F. CONSENT CALENDAR

9. Approval of Letter for 11th street Dock Owners Association

   Staff Report Submitted

Posted Sept. 27, 2012
MEMORANDUM

To: CITY COUNCIL

FROM: WENDY GABRIEL, CITY ADMINISTRATOR

DATE: OCT. 2, 2012

RE: LETTER REQUESTED BY 11TH STREET DOCKOWNER’S ASSOC. INC.

DECISION POINT: Whether to approve the attached letter requested by the Board of Managers for the Eleventh Street Dockowner’s Association, Inc. (hereafter referred to as Dockowners)? The letter states that it is likely that the City will renew the Dockowners lease agreement.

DISCUSSION: The Dockowners lease a portion of the City’s littoral rights at 11th Street in order to maintain dock moorage. The lease has been in effect since 1964 and has been renewed approximately every five (5) years since it was first adopted. The Board of Managers, represented by Charles Dodson, is seeking financing in order to make improvements to its facilities. They are required to have a letter substantially in the form attached in order to complete their application. The letter essentially states that so long as all things stay the same and there are no breaches in the agreement, it is “likely” that the City would renew the lease for three (3) more five (5) year increments, or fifteen (15) years. The letter does not bind the City Council to extend the lease. The current agreement expires in August 2016. A similar letter is being requested of the State of Idaho relative to the Dockowner’s Encroachment Permit.

The lease is attached and provides for rental to the City with annual increases based upon the consumer price index. The lease also provides that Dockowners provide the City with unrestricted side dock space for public service moorage.
October 3, 2012

Charles M. Dodson
Attorney at Law
Eastlake Professional Suites
1424 Sherman Ave., Suite 300
Coeur d'Alene, ID 83814

Re: City’s Lease Agreement with Eleventh Street Dockowners Assoc., Inc.

Dear Mr. Dodson:

The lease agreement with the city for placement of docks within the city’s littoral rights adjacent
to 11th Street was approved in 1964 and has been renewed without lapse since that time. You
requested a letter from the city stating that it is likely that the city will continue to renew the
lease for three (3) more five (5) year increments, or a total of fifteen (15) years. The reason you
requested this letter is in order to include it in your application for financing for dock
improvements.

Although this city council cannot predict the decisions of future city councils, since you provide
a much desired accommodation to the boating public and since the lease provides mooring space
for public safety vessels, it is likely that the city will continue to renew the current lease
agreement for three (3) more five (5) year terms so long as all other terms of the lease remain the
same and there are no breaches of the agreement on the part of the Dockowners Association.
This statement should not be considered as a promise or a commitment to renew the lease in the
future but, rather, is representative of what is likely to occur based upon our past experience
dating back to 1964.

The city council took action and approved this letter on October 2, 2012 in a regular meeting of
the city council. If you or your banking representative have questions, you may contact me at
769-2300.

Sincerely,

Wendy Gabriel
City Administrator

cc: City Council
    Mike Gridley, City Attorney