

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a two-year General Services Contract, with the option to renew for an additional two-year term, and concurrent lease agreements with Recreational Equipment Inc. (REI) to operate a paddle sport rental program out of the Enatai Beach Boathouse located at 3519 108th Avenue SE and Meydenbauer Bay Whaling Building located at 2 – 99th Avenue NE.

Patrick Foran, Director, 452-5377

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Parks & Community Services Department

EXECUTIVE SUMMARY

This Resolution authorizes execution of a General Services Contract and lease agreements with REI to operate a paddle sport rental program out of the Enatai Beach Park Boathouse and Meydenbauer Bay Park Whaling Building.

RECOMMENDATION

Move to adopt Resolution No. 9577

If approved, effective date: 04/15/2019

BACKGROUND/ANALYSIS

For the past 20 years, Cascade Canoe & Kayak offered canoe, kayak, and stand-up paddleboard rentals, as well as both kayak and canoe lessons/classes at the Enatai Beach Boathouse. In 2018, Cascade notified the City of its intent to cease operating the program. The opening of Meydenbauer Bay Park also created an opportunity to initiate a paddle sport rental program out of this new location.

Consistent with City contracting policy, a request for proposals (RFP) was issued in November 2018 for the purpose of soliciting competitive proposals to operate a paddle sport rental program out of Enatai and Meydenbauer. Eleven qualified operators known in the area were made aware of the opportunity and three proposals were received. A team reviewed and scored each proposal and subsequent presentations based on criteria outlined in the RFP. REI was selected as the preferred vendor to operate out of both locations.

This General Services Contract will allow REI to operate a paddle sport rental program that includes canoes, kayaks, and standup paddle boards and accessories as well as tours, lessons, day camps, and exercise classes. The lease agreements are necessary to provide REI access to and use of a portion of the Enatai Beach Boathouse and the Meydenbauer Bay Whaling Building to operate the paddle sport rental program.

POLICY & FISCAL IMPACTS**Policy Impact**

Comprehensive Plan: Parks, Recreation & Open Space Element

PA-25. Promote partnerships with public and private service providers to meet cultural, recreational, and social needs of the community.

PA-20. Offer programs that utilize the unique resources and variety of indoor and outdoor facilities within the park system.

Fiscal Impact

Approval of this action will result in REI paying the City between 5-12 percent of the gross sales collected for the paddle sport rental program and concessions as illustrated by the table below.

Gross Sales Amount	Percentage	Expected Annual Gross Sales	Expected Annual Revenue
Up to \$100,000	12%		\$12,000
From \$100,001 to \$150,000	10%		\$5,000
Over \$150,000	8%	\$200,000	\$4,000
Miscellaneous items not included above	5%		
Total		\$200,000	\$21,000

Based on the historic data from the previous paddle sports program at Enatai, the City estimates total gross annual sales of \$200,000, generating \$21,000 in revenue for the City. The City anticipates that revenue will increase as REI's business expands at the two sites.

Approving this action will also result in the City leasing the Enatai Beach Boathouse and Meydenbauer Bay Whaling Building through December 31, 2020, with the option to renew for an additional two-year term through December 31, 2022. REI will remit \$500 per month in rent to the City, plus Leasehold Excise Taxes, currently \$64.20 per month, for boat and equipment storage.

OPTIONS

1. Adopt the Resolution authorizing execution of a two-year General Services Contract, with the option to renew for an additional two-year term, and concurrent lease agreements with Recreational Equipment Inc. (REI) to operate a paddle sport rental program out of the Enatai Beach Boathouse located at 3519 108th Avenue SE and Meydenbauer Bay Whaling Building located at 2 – 99th Avenue NE.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9577

AVAILABLE IN COUNCIL LIBRARY

General Services Contract

Lease Agreements for Enatai Beach Park Boathouse and Meydenbauer Bay Whaling Building