

LAKE WASHINGTON MOORAGES LEASE AGREEMENT

Public Benefit Partnership for City-owned Moorages

July 20, 2017



Seattle
Parks & Recreation

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Current Condition



Proposed Lease Agreement

The City and Marina Management, LLC (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 Lease Agreement is for an initial term of 20 years, with the option to extend for two 10-year terms.



Capital Improvements and Maintenance

Marina Management will:

- Invest private capital to renovate the marinas in partnership with SPR. Provide the construction expertise to design, permit, and build the marinas.
- Perform all ongoing maintenance and repairs to maintain the property in a manner consistent with other first-class marinas and the requirements of the lease.

The City will:

- Invest capital to renovate the marinas in partnership with MM.
- Provide routine upland landscaping to a level consistent with services provided at other comparable SPR facilities.



Moorage Rates

Rates will:

- Not increase until improvements have been completed and no sooner than January 2018.
- Be capped at \$12 per linear foot, for slips 30 feet and under (w/ annual CPI inflators).
- Be set by the operator but must be supported by an annual rate analysis reviewed by SPR.
- Be comparable to other marinas with similar location, amenities, and conditions.



Slip Size Summary

A new attachment in the agreement details slip sizes and counts; in summary:

South Leschi

104	Slips 30' and under
4	Slips over 30'

North Leschi

65	Slips 30' and under
34	Slips over 30'

Lakewood

86	Slips 30' and under
16	Slips over 30'





Public Benefits



Public Benefits: Community Programming

- Free community events. Likely to include:
 - ✓ Annual free fishing derby for community youth at South Leschi
 - ✓ A day of free kayaking and paddle board use for youth, with priority for kids enrolled in SPR programs
 - ✓ Community barbeques
 - ✓ Other events identified by the community and moorage tenants
- Small boat and/or paddle craft rentals and storage opportunities at Lakewood on Ohler's Island (once opened for public access)
- Maintain and improve space for existing programs, including Dragon Boats, Corinthian Yacht Club, Thistle fleet, Footloose Sailing program (serving people with disabilities), and Thunderbirds (supporting Seattle's small boat tradition)
- New public programming opportunities for SPR programs, such as child care programs, camps, and Mt. Baker Rowing and Sailing activities



Additional Public Benefits

New public access to the Lake Washington Moorages:

- Creation of new overwater and upland park spaces
- Facilities open and accessible to the public during regular park hours every day and open to tenants at all times (except for closures to accommodate remodeling, repair, or renovation)
- Lakewood's Ohler's Island open and available to the public
- New publicly accessible breakwater at South Leschi (1,400 feet) designed for public programming, access, and open to the public for short term and overnight moorage, with pump outs
- New publicly accessible breakwater at North Leschi (154 feet) designed for public access and open to the public for watercraft rentals, with pump outs
- New breakwater with guest moorage at Lakewood, with at least 1 pump out



Community Outreach and Environmental Stewardship

Community Outreach:

- Regular outreach to the community and tenants on public safety in and around the moorages and to share project updates – at least 3 times per year

Environmental Stewardship:

- Operation of the moorages in accord with the Clean Marina Washington goals
- Maintain and enhance the water quality of Lake Washington and seek out ways to involve its customers in best management practices through education and communication
- Installation of a hazardous waste disposal facility for safe disposal of marine-related waste such as oil, anti-freeze, and batteries
- New pump out stations for moorage tenants and the public





Accountability



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- Marina Management will produce an Annual Public Benefit Report, describing programs, activities and educational services
- SPR will review the schedule for public programming and public access quarterly
- No construction can proceed until the Superintendent has reviewed and approved the design, engineering, and funding plans
- Marina Management and SPR will conduct public meetings to ensure thoughtful and responsive designs that reflect the needs of the surrounding communities
- Marina Management will provide timely reports and periodic updates on the status of all capital projects
- Marina Management 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



Questions?



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