

Item No.	6d_Supp
Date of Meeting	December 5, 2017

Salmon Bay Marina Acquisition



Salmon Bay Marina

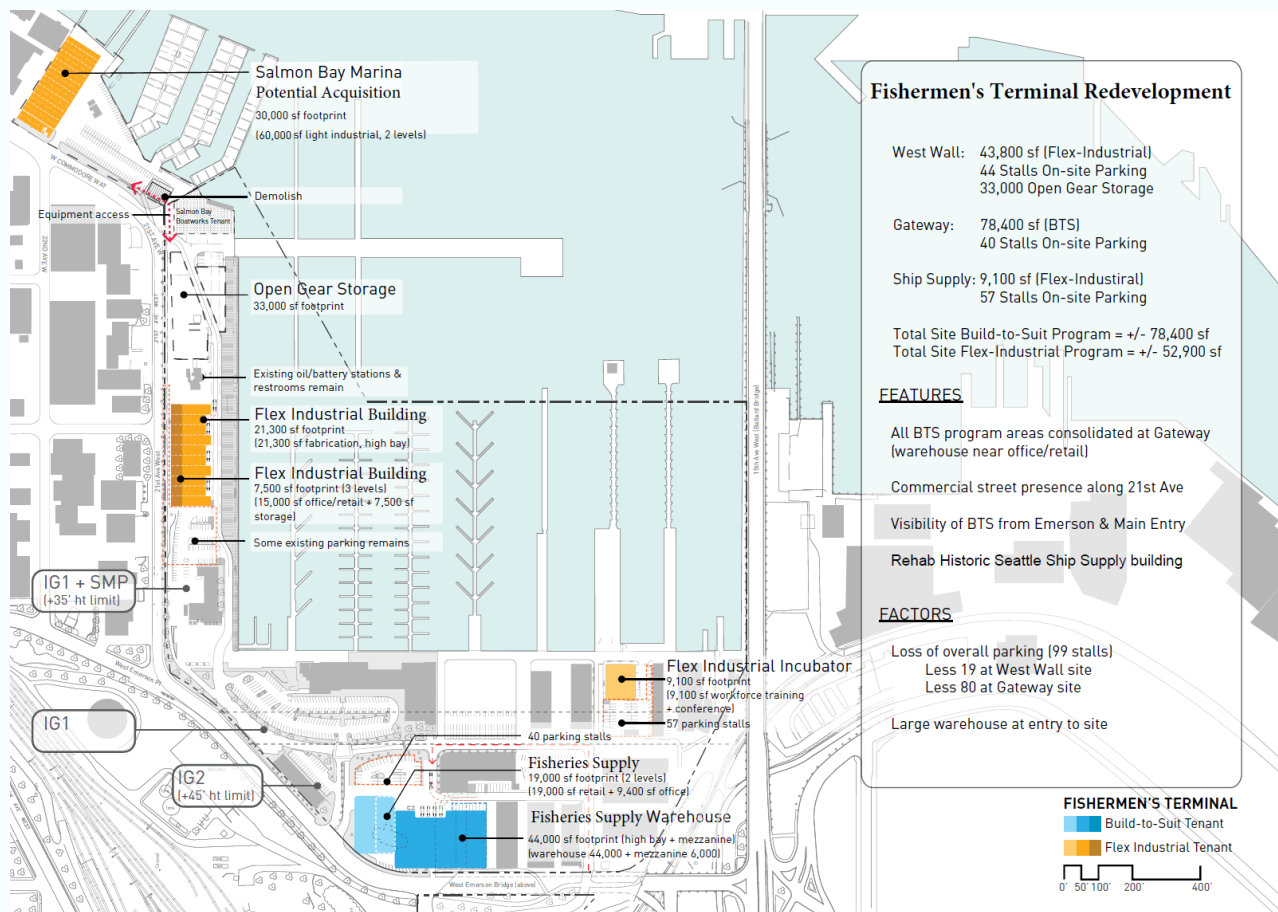
- The property is an existing marina immediately adjacent to the western edge of Fishermen's Terminal.
 - It contains six docks supporting 166 slips measuring 6,547 lineal feet of moorage on freshwater Salmon Bay.
 - The marina was developed in the early 1960's and includes a small office building and metal shed building (both to be demolished).
- The 5.06 acre site is comprised of 2.23 acres of upland and 2.83 acres of fee-owned submerged land. An additional 1.73 acres of submerged land is leased from the WA State Department of Natural Resources, for a total submerged site area of 4.56 acres.
- The property has an approved Master Use Permit (MUP) for uplands development and replacement of three existing docks by two new docks.



Benefits of Acquiring Salmon Bay Marina

- Strategic adjacent location to Fishermen's Terminal
- Protection of maritime industrial property
- Supports existing and future maritime uses
- Generates current income to offset purchase price
- Already entitled to allow for construction of 60,000+ SF light industrial building (additional income)
- Increased Port over-water coverage ownership

A Generational Opportunity to Acquire a Strategic Maritime Industrial Property



Becomes part of an expanded Fishermen's Terminal Redevelopment

Dynamics

- As new light industrial facilities are added at Fishermen's Terminal (FT) over the next few years, Salmon Bay Marina adds capacity as FT gets denser.
 - The additional parking, water access, and light industrial facilities at Salmon Bay Marina would supplement long term operations at FT.
- There is also high demand for recreational boat slips. The Port operates four recreational marinas and Salmon Bay would complement these facilities.
- Port staff has developed significant core competencies for managing recreational marinas and the acquisition contemplates adding additional staff to operate Salmon Bay Marina.

Purchase Agreement Details

- Purchase price reflects deducts for brownfields contamination (\$1,157,000)
- Port is receiving all historic insurance policies from seller to cover potential future in-water claims. As a result, the Port is not receiving any indemnification from Seller (nor are we indemnifying the seller).
- Among the existing boats moored at Salmon Bay Marina, approximately 10% of these vessels are derelict. These boats are not seaworthy and may not have insurance. The Purchase Sales Agreement requires Sellers to remove them prior to the Port taking position of the property. Port is also requiring Seller to remove all houseboats as a condition of sale.