

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**FROM:** Stacie Anaya, Director of Parks and Recreation

**DATE:** June 16, 2025

**SUBJECT:** **Ratification of the Letter Agreement Regarding the Future Use and Occupancy of Certain Real Property By the Slalom Shop, LLC and Singleton Assets & Operations, LLC and the City of Lewisville.**

### **BACKGROUND**

In November 2021, the City issued a Request For Qualification (RFQ) for a development consultant for master planning of Lake Park marina and fishing barge/pier areas. LJH was invited to submit a response to the RFQ but elected not to so. In January 2022, Matthews Development, LLC (“MSW”) was identified as the finalist in the process and later that year a development consulting agreement was executed between the City and MSW. Suntex was the sub-contractor for marina management listed in the MSW response to the RFQ. Per the consultant agreement with the City both MSW and Suntex informed the development of the Lake Park Master Plan that was approved by the USACE in 2024.

In November 2024, the United States Army Corps of Engineers (USACE) executed Lease No. DACW63-1-24-0613 for Park and Recreational Areas on Lewisville Lake with the City of Lewisville to replace Lease No. DACW63-1-00-0820 upon expiration on April 14, 2025. LJH, Ltd. (LJH) was the concessionaire for Eagle Point Marina under the former lease. The Slalom Shop, LLC operated by One Water Marine in a building owned by Singleton Assets & Operations, LLC operated under sub-concessionaire agreements with LJH to conduct commercial boat sales on-site.

Per the development consulting agreement, the City and MSW can mutually agree to move forward with MSW serving as the master developer at-risk for the marina area. Due to the timing of the development and current condition of the market, the redevelopment of the marina itself will take place prior to the uplands with Suntex playing the lead role in this phase of the project.

Suntex has been working with LJH since 2024 to negotiate a buy out of its current operations at the marina and some of the uplands area that provide complimentary services. Due to the complexity of the transaction, negotiations have taken longer than anticipated. To facilitate a smooth transaction between Suntex and LJH while maintaining the majority of current marina operations, an extension of the original concession agreement with LJH was necessary. In May 2025, the City approved the extension of the original concessionaire agreement to continue

operation of the marina and uplands area (with the exception of Sneaky Pete's) until the transaction with Suntex is finalized.

Mr. Wilson and One Water Marina are both aware the Slalom Shop's current location is not part of the USACE approved Lake Park Master Plan.

### **ANALYSIS**

The proposed letter agreement extends the terms of the original sub-concessionaire agreement with LJH through October 14, 2025 or the date at which an agreement is reached between Suntex and LJH, whichever occurs first. This allows the continued operation of the Slalom Shop until the marina transaction with Suntex is finalized. A letter for each the Slalom Shop and Singleton was issued and signed.

Once the transaction between LJH and Suntex is finalized and a new agreement for marina operations is executed, the City will enter into a short-term agreement with the Slalom Shop and Singleton for commercial operations for a term of two years. The City, nor Suntex, will have no obligation beyond this term to permit the Slalom Shop to continue operations. However, there is a desire by all parties to incorporate the Slalom Shop into a different location within the marina. Upon expiration of the future concession agreement, the Slalom Shop will be required to demolish all improvements at its sole cost and expense.

Each agreement is subject to the terms, conditions and obligations of the USACE Master Lease, and must, ultimately, be approved by the USACE. The Parks and Recreation Department will manage the future agreement with the Slalom Shop.

### **CITY STAFF'S RECOMMENDATION**

That the City Council ratify the agreement as set forth in the caption above.