

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

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

**DATE:** May 5, 2025

**SUBJECT:** **Ratification of the Extension Concession Agreement Between LJH, LTD. and the City of Lewisville.**

### **BACKGROUND**

In November 2021, the City issued an Request For Qualification (“RFQ”) for a development consultant for master planning of the Lake Park marina and fishing barge/pier areas. LJH, LTD (“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. Pursuant to 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.

Pursuant 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.

In November 2024, the USACE executed Lease No. DACW63-1-24-0613 for park and recreational areas on Lewisville Lake with the City to replace Lease No. DACW63-1-00-0820 upon its expiration on April 14, 2025. LJH was the concessionaire for Eagle Point Marina under the former lease.

Suntex has been working with LJH since 2024 to negotiate a buyout 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. In order to provide Suntex and LJH additional time to close the purchase and to authorize certain interim marina operations, the City agreed to briefly extend the term of the original concession agreement with LJH, subject to certain amendments set forth in the agreement.

### **ANALYSIS**

This agreement extends the terms of the original concession agreement with LJH but excludes the property leased to Sneaky Pete’s Restaurant & Club, Inc. and its operations (“Sneaky Pete’s”),

allowing LJH to continue operation of the marina and uplands area (with the exception of Sneaky Pete's) during the term of the agreement. It is contingent upon LJH continuing to work toward the close of the Suntex purchase transaction. Accordingly, the term of this agreement expires on the earlier of October 14, 2025, or the closing date of the purchase agreement between Suntex and LJH.

**CITY STAFF'S RECOMMENDATION**

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