



MEMORANDUM

The City of
OKLAHOMA CITY

Council Agenda
Item No. VII.N.
2/23/2016

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Permit Agreement with the Oklahoma City Water Utilities Trust and Oklahoma City Boathouse Foundation to operate Lake Hefner Marina and storage facilities, administer sailing and boating programs, adventure attractions, bike and watercraft rentals and related services and programs at Lake Hefner Reservation. Ward 1.

Background

In early 2014 the YMCA of Greater Oklahoma notified the General Manager that they would like to terminate the lease agreement for the youth sailing facility at Hobie Point.

In April 2014, Community on the Water (COW) submitted a proposal to the Parks and Recreation Department to take over the YMCA site in order to operate a youth and adult sailing program at Hobie Point. On May 6, 2014, OCWUT authorized the General Manager, or designee, to negotiate an agreement with COW. After several meetings, COW determined it was not feasible for their organization to enter into a lease. COW contacted Oklahoma City Boathouse Foundation (OKCBF) to determine if they would be interested in a community sailing program at Hobie Point. OKCBF expressed an interest in expanding water sports programming to the Lake Hefner Reservation.

On February 3, 2015 (Item No. III.M.) OKCBF submitted a proposal to assume the community sailing operations on Lake Hefner and OCWUT adopted a resolution authorizing the General Manager to negotiate an agreement with OKCBF.

Shortly after OCWUT authorized the General Manager to move forward with negotiations, the Harbor Master (Police Technician I) at Lake Hefner retired and Oklahoma City Police Department (OCPD) informed OCWUT that it would not be filling the position. OCWUT was funding the Police Department position and permit printing costs in the amount of \$85,000 annually. The cost savings provided an opportunity for OCWUT to offer harbor management duties to OKCBF.

Staff met with OKCBF and OKCPD over several months and successfully negotiated an agreement:

- OCWUT will compensate OKCBF for an amount not to exceed \$40,000 annually, for management services related to

- the wet stalls and dry storage facilities at Lake Hefner Marina.
- OKCBF has agreed to become a wholesale permit dealer and will be offering lake use permits in addition to their other services.
 - OCPD has agreed to allow OKCBF to operate from the lake patrol building, and OKCBF has agreed to continue to provide access to OCPD patrol officers, 24-hours per day, 7-days per week.
 - For consideration, OCPD and OKCBF agreed to credit capital improvement costs and maintenance costs toward the lease amount of \$1,000 per month.
 - The term of the agreement is ten (10) years with two (2), five (5) year renewal options.
 - OKCBF will operate sailing programs from Hobie Point and the marina, in addition to their other services.

This public/private partnership at Lake Hefner will provide additional recreational opportunities for citizens and Oklahoma City visitors. Capital improvements and maintenance of the lake patrol building will extend the life of the asset and provide a home-base for OCPD's response to emergencies at nearby residents and users on the lake reservation. Marina management services provided by OKCBF will benefit the City's boat stall customers, as well as assist staff in managing the program effectively and efficiently. Staff respectfully recommends the permit agreement be approved.

Cost	\$40,000 OCWUT Funds \$ 0 City Funds
Source of Funds	OCWUT-Water Non Rate Related-OCWUT Water Non Rate Related - Hefner Recreation - Project W00HEF - Management Contract (360-3070-3901700-06930-W00HEF-52010001)
Review	Utilities Department
<u>Recommendation:</u>	Permit Agreement be approved.