



CITY OF KIRKLAND

Department of Parks & Community Services

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Carrie Hite, Deputy Director
Jennifer Schroder, Director

Date: November 5, 2009

Subject: Status of MV Kirkland

Recommendation

That the City Council receives a briefing on the status of the MV Kirkland and provide staff direction.

History of the MV Kirkland

The MV Kirkland is a 1924 wooden-hulled car ferry that has served passengers all over the Pacific Northwest. The vessel was born in Astoria, Oregon, and spent most of its early career on the Columbia River. Following the bombing of Pearl Harbor in 1941, the US Navy commandeered the vessel to lay mines at the mouth of the river. The ferry was moved from Astoria, Oregon to Pierce County, Washington in 1967 and renamed the Islander of Pierce County. It worked on Puget Sound for many years, but eventually its wooden-hull design was overshadowed by vessels with more modern steel-hull designs. The vessel is listed on the Washington Historic Register and the National Register of Historic Places as the Islander of Pierce County.

In 1996, Don Stabbert and John Blackman (owner of Argosy Cruises at the time) purchased and refurbished the vessel adding two full-service bars, a galley, and 12-foot floor-to-ceiling windows. The MV Kirkland was moved to Kirkland and has been leased to Argosy Cruises ever since. The MV Kirkland departs Marina Dock in Kirkland for cruises of Lake Washington, including narrated tours featuring waterfront homes, Husky Stadium, and the regional scenery. Approximately two years ago, Mr. Blackman sold Argosy Cruises. The MV Kirkland is still owned fifty percent by Don Stabbert and fifty percent by John Blackman and is still leased by Argosy Cruises (under new ownership) to run tours and charters from the north side of Marina dock. Argosy Cruises is in the first year of a three-year lease for the north side of the dock that was entered into as a result of a competitive RFP process completed in 2009.

The City of Kirkland has two leased docks – the Marina Park dock and the 2nd Avenue South dock. Both the north and south sides of the Marina Park Dock are available to lease. As noted

above, the north side of the dock is leased by Argosy Cruises. The South side of the dock was also put out to bid and was leased to Waterways who also planned to run tours and charters from the dock. The Waterways lease required the proprietors to run water and power to the south side of the dock and to install a ticket booth. The Waterways lease was terminated after several months due to non-payment. None of the improvements required in the lease were performed. At this time, the south side of the dock is used for transient moorage and "touch and go" cruises and charters. Currently, because of the economy, there is some question as to whether Marina dock has the capacity to support two tour businesses. The Parks Department can issue a competitive RFP for the south side of the dock if this is Council direction.

The 2nd Avenue South dock (north side only) also was offered for lease through a Request for Proposal (RFP) process. The lease was granted to the Island Sailing Club. The south side of the dock is not available for long term leases because the majority of the water access to the south side is in private ownership. The south side of the dock is used for charters and "touch and go" moorage. Given the availability of the 2nd Avenue South dock for transient moorage, the south side of the Marina Park dock could be available for a longer term lease.

Mr. Stabbert has had the MV Kirkland for sale for over two years and now indicates that he has two potential buyers, one of whom he believes would continue operations in Kirkland. Mr. Stabbert has made a verbal request to the City of Kirkland for a 5-year lease of the south side of the Marina Park dock in addition to the request in his letter that the City install water and power at the City's expense (estimated cost of \$10,000 for a shared water line). He is requesting the 5-year lease and the improvements in order to guarantee this to a potential buyer of the MV Kirkland (see Attachment A). These improvements would also trigger the need to reconfigure/landscape the point of sale ticket booth area and bring in power and telephone lines for operations. The estimated cost on this is yet to be determined and could be a contractual requirement of a new vendor once a lease is awarded. He has stated that his decision on the two purchase offers will likely be made within 30 days of his initial request from October 23rd, 2009.

Mr. Stabbert has also sent this letter to the Kirkland Heritage Society, requesting some assistance to help keep the MV Kirkland in Kirkland. Attached is the letter of support from the Heritage Society (Attachment B).

Argosy Cruises is aware that the MV Kirkland is for sale, but has declined to purchase it because of the cost of maintenance and operations, environmental impact, and the deterioration of the wood hull. Argosy Cruises has an interest in continued operations in Kirkland with a vessel that meets newer, higher air quality standards for its engines and generators and that doesn't rely on old growth timber to restore the wood. They are also looking for a vessel that compliant with ADA standards, offering an elevator system, ADA bathroom, and better amenities to accommodate those with special needs.

Argosy has continued to work with Mr. Stabbert to extend their lease of the MV Kirkland for another 12-24 months so that Argosy could complete their vessel search and provide for a timely sale and re-location of the MV Kirkland. Argosy was not aware of Mr. Stabbert 's proposal to continue to use the MV Kirkland on the south side of the public dock.

Another potential option that might meet Mr. Stabbert's interest to sell the MV Kirkland with moorage in Kirkland, would be to work with Carillon properties to lease tour dock space at

Carillon point. As a privately held marina, they have the option to negotiate a lease with Mr. Stabbert for the MV Kirkland without going through a competitive RFP process. This would allow Mr. Stabbert to sell the MV Kirkland with a lease, and not rely on the required procurement process of the city.

One of the options being explored by Mr. Blackman (co-owner of the MV Kirkland) and discussed with Mr. Stabbert, is to donate the vessel back to its original birthplace in Astoria Oregon. Astoria will be celebrating its centennial in 2012, and the Astoria Maritime Museum is considering this offer and possibility.

The City's purchasing policy has been to issue an RFP for leases of the tour dock. Following this policy helps ensure a fair process to accept proposals and assures that that City is contracting with a responsible vendor that best meets the specifications in the RFP for long term use of the tour dock. Further, the City Attorney has advised that for any lease of the tour dock, the City will want the right to approve the tenant's assignment of its leasehold interest to another party. A lease granted to Mr. Stabbert could not automatically be assigned to another party. The City would have to consent to the assignment. In consideration of this policy, Mr. Stabbert was advised that the potential buyer could respond to a City-issued RFP and potentially be awarded a lease for the south side of the tour dock. During an open, competitive bid process, Argosy Cruises, Mr. Stabbert and any other potential excursion or ferry boat operator could fairly participate.

If Council would like to consider entering into a long term lease of the south side of the Marina Park dock , staff recommends that the City issue an RFP for the dock in January and negotiate improvements to the facility through that process. In the meantime, the MV Kirkland can continue to dock at the Marina Park Dock through the existing lease with Argosy.

October 23, 2009

Joan McBride
Kirkland City Council
123 5th Ave South
Kirkland, WA 98033

Re: MV Kirkland Historic Ferry

Dear Joan,

The ferryboat MV Kirkland has been operating from her berth at the city docks in downtown Kirkland since June 1996 carrying literally hundreds of thousands of people around Lake Washington and earning her place as an icon of the downtown waterfront. Her historic charm and classic character fit well with the Kirkland downtown and have allowed the ferry to serve as a wonderful Goodwill Ambassador for the city. However, now is the time for those in Kirkland who value the ferry MV Kirkland and want to see her remain an active part of the downtown waterfront to take action.

Two offers have been made to purchase the ferry. One offer would take the boat away from Kirkland for operation in Lake Union and Elliott Bay. The other offer would seek to keep the vessel in Kirkland operating much as she has for the last 13 years, but would require a new slip to moor the vessel as the current slip at the docks is leased to Argosy Tours for two more years. The south side of the pier (across from where the ferry currently moors) would be sufficient IF the city would provide power and water to the location (old woods boats like the ferry need to be kept warm and dry inside to preserve them for the long term). If the city can take swift action and assure a moorage spot with power and water could be provided, we think it likely the vessel will be able to stay in Kirkland. The decision on where the MV Kirkland goes next will likely be made in the next 30 days. If the City of Kirkland wishes to keep the ferry in the city, we strongly suggest they take prompt action to assure it has a place to moor at the city docks.

Please do not hesitate to contact Brooke Stabbert (206 963-9057, bstabbert@westwater.com) if you have any questions.

Sincerely,



Don Stabbert
Managing Partner, Kirkland Ferry LLC

Cc: Dave Ramsay, Jenny Schroder, Carrie Hite, Penny Sweet, Kirkland Heritage Society, Kirkland Downtown Association

MV Kirkland History (formerly the Tourist II)



- The ferry was launched in Astoria, Oregon on June 23, 1924 as the Tourist II for Captain Fritz Elfving to run service as a 22 car ferry boat from Astoria to Megler, Washington (near Ilwaco, Wa.).
- With the outbreak of WW II the Tourist II was purchased by the armed services, renamed the Octopus, and was operated as a troop transport across the Columbia River.
- On June 21, 1942 the Japanese submarine I-25 surfaced off the Oregon coast and shelled Fort Stevens, just 5 miles west of Astoria, and soon thereafter the ferry was converted into a minelayer and worked across the mouth of the Columbia River.
- After the war, the Department of Defense sold the Octopus back to Capt. Elfving who rechristened her the Tourist II. She went back to work on her ferry run until 1966 at which time the Astoria Bridge was completed and the ferry run became obsolete.
- In 1967 the Tourist II was sold to Pierce county transit and renamed the Islander of Pierce County. She went under a major renovation having the 2nd deck raised by 2' to accommodate oversized service vehicles. She ran from Steilacoom to McNeil and Anderson Islands.
- By the early 1990's The Islander of Pierce County became the back up to the backup boat, basically sitting unused as a ferry boat for about 3 years before being acquired by the Kirkland Ferry LLC. in November of 1995. She went through an \$800,000 remodel and refit, was renamed the M.V. Kirkland and in June, 1996 was placed in service as a tour and charter boat operating out of downtown Kirkland on Lake Washington.
- The M.V. Kirkland has carried hundreds of thousands passengers on Lake Washington public tours, private charters and special events during her career as a tour boat.
- On April 15, 1997 the M.V. Kirkland was added to the National Registry of Historic Places under her original name of Tourist II.



Kirkland Heritage Society

October 28, 2009

Mayor and City Council
City of Kirkland
123 5th Avenue
Kirkland, WA 98033

RE: MV Kirkland

On behalf of the Board of the Kirkland Heritage Society I am writing to express our strong support of current efforts to retain the MV Kirkland in the City of Kirkland. This action was taken on October 22, 2009 at our monthly Board meeting. It is our understanding that one of the offers to buy this historic boat – listed on National Register of Historic Places – is contingent upon finding acceptable moorage space in Kirkland. Further, that this is proposed to be on the south side of the City dock across from its present location operated by Argosy tours.

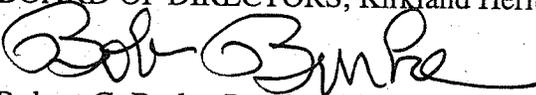
Although most of this vessel's history has been in Astoria, Oregon and the Columbia River, it has been an integral part of Kirkland's waterfront for thirteen years. It is known for the tours as well as countless community parties and events held on it each year. It adds considerably to Kirkland's downtown and should continue to function in that capacity. We strongly urge that the City work to assure that the MV Kirkland is kept in Kirkland!

The MV Kirkland, originally named Tourist II, was built in 1924 in Astoria, Oregon as an auto ferry. It operated as a Columbia River ferry between 1924 and 1966. It is reported that it operated as a minelayer at the mouth of the Columbia River in WWII. Between 1967 to 1994 it was owned by Pierce County and operated in southern Puget Sound as the Islander of Pierce County. It was then sold to its present owners and in 1996 it was remodeled as a passenger-only, sightseeing vessel which now is based in Kirkland and provides tours of Lake Washington.

Assuming that the MV Kirkland is kept in Kirkland, the Kirkland Heritage Society would like to work with the new owner and City to place a historic marker out on the pier describing its history. KHS was given the Registration Form for the National Register of Historic Places prepared by Jeff Hickey in 1996 along with extensive supplemental information documenting the history. This information is maintained in our historic properties files at Heritage Hall.

We will greatly appreciate your timely action to make sure this historic resource remains a part of our community!

BOARD OF DIRECTORS, Kirkland Heritage Society


Robert G. Burke, Past President

Cc: David Ramsay, City Manager; Jennifer Schroder, Parks Director; Don Stabbert, Managing Partner, Kirkland Ferry LLC; Kirkland Downtown Association; KHS Board

Heritage Hall, 203Market Street Kirkland, Washington 98033 | (425) 827-3446 www.kirklandheritage.org