



**Crescent Bar Lease Overview:  
May 27, 2009**

Crescent Bar Island is a man-made island created by construction of the Priest Rapids Hydroelectric Project in 1959-1963 and owned by Grant PUD.

**Intent of Lease:** The island consists of 160-acres, which was leased in 1962 by Grant PUD to the Port of Quincy for the purpose of promoting development for public and recreational uses. The lease term of 50 years is subject to the terms and conditions of the FERC project license. The lease expiration date is 2012.

**Development:** Port of Quincy installed water & sewer facilities, developed a golf course, restaurant, boat moorage, a trailer park and camping area.

The Port subleased to a company which sold its interest to Crescent Properties in 1973. Subleases were signed to permit segregation of portions of the property to include motels, condominiums, a trailer park, boat moorage and other commercial facilities.

**Lease:** Over the term of the current lease, there have been many deviations from the lease agreement, which resulted in non-approved uses, development of the island area and amended sublease terms.

**Key issues:**

The new FERC License requires agency consultation, development and implementation of a Shoreline Management Plan, which shall contain a provision to protect and enhance Crescent Bar Island while improving public use and recreation enhancements. Other issues that must be resolved are health and safety issues, non-permitted uses/development, infrastructure upgrades to sewer, water, interior roads/fire lanes and commercial structures.

Currently there are 400 parties having a private interest in Crescent Bar condominiums and RV lots. Public access to the island has been limited by intensive private uses that have occurred over time.

Current lease rates do not reflect current market value of the leasehold property. Escalation clauses were not built into the current sublease agreements by the Port and Crescent Bar, Inc.

Current ground lease rates – RV Park & Condos:

HOA's	Annual Rate*
Condo – Pavilion	\$626
Condo – Older Units	\$100
Condo – New Units	\$417
RV Park Lot	\$33

\*Rate information provided by Homeowner Associations

Leasehold Taxes: Current leasehold tax paid to the State by the Lessee is approximately \$15,000 per the Port of Quincy.

**Primary/Secondary Residence Data (Information received from Grant County Assessor's, voter registration and Crescent Bar Homeowner Association owner information)**

HOA's Area	West. WA # Units	East. WA # Units*	Grant County # Units	Out of State	F/T CB owner # Units
Condo/Hotel	103	6	1	0	1
N RV Park	189	5	49	10	48
S RV Park	38	4	9	2	9

\* does not include Grant County owners

**Investment properties:**

Some 66 percent of the condos (73 units) are known to be advertised as recreation rental properties with weekly rental ranging from \$900-\$1800 a week.