

SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM #: Action A 4

DATE: October 14, 2010

SUBJECT: Sky Valley Chamber Sub Lease Agreement

CONTACT PERSON: Laura J. Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is to approve a sub lease of the Visitor Information Center facility with Grow Washington in accordance with the lease agreement with the Sky Valley Chamber. Grow Washington is a non-profit organization under the management of Mayor Carolyn Eslick.

SUMMARY:

At the August 26, 2010 meeting (Attachment A) the Council approved the additional use of the premises by Grow Washington under the lease with the Sky Valley Chamber in effect on August 26, 2010. The sub-lease was approved until such time as the Chamber lease was revised provided the City was provided with proof of insurance from Grow Washington within two weeks. (Attachment B)

The Lease Agreement in effect on August 26, 2010 allowed for the other uses of the building.

Section 5 (c) provides for other uses and reads:

The Chamber shall be responsible for other uses of the premises. The Chamber shall be responsible for ensuring that any use of the premises is consistent with the intended purposes and uses of the premises as stated herein and that such other users as approved by the City and Chamber are properly insured. The Chamber may charge a reasonable rent, approved by the City, to other users to offset their costs of staffing the Center.

The Chamber Board met on August 11, 2010 to discuss a policy for use of the facility by other groups. The purpose of the Chamber is to promote and encourage economic development and support business. To be consistent with the Chamber purpose, the Board adopted the following criteria for approval of shared use of the facility:

1. Non-profit organizations only.
2. Economic development focus such as assisting small business. This would not include human service organizations such as the Boys and Girls Club, Big Brother/Sister or the VOA.

3. Part-time office space only (maximum of 20 hours per week) to limit someone from monopolizing the opportunity and to allow others to share the space.
4. Time limited – annual renewal to allow others and opportunities to use the space.

The Chamber received a request from Grow Washington for permission to set up a desk and small office area for the purpose of business promotion and economic development. Based on the criteria adopted by the Chamber Board they are recommending approval of Grow Washington's request to set up an office in the Visitor Information Center.

COUNCIL ACTION:

At the August 26, 2010 Council meeting, staff was directed to bring back the revised lease agreement with the Sky Valley Chamber for the Visitor Information Center. Action Item 3 on this agenda is the recommendation to approve the revised lease with the Sky Valley Chamber.

Under the revised terms of the lease agreement:

9. SUB-LEASE: *The Chamber may enter into a sub-lease of the premises consistent with the intended purpose.*

The purpose of the Visitor Information Center is to promote and encourage economic development. To be consistent with this purpose, the sub-lessee must meet the following criteria:

- a. *The sub-lessee shall be a registered 501(c) non-profit organization.*
- b. *The purpose of the organization shall be to promote economic development.*
- c. *The sub-lessee must have liability insurance meeting the requirements in Section 19 of this Agreement or insurance acceptable to the City.*

The Chamber may limit the part-time office space use to a maximum of 20 hours per week to limit someone from monopolizing the opportunity and to allow others to share the space. The Chamber will review the sub-lease on an annual basis to determine if: 1) they want to continue the lease or 2) the space is needed for the Chamber and/or Visitor information Center.

The Chamber may charge a reasonable rent to other users to offset the Chamber costs of staffing the Center. Rents collected by the Chamber shall be shared equally with the City.

The Chamber will notify the City at least 14 business days before sub-leasing the premises. The Chamber will provide the City with a copy of the signed sub-lease along with the required insurance naming the City as an additional insured.

The Council approved the use of the facility by Grow Washington until the lease with the Chamber was revised and approved by the City. Grow Washington provided the required proof of insurance and has been using space in the building since August 2010. Grow Washington meets the criteria set by the Chamber Board for other users (sub-lease).

ALTERNATIVES:

1. Approve of the request by Grow Washington to sub-lease office space in the Visitor Information Center based on the lease approved the Chamber Board and Council. The Council may approve the use or direct staff to address areas or concern.
2. Do not approve the request by Grow Washington to sub-lease office space in the Visitor Information Center.

RECOMMENDATION:

Approve the sub lease of the Visitor Information Center with Grow Washington in accordance with the lease agreement with the Sky Valley Chamber.

Attachments: A. Minutes of August 26, 2010 Council meeting.

CITY OF SULTAN COUNCIL MEETING – August 26, 2010

Visitor Information Center lease and use of building

The issue before the Council is to approve the five year renewal of the Service Agreement with the Sky Valley Chamber of Commerce (Chamber) to maintain the Visitor Information and to approve the use of the facility by Grow Washington.

In 2004 the City and Sky Valley Chamber of Commerce entered into a Service Agreement for operations and maintenance of the Visitor Information Center and Transportation Museum. The Agreement has a five-year term with an option for an additional five-year term at the request of the Chamber. The first five-year term ended in August 2009. The Chamber has indicated a desire to continue

The Chamber Board met on August 11, 2010 to discuss a policy for use of the facility by other groups. The purpose of the Chamber is to promote and encourage economic development and support business. To be consistent with their purpose, the Board adopted the following criteria for approval of shared use of the facility:

1. Non-profit organizations only.
2. Economic development focus such as assisting small business. This would not include human service organizations such as the Boys and Girls Club, Big Brother/Sister or the VOA.
3. Part-time office space only (maximum of 20 hours per week) to limit someone from monopolizing the opportunity and to allow others to share the space.
4. Time limited – annual renewal to allow others and opportunities to use the space.

The Chamber received a request from Grow Washington for permission to set up a desk and small office area for the purpose of business promotion and economic development. Based on the criteria adopted by the Chamber Board they are recommending approval of Grow Washington's request to set up an office in the Visitor Information Center.

Discussion: Exclusion of human services and limitations to non profits; clarification that all users have insurance; need for the Chamber and City to approve other uses; charging fees to other users; clarification of revenues generated.

Councilmember Beeler moved to approved the five-year renewal of the Service Agreement with the Sky Valley Chamber of Commerce to maintain the Visitor Information; seconded by Councilmember Davenport-Smith. All nays

On a motion by Councilmember Blair, seconded by Councilmember Beeler staff was directed to revise the lease and bring it back to the Council for action. All ayes except Councilmember Pinson who voted nay.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Niegel, the Council approved the use of the facility by Grow Washington. Ayes – Slawson Beeler Davenport-Smith; nay – Blair, Neigel, Pinson. Motion failed for lack of majority.

On a motion by Councilmember Blair, seconded by Councilmember Davenport-smith, the Council approved the use of the facility by Grow Washington until the lease with the Chamber is revised and approved and they provide proof of insurance within two weeks. All ayes except Councilmember Pinson who voted nay.

Carolyn Eslick director for Grow Washington: She has worked on the program for six years to help business start up and has been working out of the VIC office for the past three weeks. This is a membership based program and the main purpose is the promote and ignite new products in the state. It is based on a program called Grow Nebraska. She would be willing to pay rent when it is financially viable and will look into insurance and other locations on Main Street if the council is not agreeable with the use. Will continue to offer workshops and seminars.



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
9/1/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Iova Insurance, Inc. 19030 Lenton Place SE #546 Monroe, WA 98272 709562	CONTACT NAME	
	PHONE (A/C, No, Ext): (866) 244-4682	FAX (A/C, No): (877) 202-4964
	E-MAIL ADDRESS: iovac@iovainsurance.com	
	PRODUCER CUSTOMER ID#	
INSURED Grow Washington ATTN: CAROLYN ESLICK P. O. Box 776 Sultan, WA 98294 (425) 327-2093	INSURER(S) AFFORDING COVERAGE	
	INSURER A: TRUCK INSURANCE EXCHANGE	NAIC#
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

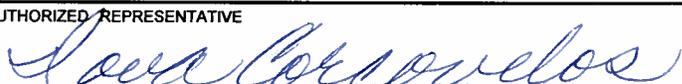
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		604846395	9/1/10	9/1/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 75,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
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A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANYAUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X		"	9/1/10	9/1/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB EXCESS LIAB DEDUCTIBLE RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

NON-PROFIT SERVICE ORGANIZATION WITH RETAIL STORE FRONTS MARKETING WASHINGTON STATE PRODUCTS

RECEIVED
SEP 07 2010

CERTIFICATE HOLDER	CANCELLATION
ADDITIONAL INSURED: CITY OF SULTAN 319 MAIN STREET P.O. BOX 1199 SULTAN, WA 98294	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 



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	INSURER A: TRUCK INSURANCE EXCHANGE	
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	INSURER C:	
	INSURER D:	
	INSURER E:	

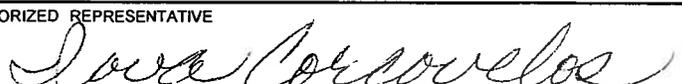
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A	AUTOMOBILE LIABILITY	X		"	9/1/10	9/1/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DEDUCTIBLE						\$
	RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTHER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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