

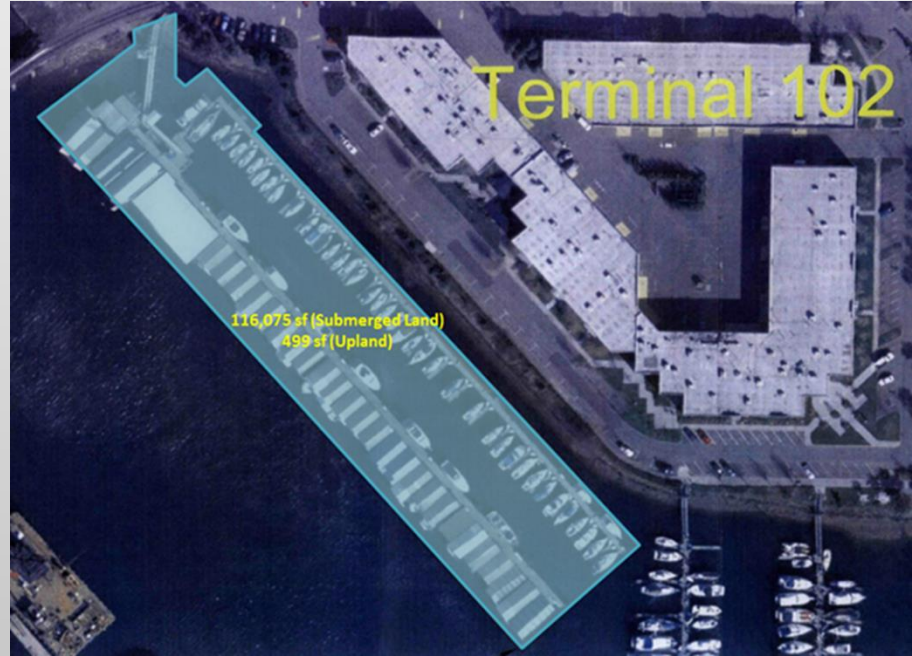
Item No.	4d_supp
Date of Meeting	April 11, 2017

Marina Term Lease at Terminal 102

Duwamish Waterway Association
(DWA) dba Jim Clark Marina
New 10-Year Lease

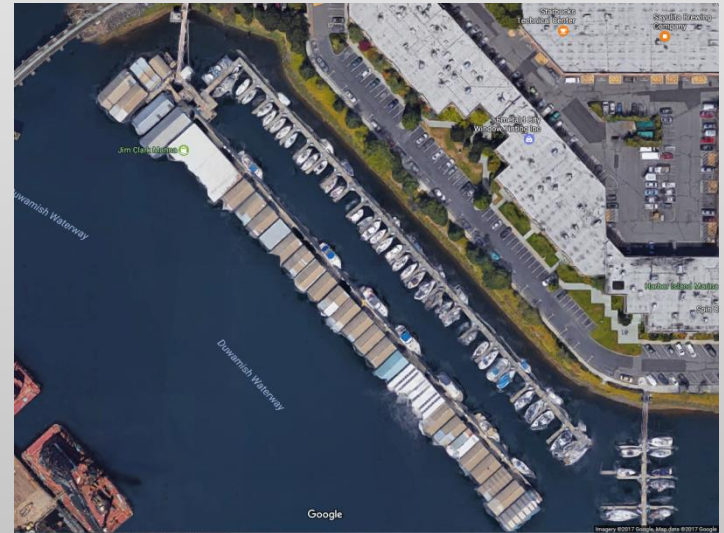


- Where is Jim Clark Marina?
- History of DWA as a long-term tenant at T-102
- About Jim Clark Marina
- Pathway to New Term Lease
- Reasons for Approving the New Term Lease
- New Lease Key Terms
- Jim Clark Marina vs. Harbor Island Marina



Jim Clark Marina is located at West of T102 - south of West Seattle Bridge.

- DWA is a non-profit co-op since 1975.
 - dba Jim Clark Marina since 1999.
- 90 members with 90 slips
 - 35 boathouses
 - 55 open slips (for boats < 40')
- No guest moorage.



Non-profit Cooperative Operates Jim Clark Marina

- **First Right of Negotiation Clause in Existing Lease**

- This clause gives DWA the right to negotiate a new lease, unless there is an alternative use that the Port identifies and pursues.

- **Alternative Use by Port?**

- Port staff has determined that the current use is the highest and best use of this property, and proceeded to honor the above clause and negotiated new term lease.



Highest and Best Use for this Property

- Long term tenant in good standing
- Current use is the highest and best use of the Property
- Honoring the First Right of Negotiation
- This lease supports EDD Business Strategies
 - Strategically position the EDD's diverse portfolio of commercial real estate assets to achieve **positive return** on the public's investment through **effective asset management** while **ensuring compliance** with all legal, financial and regulatory aspects of public entity ownership of real property.
- Steady stream of rent revenue and positive financial results

Long-term Tenant Providing Strong Rent Revenue Over Lease Term

Main Aspects	Key Terms Highlights
Property:	Appx. 116,075 sf of submerged land and 499 sf of upland area at T102.
Use:	Wet moorage of boats and activities associated with marina operations.
Initial Term:	10 years from July 1, 2017 to June 30, 2027.
Option to Extend:	One option to extend for another 10 years. Rent to be renegotiated, if extended. Tenant plans on major capital investment projects including, but not limited to, replacing pilings and dock through-rods.
Base Rent with Annual CPI Increase:	\$98,766/year (28% increase over current lease) with annual CPI increases.
Utilities:	Lessee responsible for the furnishing and paying for all utilities necessary for marina operations.
Maintenance & Repairs:	Lessee shall be responsible for all maintenance & repairs.
Alterations and Improvements:	Lessee shall not make any major upgrades, repairs, or replacements without the Port's approval.
Prevailing Wage:	Any improvements made by Lessee's contractors and/or subcontract will require the payment of the local prevailing wage.
Ownership of Marina Assets:	Lessee owns all marina assets, which revert back to the Port on lease expiration or termination.
Surety:	\$55,000 which is slightly over 6 months of rent as recommended by Port policy.
Real Estate Broker Fee:	No broker fee.
Port Investment:	No investment by the Port.

Key Terms Benefit Port's Interests

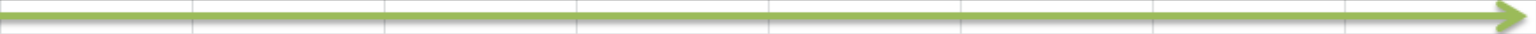
END OF PRESENTATION

- Appendix follows

End of Presentation

- DWA has been a Port tenant in one way or another for 40 plus years since 1970s.
- Terminal 102 properties were sold in 1995, and majority of which were then bought back by the Port in 1998.
- The Port re-named DWA's operating name from Anchor Marina to Jim Clark Marina in 1999.
- Port sold Marina Assets to DWA in November 2006 and approved the 10-year lease that is about to expire on June 30, 2017.

1st lease	2nd lease	3rd lease	Port sold T102	Port bought Marina Assets	Port bought back most of T012	Rename from Anchor to Jim Clark Marina	Port sold Marina Assets to DWA & current lease approved (exp. June 30, 2017)	Commission approval for new 10 year term lease (4/11/2017)
1973	1982	1992	1995	1996	1998	1999	2006	2017



DWA – a Long-term Tenant at T-102

Compare	Harbor Island Marina (HIM)	Jim Clark Marina (JCM)
Operator	Port of Seattle (POS)	Duwamish Waterway Association (DWA)
Submerged Land Area	appx. 116K	appx. 200K
Location	T102W	T102SE
Year Built	1980s	Late 1970s
Materials	concrete and timber	concrete and timber
Slips	77	55 open slips; 35 boat houses
Commercial Dock	1	None
Operations Notes	Permanent monthly moorage for 77 vessels (24'-70')	Permanent moorage only for member boats < 40' No guest moorage
NOI Before Corp Alloc & Depr.	\$68,017 (2016 Actual)	\$98,766 First year's rent
NOI Before Depr (after Alloc)	\$ (64,259) (2016 Actual)	~\$98,766 (no Port investment or maintenance costs)



Marina Comparison