

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Stacie Anaya, Director of Parks and Recreation

DATE: December 15, 2025

SUBJECT: Approval of the Sublease Agreements Between Suntex and the City of Lewisville; and Authorization for the City Manager, or Her Designee, to Execute the Agreements.

BACKGROUND

In November 2021, the City issued an Request For Qualification (RFQ) for a development consultant for master planning of Lake Park marina and fishing barge/pier areas. 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 United States Army Corps of Engineers (USACE) in 2024.

In November 2024, 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 was the concessionaire for Eagle Point Marina under the former lease.

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. In May 2025, the City Council approved ratification of an extension with LJH through October 15, 2025, to facilitate a smooth transaction between Suntex and LJH while maintaining the majority of current marina operations.

Since the approval of the extension, the City has been working with Suntex to negotiate the terms of two agreements. One is a long-term agreement for the marina area, and one is a short-term agreement for management of the uplands area while MSW works to identify a developer for a long-term agreement for development and operation of the lodge, cabins, restaurants, etc. included in the approved Master Plan for Lake Park.

Suntex plans to construct and operate Eagle Point Marina to the highest operational, environmental and engineering standards. This requires replacing everything at the marina, including docks, breakwaters, utilities, fuel infrastructure, and marina support buildings. In total, Suntex plans to invest \$70 million to purchase and redevelop the marina. The City and Suntex have been working with USACE to obtain approval for the proposed phasing plan for the redevelopment of the marina. On September 24, 2025, the City sent a letter to the USACE explaining the phasing plan for redevelopment of the marina and requesting approval to facilitate the buy-out of LJH and finalize the terms of the long-term sublease agreement for the marina. The City received approval of the phasing plan from the USACE on September 26, 2025.

ANALYSIS

The proposed long-term sublease agreement addresses both redevelopment and operations of the marina for a term of 25 years through April 14, 2050, with options for two additional 10 year extensions and one subsequent five year extension. The agreement includes a phasing plan with binding contractual enforcement mechanisms and penalties for failure to meet defined benchmarks to facilitate redevelopment of the marina in five phases over 11 years. Within that time, Suntex will replace all unencapsulated foam and floating tire breakwaters, install a new integrated breakwater dock, floating ship store, fuel system and office, and 879 marina slips (including those reserved for the USACE and Fire Rescue boats). The agreement also includes terms governing operations once redevelopment is complete and addresses:

- responsibilities for conforming with USACE rules and requirements, utilities, monitoring slip and premise use, duties for repair and discovery of hazardous substances.
- rent payments to the City for 3% of gross revenues for marina operations and 1% of gross revenues from the sale of new and used boats, watercrafts, or other vessels.
- the deposit of 2% of gross revenues by Suntex into a capital improvement fund for mutually agreed upon improvements to address significant maintenance issues once the final phase of redevelopment is complete.
- integration of Lake District Branding into signage and retail sales.
- an annual meeting prior to delivery of the annual report to discuss and confirm annual plan of operations and maintenance, fee changes, and capital improvements.

The proposed short-term sublease agreement for a term of two years includes the entire uplands area. In addition to the general operating standards required by the USACE, the agreement obligates Suntex to:

- demolish and/or remove all trailer storage,
- wind-down the dry storage operations and demolish associated buildings,
- enter into a new short-term agreement with the Slalom Shop,
- refrain from starting new operations that currently do not exist, and
- obtain approval from the City for any laydown needs connected with the demolition of uplands and/or construction of the marina.

Staff is confident that both proposed agreements represent the best path forward, ensuring compliance, accountability, and long-term community benefit.

CITY STAFF'S RECOMMENDATION

That the City Council approve the agreements and authorize the City Manager, or her designee, to execute the agreements as set forth in the caption above.