

Town of West Yellowstone

Town Council Work Session

Tuesday, September 30, 2014

West Yellowstone Town Hall, 440 Yellowstone Avenue

West Yellowstone, Montana

7:00 PM

Agenda

Public Comment Period/Council Comments

Management of the Union Pacific Dining Lodge by the Yellowstone Historic Center Discussion

Goal Setting Discussion

No action will be taken, the Public is invited to attend.



Management funding currently in the Town's 2014-2015 budget. YHC would like to work jointly with Town staff to develop details of this funding and identify the related priorities and responsibilities.

We greatly appreciate the Town's serious consideration of all our proposals, and we look forward to a successful conclusion to our negotiations and a well-planned implementation that brings more business from people around the region to both the Dining Lodge and the Town.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbett Ott', written in a cursive style.

Barbett Ott
Yellowstone Historic Center Board Member
On behalf of Rawhide Johnson, Board Chair and the YHC



YELLOWSTONE
HISTORIC CENTER

THE HERITAGE OF TRAVEL TO YELLOWSTONE

Post Office Box 1299

Phone/Fax:

406-646-7461

West Yellowstone, Montana 59758

E mail: info@yellowstonehistoriccenter.org
Website: www.yellowstonehistoriccenter.org

Yellowstone Historic Center
P.O. Box 1299
West Yellowstone, MT 59758

July 30, 2014

Becky Guay
Operations Manager
Town of West Yellowstone
P.O. Box 1570
West Yellowstone, MT 59758

Dear Becky:

Attached is YHC's draft agreement for assuming management of the Union Pacific Dining Lodge. The draft, dated July 11, 2014, was approved for distribution to the Town Council and staff at the YHC Board of Directors meeting on July 21, 2014. We look forward to your feedback.

Sincerely,

Ed Geiger
Manager, Yellowstone Historic Center

MANAGEMENT AGREEMENT

YHC Draft – July 11, 2014

This Management Agreement made and entered into on this ____ day of _____, 2014, between the Town of West Yellowstone (“Town”), a Montana municipal corporation, with an address of P.O. Box 1570, West Yellowstone, Montana 59758, and Yellowstone Historic Center, Inc. (“YHC”), a Montana nonprofit corporation, with an address of P.O. Box 1299, West Yellowstone, Montana 59758.

RECITALS:

WHEREAS, the Town has leased to YHC the Union Pacific Dining Lodge located in West Yellowstone, Montana; and

WHEREAS, part of the consideration for the execution of the lease was YHC’s promise to operate the Union Pacific Dining Lodge in a manner consistent with the Town’s goals and objectives; and

WHEREAS, the Town and YHC intend by the execution of this Management Agreement to define the terms of YHC’s operation of the Union Pacific Dining Lodge to satisfy the Town’s goals and objectives.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties mutually promise and covenant as follows:

1. Lease. The Town and YHC have executed a Lease in which the Town has leased to YHC the Union Pacific Dining Lodge. A copy of the Lease is attached hereto and marked Exhibit A.

2. Interdependence. The Lease between the Town and YHC is interdependent with this Management Agreement. A breach of the Lease Agreement shall be considered a breach of this Management Agreement. A breach of the Management Agreement shall be considered a breach of the Lease Agreement.

3. Management of the Union Pacific Dining Lodge. During the term of this Management Agreement, the Town grants to YHC the exclusive right to manage the operations of the Union Pacific Dining Lodge. YHC agrees to operate the Union Pacific Dining Lodge during the term of this Agreement in accordance with the terms set forth in this Agreement. The operation of the Union Pacific Dining Lodge shall require YHC to perform the following obligations:

- (A) YHC shall assume management of all event rental operations. Management shall include marketing, receipt of reservations, and event administration.
- (B) YHC shall be responsible for collecting all revenue generated from the operation of the Union Pacific Dining Lodge.
- (C) YHC shall be responsible for paying all expenses associated with the operation of the Union Pacific Dining Lodge as per this agreement.
- (D) YHC shall maintain the books and records of all revenues received and all expenses paid. The Town shall be entitled to review YHC's records maintained in connection with its performance of the obligations imposed by this Agreement during regular business hours after reasonable notice. At the end of each year's operation of

the Union Pacific Dining Lodge, YHC shall present the Town with a financial statement reflecting all revenues and expenses for the prior year.

4. Capital Expenses. YHC and the Town shall jointly seek grants for the purpose of securing funds to accomplish the renovation of the Union Pacific Dining Lodge such as the multi-purpose meeting rooms and restrooms. To the extent that grant funds are inadequate, the Town shall pay for the balance of the renovation expenses incurred.

5. Staffing. YHC shall provide staffing as it deems reasonable and appropriate to perform the obligations imposed upon it by the terms of this Agreement for all work to be done before an event, during an event, and after an event.

6. Sales and Marketing. YHC shall prepare and execute a marketing plan for the Union Pacific Dining Lodge. A copy of the marketing plan shall be provided to the Town.

7. Term. The term of this Agreement shall be five years. It shall commence on _____, 2015, and conclude on _____, 2019.

8. Expense Sharing. The operation of the Union Pacific Dining Lodge shall be in accordance with a proposal prepared by the YHC. The proposal has been provided to the Town with the execution of this Management Agreement. The Town has approved the proposal for the first year of the term of this Agreement.

Funding assistance for the operation of the Union Pacific Dining Lodge for the first 5 years of this agreement shall be provided by the Town as presented in Exhibit B subject to each year's budget plan of the Town.

9. Town's Budget. The Town shall adopt its budget in accordance with its custom and practice. It shall budget a sum to be designated as funds for the operation of the Union

Pacific Dining Lodge. The sum budgeted periodically shall be transferred to YHC, per mutual agreement but at least quarterly, during the term of this agreement.

10. Default. Time is of the essence of this Agreement. In the event either party should fail to perform an obligation imposed upon it by this Agreement, it shall be considered in default. In the event of a default, the non-defaulting party shall provide the defaulting party with a written notice of default. The written notice shall specify the obligation set forth in the Agreement that has been breached. The written notice of default shall be mailed to the defaulting party, by certified mail, return receipt requested.

The defaulting party shall have ten days from the date of the letter to cure the default. If the default is not cured within the ten days provided, the non-defaulting party shall have the following remedies:

- (a) The non-defaulting party may cure the default, and charge the defaulting party the cost of the cure.
- (b) The non-defaulting party may terminate this agreement.
- (c) The non-defaulting party may bring an action for breach of contract, specific performance, or other legal or equitable remedy.

11. Notice. All notices required or permitted to be given under this agreement shall be deemed to be properly given if delivered in writing personally or sent by registered or certified mail to the address of the party as set forth above, or such other address as may be furnished by one party to the other in writing. The date of mailing shall be deemed the date of giving such notice and service thereof.

12. Attorney Fees. In the event it is necessary for any of the parties hereto to bring any action to enforce the terms and covenants of this agreement, it is agreed that the prevailing party shall be entitled to reasonable attorney fees to be set by the Court.

13. Binding Effect. All terms of this agreement shall be binding upon and inure to the benefit of, and be enforceable by the assigns of the parties.

14. Headings of Paragraphs. Headings of paragraphs in this instrument are for convenience only and do not apply to or affect the construction or any terms thereof.

Town of West Yellowstone

Yellowstone Historic Center, Inc.

By _____

By _____

DRAFT