



Lake Cushman Lease

City of Tacoma | Tacoma Power

City Council and Public Utility Board Joint Study Session
May 20, 2025



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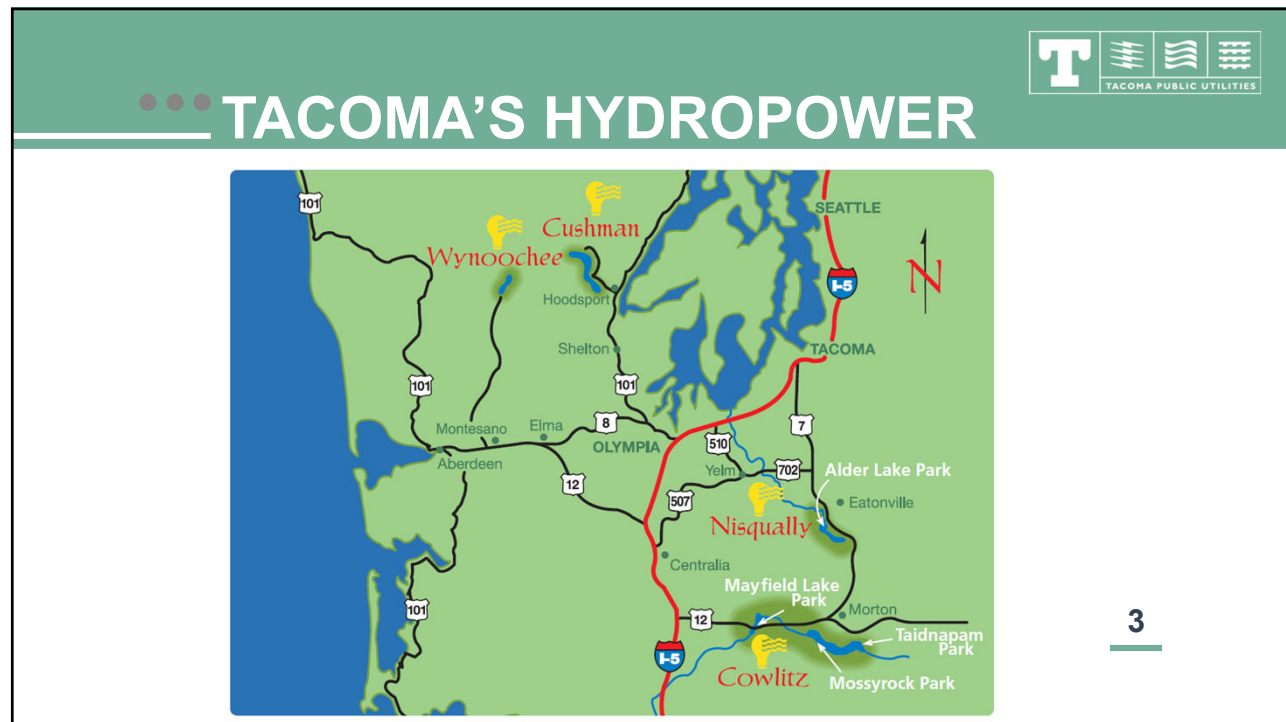
AGENDA



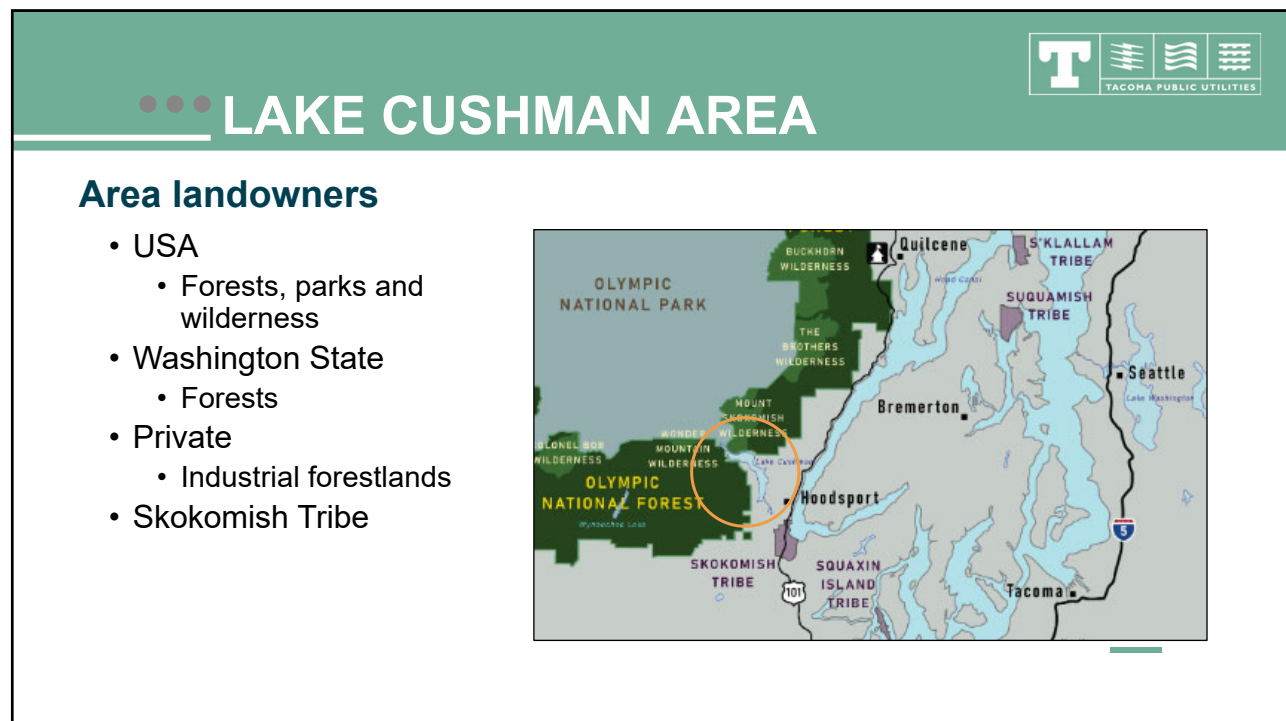
- Lake Cushman area overview
- Lease overview
- Business concern
- Next steps

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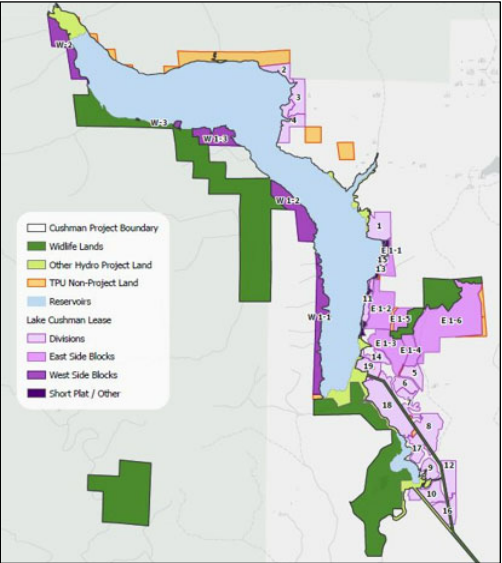
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LAKE CUSHMAN AREA

Mixed land use

- Hydro project
 - Operational lands
 - Wildlife lands
- Leased lands
 - Subdivisions
 - Subleased lots
 - Common areas
 - Private roads



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LEASE OVERVIEW

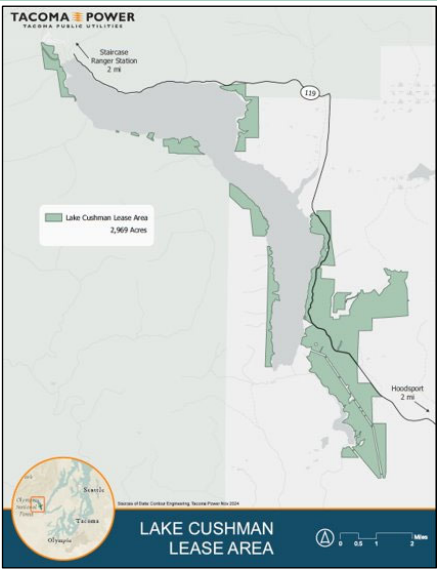
Public Utility Board and City Council resolutions (1966)

Term


- 99 years (1966-2065)

Rent

- \$3.96M over life of lease (1966 dollars)
 - Payable in annual installments of \$40K
 - CPI adjustment every five years
- 2024 annual rent was \$365,560



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BUSINESS CONCERN

Lessee option for extension

- Lessee has made a request for extension
- Consideration for extension is a requirement of lease
- Extension cannot be any longer than 99 years

Subtenant financing concerns

- (2019) LCC requested a lease extension to address financing concerns
- (2021) No 30-year VA loans qualify
- (2030) No 30-year conventional loans backed by Fannie Mae or Freddie Mac will qualify

This will result in substantially fewer financing options

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NEXT STEPS

- **Begin Negotiations**
 - Provide the Public Utility Board with updates
 - Quarterly Updates from Director to the Council Committee Chairs and the Mayor as applicable
- **Request**
 - Refer questions and concerns to the TPU Communications Team
 - Jessica Wilson – Public Information Officer or
 - Rosa McLeod – Government Affairs Advisor, Senior
- **Final Lease Approval**
 - Public Utility Board and City Council

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