



Parks and Recreation Department City of Bellingham

MEMORANDUM

To: PRAB
From: Nicole Oliver, Director
CC:
Subject: Sportsplex Lease Modification
Date: November 9, 2022

Following nearly a year and a half of negotiations and brainstorming, the City and the Whatcom Sports Recreation (WSR), the non-profit organization that runs the facility, have agreed on the proposed lease modification.

This lease is for one year. It provides a stop-gap approach with three key goals:

1. Sets up the WSR to be in the best possible position to re-assume the pre-COVID intention to purchase the Sportsplex and obtain a land lease from COB.
2. Demonstrates the City's acknowledgement of the years of pay-back of debt through rental payments on the original building purchase and commitment to continue to provide the important recreational opportunities offered by WSR.
3. Acts in tandem with the capital improvements to the building shell in the 2023-2024 budget that preserves this essential indoor recreation space.

The modification lays out terms that place a payment in lieu of rent into an account that is secured by City approval and can only be utilized for interior remodeling of the facility, while allowing the funds to accumulate in the WSR's name to aid in securing of financing one year from now. Further, this lease modification documents all current financial past debts and obligations of WSR to the City, and allows time for the Civic study to be completed.

This modification requires City Council approval and is scheduled for the November 21st Parks & Rec Committee.