WASHINGTON STATE DEPARTMENT OF
Natural Resources

PETER GOLDMARK
Commissioner of Public Lands

DATE **2/13/2015**

TO:
☐ Peter Goldmark, Commissioner of Public Lands
☐ Leonard Young, Department Supervisor
☐ Megan Duffy, Deputy Supervisor, Aquatics & Agency Resources
☐ Kristin Swenddal, Aquatics Division Manager
☐ other

FROM: Lindie Schmidt; Shoreline District Aquatics

SUBJECT: Bridgeview Marina Lease 22-A02332

ISSUE: Ownership of Bulkhead and Fill

GOAL(S): Amendment of the Lease Contract

BACKGROUND:

Bridgeview Marina is a commercial marina providing moorage for recreational vessels. It was initially constructed as an 81 slip marina in 1974. The marina is located at 1805 Thompson Drive on the southern shoreline of the Port Washington Narrows in Bremerton, Washington. There is a cleanup action to the immediate east of the marina associated with historic operations of Cascade Natural Gas. The parcel adjacent to the leasehold and used in conjunction with the lease is Kitsap County parcel 3711-000-010-0002.

Parcel 3711-000-010-0002 is owned by Bridgeview marina and contains the majority of the marina parking areas, a driveway accessing the shoreline, and a portion of the footprint for the marina office building and marina bathroom. The leasehold area consists of water dependent uses and non-water dependent uses. The water dependent improvements include:

- 63 creosote pilings
- Floats
- Finger piers
- Access Pier
- Gangway

The non-water dependent improvements include:

- Concrete bulkhead and fill supporting a portion of the parking lot.
- Rock bulkhead and fill

- A portion of the footprint of two buildings which are utilized as the marina office building and marina bathroom building. The marina bathroom building contains laundry, showers and restrooms for use by the marina tenants.

A new lease for the marina was negotiated for the period from 11-1-2004 to 10-31-2034. Under the terms of the new lease agreement the state claimed ownership of the concrete bulkhead and fill supporting a portion of the parking lot. The lease does not contain language regarding disposition of state-owned improvements.

The tenant has requested an amendment of the lease to address the floating home recently removed from the harbor area. At this time it would be optimal to address the matter of the state owned improvements.

OPTIONS:

Retain ownership of the improvements and negotiate for the contract language associated with disposition of State owned improvements.

Pros: It resolves the issues associated with disposition of the improvements at the end of the agreement.
Cons: The state is still ultimately responsible for the improvements. State cannot collect additional income for maintenance and removal.

Grant the improvements to the tenant

Pros: Tenant becomes responsible for all of the improvements.
Cons: They may not want to accept the additional liability of the fill and bulkhead. There may be additional complications associated with granting a state owned improvement to a private entity.

RECOMMENDATION:

If possible, transfer ownership of the improvements to the Tenant. Negotiate to add the state-owned improvement language to the amendment if they are unwilling to accept the additional liability.

GUIDING PRINCIPLES:

EXECUTIVE FEEDBACK:

☐ Accept Recommendation ☐ Other

Comments/Explanation:

Attachment

cc: