

# LAKE WASHINGTON MOORAGES LEASE AGREEMENT

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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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