

OFFERING MEMORANDUM

# LAKE UNION LANDING

LULANDING.COM





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# TABLE OF CONTENTS

**01**

PROPERTY  
SUMMARY

**02**

FINANCIAL  
INFORMATION

**03**

ADDITIONAL  
PROPERTY DETAIL

**04**

DEVELOPMENT  
POTENTIAL

**05**

ADDITIONAL  
PROPERTY  
PHOTOS

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# PROPERTY SUMMARY

*Section 01*



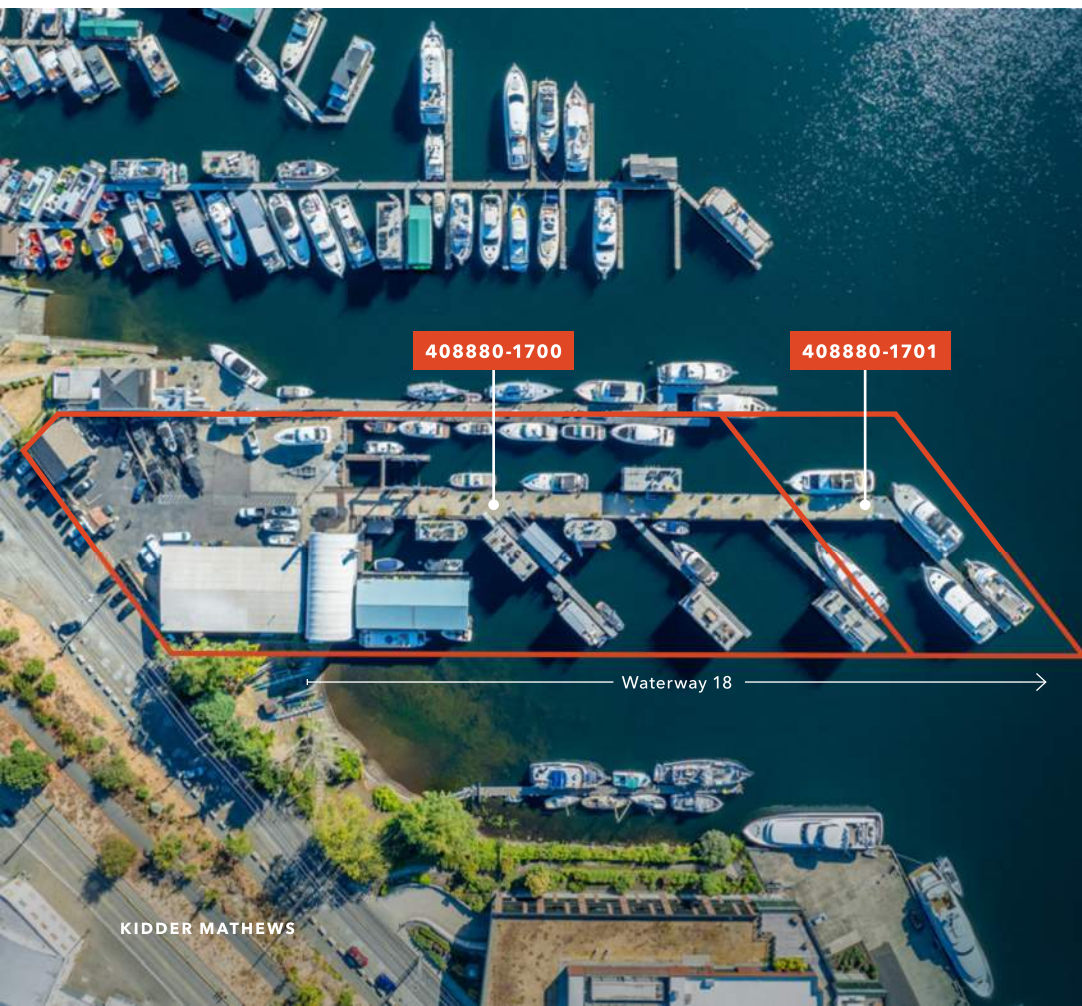
## PROPERTY SUMMARY

*Kidder Mathews has been engaged by the ownership of Lake Union Landing to market the property for sale. This is a very rare opportunity to own a major marine property on the north shore of Seattle's iconic Lake Union.*

In January 2020, the Dunato Boat Yard was purchased by the current owners. The vision by the current owners for the property, was to create a first-class luxury houseboat community while continuing the uplands lease with Union Marine.

Over the past five years, the ownership has created Lake Union Landing, the finest luxury houseboat community on Lake Union. The current owners are committed to furthering the unit count of houseboats at the marina in the future within the co-op units held by the current ownership.

Their leasehold position (for additional houseboat units) within the fifty (50) year cooperative lease agreement, will over time, fulfill and complete the vision that was imagined in early 2020.



ADDRESS	2309 North Northlake Way Seattle, WA 98103
GROSS LAND AREA	2.62 AC 113,914 SF
FEE OWNED UPLAND	31,655 SF
FEE OWNED SUBMERGED LAND AREA	58,757 SF
TOTAL FEE OWNED LAND AREA	90,412 SF
DNR LEASED SUBMERGED LAND AREA	23,502 SF
KING COUNTY TAX PARCELS	408880-1700 408880-1701 - DNR Parcel
ZONING	IBU/45; Industrial Buffer Unlimited 45' Height Limit - UM Shoreline Overlay
GROSS IMPROVEMENTS AREA	21,918 SF
UPLANDS IMPROVEMENTS	9,251 SF
IMPROVEMENTS OVER SUBMERGED LAND	12,667SF
PARKING	16 on-site stalls 16 stalls on adjacent street right-of-way
PROPERTY IS OFFERED FOR SALE	\$12,600,000



# FINANCIAL INFORMATION



## PROPERTY OVERVIEW

In January 2020, the current owners acquired the former Dunato Boat Yard with a vision to transform the property into a premier houseboat community while maintaining the uplands lease with Union Marine.

Over the past five years, that vision has been realized as Lake Union Landing Association (LULA)—now recognized as one of the finest luxury houseboat communities on Lake Union. The owners remain committed to expanding the number of houseboat units, supported by their long-term position within the fifty-year cooperative established to carry out the original plan.

The property is comprised of three primary components, each with its own lease (copies attached):

- Uplands – Sea Ray Sport Yachts - DBA - Union Marine
- Lake Union Landing Association
- Outer Landing Cooperative Association, (DNR lease area)

The associated NOI is included in the Financial Section of this Offering Memorandum.

### UNION MARINE (UPLANDS)

Union Marine is a full-service marine dealer and one of the Pacific Northwest's most established boating companies. Family-owned and locally operated for over 38 years, Union Marine has multiple locations throughout the Puget Sound region. [www.unionmarine.com](http://www.unionmarine.com)

### LAKE UNION LANDING CO-OP

The Co-Op consists of 16 individual slips, with the ownership entity serving as master tenant. Currently, eight floating houseboats are in place. Based on the moorage layout of approximately 2,100+ linear feet, there is capacity for an additional three liveaboard units.

The Co-Op master lease is a 50-year term, with two options to extend for 15 years each, providing exceptional long-term stability.

### OUTER LANDING, LLC (DNR LEASE)

At the pier's terminus, this portion of the property is held under a Washington State Department of Natural Resources (DNR) lease, recently extended for an additional five years. While the stated lease term governs, the State has increasingly agreed to longer terms—up to 20 years—and ownership believes there is strong likelihood of continued extensions without interruption.



## RENT ROLL

Tenant Name	Lease Type	Lease Status	Lease Start Date	Lease End Date	Potential Base Rent	Scheduled Base Rent	Expense Recoveries	Potential Gross Revenue	Net Cash Flow
Union Marine	Industrial	Contract	6/1/2024	5/31/2029	270,758	270,758	103,654	374,412	374,412
Outer Landing Coop	Industrial	Contract	1/1/2025	12/31/2029	42,230	42,230	106,724	148,954	148,954
Lake Union Landing Association	Industrial	Contract	1/1/2025	12/31/2029	256,316	256,316	37,181	293,497	293,497
<b>Total</b>					<b>569,304</b>	<b>569,304</b>	<b>247,560</b>	<b>816,864</b>	<b>816,864</b>





## CASH FLOW

For the Years Ending	Year 1 Dec-2026	Year 2 Dec-2027	Year 3 Dec-2028	Year 4 Dec-2029	Year 5 Dec-2030	Year 6 Dec-2031	Year 7 Dec-2032	Year 8 Dec-2033	Year 9 Dec-2034	Year 10 Dec-2035	Year 11 Dec-2036	Total
<b>RENTAL REVENUE</b>												
Potential Base Rent	569,304	584,890	600,907	612,277	616,518	631,931	647,729	663,922	675,839	680,520	697,533	6,981,370
1. Union Marine	270,758	278,880	287,247	290,776	295,016	302,391	309,951	317,700	320,962	325,643	333,784	3,333,107
2. Outer Landing Coop	42,230	43,286	44,368	45,477	45,477	46,614	47,779	48,974	50,198	50,198	51,453	516,054
3. Lake Union Landing Association	256,316	262,724	269,292	276,025	276,025	282,925	289,998	297,248	304,679	304,679	312,296	3,132,209
Scheduled Base Rent	569,304	584,890	600,907	612,277	616,518	631,931	647,729	663,922	675,839	680,520	697,533	6,981,370
1. Union Marine	270,758	278,880	287,247	290,776	295,016	302,391	309,951	317,700	320,962	325,643	333,784	3,333,107
2. Outer Landing Coop	42,230	43,286	44,368	45,477	45,477	46,614	47,779	48,974	50,198	50,198	51,453	516,054
3. Lake Union Landing Association	256,316	262,724	269,292	276,025	276,025	282,925	289,998	297,248	304,679	304,679	312,296	3,132,209
<b>Total Rental Revenue</b>	<b>569,304</b>	<b>584,890</b>	<b>600,907</b>	<b>612,277</b>	<b>616,518</b>	<b>631,931</b>	<b>647,729</b>	<b>663,922</b>	<b>675,839</b>	<b>680,520</b>	<b>697,533</b>	<b>6,981,370</b>
<b>OTHER TENANT REVENUE</b>												
Total Expense Recoveries	247,560	252,511	257,561	262,713	267,967	273,326	278,793	284,369	290,056	295,857	301,774	3,012,487
1. Union Marine	103,654	105,727	107,842	109,999	112,199	114,443	116,732	119,066	121,448	123,877	126,354	1,261,341
2. Outer Landing Coop	106,724	108,859	111,036	113,257	115,522	117,832	120,189	122,593	125,045	127,546	130,097	1,298,700
3. Lake Union Landing Association	37,181	37,925	38,683	39,457	40,246	41,051	41,872	42,709	43,564	44,435	45,324	452,446
<b>Total Other Tenant Revenue</b>	<b>247,560</b>	<b>252,511</b>	<b>257,561</b>	<b>262,713</b>	<b>267,967</b>	<b>273,326</b>	<b>278,793</b>	<b>284,369</b>	<b>290,056</b>	<b>295,857</b>	<b>301,774</b>	<b>3,012,487</b>
<b>Total Tenant Revenue</b>	<b>816,864</b>	<b>837,401</b>	<b>858,468</b>	<b>874,990</b>	<b>884,485</b>	<b>905,257</b>	<b>926,522</b>	<b>948,291</b>	<b>965,895</b>	<b>976,377</b>	<b>999,307</b>	<b>9,993,857</b>
<b>Potential Gross Revenue</b>	<b>816,864</b>	<b>837,401</b>	<b>858,468</b>	<b>874,990</b>	<b>884,485</b>	<b>905,257</b>	<b>926,522</b>	<b>948,291</b>	<b>965,895</b>	<b>976,377</b>	<b>999,307</b>	<b>9,993,857</b>
<b>Effective Gross Revenue</b>	<b>816,864</b>	<b>837,401</b>	<b>858,468</b>	<b>874,990</b>	<b>884,485</b>	<b>905,257</b>	<b>926,522</b>	<b>948,291</b>	<b>965,895</b>	<b>976,377</b>	<b>999,307</b>	<b>9,993,857</b>
<b>OPERATING EXPENSES</b>												
Comcast	4,020	4,100	4,182	4,266	4,351	4,438	4,527	4,618	4,710	4,804	4,900	48,918
DNR Lease - annual	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	143,000
Electric	37,000	37,740	38,495	39,265	40,050	40,851	41,668	42,501	43,351	44,218	45,103	450,242
Ground Maintenance	24,000	24,480	24,970	25,469	25,978	26,498	27,028	27,568	28,120	28,682	29,256	292,049
Insurance	58,000	59,160	60,343	61,550	62,781	64,037	65,317	66,624	67,956	69,315	70,702	705,785
Landscaping	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151	2,194	21,904
Management Fee - Co-Op	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	146,025
Management Fee - Marina	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	73,012
Management Fee - OLCA	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	73,012
Office Expense	100	102	104	106	108	110	113	115	117	120	122	1,217
Property Taxes	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	89,632	91,425	912,654
R & M - Backflow Testing	60	61	62	64	65	66	68	69	70	72	73	730
R & M - Parking Lot Lighting	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	12,169
R & M - Pressure Washing	2,700	2,754	2,809	2,865	2,923	2,981	3,041	3,101	3,163	3,227	3,291	32,856
Water / Sewer	15,996	16,316	16,642	16,975	17,315	17,661	18,014	18,374	18,742	19,117	19,499	194,651
Winter Servicing	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828	18,253
<b>Total Operating Expenses</b>	<b>258,176</b>	<b>263,079</b>	<b>268,081</b>	<b>273,183</b>	<b>278,386</b>	<b>283,694</b>	<b>289,108</b>	<b>294,630</b>	<b>300,263</b>	<b>306,008</b>	<b>311,868</b>	<b>3,126,476</b>
<b>Net Operating Income</b>	<b>558,688</b>	<b>574,322</b>	<b>590,387</b>	<b>601,807</b>	<b>606,098</b>	<b>621,563</b>	<b>637,414</b>	<b>653,661</b>	<b>665,633</b>	<b>670,369</b>	<b>687,439</b>	<b>6,867,381</b>



An aerial photograph of Lake Union Landing, showing numerous boats docked at piers. A red polygon is drawn over the central part of the image, highlighting a specific area of interest. The boats are mostly white with some having orange or blue accents. The water is a deep blue, and the background shows a residential area with houses and trees on a hill.

# ADDITIONAL PROPERTY DETAIL



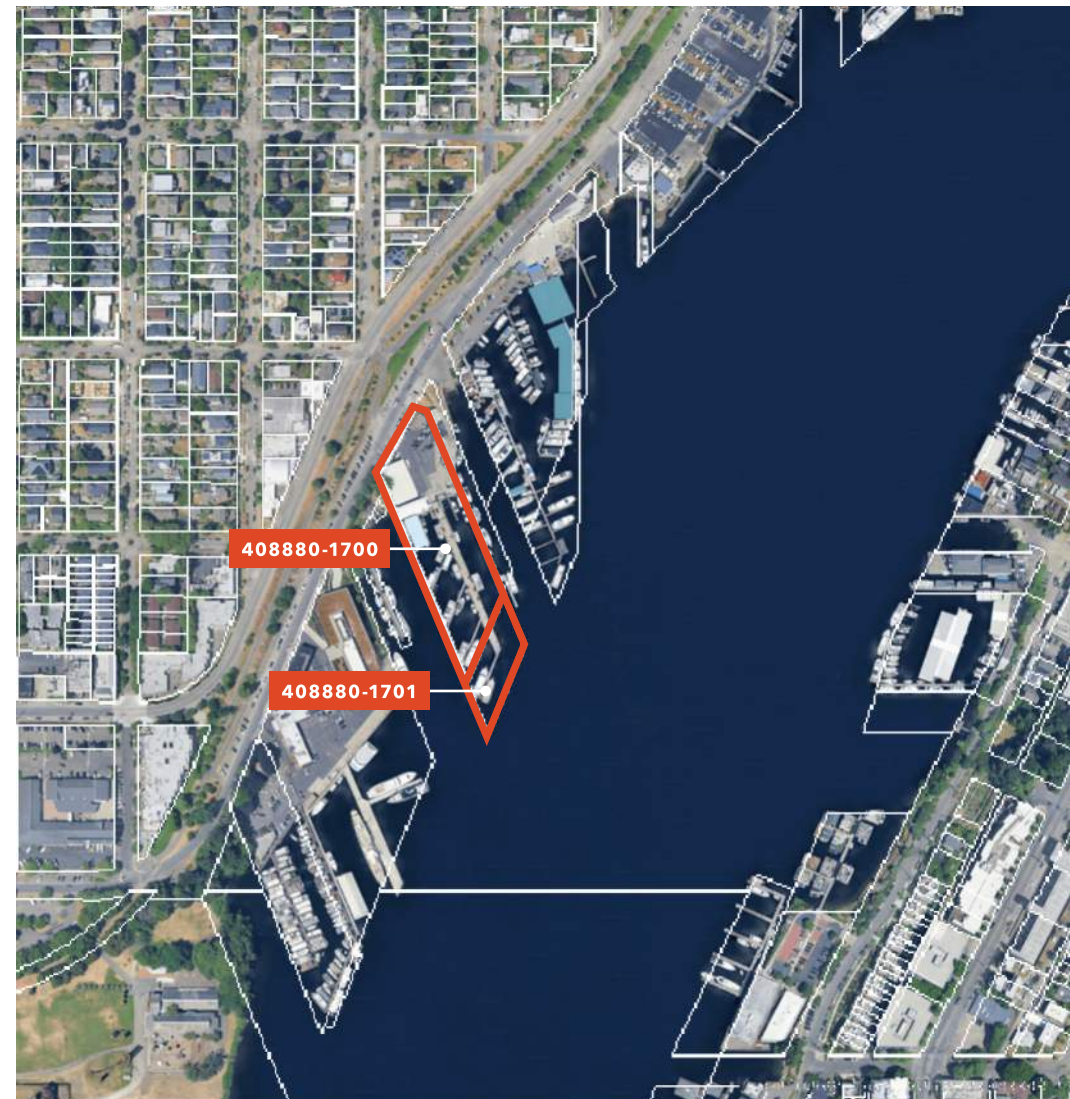
## IMPROVEMENT DETAIL

GROSS IMPROVEMENTS AREA	21,918SF
UPLANDS IMPROVEMENTS	13,362 SF
OFFICE	1,129 SF x 2 stories 2,258SF
GUARD HOUSE	239 SF
MAINTENANCE BUILDING	5,606 SF
COVERED STORAGE	2,277 SF
IMPROVEMENTS OVER SUBMERGED LAND	12,667 SF
BOATHOUSE	2,982 SF
FLOATING DOCKS	9,685 SF
LINEAL FEET OF MOORAGE	±2,040 feet

## ZONING DETAIL

- Industrial Buffer Unlimited 45 (IBU/45) is intended to create a buffer between industrial areas and adjacent residential zones, or commercial zones with residential orientation.
- Urban Maritime (UM) overlay, properties on or adjacent to marine environments within the City of Seattle.
- The subject zoning allows a wide variety of uses including restaurants and bars, offices, life sciences laboratories, institutional uses, storage uses, light manufacturing, yacht and boat clubs and sales. No residential uses are allowed other than caretaker quarters and artist studios.
  - Height Limit - 45' / FAR 2.50

## TAX PARCEL AERIAL





# DEVELOPMENT POTENTIAL



## DEVELOPMENT POTENTIAL

As cited above the Lake Union Landing property zoning allows a variety of uses, albeit with size restrictions, for example:

LODGING	25,000 SF
MEDICAL SERVICES	25,000 SF
MAJOR SALES (E.G. BOATS)	15,000SF
GENERAL RETAIL/SERVICES	7,500 SF
RESTAURANT/BAR	3,000 SF

**Best Practice Architects** of Seattle have conducted a prospective massing study for Lake Union Landing. Their full report, which includes a detailed list of allowable uses, is located in the Lake Union Landing data room which can be accessed via [www.lulanding.com](http://www.lulanding.com) Following are summaries of Best Practices' massing options conclusions.

### DEFINITIONS

#### WD - Water Dependent

Uses that can't exist other than on a waterfront environment. E.G. boat moorage.

#### WR - Water Related

Use not physically dependent on waterfront environment but whose economic viability is dependent upon a waterfront location or proximity. E.G. storage facility for materials shipped via marine vessel.

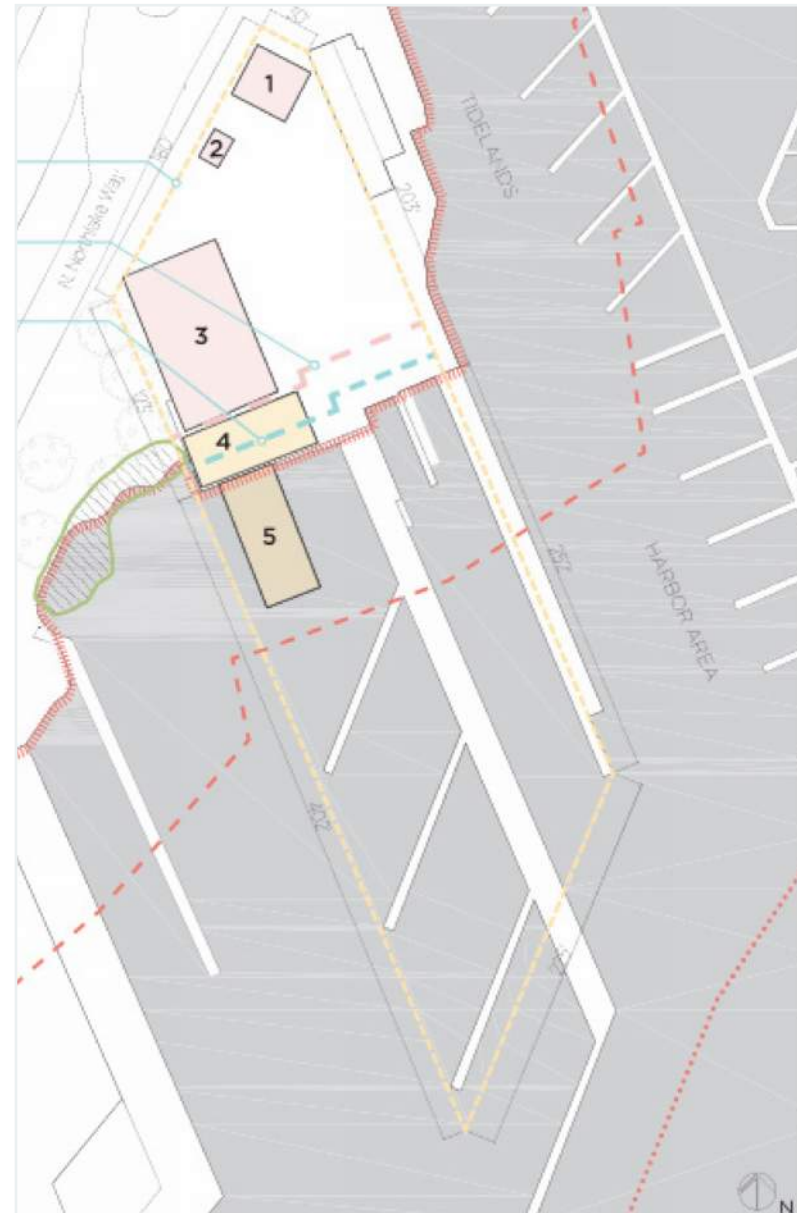




## OPTION 1 – MAINTAIN/ UPGRADE EXISTING

Maintain all existing buildings with their Water Dependent (WD) / Water Related (WR) and upgrade all of them.

- Current siteline and view corridor remain unchanged
- Dry Land - Current buildings (9,251 SF coverage) = 31%
- Max allowed FAR is  $2.5 \times 30,188 \text{ SF} = 75,470 \text{ SF}$
- Total current building area 13,3362 SF / 30,188 SF - .44 existing FAR
  1. Office - 2,258 SF
  2. Guard House - 239 SF
  3. Maintenance Bldg - 5,606 SF
  4. Covered Storage - 2,277 SF
  5. Boathouse - 2,982 SF





## OPTION 2 – MAINTAIN/ DEMOLISH EXISTING

Maintain all existing buildings (4&5) for WD/WR use and upgrade, demolish buildings 1,2 & 3.

- Building 1, 2 & 3 demolished and space used for WD/WR uses as long as FAR remains 2.5 and no more than 75% of lot coverage
- Construct new buildings A & B
- New view corridor between the new buildings
- Can build up to 3 story buildings as the height limit under UM overlay is 35'
  - Building A - 3 floors of 9,350 SF - total of 28,050 SF
  - Building B - 3 floors of 8,030 SF - total of 24,090 SF
- 4. Covered Storage
- 5. Boathouse





## OPTION 3 – MAINTAIN/ DEMOLISH EXISTING

Demolish all dryland structures.  
Create single WD/WR or mixed  
use building.

- 75% lot coverage
- Single 3 story structure
  - Main floor 22,641 SF
  - 2nd floor 22,641 SF
  - 3rd floor 22,641 SF
  - Total of 67,923
- Proposed FAR 2.25 – 67,923 SF / 30,188 SF





## OPTION 4 – MAINTAIN SUBMERGED LANDS AND ADD NON WD/WR COMMERCIAL

Demolish all dryland structures.  
Create single commercial  
building that's **nonconforming** to  
WD/WR zoning.

- 35' height structure
- Building 1
  - Main floor - 7,547 SF
  - 2nd floor - 7,547 SF
  - 3rd floor - 7,547 SF
  - Total - 22,641 SF
- Proposed FAR .75 - 22,641 SF / 30,188 SF





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# ADDITIONAL PROPERTY PHOTOS



## ADDITIONAL PROPERTY PHOTOS

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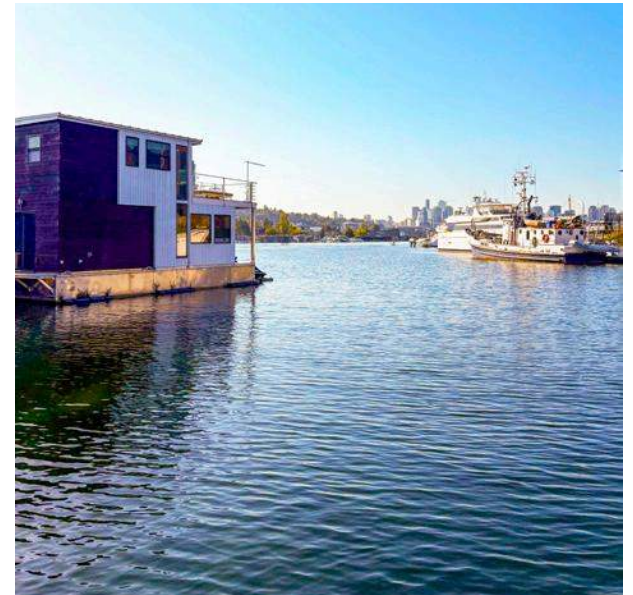


## ADDITIONAL PROPERTY PHOTOS





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