

ORDINANCE No. 124112

COUNCIL BILL No. 117704

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to enter into a concession agreement with Marination LLC to manage and operate a restaurant and rental concession at the Seacrest Boathouse; and ratifying and confirming certain prior acts.

# The City of Seattle--Legislative Department

Date Reported and Adopted \_\_\_\_\_

## REPORT OF COMMITTEE

*SqBryhan*

Honorable President:

Your Committee on \_\_\_\_\_

to which was referred the within Council Bill No. \_\_\_\_\_  
report that we have considered the same and respectfully recommed that the same:

COMPTROLLER FILE No. \_\_\_\_\_

Introduced: <u>2.4.13</u>	By: <u>Parks + Neighborhoods</u>
Referred:	To: <u>2/7</u>
Referred:	To:
Referred:	To:
Reported:	Second Reading:
Third Reading:	Signed: <u>2/11/13</u>
Presented to Mayor: <u>2/12/13</u>	Approved: <u>2.20.13</u>
Returned to City Clerk: <u>2.20.13</u>	Published: <u>Title</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Approve 2-0 SB JA

Full Council 2/11/13 Passed 8-0 (excused: Clark)

*Law Department*

Committee Chair

CITY OF SEATTLE

ORDINANCE 124112

COUNCIL BILL 117704

1 AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the  
2 Superintendent to enter into a concession agreement with Marination LLC to manage and  
3 operate a restaurant and rental concession at the Seacrest Boathouse; and ratifying and  
4 confirming certain prior acts.

5 WHEREAS, boat rentals and retail sales of fishing equipment have been available at Seacrest  
6 Boathouse for many years and have proven to be popular with park visitors; and

7 WHEREAS, the Department of Parks and Recreation (DPR) publicly advertised a Request for  
8 Proposal (RFP) process in 1999 and received a proposer willing to install a commercial  
9 kitchen at the site in addition to the fishing and boating operation; and

10 WHEREAS, a kitchen was installed in 2001 and DPR issued a long-term contract, which expired  
11 in June 2011; and

12 WHEREAS, DPR extended the contract for one additional year while a new RFP process was  
13 publicly advertised and implemented to secure an operator; and

14 WHEREAS, DPR completed the RFP process in late 2011 and selected Marination LLC as the  
15 winning proposer of the RFP; NOW, THEREFORE,

16 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

17 Section 1. The Superintendent of the Department of Parks and Recreation  
18 (“Superintendent”), or his designee, is authorized to execute for and on behalf of the City a six-  
19 year agreement for the use, operation, and maintenance of a restaurant and rental concession at  
20 the City’s Seacrest Boathouse located in West Seattle, substantially in the form of the Seacrest  
21 Boathouse Concession Agreement between the City of Seattle Department of Parks and  
22 Recreation and Marination LLC which is attached to this ordinance as Attachment 1  
23 (“Agreement”).  
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Section 2. The Superintendent is authorized to renew and extend the term of the Agreement for up to five years at the Superintendent's option and as provided in the Agreement.

Section 3. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 11<sup>th</sup> day of February, 2013, and signed by me in open session in authentication of its passage this 11<sup>th</sup> day of February, 2013.



President \_\_\_\_\_ of the City Council

Approved by me this 20<sup>th</sup> day of February, 2013.



Michael McGinn, Mayor

Filed by me this 20<sup>th</sup> day of February, 2013.



Monica Martinez Simmons, City Clerk

(Seal)



1 Attachment 1: Seacrest Boathouse Concession Agreement between the City of Seattle  
2 Department of Parks and Recreation and Marination LLC

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## SEACREST BOATHOUSE CONCESSION AGREEMENT

Between

THE CITY OF SEATTLE DEPARTMENT OF PARKS AND RECREATION

and

MARINATION LLC

THIS CONCESSION AGREEMENT ( "Agreement") is entered into between The City of Seattle , a first class city of the State of Washington, operating through its Department of Parks and Recreation ("Parks") and its Superintendent, and Marination LLC, a Washington limited liability company ("Concessionaire").

### PART A - SPECIAL CONDITIONS AND COVENANTS OF AGREEMENT

#### A-1 CONCESSION PREMISES

- 1.1 Description. As used in this Agreement, the "Concession Premises" means the following portions of Seacrest Park: the building commonly known as the "Seacrest Boathouse", the boat storage yard, and the outdoor patio area, all owned by the City and under the jurisdiction of Parks. The Concession Premises are located at 1660 Harbor Avenue S.W., Seattle, Washington, King County and are depicted on Exhibit 1 - Concession Premises.
  
- 1.2 Grant of Right to Use the Concession Premises. Throughout the Term, Concessionaire shall have the right to use and occupancy of the Concession Premises for the purpose of operating the Concession granted under this Agreement. The Concessionaire shall have the right to exclusive use and occupancy of both the boat storage area and the restaurant portion of the Seacrest Boathouse building. The restaurant portion of the Boathouse building is depicted on Exhibit 1 and excludes the public restrooms, which are part of the Common Areas. Concessionaire's right to use the outdoor patio for Concession services shall be on a non-exclusive basis, with use permitted by the public and Concessionaire's patrons. Concessionaire accepts the Concession Premises in AS-IS condition as of the Commencement Date,



and the City makes no representation about the fitness of the Concession Premises for the intended purpose.

- 1.3 Common Areas. Concessionaire and its employees, contractors, licensees, subconcessionaires, and agents shall have the right to use of the common areas of Seacrest Park as now or hereafter constituted, including the adjacent parking lot, the public restrooms in the Seacrest Boathouse building, docks, piers, and public park areas (“Common Areas”), in common with all other users. The City shall at all times have exclusive management and control of the Common Areas, and no diminution or alteration thereof shall be deemed a constructive or actual eviction or entitle Concessionaire to compensation or a reduction or abatement of Concession Fees; provided, however, that City shall make all reasonable efforts to keep the existing bathrooms functional and open for use.

#### A-2 GRANT OF CONCESSION RIGHTS

The City hereby grants to the Concessionaire, subject to the terms herein, the exclusive right and privilege to operate a year-round business at the Concession Premises during the Term. Unless otherwise approved in writing by the Superintendent, Concessionaire shall provide the following services:

- a. Restaurant;
- b. Skate and bicycle rentals; and
- c. Watercraft rentals.

The above services are collectively referred to as the “Concession”. Concessionaire shall operate the Concession according to the standards in Section A-7.

#### A-3 TERM OF AGREEMENT

- 3.1 Initial Term. This Agreement shall be effective when signed by an authorized representative of both parties (“Commencement Date”) following an authorizing ordinance of Seattle City Council, and shall be for an initial term of six (6) years (“Term”).



3.2 Extended Term. At the Superintendent's discretion, this Agreement may be extended for one additional term of up to five years on such terms and conditions as the Superintendent may determine. Parks shall give the Concessionaire written notice of its intention to extend or not extend at least six (6) months prior to the expiration of the initial Term. Concessionaire shall have three (3) months following the date of the Superintendent's notice to accept the extension or to renegotiate the extension with the City in writing, otherwise Concessionaire's right to accept the Superintendent's offer to extend shall automatically expire and Parks may issue a request for proposals or take any other action the Superintendent deems in the City's best interest with respect to the Concession Premises. As used in this Agreement, any reference to "Term" shall mean and include any extended term.

#### A-4 CONSIDERATION

City grants the Concession rights herein in exchange for the Concessionaire's performance of the following:

- a. Making timely payments of the monthly Concession Fee in A-5.
- b. Providing all equipment and services to operate the Concession in the manner required under Section A-7.
- c. Providing the in-kind services and community engagement activities required under Section A-8.

#### A-5 CONCESSION FEE

5.1 Monthly Concession Fee and LET. On or before the 10th day of each month during the Term, the Concessionaire shall pay the City: i) a percentage of the Gross Receipts received by Concessionaire at the Concession Premises during the preceding month (the "Concession Fee") and ii) the monthly amount of applicable Leasehold Excise Tax required under B-7. Beginning with the Commencement Date through June 30, 2013, the Concession Fee shall be six and a half percent (6.5%) of Gross Receipts. From July 1, 2013, the Concession Fee will be increased to ten percent (10%) of Concessionaire's Gross Receipts



for the remaining months and years of the initial Term. "Gross Receipts" shall have the meaning provided in Part B-1.

- 5.2 Place and Manner of Payment. All payments to the City shall be paid to City of Seattle, Department of Parks and Recreation, Magnuson Park and Business Resources, Attention: Rita Hollomon, Parks Concessions Coordinator, RDA Building, 3<sup>rd</sup> floor; 800 Maynard Ave S. Seattle, WA 98134. All Concession Fee payments shall be accompanied by a written statement prepared by Concessionaire on a monthly report form approved by the Superintendent and reflecting Gross Receipts received, including any amounts excluded from Gross Receipts as provided under Part B-1.

#### A-6 FINANCIAL RECORDS/ AUDIT

- 6.1. Concessionaire's Records. The Concessionaire shall maintain at the Concession Premises a clear and documented set of books, records, documents, and other evidence reflecting all business activity conducted at the Concession Premises, including cash register tapes, credit card charge records, and any other data relating to the determination of Gross Receipts and the calculation of the Concession Fee.
- 6.2 Audit. Concessionaire shall permit its records to be inspected by the City, with reasonable notice, and Concessionaire's records shall be subject to copying and audit by the Department, the City, the Office of the State Auditor, and other officials so authorized by law, rule, regulation, or contract. The Concessionaire shall ensure that this right of inspection, audit, and copying is a condition of any sub-concession agreement or other arrangement under which any person or entity other than Concessionaire is permitted to carry on a business activity in, on, or from the Concession Premises. The Concessionaire shall not be required to staff the City's audit of Concessionaire's financial records, and the City shall solely bear the costs associated with its inspection of Concessionaire's financial activity under this Agreement.



- 6.3. Retention. The Concessionaire shall retain all financial books, records, documents, cash register tapes, credit card records and other material relevant to the financial activity under this agreement for six (6) years after the expiration or termination of any calendar year under the Agreement. The obligations in Section A-6 shall survive termination or expiration of the Agreement for the applicable duration of any statute of limitations.
- 6.4. Cash Register. The Concessionaire shall enter all sales on a type of cash register or POS System that records and identifies the date, type of sale, and the amount of each transaction and that is equipped with a cumulative, non-alterable accounting control mechanism.
- 6.5. Record Keeping Subject to Approval. Concessionaire shall not change record keeping methods or change or discontinue use of the cash register or POS System without the Superintendent's written authorization.
- 6.6. Annual Report. By March 31 of each year during the Term, Concessionaire shall submit to Parks an annual report, in a form acceptable to the Superintendent, detailing expenses, revenues, maintenance, and operation for the Seacrest Boathouse.

#### A-7 OPERATION AND SERVICES

- 7.1. Restaurant Services. Concessionaire shall provide restaurant food and beverage services. Concessionaire may provide serving of alcohol to park patrons and the public. Concessionaire shall provide menu items and healthy options to patrons that are consistent with the menu shown on Exhibit 2 – Menu. The restaurant shall be staffed with an on-site manager and sufficient staff to provide quality customer service and maximize revenues.
- 7.2. Private Parties/Events. Concessionaire may use the outdoor patio area for sponsored private parties and events conditioned on the prior written approval of the Superintendent. The Concessionaire shall submit a written proposed



schedule of times and dates to the Superintendent for review and approval at least one week prior to when these activities will occur. Concessionaire shall secure all required permits, licenses, and any additional insurance coverage that the Superintendent may require for the event.

7.3 Park-related Equipment Rentals. Concessionaire shall provide Park-related equipment rentals to the public, including kayaks, paddle boards, small water crafts, other related water equipment, bicycles, skateboards, and rollerblades. Concessionaire may subcontract out some or all of the equipment rental concession services. Concessionaire is further allowed to store the rental items in the boat storage area.

7.4. Hours of Operation. Unless otherwise approved by the Superintendent, Concessionaire shall be open for business year round during the following hours:

Monday – Closed

Tuesday – Thursday: 8 am to 8 pm

Friday – 8 am to 9 pm

Saturday – 9 am to 9 pm

Sunday – 9 am to 8 pm

Concessionaire shall post its hours of operation in writing at a conspicuous place in the vicinity of the public entry to the Seacrest Marina and Boathouse building, visible from the exterior.

7.5 Boat Equipment. The Concessionaire shall provide and maintain in safe condition the following:

- (1) A minimum of one row boat and five kayaks available to the public for rental, each boat equipped with oars or paddles and a floatation seat cushion rated as a Personal Floatation Device by the U.S. Coast Guard.
- (2) The Concessionaire shall also have available for rental to the public, a minimum of one (1) outboard motor suitable for use on its rental boats.



- (3) The Concessionaire shall provide each occupant of each rental boat with a US Coast Guard approved Type III or better Personal Flotation Device (PFD).
  - (4) The Concessionaire shall demonstrate the correct fitting and use of PFDs to each person occupying a boat rented from the Concessionaire and shall demonstrate the correct use of all equipment so rented.
- 7.6. Response Boat. In addition to rental boats and motors, the Concessionaire or its subconcessionaire shall supply and maintain in good operating order at all times during hours of operation, one (1) engine powered boat equipped to provide assistance to persons renting boats from the premises, which boat and motor shall be reserved exclusively for emergency response use by Concessionaire or subconcessionaire.
- 7.7. Exclusions from Operation. The Concessionaire shall not rent or sell any air mattresses or floating chairs, powered personal watercraft, or other floatation device, without the written consent of the Superintendent.
- 7.8. Charter Fishing Boat Services. The Concessionaire may operate or subcontract a charter boat service for recreational anglers only with the prior written approval of the Superintendent and with insurance coverage in a form acceptable to the City.
- 7.9. Promotion/Advertisement. The Concessionaire shall promote and advertise the Concession in the commercial section of local publications in a manner subject to the prior approval of the Superintendent. The Concessionaire will include postings regarding the Concession on Concessionaire's Facebook and Twitter accounts, and shall acknowledge Seattle Parks on printed and electronic materials relating to the Concession and the Concession Premises.
- 7.10. Promotion of Rentals. The Concessionaire shall, at its own expense, promote and encourage seasonal use of all rentals available at the Concession Premises.



Concessionaire shall provide and install on the Concession Premises a sign approved by the Superintendent in advance as to its appearance and location that clearly indicates the availability of rentals at the Concession Premises.

#### A-8 IN-KIND SERVICES, MARKETING, COMMUNITY ENGAGEMENT

- 8.1 The Concessionaire shall host a yearly 'Beach Clean-up' activity to support the goal of keeping Alki and Seacrest Park a clean and safe place to live and visit.
- 8.2 The Concessionaire shall work with community groups to reasonably accommodate community events and activities such as the annual Tengu Club Fishing Derby.

#### A-9 INITIAL IMPROVEMENTS

- 9.1 Initial Improvements. The Concessionaire shall invest a minimum of \$150,000.00 in capital improvements to the Concession Premises expressly including but not limited to improving all light fixtures; heating and ventilation units; floor, window and wall coverings; and electrical wiring (the "Initial Improvements"). As used in this Agreement, "Initial Improvements" do not include the Concessionaire's moveable trade fixtures and appliances and equipment not affixed to the Premises, including furniture, computers, point of sale systems and registers. Prior to beginning any construction work on the Initial Improvements, the Concessionaire shall provide Parks with professionally prepared plans and specifications therefore, and shall obtain the Superintendent's written approval thereof. The Concessionaire shall be responsible for obtaining all required permits and shall complete the improvements according to the requirements in Section B-13. Within ninety (90) days after the completion of any alteration, addition or improvement to the Premises, Concessionaire shall deliver to City a full set of "as-built" plans of the Premises showing the details of all alterations, additions, and improvements made to the Premises by Concessionaire. Initial Improvements made by the Concessionaire to the Premises prior to the Commencement Date in order to prepare the Premises for operation will be credited against the capital



improvement obligation under this Section so long as the Improvements have been approved by the Superintendent.

9.2 Ownership of Initial Improvements. During the Term Concessionaire shall own the Initial Improvements. Upon the expiration or termination of the Agreement, ownership of the Initial Improvements shall automatically transfer to the City without any separate obligation on the City's part to pay for any of the same.

#### A-10 ENTIRE AGREEMENT

This Agreement, including Part A, Part B, and all exhibits, represents the entire agreement between the parties with respect to the subject matter herein. No other understandings, oral or otherwise, may modify the text or an attachment to this Agreement. The following exhibits are hereby incorporated and made a part of this Agreement:

- Exhibit 1 Photo Site Plan of Concession Premises
- Exhibit 2 Menu
- Exhibit 3 Concessionaire's Equipment

The parties to this Agreement acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

### **PART B - GENERAL TERMS AND CONDITIONS**

#### B-1 DEFINITION OF GROSS RECEIPTS

As used in this Agreement, "Gross Receipts" means and includes the total income of the Concessionaire from conducting business in, on or from the Concession Premises, including but not limited to the proceeds from all retail and wholesale sales of food, beverages, merchandise, and services of any kind whatsoever, for cash, barter, exchange, or credit, regardless of collections; all subconcession fees and payments to Concessionaire; sales from vending devices; rental of any merchandise or equipment; mail or telephone



orders received or filled on or from the Concession Premises; all deposits not refunded to purchasers; orders taken at the Concession Premises although filled elsewhere; fees; commissions; catalog sales; and rental receipts. An installment or credit sale shall be deemed to have been made for the full price on the date of sale regardless of when payment is received. Subject only to the exclusions specified in the immediately following paragraph, the full amount received by the Concessionaire shall be included in "Gross Receipts", regardless of whether (a) the Concessionaire was acting as a consignee, trustee, or agent for a third party in connection with such sale or rental, or (b) the Concessionaire is entitled to retain the full amount received on such sale as the Concessionaire's own property.

The term "Gross Receipts" does not mean or include the amount of money refunded to and not merely credited to the account of customers who return or do not accept food, beverages, merchandise, or services sold or rented; any exchange of merchandise between stores or the central warehouses of the Concessionaire where such exchange is made solely for the convenient operation of the business and not for the purpose of consummating a sale made in, on, or from the Concession Premises; returns to shippers or manufacturers; any discount allowed to customers; or the Washington State Sales Tax and any other tax imposed by any government agency directly on sales. Business and occupation taxes are not taxes imposed directly on sales and shall not be deducted from the amount of "Gross Receipts".

#### B-2 ACCOUNTING MONTHS AND YEAR

The Concessionaire shall utilize calendar year accounting for the business operated at the Concession Premises.

#### B-3 INTEREST CHARGES DUE TO LATE PAYMENT

If the Concessionaire fails to pay the City any sum when due under this Agreement, such amount shall bear interest at a rate of one percent per month (twelve percent per annum) from the date when due until the date paid.

#### B-4 SECURITY DEPOSIT



Within ten (10) days after this Agreement has been executed by both parties, Concessionaire shall deposit with The City of Seattle Department of Parks and Recreation Two Thousand Five Hundred Dollars (\$2,500.00) as a security for the faithful performance of and compliance with all the terms and conditions of this Agreement. If Concessionaire fails to fulfill any of its obligations under this Agreement, Parks may, but is not required to, use the deposit to remedy Concessionaire's default and Concessionaire shall be required to deposit additional funds with Parks in order to restore the deposit to the amount required herein. The deposit shall not in any manner release the Concessionaire from any of the obligations herein. If Concessionaire complies with all terms and conditions under this Agreement, then the City shall return the security deposit to the Concessionaire within sixty (60) days of the termination or expiration of this Agreement.

#### B-5 PRICE LIST

The location of points of sale, methods of sale, and prices charged for goods and services sold or business transacted on the Concession Premises shall at all times be subject to the approval of the Superintendent.

A copy of the Concessionaire's current price list for each item of service, food, or merchandise offered for sale or rent at the Concession Premises shall be conspicuously displayed in full view of the public at all times on the Concession Premises.

#### B-6 UTILITIES

The Concessionaire shall obtain separated accounts for and shall pay before delinquency, all charges for utilities that are separately metered at the Concession Premises. If any utility services are furnished to the Concession Premises in combination with utility services provided to adjacent City property or Common Areas, the Concessionaire shall reimburse the City for the Concessionaire's pro rata share of any consolidated charge paid by the City within thirty (30) days of invoice by City. The Concessionaire shall pay all charges for utility connections, installations, and disconnections, and for service calls for any utility serving the Concession Premises. The Concessionaire shall obtain a business telephone having at least one telephone line, the telephone number for which shall be



publicly displayed at the Concession Premises, and shall be the same number published in all promotional advertising and telephone listings. City shall not be liable to Concessionaire for failure or interruption of any utility services.

#### B-7 TAXES

The Concessionaire shall pay before delinquency, all taxes, levies, and assessments of any nature and kind whatsoever arising as a result of this Agreement. The Concessionaire shall pay the Washington State Leasehold Taxes due as a result of this Agreement, directly to Parks with each monthly rental payment to the Department. Washington State Leasehold Excise Tax is over and above any Concession Fees paid by the Concessionaire to the Department and shall be separately listed on all monthly documentation sent by the Concessionaire to the Department.

#### B-8 CARE OF CONCESSION PREMISES

8.1 General Obligation. The Concessionaire shall at its own expense keep the Concession Premises and adjacent areas in a neat, clean, safe, and sanitary condition acceptable to the Superintendent. Concessionaire shall reimburse City for all damage done to the Concession Premises that results from any act or omission of Concessionaire or its contractors, agents, invitees, licensees, or employees, including, but not limited to, cracking or breaking of glass.

8.2 Hazardous Substances. Concessionaire shall not, without the Superintendent's prior written consent, keep on or about the Concession Premises any substance designated as, or containing any component now or hereafter designated as hazardous, dangerous, toxic or harmful, and/or subject to regulation under any federal, state, or local law, regulation, or ordinance ("Hazardous Substances"), except customary office, kitchen, cleaning, and other related supplies in normal quantities handled in compliance with applicable laws. With respect to any Hazardous Substances stored with Superintendent's consent, Concessionaire shall comply with all governmental rules, regulations, and requirements regarding the proper and lawful use, sale, transportation, generation, treatment, and disposal of Hazardous Substances, including but not limited to all



governmental requirements for reporting and record keeping. Concessionaire shall submit to City true and correct copies of all reports, manifests, and identification numbers at the same time as they are required to be and/or are submitted to the appropriate governmental authorities; and within five (5) days after City's request therefor, provide evidence satisfactory to City of Concessionaire's compliance with all applicable governmental rules, regulations and requirements. Any and all costs incurred by City and associated with City's inspections of the Premises and City's monitoring of compliance with this Subsection B-8.2, including City's attorneys' fees and costs, shall be due and payable by Concessionaire within ten (10) days after City's demand. Concessionaire shall be fully and completely liable to City for any and all cleanup costs and expenses and any and all other charges, expenses, fees, fines, penalties (both, civil and criminal) and costs imposed with respect to Concessionaire's use, disposal, transportation, generation' and/or sale of Hazardous Substances in or about the Concession Premises.

- 8.3 Prohibition Against Installation or Integration of Any Work of Visual Art Without City's Consent. Concessionaire shall not install or integrate into the Concession Premises any "work of visual art," as that term is defined in the Visual Artists Rights Act of 1990, as now existing or as later amended, without the prior written approval of the Superintendent, which approval may be conditioned or withheld in the Superintendent's sole discretion.
- 8.4 Routine and Major Maintenance Obligation. During the Term, Concessionaire shall be responsible for all routine maintenance and repair of the Concession Premises, including but not limited to maintenance and routine repairs of Initial Improvements, cracked or broken glass, minor plumbing and electrical repairs (replacing light bulbs, wall sockets, faucets, valves, etc.), and regular interior and exterior painting. The foregoing sentence does not extend to maintenance occasioned by an act or omission of City or its officers, agents, employees, or contractors, for which City shall be responsible. If City provides Concessionaire with written notice of Concessionaire's failure to comply with this Section and Concessionaire fails to take good care of the Concession Premises as provided in



the notice, City, may, but is not required to, make such repairs and Concessionaire shall pay within thirty (30) days of invoice the entire actual and reasonable cost thereof. City shall have the right to enter the Premises for such purposes, and City shall not be liable for interference with light, air, or view. Except in the event of City's gross negligence or intentional misconduct, there shall be no abatement or reduction of Rent arising by reason of City's making of repairs, alterations, or improvements to the Concession Premises.

The City shall be responsible for major maintenance of the infrastructure of the Concession Premises during the Term of this Agreement, including structural maintenance, masonry maintenance, roof, electrical, plumbing system, and HVAC system repair and replacement; provided that City's obligation for major maintenance shall not extend to any maintenance or repair necessitated by an act or omission of Concessionaire, or its officers, agents, employees, subconcessionaires, contractors, licensees, or invitees. The City shall maintain the parking areas and Park Common Areas to the standard typical of other, similar park properties.

#### B-9 EQUIPMENT

All equipment not attached to the building structure and other personal property used by the Concessionaire at the Concession Premises shall remain the property of the Concessionaire, or if applicable, its subconcessionaire. All equipment and personal property of Concessionaire that is kept at the Concession Premises or Common Areas shall be at the sole risk of Concessionaire and Concessionaire hereby releases City from any liability or responsibility for loss or damage thereto. Concessionaire shall ensure that any approved subconcessionaire also releases the City from loss or damage to subconcessionaire's property kept at the Concession Premises or Common Areas. Any equipment or personal property belonging to the City in the building of the Concession Premises that has malfunctioned or requires major repair and maintenance is the responsibility of the City. A list describing the Concessionaire's equipment is attached and incorporated as Exhibit 3.



B-10 COMPLIANCE WITH LAWS; NONDISCRIMINATION

10.1 General Obligation. Concessionaire shall not use or permit the Concession Premises or any part thereof to be used for any purpose in violation of any municipal, county, state, or federal law, ordinance or regulation, or for any purpose offensive to the standards of the local community. Concessionaire shall promptly comply, at its sole cost and expense, with all laws, ordinances, and regulations now in force or hereafter adopted relating to or affecting the condition, use, or occupancy of the Concession Premises and operation of the Concession granted under this Agreement.

10.2 Nondiscrimination. Without limiting the generality of Section 10-1, Concessionaire agrees to and shall comply with all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and The City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code, as they may be amended from time to time, and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

B-11 INDEMNIFICATION

The Concessionaire shall defend, indemnify, and hold the City, its elected officials, and employees harmless from any and all liabilities, claims, demands, losses, and costs (including reasonable attorney's fees) arising from (i) Concessionaire's operation of the Concession, including operation of Concession services by any subconcessionaire, (ii) the use and occupancy of the Concession Premises by Concessionaire, or any of its employees, agents, licensees, invitees, contractors, and subconcessionaires, or (iii) any breach of this Agreement by the Concessionaire or any subconcessionaire. If any suit is brought against the City, Concessionaire shall appear and defend the same, and shall satisfy any judgment that may be rendered against the City. Notwithstanding the foregoing, the City reserves the right to appear and defend any action without impairing the City's right to indemnification under this Section where the City determines that it is in the best interest of the City. Concessionaire's obligation to defend and indemnify shall not include any claims arising as a result of the sole negligence of the City, its



employees and agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of Concessionaire's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to the City and to the extent necessary to provide City with a full and complete indemnity from claims made by Concessionaire's employees. Concessionaire shall promptly notify City of casualties or accidents occurring in or about the Concession Premises. Concessionaire's obligations under Section B-11 shall survive termination or expiration of this Agreement for the statute of limitations applicable to any claim or liability to which this section applies.

**City and Concessionaire acknowledge that they mutually negotiated and agreed upon the indemnification provision in this Section.**

INITIALS: \_\_\_\_\_ City of Seattle Representative  
                  \_\_\_\_\_ Concessionaire Representative

#### B-12 INSURANCE

1. **City-Furnished Property Insurance:** At its cost, the City shall maintain during the full term of this Agreement all risk property insurance or self-insurance on a replacement cost basis on the Seacrest Boathouse, subject to a deductible of \$250,000 each claim.
  - A. Concessionaire's Initial Improvements, moveable trade fixtures, and appliances and equipment not affixed to the Premises, including furniture, computers, point of sale systems, and registers ("Concessionaire's Property") shall be excluded from coverage but shall be separately insured by Concessionaire under Paragraph 2.A. below.
  - B. The City shall require its property insurers to waive subrogation in favor of Concessionaire.
2. **Concessionaire's Insurance:** Concessionaire shall maintain during the full term of this Agreement, at its own expense, insurance as specified below.



A. PROPERTY INSURANCE: All risk property insurance on a replacement cost basis on Concessionaire's Property. Concessionaire shall require its property insurer(s) to waive subrogation in favor of the City.

B. LIABILITY INSURANCE:

(1) Commercial General Liability insurance with minimum limits of liability of \$2,000,000 each occurrence bodily injury and property damage combined single limit (CSL). Coverage shall include:

- a. Premises Operations;
- b. Products and Completed Operations;
- c. Blanket Contractual Liability;
- d. Watercraft Liability on boats under 26 feet in length;
- e. Tenant Liability/Fire Legal Liability with a minimum limit of \$250,000 each occurrence; for the insurance purposes of this paragraph, Concessionaire's exclusive use and occupancy of the restaurant portion of the Concession Premises in A-1.2. shall be considered as a tenancy of a demised premises; and
- f. Stopgap/Employer's Liability with minimum limits of liability of \$1,000,000 each Accident/Disease/Employee/policy Limit.

(2) Automobile liability insurance on owned, hired, and non-owned autos, as applicable, with a minimum limit of liability of \$1,000,000 CSL.

(3) Worker's Compensation insurance in compliance Title 51 Revised Code of Washington (RCW) and Federal Maritime statutes.

In the event that the Superintendent deems insurance to be inadequate to protect Concessionaire and the City, Concessionaire shall increase coverages and/or liability limits as the Superintendent annually shall deem reasonably adequate within sixty (60) days after the date of written notice.



C. GENERAL CONDITIONS (Not Applicable to Washington State Worker's Compensation)

- (1) The City of Seattle shall be included as an additional insured under CGL, Auto Liability and, if applicable, Federal Maritime Worker's Compensation insurance policies for primary and non-contributory limits of liability.
- (2) The insurance required hereunder shall not be cancelled without at least thirty (30) days notice of cancellation to "The City of Seattle Department of Parks and Recreation, Contract And Business Resources Office, P.O. Box 3443, Seattle, WA 98114."
- (3) Insurers shall maintain at all times A.M. Best's ratings of A-; VII unless placed as Surplus Lines by a Washington State Surplus Lines Insurance Broker.

D. EVIDENCE OF INSURANCE: The Concessionaire shall cause its authorized insurance representative to deliver to the Superintendent certification of insurance documenting compliance with the minimum requirements in this exhibit, including an actual copy of the CGL insurance blanket additional insured policy provision. Such certification, satisfactory to the City Risk Manager, that the Concessionaire has secured or renewed and is maintaining insurance as required by this Agreement, shall be issued and delivered to "The City of Seattle Department of Parks and Recreation, Contract And Business Resources Office, P.O. Box 3443, Seattle, WA 98114" with a full electronic copy thereof sent as a PDF file attachment to email [riskmanagement@seattle.gov](mailto:riskmanagement@seattle.gov) or via facsimile transmission to (206) 470-1279:

- (1) On or before the effective date of this Agreement; and
- (2) Within five (5) City business days prior to the expiration or renewal date of each such policy; and



(3) Within five (5) City business days after the Concessionaire's receipt of a written request therefor.

If at any time during the term of this agreement, should the City tender a claim or lawsuit for defense and indemnity to any Concessionaire insurer(s) and invoke rights as an additional insured, and such insurer(s) shall either defend claim only under a Reservation of Rights, or if such insurer(s) decline(s) to accept such tender, then Concessionaire shall cause its authorized insurance representative to deliver, as soon as reasonably practical, a true and complete certified copy of the relevant insurance policy(ies).

- E. ASSUMPTION OF RISK: The placement and storage of personal property on the Premises shall be the responsibility, and at the sole risk, of the Concessionaire.
- F. ADJUSTMENTS OF CLAIMS: The Concessionaire shall provide for the prompt and efficient handling of all claims for bodily injury, property damage, or theft arising out of the activities of the Concessionaire under this Agreement.
- G. CONCESSIONAIRE'S RESPONSIBILITY: The procuring of the policies of insurance required by this Agreement shall not be construed to limit the Concessionaire's liability hereunder. Notwithstanding said insurance, the Concessionaire shall be obligated for the full and total amount of any damage, injury or loss caused by negligence of the Concessionaire, or any of its agents, officers, and employees or through use or occupancy of the Concession Premises.
- H. TERMINATION UPON FAILURE TO INSURE: Notwithstanding any other provision of this Agreement, the failure of the Concessionaire to comply with the above provisions of this section shall subject this Agreement to immediate termination at the discretion of the Superintendent without notice to any party, if it is necessary to protect the public interest.

#### B-13 IMPROVEMENTS AND ALTERATIONS

- 13.1 Concessionaire's Responsibilities. Except for cosmetic, non-structural alterations made by Concessionaire in connection with its repair and maintenance obligations under Section B-8.4 above, Concessionaire shall not make any improvements, alterations, or modifications to the Concession Premises without obtaining the Superintendent's prior written approval. Concessionaire covenants that it will cause all alterations, additions, and improvements to the Concession Premises, including the Initial Improvements, to be completed at Concessionaire's sole cost and expense by a contractor approved by the Superintendent and in a manner that (a) is consistent with the Superintendent approved plans and specifications; (b) is in conformity with first-class, commercial standards; (c) includes acceptable insurance coverage for City's benefit; (d) does not affect the structural integrity of the building where the Concession Premises are located or any of the building's systems; and (e) does not invalidate or otherwise affect the construction or any system warranty then in effect with respect to the building. Concessionaire shall secure all governmental permits and approvals required for the work; shall comply with all other applicable governmental requirements and restrictions, including but not limited to applicable building codes and the Americans with Disabilities Act; and reimburse City for any and all expenses incurred in connection therewith.
- 13.2 Prevailing Wages. In any contract for Initial Improvements, Concessionaire shall require its contractors to pay a wage commensurate with prevailing wages as described in RCW 39.12.
- 13.3 Liens. The Concessionaire shall keep the Concession Premises free and clear of, and shall indemnify, defend, and hold City harmless from, any and all, liens and encumbrances arising or growing out of any act or omission, or breach of this Agreement or Concessionaire's use, improvement, or occupancy of the Concession Premises, or any of its principals, officers, employees, contractors, agents, or sub concessionaires. If any lien is so filed against the Concession Premises, Concessionaire shall either cause the same to be fully discharged and released of record within ten (10) days after City's written demand therefore or,



within such period, provide City with cash or other security acceptable to City in an amount equal to one and one-half (1 ½) times the amount of the claimed lien as security for its prompt removal. City shall have the right to disburse such security to cause the removal of the lien if City deems such necessary, in City's sole discretion.

**B-14 SUBCONTRACTING, SUBCONCESSIONS, AND ASSIGNMENT OF AGREEMENT**

The Concessionaire shall not subcontract, assign or transfer this Agreement, in whole or in part, or otherwise convey any concession right or privilege granted hereunder or any part of the Premises without the prior written approval of the Superintendent, which may be granted, withheld, or conditioned in the Superintendent's sole discretion. The Superintendent's approval of any subcontract, subconcession, or assignment shall not relieve Concessionaire from any of the requirements of this Agreement.

**B-15 STANDARDS**

The Concessionaire, its agents and employees, shall render courteous service to the public with a view of adding to the public use and enjoyment of the Concession Premises. The Concessionaire shall operate and conduct the facilities on the Concession Premises in a businesslike manner, and will not permit any acts or conduct on the part of the Concessionaire's employees that would be detrimental to the operation of the Concession Premises.

**B-16 TEMPORARY CLOSURE OF CONCESSION PREMISES**

The City reserves the right to temporarily close the Concession Premises and suspend Concessionaire's operation of any portion thereof without liability for making of repairs or the convenience of the City upon a twenty-one (21) day notice to the Concessionaire and to close the Concession Premises or any portion thereof without notice to meet any emergency as determined by the Superintendent. In the event of any temporary City required closure, the City shall post a sign notifying the public of the impending or effective closure.



B-17 ENTRY

The City and its agents may enter the Concession Premises at all reasonable times for the purpose of inspecting or repairing the same, but this right shall impose no obligation upon the City to make inspections to ascertain the condition of the Concession Premises or to make repairs.

B-18 NOTICES

Unless otherwise directed in writing, notices, reports, and payments shall be delivered to the City at the following address:

City of Seattle, Department of Parks and Recreation  
Magnuson Park and Business Resources  
Attention: Rita Hollomon, Parks Concessions Coordinator  
RDA Building, 3<sup>rd</sup> floor; 800 Maynard Ave S.  
Seattle, WA 98134

And to the Concessionaire at the following address:

Marination, LLC  
Attention: Roz Edison  
P. O. Box 28324  
Seattle, WA 98118

Either party may change its address for receipt of reports, notices, or payments by giving the other written notice of such change.

B-19 DEFAULT

19.1 Definition. The following shall be a default ("Default") by Concessionaire:

- a. Concessionaire's failure to pay the Concession Fee or any Additional Charge herein within ten (10) days of the date required by this Agreement; or
- b. Concessionaire's breach of any obligation under this Agreement or failure to keep or perform any term, covenant, or obligation herein; or



c. Concessionaire's filing of a petition in bankruptcy, or if a trustee or receiver is appointed for Concessionaire's assets or if Concessionaire makes an assignment for the benefit of creditors, or is adjudicated insolvent, or becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or liquidated, voluntarily or otherwise; or

d. Concessionaire's receipt of two or more notices of Default under Section B-19.2, whether or not remedied in the time period allowed.

19.2 City Remedies. If Concessionaire has defaulted and such Default continues or has not been remedied to the reasonable satisfaction of the Superintendent within ten days of demand for any monetary payment due or within thirty (30) days after written notice of any other Default, then City shall have the following nonexclusive rights and remedies at its option: (i) to cure the Default on Concessionaire's behalf and to charge Concessionaire for all actual and reasonable costs and expenses incurred by City in effecting such cure; (ii) to re-take the Concession Premises and grant the Concession rights herein to another party; (iii) to exercise any other right or remedy allowed at law or equity. However, if the nature of Concessionaire's obligation is such that more than thirty (30) days is required for performance, then Concessionaire shall not be in Default if it commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion; provided, that the foregoing extended cure period shall not apply to Concessionaire's Default relating to monetary obligations or Concessionaire's vacation or abandonment of the Concession Premises.

19.3 City Default and Concessionaire Remedies. City shall be in default if City fails to perform its obligations under this Agreement within thirty (30) days after its receipt of notice of nonperformance from Concessionaire; provided, that if the default cannot reasonably be cured within the thirty (30) day period, City shall not be in default if City commences the cure within the thirty (30) day period and thereafter diligently pursues such cure to completion. Upon City's default, Concessionaire may pursue any remedies at law or in equity that may be



permitted from time to time by the laws of the State of Washington. If Concessionaire provides the City with written notice of default under this Section, and the City fails to either i) commence a cure within thirty days or ii) provide Concessionaire written notice that the Superintendent disputes City's obligation, then Concessionaire may, but is not required to, remedy City's default at its own expense, and City shall either pay within thirty (30) days of invoice the entire actual and reasonable cost thereof.

#### B-20 TERMINATION FOR CONVENIENCE

In addition to termination for cause and termination on expiration of the term hereof, this Agreement may be terminated by either party for convenience, by the giving of advance written notice to the other party. No such termination shall be effective earlier than sixty (60) days after the receipt of the termination notice by the receiving party. Termination under this provision shall not relieve either party of any duty or obligation owed under the terms of this Agreement prior to the termination date. If this Agreement is terminated by the City under this Section B-20, within thirty days of the effective date of termination, the City shall reimburse the Concessionaire for any remaining unamortized interest the Concessionaire may have in the Concession Premises measured by Concessionaire's investment in the Initial Improvements and any subsequently approved capital improvements made by Concessionaire to the Concession Premises, less accrued amortization and depreciation as set forth in an amortization schedule typically applied to similar improvements. Notwithstanding the foregoing, the City shall not reimburse Concessionaire for City's termination of this Agreement following damage or casualty to the Concession Premises.

#### B-21 FORCE MAJEURE

Neither party shall be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if and for such time period that the failure is due to any cause beyond a party's reasonable control, including, but not limited to an act of nature, act of civil or military authority, fire, flood, windstorm, earthquake, strike or labor disturbance, civil commotion, delay in transportation, governmental delay, or war.



**B-22 TIME**

If the last day for the performance of any obligation under this Agreement falls upon a non-City business day, including Saturday, Sunday, or official state legal holiday, the final day for performance shall be the City next business day.

**B-23 WAIVER**

Absent a specific written waiver signed by the Superintendent, the City shall not be deemed to have waived any right the City has under the terms of this Agreement or by operation of law with respect to any breach or default by Concessionaire. Such a written waiver shall be confined to its specific terms. Waiver of any obligation arising under the Agreement shall not be deemed a waiver of any other provision of the Agreement or of the Concessionaire's full compliance with the terms and conditions of the Agreement. No waiver will be implied from any knowledge the City may have of any breach, default, or non-compliance by Concessionaire. The City's failure to enforce any provision of this Agreement shall not be deemed as waiver or consent.

**B-24 CAPTIONS**

Captions are for convenient reference only, and do not limit or amplify the language of the paragraph(s) following.

**B-25 SIGNS AND ADVERTISING**

The City's written approval shall be required for all signs and advertisements on the Concession Premises; and such approval must be obtained prior to posting of any signs. Concessionaire shall be solely responsible for obtaining any permit required under the laws of the City of Seattle, for any sign or advertising erected at the Concession Premises.

**B-26 CHANGES AND MODIFICATIONS**

The parties hereto reserve the right to amend this Agreement from time to time by mutual agreement in writing. No amendment hereto shall be effective unless in writing and signed by an authorized representative of each of the parties.



**B-27 APPROVALS BY THE CITY OR SUPERINTENDENT**

The granting of approval or consent by the Superintendent to any action of Concessionaire does not constitute the taking of any official action, including the granting of approval, by any other City department or official, where other department's or official's action is required by law, ordinance, resolution, or rule or regulation.

**B-28 SEVERABILITY**

Should any term, provision, condition or other portion of this Agreement or any provision of any document incorporated by reference be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end, the remainder shall continue in full force and effect.

**B-29 SUCCESSORS IN INTEREST**

Unless otherwise provided, the terms, covenants, and conditions in this Agreement shall apply to and bind the Concessionaire and any and all heirs, successors, executors, administrators, and assigns of the Concessionaire, all of whom shall be jointly and severally liable with the signatory to this Agreement.

**B-30 NO RELATIONSHIP ESTABLISHED**

The City shall in no event be construed to be a partner, associate, or joint venturer of the Concessionaire or any party associated with the Concessionaire. The Concessionaire shall not create any obligation or responsibility on behalf of the City or bind the City in any manner.

**B-31 CONSENT**

Any time consent is required of a party to this Agreement, unless otherwise specifically stated, such consent shall not be unreasonably withheld, conditioned, or delayed.



To memorialize the agreements made, both parties hereby have caused this Concession Agreement to be executed by their respective representative(s) by signing below:

FOR THE CONCESSIONAIRE:

By: \_\_\_\_\_ Date: \_\_\_\_\_

FOR THE CITY OF SEATTLE DEPARTMENT OF PARKS AND RECREATION

By: \_\_\_\_\_ Date: \_\_\_\_\_

Christopher Williams, Acting Superintendent



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Parks and Recreation	Charles Ng /684-8001	Jeff Muhm /684-8049

**Legislation Title:** AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to enter into a concession agreement with Marination LLC to manage and operate a restaurant and rental concession at the Seacrest Boathouse; and ratifying and confirming certain prior acts.

**Summary of the Legislation:**

The proposed legislation authorizes the Department of Parks and Recreation (DPR) to enter into a six-year concession agreement with Marination LLC to manage and operate the Seacrest Boathouse, located at 1660 Harbor Avenue SW, Seattle, WA 98126, as a restaurant and boat and recreational rental facility for the public. The proposed agreement includes an option to extend the agreement for one five-year extension.

**Background:**

Boat rentals and retail sales of fishing equipment have been available at Seacrest Boathouse for many years and have proven to be popular with park visitors; however, there has never been enough revenue from this line of business to operate the site at a profit. DPR publicly advertised a Request for Proposal (RFP) process in 1999 and Alki Crab and Fish Company's response proposed a restaurant at the site in addition to the fishing and boating operation. Alki Crab and Fish Company completed renovation of the kitchen in 2001 and was issued a seven-year agreement that was approved by Seattle City Council in 2002 via Ordinance 120748. In 2005, with DPR approval, Alki Crab and Fish assigned its business and operations to Eric Galanti (Concessionaire), who has managed the Seacrest Boathouse through the life of the term and two 1 year extensions. During this time, the Concessionaire has grown the business by focusing primarily on food service. The contract with Alki Crab and Fish Company expired on June 30, 2011; DPR granted an extension through September 30, 2012, in order to complete a Request for Proposal (RFP) process.

The RFP was advertised on August 31, 2011 with proposals due on October 7, 2011. Three companies submitted proposals: Alki Crab and Fish, Marination, and Cowboyz. A team of four evaluators scored the proposals based on established criteria and interviewed the top two applicants, Marination LLC and Alki Crab & Fish. The evaluation panel unanimously selected Marination LLC, a Women and Minority Business Enterprise, as the proposal that was most advantageous to the City.

This legislation does not have any financial implications.

This legislation has financial implications.



**Appropriations: N/A**

Fund Name and Number	Department	Budget Control Level*	2012 Appropriation	2013 Anticipated Appropriation
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Appropriations Notes:

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Department	Revenue Source	2012 Revenue	2013 Revenue
Park and Recreation Fund (10200)	Parks and Recreation	Income from concession fee payment	\$8,060	\$50,000
<b>TOTAL</b>			<b>\$8,060</b>	<b>\$50,000</b>

Revenue/Reimbursement Notes:

Marination completed tenant improvements of the boathouse in October 2012 and is open for business. The estimated total gross revenue for the fourth quarter of 2012 is expected to be about \$124,000 (final 2012 revenue amount will not be available until after the legislation is considered by the City Council). As such DPR will receive a 6.5% concession fee through June 30, 2013, or for 2012 about \$8,060 (6.5% of \$200,000) and 10% for the remaining five years of the contract; plus concessionaire will provide all equipment, supervision, a rescue boat, and maintenance of the Department's facility. The restaurant will enhance the revenue at this location by providing healthy food options and by having a year-round operation.

The new agreement will also transfer utility costs for the premises to Marination LLC, which will result in a cost savings to DPR of an average of \$3,500 to \$5,000 per year in utility costs, and it will also transfer to Marination maintenance and operation costs of \$10,000 annually.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A**

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2012 Positions	2012 FTE	2013 Positions*	2013 FTE*
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Position Notes:

**Do positions sunset in the future? N/A**



**Spending/Cash Flow: N/A**

Fund Name & #	Department	Budget Control Level*	2012 Expenditures	2013 Anticipated Expenditures
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Spending/Cash Flow Notes:

**Other Implications:**

a) **Does the legislation have indirect financial implications, or long-term implications?**  
 No

b) **What is the financial cost of not implementing the legislation?**  
 The proposed six-year lease agreement would save DPR an estimated \$10,000 annually or \$60,000 in operations and maintenance costs over the six-year lease. In addition, without the lease, DPR would forgo an estimated \$300,000 in revenue over the six-year term of the agreement. Having Marination LLC operate a restaurant year round on-site provides additional security for the facility, benefitting DPR, the West Seattle neighborhood, and the public. Not implementing this legislation would mean DPR will continue to have costs for security issues.

c) **Does this legislation affect any departments besides the originating department?**  
 No

**What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

There are no feasible alternatives to the legislation that would achieve the same result.

d) **Is a public hearing required for this legislation?**  
 No

e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
 No

f) **Does this legislation affect a piece of property?**  
 Yes – a map is included as Exhibit 1 in Attachment 1 of the ordinance.

g) **Other Issues:**  
 None

**List attachments to the fiscal note below:**

Attachment A: Contract Summary Form





City of Seattle  
Office of the Mayor

December 26, 2012

Honorable Sally J. Clark  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill which authorizes the Superintendent of Parks and Recreation to enter into a concession agreement with Marination LLC for the operation and management of the City's Seacrest Boathouse located in West Seattle. The ordinance provides for a six-year agreement with Marination LLC with an option to extend an additional five years.

In December 2011, the Department of Parks and Recreation completed a Request for Proposal (RFP) process to select an operator for Seacrest Boathouse. Three operators responded to the RFP: Cowboyz Ice Cream, Marination LLC and Alki Crab and Fish Company. All proposals were thoroughly reviewed by a team of evaluators and the top two candidates were interviewed. The proposal from Marination LLC met the RFP review criteria and was judged to be the most advantageous to the City.

Approval of this legislation will provide recreation opportunities to the public visiting Seacrest and revenue to the City. Thank you for your consideration of this legislation. Should you have questions, please contact Charles Ng at 684-8001.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



Received  
APR 04 2013  
City of Seattle  
Office of the City Clerk

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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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294522  
CITY OF SEATTLE, CLERKS OFFICE

No. 124110,111,112,113,114

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCE

was published on

03/05/13

The amount of the fee charged for the foregoing publication is the sum of \$90.75 which amount has been paid in full.



*[Signature]*  
Subscribed and sworn to before me on  
03/05/2013 *[Signature]*  
Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle Title Only Ordinances

The full text of the following legislation, passed by the City Council on February 11, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

#### ORDINANCE NO. 124110

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

#### ORDINANCE NO. 124111

AN ORDINANCE relating to the Department of Finance and Administrative Services; amending Ordinance 122519 regarding the proposed sale of three parcels of City property, in order to correct typographical errors in the legal descriptions of those properties.

#### ORDINANCE NO. 124112

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to enter into a concession agreement with Marination LLC to manage and operate a restaurant and rental concession at the Seacrest Boathouse; and ratifying and confirming certain prior acts.

#### ORDINANCE NO. 124113

AN ORDINANCE related to the Seattle Department of Parks and Recreation; amending Chapters 18.12, and 18.30 of the Seattle Municipal Code, to clarify the enforcement authority and procedures of the Seattle Department of Parks and Recreation.

#### ORDINANCE NO. 124114

AN ORDINANCE relating to economic development; stating the purpose and initial charge of the Economic Development Commission; amending Sections 3.53.020 and 3.53.030 to reflect the increased number of commissioners on the Economic Development Commission; and amending Sections 3.53.030, 3.53.060, and 3.53.070 to delete and correct references to Chapter 3.15.

Date of publication in the Seattle Daily Journal of Commerce, March 5, 2013.

3/5(294522)