

Proposed Sail Sand Point Concession Agreement

City Council Public Assets and Homelessness Committee

July 19, 2023

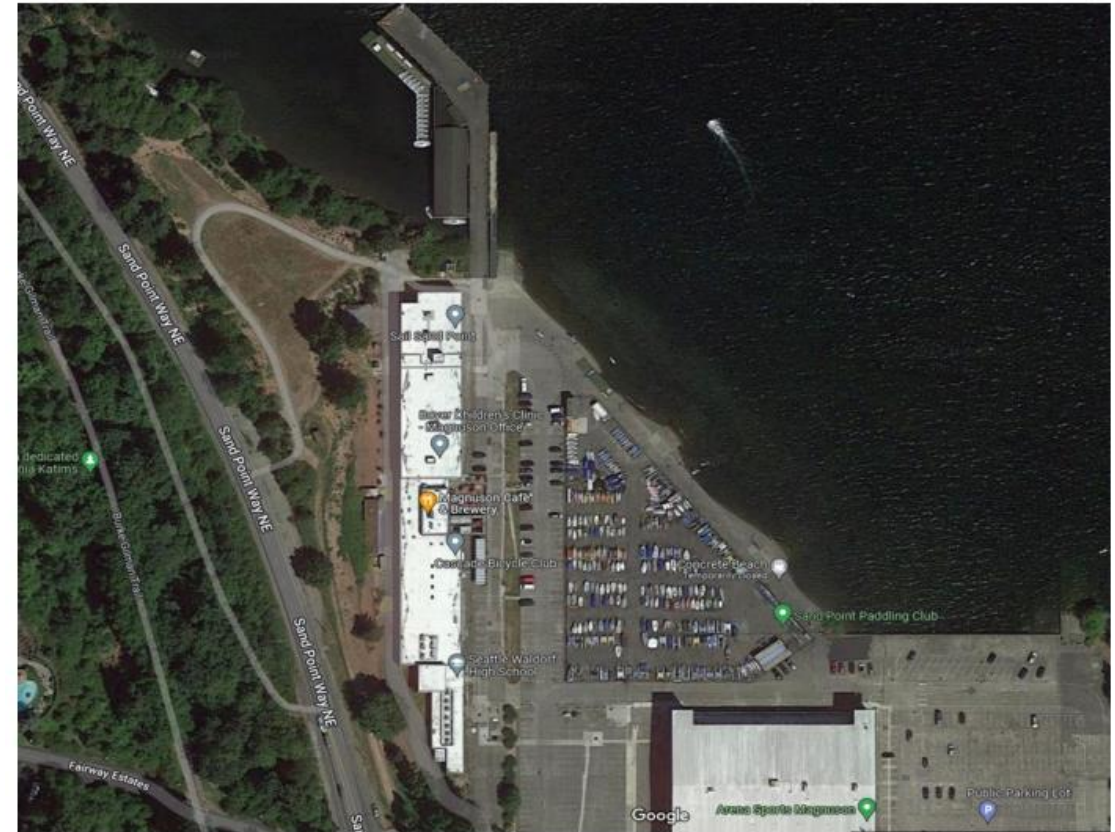
Seattle Parks and Recreation



City of Seattle

Overview: Current State

- Sail Sand Point (SSP) has operated at Magnuson Park for approximately 25 years
- Current agreement inherited from Building 11 LLC
 - SSP option to extend through 2056 (5-year intervals)
 - No public benefit requirement
 - No tenant improvement offset option
- Separate permit for dry boat storage



Proposed Agreement: Summary of Key Considerations

Key Considerations

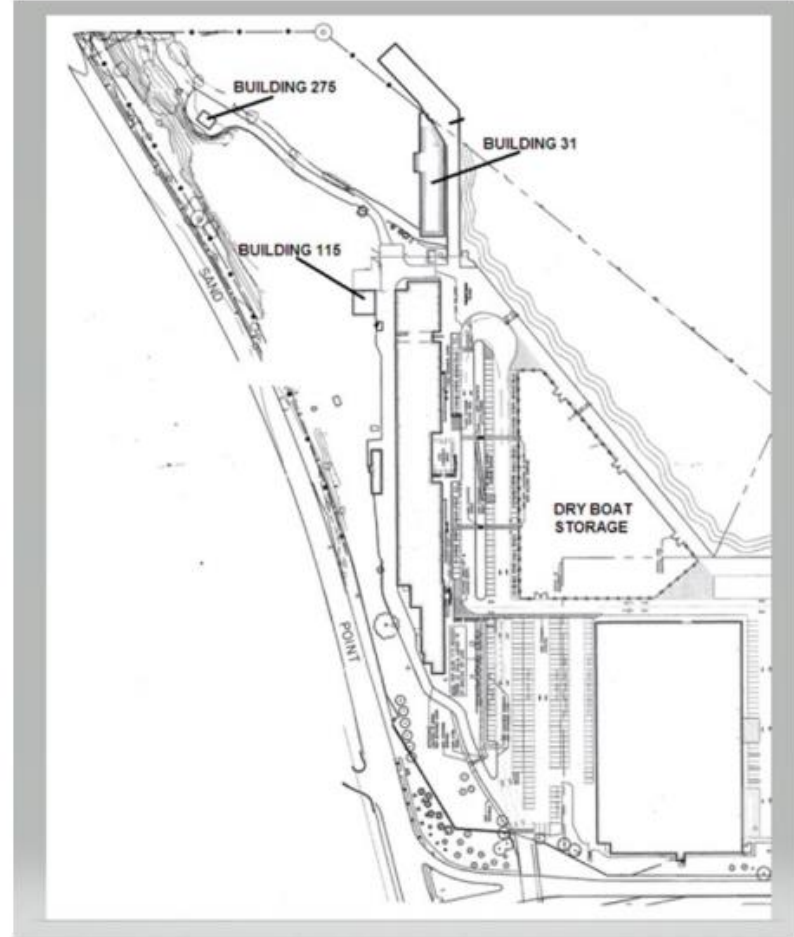
Max term approximately same as current agreement; extension options become mutual

Establishes new public benefit requirement with accountability for plan and reports

Clarifies SSP premises and incorporates dry boat storage (currently separate at \$1 annual fee)

Incentivizes historic district capital improvements, outlines approval process and structures agreement to better enable SSP fundraising efforts

No loss of revenue to the City over existing agreement



Proposed Agreement: Summary of Financial Terms

15-Year Comparison [First Term of Proposed]	Existing	Proposed
Concession Fee: Building Spaces (square foot basis)	\$864K	\$1.35M
Public Benefits	Encouraged; offsets allowed	\$1.5M Baseline Value* Required; no offsets
Tenant Improvements	Allowed; no offsets	Annual plan required; offsets allowed (up to 50% monthly rate for approved projects)
Concession Fee: Dry Boat Storage (% gross receipts basis)	Separate permit (currently \$1/year)	\$260K (estimated)

*~\$1.85M if assume 3% inflation

Overview: Comparison on Public Benefits

Existing Agreement:

- Building 11 LLC may apply to the Superintendent for public benefit offsets for free and reduced-fee programs offered to the general public
 - Approved SSP programs range from open sailing programs to scholarships to partnership programs with YMCA, etc.
 - Building 11 LLC will encourage other tenants to develop free and reduced-fee programs (Superintendent approval for offsets)

Proposed Agreement:

- Annual requirement (no offset)
 - Baseline established (\$100,000 value)
 - Allows plan and deliverables to change based on emerging needs
- Plan required (due by October 31)
 - Superintendent review and approval required
- Reporting required (due by January 31)
 - Superintendent review and approval required
- Capital improvements (separate agreement section that allows offset)
 - Superintendent review and approval required



Proposed Agreement: Public Benefits

Summary (Exhibit B-1): \$100,000 Value

- Public Access: \$20,000
- Scholarships – Individual: \$25,000
- Scholarships – Group: \$20,000
- Community Outreach Events: \$15,000
- Volunteer Events: \$12,500
- Community Organization Support: \$7,500



Proposed Agreement: Public Benefits (continued)

Public Access Opportunities	\$20,000
Free Life Jacket Use (estimate 750 people served)	\$7,500
Wetsuit/Foul Weather Gear Use (estimate 250 people served)	\$2,500
Lake WA safety support (patrols, radio monitoring, response)	\$5,000
Public restroom access (janitorial services and supplies)	\$6,500
First Aid support, drinking water access, public information, etc.	\$500



Proposed Agreement: Public Benefits (continued)

Scholarship Opportunities	\$45,000
Scholarships – Individual <ul style="list-style-type: none">• Estimate 100 people served<ul style="list-style-type: none">• Assumes 100% level for \$250 program (average)	\$25,000
Scholarships – Group <ul style="list-style-type: none">• Estimate 800 people served<ul style="list-style-type: none">• Assumes \$500 for each of 40 sessions with ~20 participants	\$20,000



Proposed Agreement: Public Benefits (continued)

Community Outreach Events	\$15,000
Minimum of two free events inviting public participation	
Full Moon Sails (6 events; estimate 400 people total)	\$10,000
Sailboat / Windsurfing Races (20 events; estimate 300 people total)	\$2,500
Youth Regatta (1 event with estimated 200 youth)	\$6,000
Free Refresher Lessons (30) and Community BBQ (2)	\$1,350
<i>*Future Swim Seattle Support Activities / Events</i>	<i>TBD</i>



Proposed Agreement: Public Benefits (continued)

Other	\$20,000
Volunteer Events <ul style="list-style-type: none">• Minimum of two 5-hour events• Estimate 100 volunteers (500 hours at \$25/hour)	\$12,500
Boating Pass Donations <ul style="list-style-type: none">• 35 community organizations supported	\$7,500



Proposed Agreement: Capital Improvements

Tenant Improvement Offset
Up to 50% of monthly concession fee

Requires Facilities and Site Improvement Plan (projects, estimated costs, timelines, funding sources)

Superintendent approves eligible costs for offset

Tracking and reporting requirements

Improvements become City property



Building 31



Building 115

Questions?

