

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8529, authorizing execution of all documents necessary to approve a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the City-owned Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.

FISCAL IMPACT

Approving this resolution will result in the City leasing a portion of the Enatai Beach Park and Boathouse through December 31, 2016 to Cascade Canoe and Kayak, Inc. Cascade will remit \$200 per month, plus Leasehold Excise Taxes, currently \$25.68 per month, for boat and equipment storage. The City also will receive a percentage of Cascade's seasonal rental business under a separate General Services Agreement. Both lease and season rentals were evaluated by Murray & Associates to determine fair market value.

STAFF CONTACTS

Scott Armstrong, Program Supervisor, 452-2806
Shelley Brittingham, Assistant Director, 452-5213
Parks & Community Services Department

POLICY CONSIDERATION

Comprehensive Plan:

- **Parks, Open Space and Recreational Element Goal 7**, "To provide and promote partnerships to offer a variety of community services and programs that enhance the quality of life for Bellevue residents."
- **POLICY PA-35**. Promote partnerships with public and private service providers to meet cultural, recreational, and social needs of the community.
- **POLICY PA-39**. Offer programs that utilize the unique resources and variety of indoor and outdoor facilities within the park system.

BACKGROUND

Dan Henderson, owner of Cascade Canoe & Kayak, (Cascade) offers daily canoe, kayak, and stand-up paddleboard rentals, as well as both kayak and canoe lessons/classes for all levels at this park facility through a General Services Agreement (GSA) with the City. Their rental business operates on a seasonal basis, open only on weekends for two months of the year, and daily from mid-June through Labor Day. Cascade stores boats and equipment at the boathouse on a year-round basis.

Cascade's agreement was extended through the off-season, while both parties worked cooperatively to evaluate and establish a new GSA prior to the start of the season. Staff evaluated the programs and services, and determined it was in the City's best interest to work with outside contractors to continue providing rentals and lessons for public benefit, as an alternative to using City staff.

As part of renewing this public recreational service, telephone calls were made to similar organizations about submitting a request for proposal. No interest was expressed by these organizations.

Cascade successfully performed its duties and obligations under the existing contract and is well received by the community. Available in the Council Office is an outline of recent feedback from program participations who signed up through a Groupon special. The outline clearly shows the positive contributions this program and Cascade offers to the community.

Staff subsequently worked directly with Cascade to reach a tentative GSA and companion lease agreement for the shared facilities. As part of the contract negotiations, Murray & Associates was retained by the City to complete an appraisal of the operations and facility to determine fair market value, taking into consideration the shared-use nature of the facility, and the benefits of providing these services to the community. Under the GSA, Cascade will pay the City 8% of the gross fees collected for the seasonal rentals for paddle sports programming; all rentals, classes, tours, and other activities, with Cascade remitting approximately \$6,000 to the City last year. Revenues to the City will increase as Cascade's business expands.

The lease agreement that is subject of this action is necessary to provide Cascade access and use of a portion of the Enatai Beach Park Boathouse (Boathouse). Council action is required for leases that exceed twelve months. Since the term of the GSA is four years, the companion lease agreement requires Council action. Cascade will remit \$200 per month, plus Leasehold Excise Taxes for boat and equipment storage. Both agreements reflect the fair market value. The GSA and lease agreement meets City needs by providing ongoing community programs and the Parks & Community Services Department recommends the lease be approved.

EFFECTIVE DATE

If adopted by Council, this Resolution will become effective immediately.

OPTIONS

1. Adopt Resolution No. 8529, authorizing execution of all documents necessary to approve a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.
2. Do not adopt Resolution No. 8529, and provide alternative direction to staff.

RECOMMENDATION

Adopt Resolution No. 8529, authorizing execution of all documents necessary to approve a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.

MOTION

Move to adopt Resolution No. 8529, authorizing execution of all documents necessary to approve a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.

ATTACHMENT

Proposed Resolution No. 8529

AVAILABLE IN COUNCIL OFFICE

Proposed Lease Agreement
Murray & Associates Market Rate Appraisal
Program Highlights

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8529

A RESOLUTION authorizing the execution of a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a four-year lease agreement with Cascade Canoe and Kayak, Inc. (Cascade) for use of a portion of the Enatai Beach Park and Boathouse located at 3519 108th Avenue SE, a copy of which lease agreement has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2013, and signed in authentication of its passage this _____ day of _____, 2013.

(SEAL)

Conrad Lee, Mayor

Attest:

Myrna L. Basich, City Clerk