

LAKE WASHINGTON MOORAGES LEASE AGREEMENT

Public Benefit Partnership for City-owned Moorages



Seattle
Parks & Recreation

healthy people healthy environment strong communities





Current Condition & Background

Background on Moorage Lease Agreement

SPR developed a Project Advisory Team in 2013 with community members to discuss issues and make recommendations on the best path forward for improvements to the Lakewood and Leschi moorage facilities and develop a sustainable operations model.

In 2015, a Request for Proposal was issued using the feedback and recommendations from the Project Advisory Team.

Criteria for a successful proposal

- Be financially sustainable and provide the necessary renovations
- Reflect the unique characteristics of the surrounding communities
- Provide public benefits and add public amenities
- Continue or expand hours of operation

Marina Management L.L.C. was picked unanimously by the RFP committee for their experience and financial ability.





Proposed Lease Agreement



Moorage Lease Agreement Ordinance

The Ordinance:

Authorizes the execution of a lease agreement with Marina Management, L.L.C. for moorage improvements, maintenance, and operation of the City of Seattle's public Leschi and Lakewood moorage facilities on Lake Washington;

Lifts a budget proviso imposed on the SPR's Capital Improvement Program in 2016 for the moorage facilities.



Capital Improvements and Maintenance

- **Marina Management (MM) will:**
 - ✓ Be responsible for significant capital improvements
 - ✓ Perform all maintenance and routine repairs as necessary to maintain the property in a manner consistent with other first class marinas and the requirements of the lease.
- **MM and SPR will work together on grant funding opportunities for capital projects.**
- **The City will provide routine landscaping** to a level consistent with services provided at other comparable SPR facilities



Proposed Lease Agreement

The City and MM will partner to support renovation projects at the Lakewood and Leschi marinas that would otherwise cost the City between \$16 - \$18 million.

This partnership leverages the City's \$3.8 million capital improvement allocation for the moorages, increasing the scope of the improvements.

- MM will pay all operating expenses related to the management and operation of the marinas.
- MM is responsible for paying annual DNR lease payments, Lease Excise Tax, any other taxes and penalties included in the lease.
- MM will pay the City rent in the amount of 3% of gross revenues.
- The agreement requires the moorage rental rates to reflect current market rates for other moorages in similar locations, similar condition, and offering the same amenities. Rates are set by MM but must be supported by a market analysis.

The Lease Agreement is for an initial term of 20 years, with the option to extend for two 10-year terms.





Public Benefits



Public Benefits

Public Access

- The moorages currently serve a small number of boat owners
- MM is committed to providing public access to Ohler's Island (at Lakewood) and shoreline at all the moorages.

Facilities will be ADA accessible.

People from all communities and all income levels will be able to participate in public programs and use the facilities.

MM will commit to regular communication and outreach to the community and tenants to share project updates, address public safety in and around the moorages, promote events, and build partnerships to collaborate on moorage, lake and neighborhood issues.





Accountability



Accountability

- Construction cannot proceed until the Superintendent has reviewed and approved the design, engineering and funding plans.
- MM will conduct public meetings to ensure a thoughtful and responsive design that reflects the needs of the surrounding communities.
- MM will provide timely reports and periodic updates on the status of all capital projects.
- MM will provide quarterly reports showing gross revenues, adjusted gross revenues, operating expenses, and vacancy rates, as well as an annual report that includes capital improvement Information.





Environmental Stewardship



Environmental Stewardship

- MM is committed to operating the marinas in accord with the Clean Marina Washington goals.
- MM will maintain and enhance the water quality of Lake Washington and seek out ways to involve its customers in best management practices.
- There will be a hazardous waste disposal facility where customers can safely dispose of marine-related waste such as oil, anti-freeze and batteries.



Questions?



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