

Proposed Magnuson Brewing, LLC Concession Agreement

August 13, 2025

City Council Parks, Public Utilities and Technology Committee



City of Seattle

Briefing Overview:

Purpose: Consideration of an ordinance authorizing the Superintendent of Seattle Parks and Recreation to enter into a Concession Agreement with Magnuson Brewing, LLC, to occupy and use a portion of the North Shore Recreation Area at Warren G. Magnuson Park to provide food and beverage concessions.

Agenda:

- Agreement Goals
- Background Information
- Key Terms including:
 - Concession Fee Summary
 - Tenant Improvements
 - Public Benefits
- Questions / Discussion



Magnuson Café & Brewery: Long-Term Agreement Goals

- Continue positive activation for Magnuson Building 20 and north shore area
- Maintain high-quality full-service restaurant for park visitors
- Comply with Seattle decarbonization goals
- Generate revenues to support SPR and Magnuson Park operations



Building 20 History

- Northshore Recreation Area
 - 2012 Strategic Development Plan – referenced as ideal location for a restaurant
- City funded improvements
 - 2013: Utility improvements, roof
 - 2017: Seismic retrofitting
 - 2025: ADA access
- Activation
 - Unsuccessful RFP (2014-2015)
 - Expression of Interest (2017)
 - Magnuson Brewery LLC selected



Magnuson Café and Brewery: Timeline



Building 20 east facade, 2017. Photo credit unknown.

2017: Magnuson Brewing, LLC, selected

- Building 20: Restaurant space
- Building 11: Storage/brewing area and restrooms (shared)

2018: Initial agreement executed

- January: construction on restaurant begins
- July: Magnuson Café & Brewery opens

Initial Agreement (2018 – 2023)

- Gross Revenue: \$378,432
- Tenant Improvement Offset [85%]: (\$321,667)
- Net Revenue: \$56,765

Two Year Extension (2023 – 2025)

- SPR completed ADA access improvement
- Gross Revenue (also net revenue) to SPR: \$90,000

Proposed Agreement: Key Terms

Key Term	Description
Premises	Indoor Restaurant (1,680 SF); Storage/Brewing (1,170 SF); Outdoor Deck (~2,700 SF)
Initial Term	10 years (expires July 31, 2035)
Extended Term	One 5-year term with mutual agreement
Annual Concession Fee	Detail on next slide (begins at \$60,000 in Year 1)
Total Concession Fee	Initial Term: \$969,223 (total with 5-year extension \$1,738,690)
Additional Percentage Fee	3% fee applies to gross receipts above \$3.5 million/year (not yet reached this level)
Tenant Improvements / Offset	Tenant required to convert premises to electric by 2033 (Agreement allows up to \$190,000 offset)
Public Benefits	Approximately \$25,000 in service and direct donations/year



Proposed Agreement: Concession Fee Schedule

Year (August – July)	Annual Fee
Y1 (2025-26)	\$60,000
Y2 (2026-27)	\$65,000
Y3 (2027-28)	\$75,000
Y4 (2028-29)	\$85,000
Y5 (2029-30)	\$90,000
Y6 (2030-31)	\$105,000
Y7 (2031-32)	\$110,000
Y8 (2032-33)	\$120,293
Y9 (2033-34)	\$126,307
Y10 (2034-35)	\$132,623
TOTAL 10-YEAR INITIAL TERM*	\$969,223

*10-Year total aligns with market rate; annual allocation reflects concessionaire requested ramp up to accommodate business loan timeline.

Optional Extension	Annual Fee
Y11 (2035-36)	\$139,254
Y12 (2036-37)	\$146,216
Y13 (2037-38)	\$153,528
Y14 (2038-39)	\$161,204
Y15 (2039-40)	\$169,264
TOTAL 5-YEAR EXTENSION *	\$769,467

*Combined Initial and Optional Extension: \$1,738,690



Tenant Improvements and Public Benefits

Tenant Improvement Requirement (Eligible for Partial Offset)	2025 Cost Estimate (MCB)
Kitchen Decarbonization (eligible for TI offset of up to \$190,000)	\$350,000
Brewing Decarbonization (not eligible for TI offset)	\$360,000
Total Estimated Decarbonization Investments	\$710,000

Public Benefit Requirement (Not Eligible for Offset)	Estimated Annual Value
Building 11 public restroom maintenance: supplemental cleaning, restocking, minor maintenance performed by MCB staff	\$18,000
Magnuson Community Center program support: food, labor, cash donation, etc.	\$2,000
Other Magnuson Park non-profit program support	\$5,000
Total Estimated Annual Public Benefit	\$25,000





Questions?