

AGENDA
GIG HARBOR CITY COUNCIL – SPECIAL MEETING
Thursday, August 18, 2016 – 5:15 p.m.

CALL TO ORDER / ROLL CALL:

PLEDGE OF ALLEGIANCE:

OLD BUSINESS: None.

NEW BUSINESS:

1.  [←Eddon Boat House Lease Agreement.](#)

ADJOURN:

**THIRD AMENDMENT
TO
LEASE AGREEMENT BETWEEN
THE CITY OF GIG HARBOR AND
GIG HARBOR BOATSHOP**

THIS THIRD AMENDMENT to the Lease Agreement between the City of Gig Harbor and the Gig Harbor BoatShop entered into on August 21, 2007 is made and entered into as of the date signed below by and between the CITY OF GIG HARBOR, a Washington municipal corporation (the “City”), and the GIG HARBOR BOATSHOP, a Washington nonprofit corporation (“GHB”), collectively referred to as the “parties.”

RECITALS

WHEREAS, the City currently leases to GHB the property located at 3805 Harborview Drive, Gig Harbor, Washington, which includes the building commonly known as the Eddon Boatyard Building. This lease is memorialized in the Lease Agreement dated August 21, 2007 (the “Lease Agreement”).

WHEREAS, the City and GHB amended the Lease Agreement on December 14, 2010 to include the pier, ramp and float as the leased area of the Lease Agreement, with certain conditions for use of the pier, ramp and float; and

WHEREAS, the term of the Lease Agreement was amended by the Second Amendment to Lease dated February 25, 2014 to extend the termination date to June 30, 2030. The Lease Agreement together with the First and Second Amendments shall be called the “GHB Lease”; and

WHEREAS, GHB proposes that the GHB Lease be amended to include the Eddon Boatyard House for public use and Gig Harbor BoatShop programing, all managed by GHB; and

WHEREAS, the City desires to have the public benefit by the public’s use of portions of the Eddon Boatyard House, pier, ramp and float, but the City retains the right to manage the adjacent Eddon Boatyard Park property to support public use; and

WHEREAS, the benefits derived by the public from GHB’s public programming and other public uses as described in Subsection D of Section 5 of this Third Amendment to Lease Agreement provide the consideration for adding the premises of the Boatyard House to the GHB Lease;

WHEREAS, GHB submitted a grant to the Washington State Heritage Capital Projects Fund for the restoration of the Eddon Boatyard House for the amount of \$73,547 for restoration of the Boatyard House utilizing the design developed by Brett Marlo Designs;

and the design was included with the grant application made to the Heritage Capital Projects Fund. The City intends to conduct the restoration consistent with the Brett Marlo design.

NOW, THEREFORE, in consideration of the mutual promises below, the parties hereby amend the GHB Lease as follows:

AMENDMENTS

Section 1. Purpose and Identification of the Premises. Section 1 of the GHB Lease is amended to read as follows:

The purpose of the GHB Lease is to lease the portion of the Eddon Boatyard property outlined on the maps marked Exhibit A, Exhibit B and Exhibit C, which are attached hereto and incorporated by reference. The legal description of the Eddon Boatyard property is:

Section 05 Township 21 Range 02 Quarter 33 : COM AT MC AT NW COR LOT 7 TH S 41 DEG 03 MIN E 75.21 FT ALG ML TH S 26 DEG 03 MIN E 200 FT TO TRUE POB TH CONT S 26 DEG 03 MIN E 125.5 FT TH S 19 DEG 49 MIN W 79 FT TH S 50 DEG 55 MIN W 162.65 FT TO HWY TH NLY ALG ELY LI HWY TO PT S 54 DEG 48 MIN W FROM POB TH N 54 DEG 48 MIN E 145 FT TO POB TOG/W TDLDS ABUTT. Parcel No. 0221053074.

The leased portion includes what is commonly known as the Eddon Boatyard Building; the pier, ramp and the float located on the property; and the Boatyard House (including the adjacent deck, together called the "Boatyard House"). In addition to the Eddon Boat Building and the pier, ramp, and float, this Lease shall include the non-exclusive right to use the parking areas and driveway shown on Exhibit A, along with reasonable egress and entry from the Eddon Boat Building and the pier, ramp, and float. The areas shown in the outline on Exhibit A, Exhibit B and Exhibit C are defined to be the "Premises." The leased area does not include the tidelands adjacent to the Premises, other than as tidelands apply to the use of the ramp, pier and float as described herein.

Section 2. Conditions Precedent to Possession. A new Subsection C shall be added to Section 2 as follows:

C. Restoration of the Boatyard House. A grant in the amount of \$73,547 from the Heritage Capital Projects Fund to be used for the restoration and modification of the Boatyard House has been approved for funding. GHB will coordinate and cooperate with the City for the use of the grant funds to partially reimburse the City for the costs of the restoration of the Boatyard House. The conditions of the grant require GHB to manage and periodically report the use of the grant funds. The parties hereto agree that GHB shall continue to provide advice and guidance during the planning and restoration phases as it did during the design phase and will continue to seek additional grants. The restoration and modification shall be completed consistent with the Brett Marlo design. GHB acknowledges that the City, with consultation with GHB, shall manage the restoration and modification and

that during the restoration period, the City's contractors, employees and other authorized personnel shall occupy the Premises. GHB agrees that such restoration activities will not interfere with the purpose of the GHB Lease, as amended by this Third Amendment to Lease. GHB acknowledges and agrees that it will not be entitled to possession of the Boatyard House until certified for occupancy by the permitting authorities.

Section 5. Use. A new Subsection D shall be added to Section 5 as follows:

D. Use of Boatyard House. GHB shall undertake the management of the entire Boatyard House as it is defined in Section 1.

i. The upper floor is to be reserved for BoatShop offices. In addition to other functions, GHB will use the offices to support its Northwest Fleet Program, a historic vessel documentation program. The Program is designed to seek out and document important historic vessels in the region.

ii. The lower floor of the Boatyard House and the adjacent deck shall be made available and managed by GHB for use by the general public for public or private family, community, and organization activities and events. The use shall be consistent with reasonable use standards in compliance with local ordinances and regulations, including City occupancy limitations. The use shall also be consistent with low-site impact use. GHB shall implement and maintain a reservation system for the use of the space, including use by the City. GHB may charge a reasonable fee to the public for this use which may include a cleaning deposit. The City Council shall approve the fee structure and it shall be minimal and justifiable by the actual costs incurred by GHB for administering the reservation process. The City shall be allowed to view the reservation system online, including viewing the reservations, but will not have the power to edit or change entries. A minimum of 180 days per year shall be allocated to such structured use by the general public and those days shall include a reasonable variety of days including evenings and weekends. The remaining days may be used by GHB at its discretion for public programming and for BoatShop public activities and events.

Section 4. Inspection. GHB represents that it has inspected the Boatyard House portion of the Premises and agrees to accept them "as is" upon the completion of the renovations. All other terms of Section 4 shall apply to the Boatyard House.

Section 8. Restrictions on Use. The types of activities described in Section 8 shall be expanded to include the uses described in this Third Amendment to Lease.

Section 17. Insurance. All insurance requirements listed in the GHB Lease remain the same and shall apply to the use by GHB of the Boatyard House. The City shall acquire and maintain at its expense for the Premises typical property coverage with special form perils.

Section 18. Care of Premises. The provisions of Section 18 of the GHB Lease shall apply to the use by GHB of the Boatyard House.

Section 35. Notices. The contact information for GHB shall be amended to state as follows:

Gig Harbor Boatshop
P.O. Box 1187
Gig Harbor, WA 98335
Attn: Guy Hoppen, GHB President

The term of this lease shall be from the date of signing of this amendment of the lease until June 30, 2030 unless terminated by the city for GHB's failure to comply with the conditions provided herein. GHB shall include a house usage status section in its annual report to the City that will include the actual usage of the house over that year with designations of the times and dates of the usage of the house and by which entities. It will further report on general requests for usage which were not allowed by GHB and the reasons why they were not allowed.

EXCEPT AS MODIFIED BY THIS THIRD AMENDMENT TO LEASE AGREEMENT, ALL TERMS AND CONDITIONS OF THE GHB LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties have executed this Amendment effective this _____ day of _____, 2016.

CITY OF GIG HARBOR

GIG HARBOR BOATSHOP

By: _____
Mayor Jill Guernsey

By: _____
Its: _____

APPROVED AS TO FORM:

City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he she signed this instrument, on oath stated that he she was authorized to execute the instrument and acknowledged it as the _____ (officer) of the Board of Directors of Gig Harbor Boatshop to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2016.

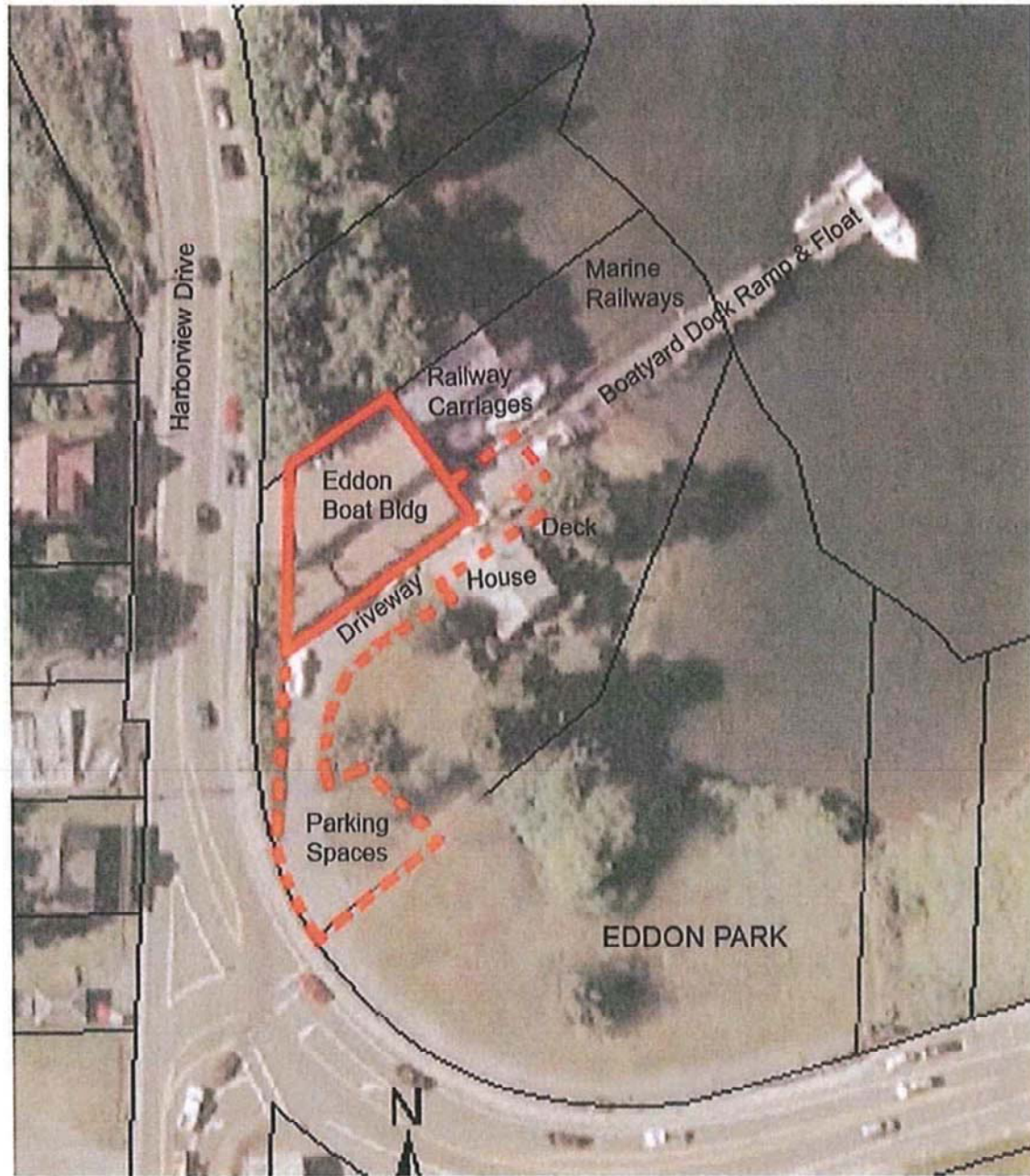
Printed name: _____
NOTARY PUBLIC in and for the
State of Washington, residing
at _____.
My commission expires: _____.

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Jill Guernsey is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Mayor of the City of Gig Harbor to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2016.

Printed name: _____
NOTARY PUBLIC in and for the
State of Washington, residing
at _____.
My commission expires: _____.



Map of Eddon Boat Building and Driveway located at 3805 Harborview Drive, Gig Harbor

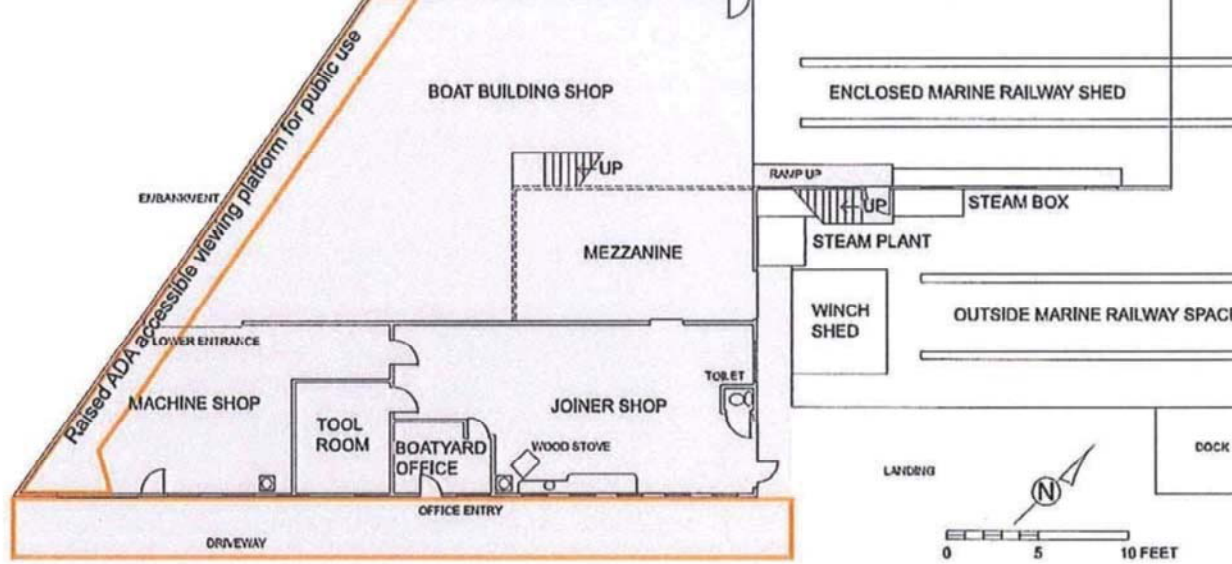


DIAGRAM A: BOAT BUILDING - LOWER FLOOR



DIAGRAM B: BOAT BUILDING - UPPER FLOOR



Leased space.

Access to GHB staff & certified GHB program participants as follows:

Lower floor: Boat building shop, joiner shop, machine shop: Boat building, repair & restoration activities, classes

Mezzanine: Storage

Boatyard Office: Programming staff activities/management

Tool room: Tool storage

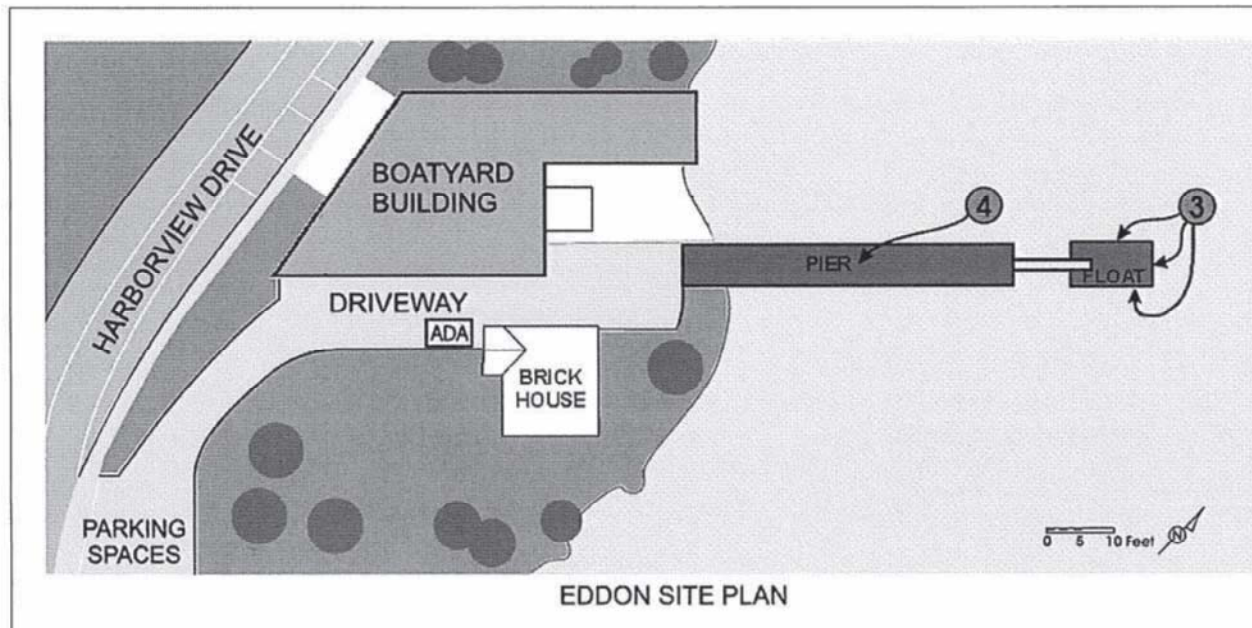
Upper floor: Loft & South Centered Room: Lofting, boat building, repair & restoration activities

Office: Boatyard Store office activities

Boatyard Store: Retail sales activities



Limited public access



Gig Harbor BoatShop will have new access to the Pier (#1) and the Float (#2) with dedicated use as provided under Section 24. Signs.