

Item No.	6a_supp
Date of Meeting	May 9, 2017

Long-Term Ground Lease with Duke's Shilshole Bay Chowder House, LLC at Shilshole Bay Marina

May 9, 2017

Shilshole Bay Marina

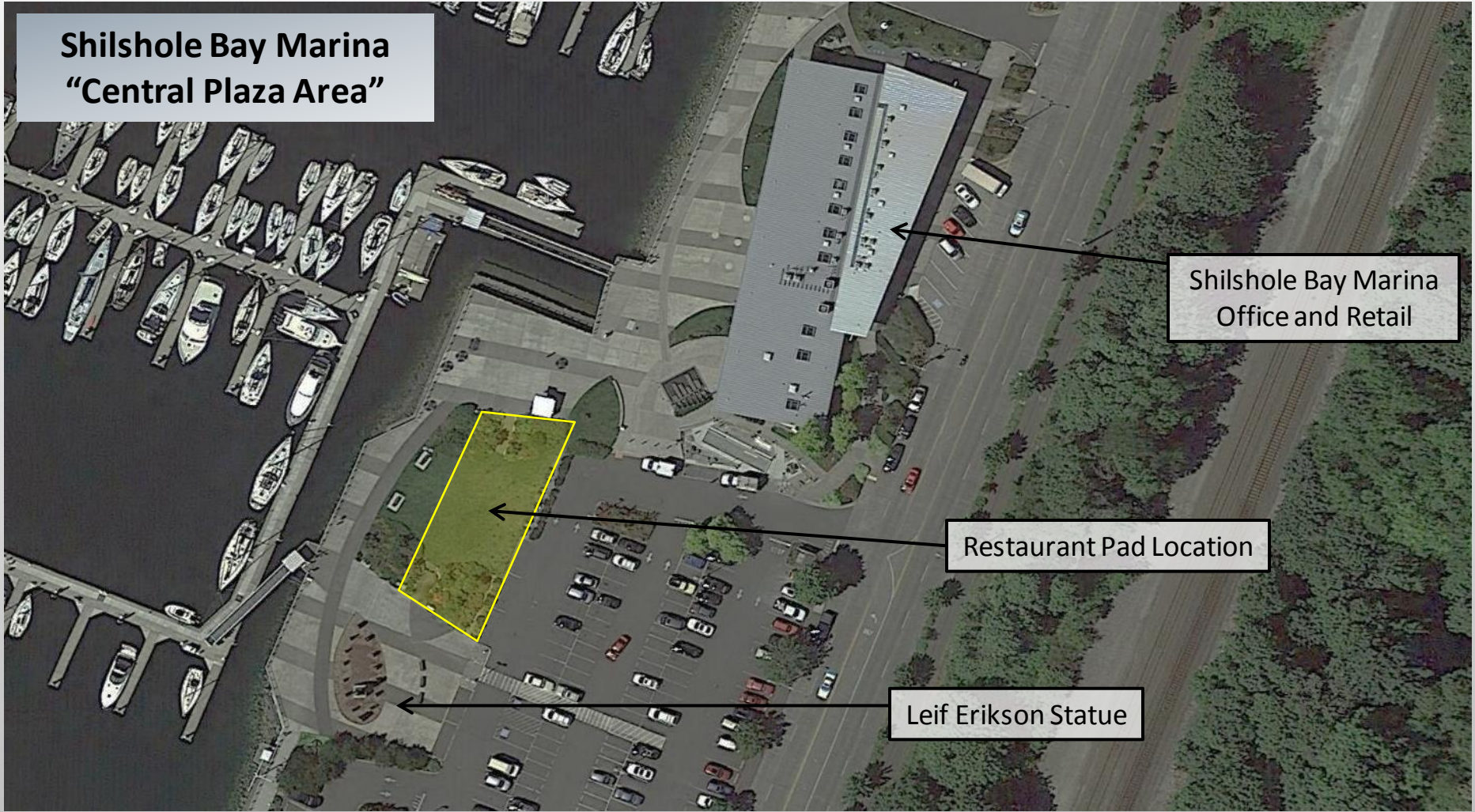


**Shilshole Bay Marina
"Central Plaza Area"**

Shilshole Bay Marina
Office and Retail

Restaurant Pad Location

Leif Erikson Statue



Shilshole Bay Marina "Restaurant Building Pad"

35' OFFSET FROM MEAN HIGH WATER MARK



Project Benefits

- Supports Maritime's goal of creating a "Destination Marina"
- Meets marina customers desire for full-service restaurant
- Creates an additional community meeting place
- Proposes sustainability practices that support Port environmental goals
- Draws new patrons and customers to the Marina and upland businesses
- Creates additional visibility for Shilshole Bay Marina
- Tenant bears construction cost, however building will become a Port asset
- Generates lease revenue for the Port

Adding Amenities at the Port's Largest Recreational Marina

Key Lease Terms

- Premises: 6,500 square foot restaurant pad
- Term: 20 years, with one 10-year option to extend
- Base Rent: \$10,420 per monthly, \$125,000
- CPI Increase: Annual increase in rent
- Construction Rent: \$2,605 per month until Temporary Certificate of Occupancy
- Expenses: Tenant pays own utilities, share of common area costs, and Leasehold Excise Tax

Ground Lease Rates Above Market

Lease Terms Cont.

- **Surety:** Equivalent to one year average base rent (\$150,000) satisfies Port policy
- **Parking:** Will create short-term parking area (133 spaces) in central marina. No reserved parking
- **Tenant Due Diligence:** Completed before lease execution
- **Brokers:** None
- **Port Site Improvement Costs:** Estimated <\$500,000

Long Term Commitment With Little Risk to the Port