



Resolution 2003-056

A RESOLUTION TO CREATE A LEASE AGREEMENT WITH THE HISTORICAL SOCIETY FOR THE USE OF THE MORBACK HOUSE

WHEREAS, the Council found the Historical Society's proposal for a museum and Lorrie Bidgood's proposal for a bed and breakfast to be suitable uses for the Morback House; and

WHEREAS, the Council found the Historical Society to be the preferred alternative at this time; and

WHEREAS, a Memo of Understanding has been developed between the City of Sherwood and the Sherwood Historical Society attached to this document as Exhibit A.

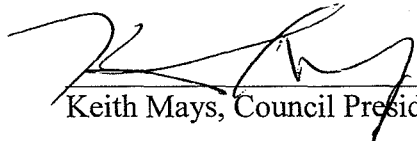
NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Manager is hereby directed to draft a lease for the Historical Society's use of the Morback House.

Section 2. Lease is to be based on the Memo of Understanding.

Section 3. The 60 day period in which the Historical Society has to meet the requirements outlined in the Memo of Understanding is to begin on June 25, 2003.

Duly passed by the City Council this 24th day of June 2003.



Keith Mays, Council President

ATTEST:



C.L. Wiley, City Recorder

Memo of Understanding

The following is a Memo of Understanding between the City of Sherwood and the Sherwood Historical Society in regards to the Morback House.

Lease to be awarded to the Historic Society under the following conditions. The following shall be submitted to City Council within 60 days of Council's Notice to Proceed.

In the event that the Historical Society can not meet the requirements outlined, negotiations will begin with the second solicitor.

1. A satisfactory business plan to be developed by the Historical Society and approved by Council. This plan shall include but is not limited to;
 - a. Estimated profit and loss of first year of operations. This should include all assumptions for Revenue and Expenses.
 - b. A construction plan that will detail changes to be made to exterior and interior of the building. Also, an analysis should be completed to detail changes needed for occupancy. A cost estimate for these changes should be included as well as an assumption on where the money will be generated to support these construction upgrades to the facility.
 - c. A timeline of events, including 1 year of detail and a 5 year projection. This should include major construction events, opening dates, major program kick off's etc.
2. The Sherwood Historical Society will raise \$15,000. Donations raised should be dated no earlier than May 27, 2003.
3. Sherwood Urban Renewal District will match up to \$15,000 as a grant to be used for structural, electrical, plumbing, or exterior work to the Morback House.

LEASE TERMS

1. Lease to be acceptable to City Legal Council.

2. Lease period will be for 1 year with and automatic renewal every year unless there is a 30 day written notification of intent to terminate, from either party. Automatic renewal period will last 5 years, at which time Council will review the agreement and progress of the Center and make a recommendation for a new lease agreement.
3. Lease amount will be \$1 per month, with total annual amount due yearly from the date of execution of the lease by both parties.
4. The City shall maintain insurance on the property including fire, and liability and carried with the same deductibles as other City Buildings. In the case of a loss the Historical Society will be responsible for all deductibles. This arrangement will be for the first year of operations only.
5. Water, Sewer, Electricity, Gas and Grounds up-keep will be the responsibility of the Historical Society.
6. Any uses of the property not identified in the business plan must be reviewed and approved by Council or their delegate prior to implementation of the program.
7. All maintenance requirements for the property and the associated lot will be the responsibility of the Historical Society.

Ross Schultz, City Manager

Date

Sherwood Historical Society

Date