentieth day of the month next succeeding the last month of the lease year.

I understand that a late charge of five percent of monies due will be levied in the event that monthly rent is not received by the City on or before the twentieth day of the month on the receipts received the previous month; and/or the Annual Guaranteed Minimum Fee is not received by the City on or before the twentieth day of the month next succeeding the last month of the lease year.

PROPOSAL PACKAGE

STATEMENT OF EXPERIENCE

One complete statement of experience must be furnished for each proposer who proposes to assume direct responsibility for provision of tour vessel services. In addition, one complete statement of experience must be furnished for each and every proposed captain or on-site manager. Additional sheets may be attached as necessary.

1. Four Vessel Experience:

a. Vessel _____ Home Port _____
Position _____ Dates _____
Tours were: Charter _____ Commercial _____ Combination _____
Duties _____

Home Port was () public () private.

Contact Person: _____ (Name) _____ (Telephone)

b. Vessel _____ Home Port _____
Position _____ Dates _____
Tours were: Charter _____ Commercial _____ Combination _____
Duties _____

Home Port was () public () private.

Contact Person: _____ (Name) _____ (Telephone)

c. Vessel _____ Home Port _____

Position _____ Dates _____

Tours were: Charter _____ Commercial _____ Combination _____

Duties _____

Home Port was () public () private.

Contact Person: _____

(Name)

(Telephone)

2. Additional Related Cruise or Other Navigational Experience:

a. Ship/Vessel _____ Home Port _____

Position _____ Dates _____

Duties _____

Contact Person _____

(Name)

(Telephone)

b. Ship/Vessel _____ Home Port _____

Position _____ Dates _____

Duties _____

Contact Person _____

(Name)

(Telephone)

3. Additional Professional and/or Managerial Leisure Service Experience:

Facility _____ Location _____

Position _____ Dates _____

Duties _____

Contact Person _____ Telephone _____
(Name) (Telephone)

4. Related Education; Military Experience; Training and/or Certification:

5. Additional Professional Affiliations:

5. Current or Previous Tour Vessel Leases or Concession Contracts:

7. Enumerate in detail any additional related professional experiences with particular emphasis on operations which provided recreational opportunities:

8. Will you be the person directly involved in the tour vessel operations?

() Yes () No

9. If no, who will be? _____

10. Has a Statement of Experience been furnished for the individual named in #8?

() Yes () No

PROPOSAL PACKAGE

FINANCIAL AND BACKGROUND DATA

FINANCIAL STATEMENT

Attach a complete report, prepared in accordance with good accounting practice, reflecting your current financial condition. The report must include a balance sheet and income statement. You must be prepared to substantiate all information shown.

SURETY INFORMATION

Have you or any principal ever had a bond or surety cancelled or forfeited?

() Yes () No

If yes, state date, court jurisdiction, amount of liabilities, and amount of assets.

FELONY INFORMATION

Have you or any principal ever been convicted of a felony?

() Yes () No

If yes, state date, court location, and details of the conviction.

PENDING LITIGATION

Pending litigation? () Yes () No

Provide detailed information regarding litigation, liens, or claims involving any participant in the proposal.

SOURCE OF INCOME

Will the operation of this tour vessel be the major source of income to you or any principal?

() Yes () No

If no, state other sources of income and detail income.

PROPOSAL PACKAGE

PROPOSER

Proposer intends to operate the business with which this Proposal is concerned as a: Sole Proprietorship (); Partnership (); Corporation (); Joint Venture (); or _____

Sole Proprietorship Statement

If a Sole Proprietorship, furnish the following:

1. Name in Full _____
2. Address _____

3. Telephone - Residence _____ Business _____

Partnership Statement

If a Partnership, answer the following:

1. Date of Organization _____
2. General Partnership ()
Limited Partnership ()
3. Statement of Partnership recorded? () Yes () No

Date	Book	Page	County
------	------	------	--------

4. Has the Partnership done business in Sacramento County? () Yes () No
When? _____

Name, Address, and Partnership Share of Each General Partner:

<u>Name</u>	<u>Address</u>	<u>Share</u>
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%

Corporation Statement

If a Corporation, answer the following:

1. When incorporated? _____ 2. Where incorporated? _____

3. Is the Corporation authorized to do business in California?

() Yes () No If so, as of what date? _____

4. The Corporation is held: () Publicly () Privately.

5. If publicly held, how and where is the stock traded?

6. List the following:

	Authorized	Issued	Outstanding
a. Number of Voting Shares	_____	_____	_____
b. Number of Non-voting Shares	_____	_____	_____
c. Number of Shareholders	_____	_____	_____
d. Value per Share of Common Stock	_____	_____	_____
Par \$ _____	Book \$ _____	Market \$ _____	

7. Furnish the name, title, address, and the number of voting and non-voting shares of stock held by each officer, director, and principal shareholder holding over 10%.

<u>Name & Title</u>	<u>Address</u>	<u>No. of Shares Voting/Non-voting</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Additional sheets may be inserted and attached as necessary.)

Joint Venture Statement

If a Joint Venture, answer the following:

1. Date of Organization: _____
2. Joint Venture Agreement Recorded () Yes () No
3. Has the Joint Venture done business in the City of Sacramento?
() Yes () No When? _____
4. Name and address for each Joint Venturer:

<u>Name & Title</u>	<u>Address</u>	<u>No. of Shares Voting/Non-Voting</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. Attach a complete copy of the Joint Venture agreement.

PROPOSAL PACKAGE

REFERENCES

List four persons or firms with whom you have conducted business transactions during the past three years. At least two of the references named are to have knowledge of your debt payment history.

REFERENCE NO. 1

Individual

Name: _____

Firm: _____

Title: _____

Address: _____

_____ Zip Code _____

Telephone: _____

Nature and magnitude of purchase, sales, loan, business association, etc.:

REFERENCE NO. 2

Individual

Name: _____

Firm: _____

Title: _____

Address: _____

_____ Zip Code _____

Telephone: _____

Nature and magnitude of purchase, sales, loan, business association, etc.:

PROPOSAL PACKAGE

REFERENCES

REFERENCE NO. 3

Individual

Name: _____

Firm: _____

Title: _____

Address: _____

_____ Zip Code _____

Telephone: _____

Nature and magnitude of purchase, sales, loan, business association, etc.:

REFERENCE NO. 4

Individual

Name: _____

Firm: _____

Title: _____

Address: _____

_____ Zip Code _____

Telephone: _____

Nature and magnitude of purchase, sales, loan, business association, etc.:

PROPOSAL PACKAGE

DESCRIPTION OF VESSEL

Provide a detailed description of the proposed tour vessel including dimensions, capacity, make, model, and materials. Include four pictures or renderings of vessel depicting the following views: 1) stern, 2) bow, 3) port, and 4) starboard. Indicate whether proposed vessel is already in existence or will be constructed. If proposing to utilize an existing vessel, include information on year of construction, past and present uses including years, current condition, owner and present location and copies of all Federal and State operating permits.

PROPOSAL PACKAGE

CONSTRUCTION OR REHABILITATION SCHEDULE

If proposed vessel must be constructed or rehabilitated prior to commencing with commercial tours, detail proposed construction schedule. Include design phase, City approval of design, plans and specifications, construction phase of and equipment and furnishings of completed vessel. Indicate where vessel will be constructed, how and when completed vessel will be brought to Old Sacramento Riverfront and date you propose to start providing commercial tour services. If proposed vessel is currently ready and available for use, when do you propose to commence providing commercial tour services?

PROPOSAL PACKAGE

METHOD OF OPERATION

Describe your specific plan for operation of a Riverfront Commercial Tour Vessel lease. Attach additional sheets as necessary. Include:

1. Detailed description of proposed tours including route and passenger services.
2. Complete description or proposed schedule of operations including months, days and hours. Indicate frequency and length of proposed tours.
3. Include proposed cost to passengers and identify, if any, group rates or special discounts to be offered.
4. Describe proposed staffing plan.
5. Describe your specific plan for marketing a Riverfront Commercial Tour Vessel operation including methods of promotion that will be used to develop public awareness of your operation.
6. Describe any plans to provide services in cooperation with tour vessels originating in the San Francisco Bay Area and/or existing Old Sacramento visitor attractions.
7. Detail any optional services and uses which you will seek permission to provide such as food and beverage services, group rentals, thematic tours, or sale of souvenirs.
8. Specify the proposed percentage of gross receipts to be paid as rent for each and every proposed optional service.

PROPOSAL PACKAGE

PROPOSED METHOD OF FINANCING

Describe the method you will use to finance this operation and source of that financing. Include financing for vessel, initial equipment, and fixtures necessary for the operation of the contract.

What is your estimate of the cost of financing your vessel operation?

Vessel	\$ _____
Initial equipment and fixtures	\$ _____
Stock	\$ _____
Other	\$ _____
TOTAL COST	\$ _____

How do you propose to finance your vessel operation?

<u>Sources</u>	<u>Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL INVESTMENT	\$ _____

PROPOSAL PACKAGE

ESTIMATE OF GROSS RECEIPTS

Provide your estimate of the expected average annual gross receipts to be derived from each use or service required and for each significant optional use or serve which you plan to provide during the first five (5) operating years.

<u>Source of Revenue</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<u>Optional Service/s Proposed (Specify)</u>					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
TOTAL ESTIMATED GROSS RECEIPTS	_____	_____	_____	_____	_____

PROPOSAL BID PACKAGE

CASH FLOW ANALYSIS

Develop and attach a cash flow analysis demonstrating your thinking with regard to the projected ability of the tour vessel to provide sufficient revenue to cover operating expenses, recapture your investment, and yield an adequate return to you. This cash flow analysis should project your anticipation through the first five operating years. Include an estimate of the amount of working capital you will need during the first five (5) years and identify the source of that capital.

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Net Revenue	_____	_____	_____	_____	_____
Initial Investment for Equipment and Fixtures	_____	_____	_____	_____	_____
Cost of Goods Sold	_____	_____	_____	_____	_____
Rent to City	_____	_____	_____	_____	_____
Personnel Costs	_____	_____	_____	_____	_____
Advertising/ Marketing	_____	_____	_____	_____	_____
Utilities	_____	_____	_____	_____	_____
General Expenses	_____	_____	_____	_____	_____
Subtotal Expenses	_____	_____	_____	_____	_____
NET OPERATING PROFIT	_____	_____	_____	_____	_____

OTHER INFORMATION

Please provide any other information which you feel will be helpful in evaluating your ability to successfully operate the contract.