

# John Wayne Marina Expansion Financial Assessment

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Prepared by:

BST Associates in association with Reid Middleton, Inc.

September 28, 2009



# Study Purpose

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- To estimate the demand for wet moorage at John Wayne Marina
- To evaluate the financial feasibility of alternative marina designs prepared by Reid Middleton, Inc.



Focus on extension of Dock "D"

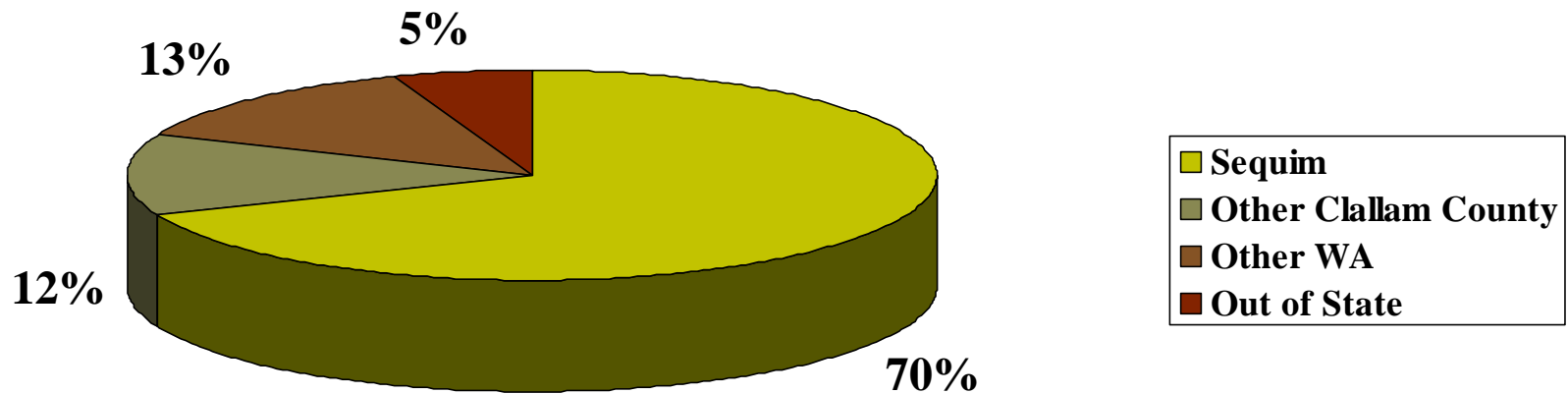


# Demand Forecast

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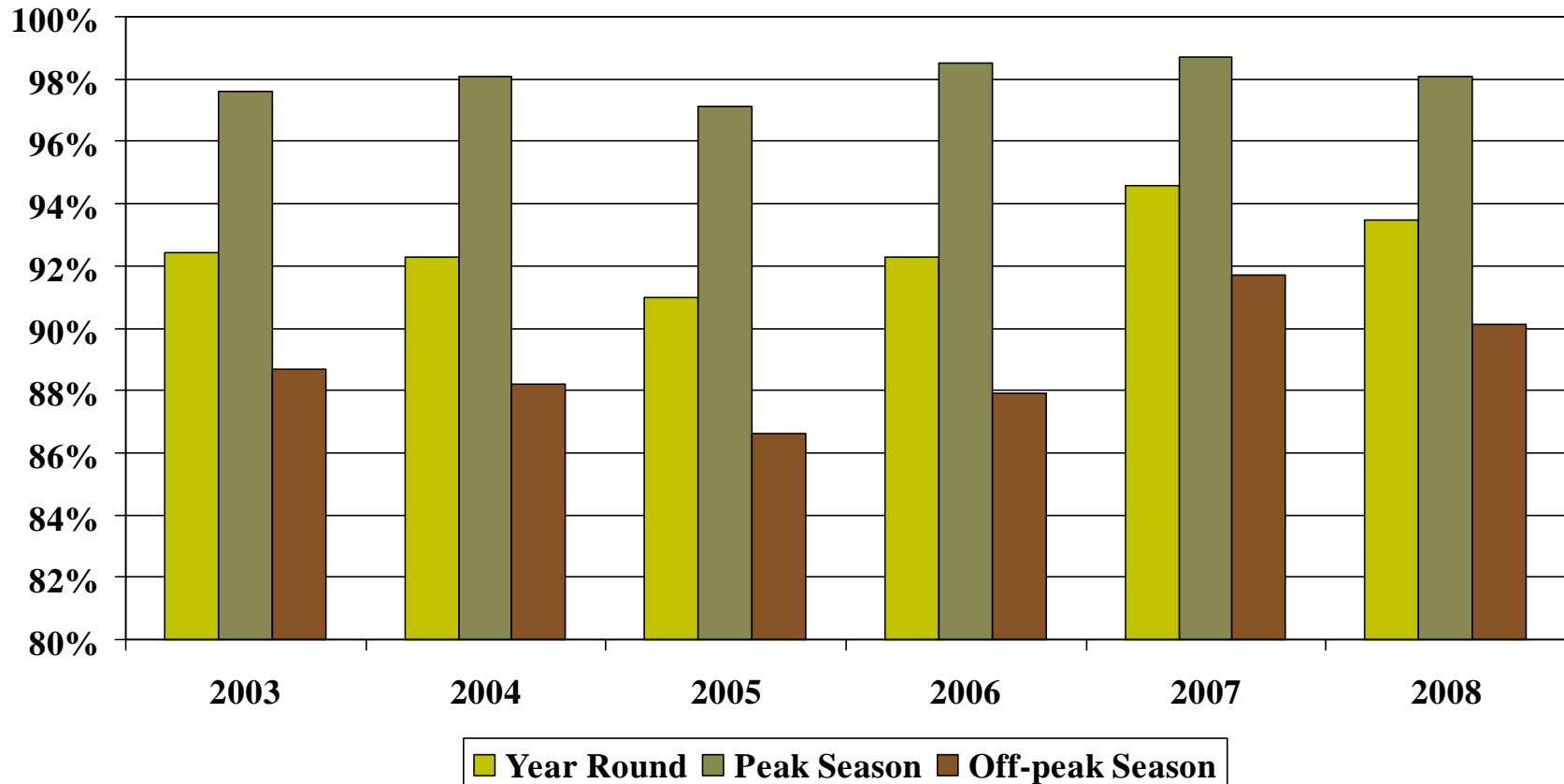
# Distribution of Tenants at JWM

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The geographic market concentration at John Wayne Marina is relatively tight, relative to other marinas. Approximately 70% of current tenants are residents of Sequim, 12% are from other parts of Clallam County, 13% are from other counties in Washington (mainly King, Kitsap and Jefferson counties) and 5% are from out of state.

# Occupancy rates at JWM 2003-8

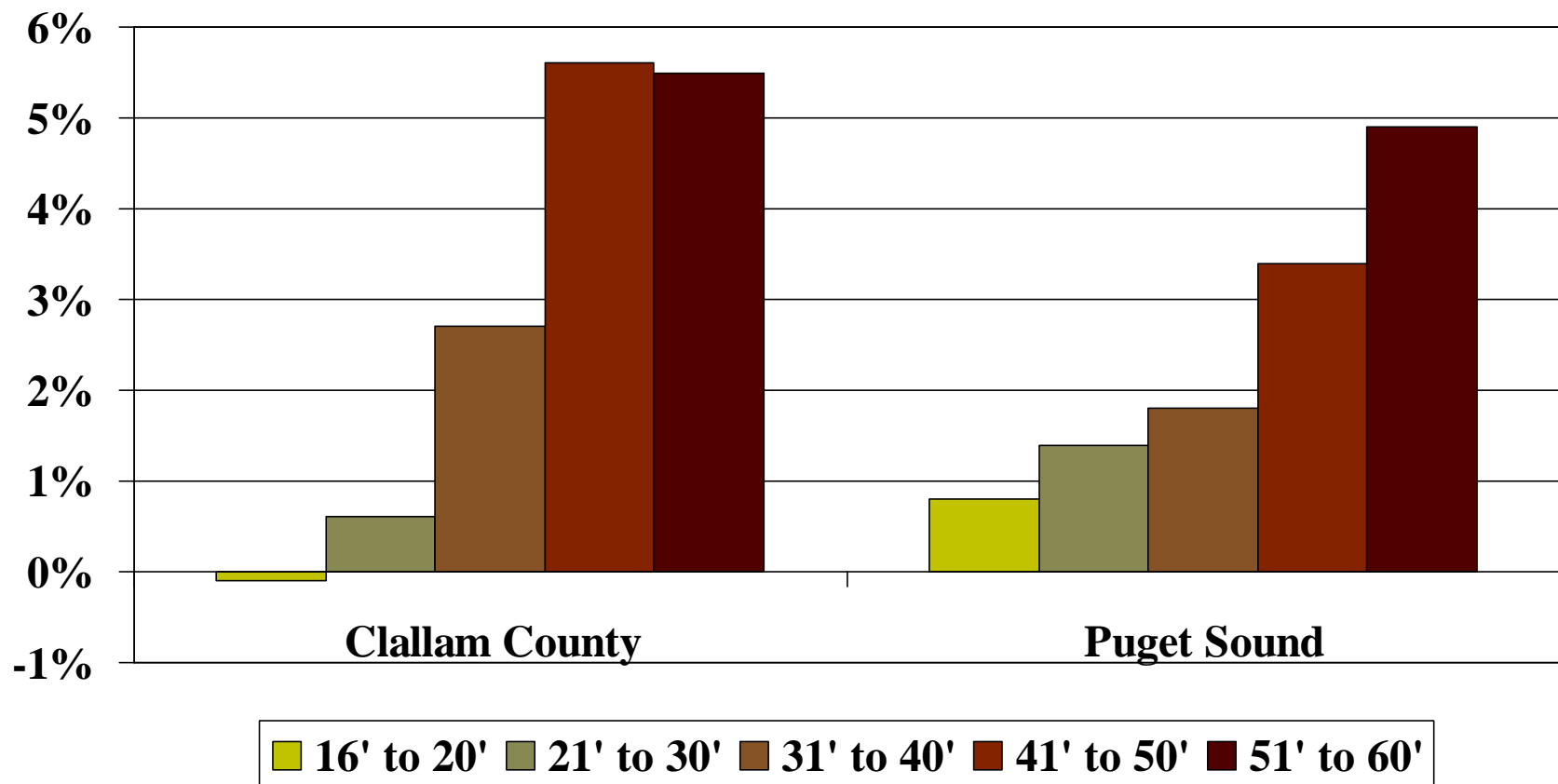


Occupancy is near 100% in the peak season (May through September) and declines somewhat in the off-peak season (October through April). During the off-peak season a relatively large number of smaller boats (less than 30 feet) leave the marina and occupancy declines to around 80% for the smaller slips. <sup>6</sup>

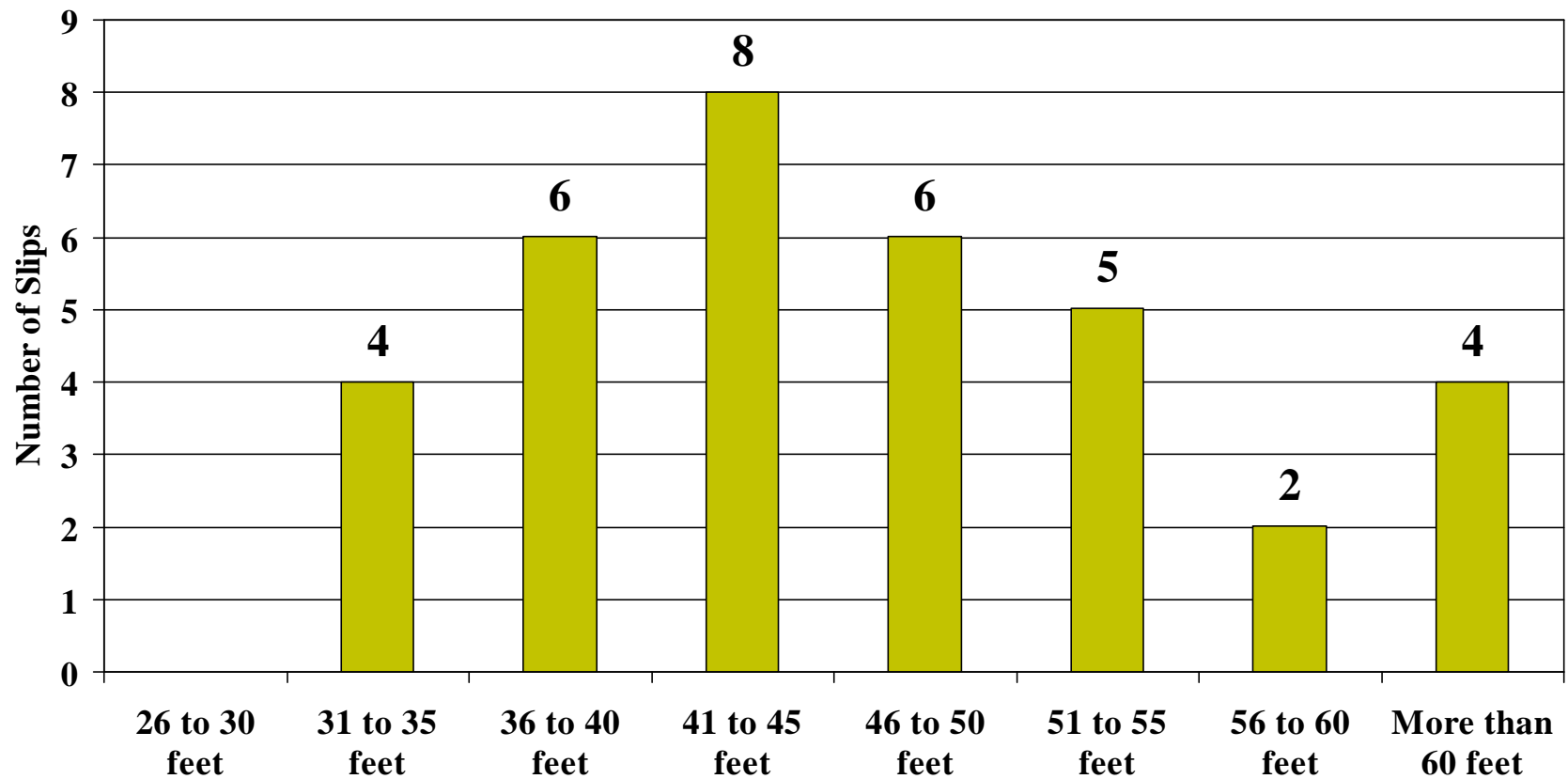
# Occupancy by Slip Length at JWM

Year	50	45	42	40	36	32	30	28	Sideties	Total
<b>Peak Season (May-Sept)</b>										
2008	0.7%	0.0%	2.9%	0.0%	0.0%	0.7%	5.2%	2.9%	0.6%	1.9%
2007	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	1.0%	4.1%	0.6%	1.3%
2006	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	3.2%	2.6%	1.5%
2005	0.7%	0.0%	1.0%	0.0%	0.9%	1.4%	6.2%	3.8%	3.9%	2.9%
2004	0.0%	4.0%	2.9%	3.2%	0.0%	0.7%	2.9%	2.1%	2.3%	1.9%
2003	0.7%	4.0%	1.0%	0.0%	0.0%	0.0%	5.2%	3.8%	2.6%	2.4%
<b>Off-Peak Season</b>										
2008	0.0%	1.4%	2.7%	1.5%	0.6%	5.1%	8.2%	29.2%	6.0%	9.9%
2007	0.0%	0.0%	1.4%	0.0%	0.0%	1.0%	2.0%	28.6%	6.5%	8.3%
2006	0.0%	0.0%	0.0%	3.0%	0.0%	2.0%	9.5%	34.0%	12.9%	12.1%
2005	0.0%	0.0%	1.4%	1.5%	0.0%	6.6%	12.2%	34.0%	15.2%	13.4%
2004	0.0%	5.7%	2.0%	0.8%	0.0%	4.1%	8.2%	30.7%	14.3%	11.8%
2003	0.0%	1.4%	0.0%	0.0%	0.6%	8.7%	9.2%	30.0%	11.3%	11.3%
<b>Year Round</b>										
2008	0.3%	0.8%	2.8%	0.9%	0.4%	3.3%	6.9%	18.3%	3.8%	6.5%
2007	0.0%	0.0%	0.8%	0.0%	0.0%	0.9%	1.6%	18.4%	4.0%	5.4%
2006	0.0%	0.0%	0.0%	1.8%	0.0%	1.2%	6.3%	21.2%	8.6%	7.7%
2005	0.3%	0.0%	1.2%	0.9%	0.4%	4.5%	9.7%	21.4%	10.5%	9.0%
2004	0.0%	5.0%	2.4%	1.8%	0.0%	2.7%	6.0%	18.8%	9.3%	7.7%
2003	0.3%	2.5%	0.4%	0.0%	0.4%	5.1%	7.5%	19.1%	7.7%	7.6%

# Relative Growth Rates Registered Boats (1990-2008)



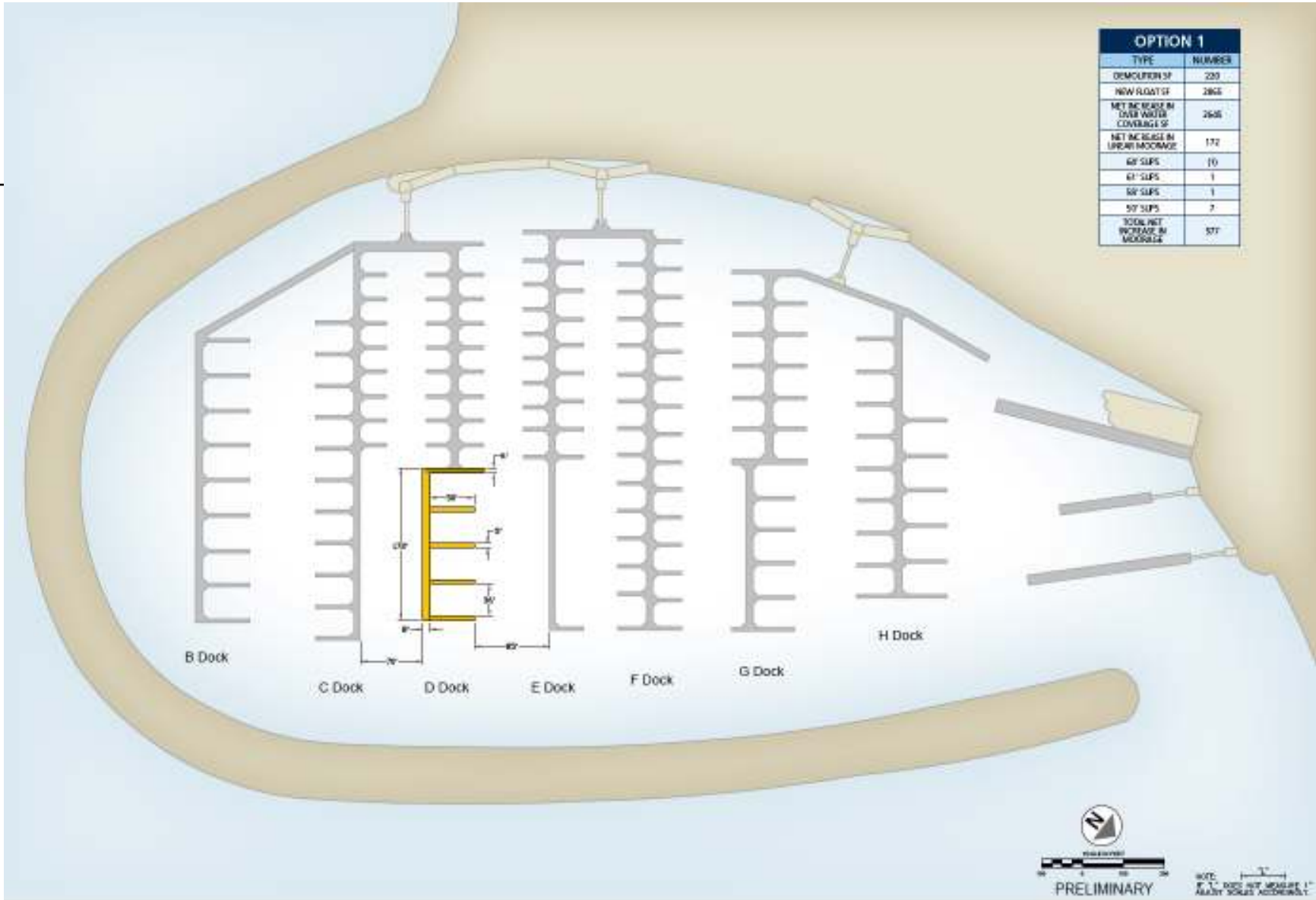
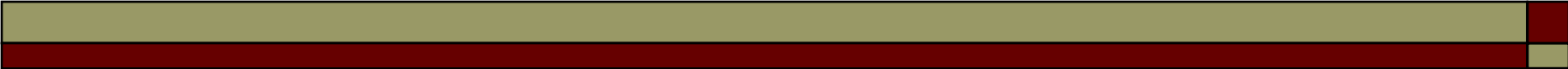
# Clallam County Growth Forecast



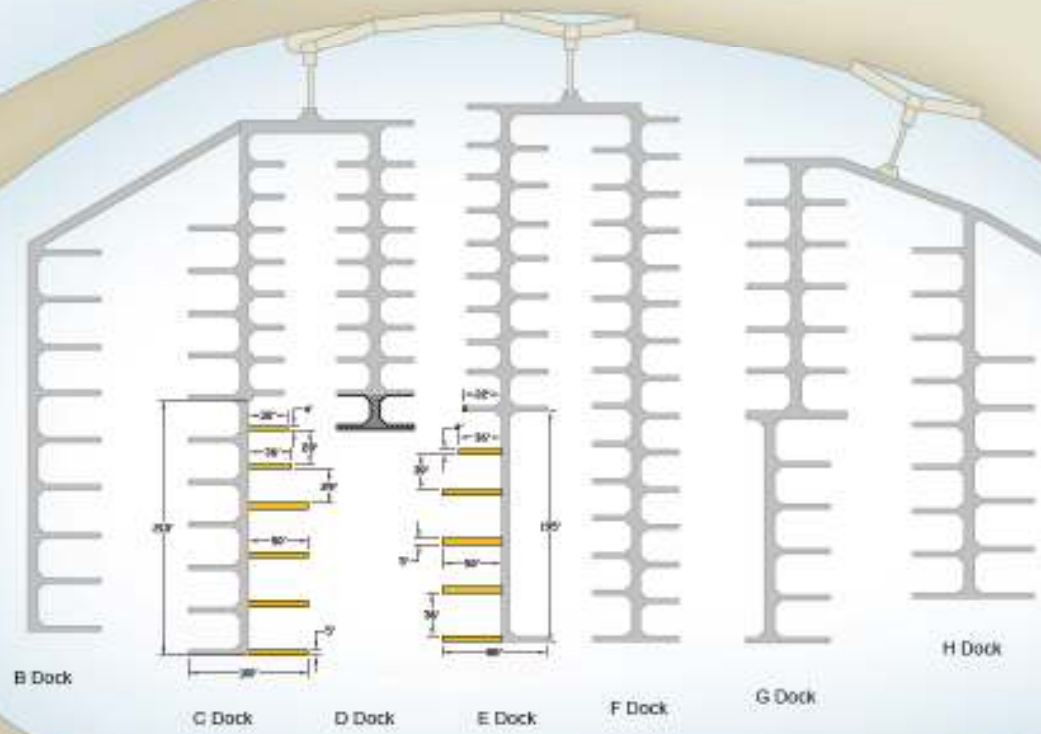


# Options Considered

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OPTION 2	
TYPE	NUMBER
DEMOLITION SF	285
NEW FLOOR SF	3882
NET INCREASE IN OVERWATER COVERAGE SF	1947
NET INCREASE IN LINEAR MOORAGE	1413
100' SLIPS	1
80' SLIPS	1
50' SLIPS	13
30' SLIPS	10
20' SLIPS	4
12' SLIPS	4
20' SLIPS	80
TOTAL NET INCREASE IN MOORAGE	484

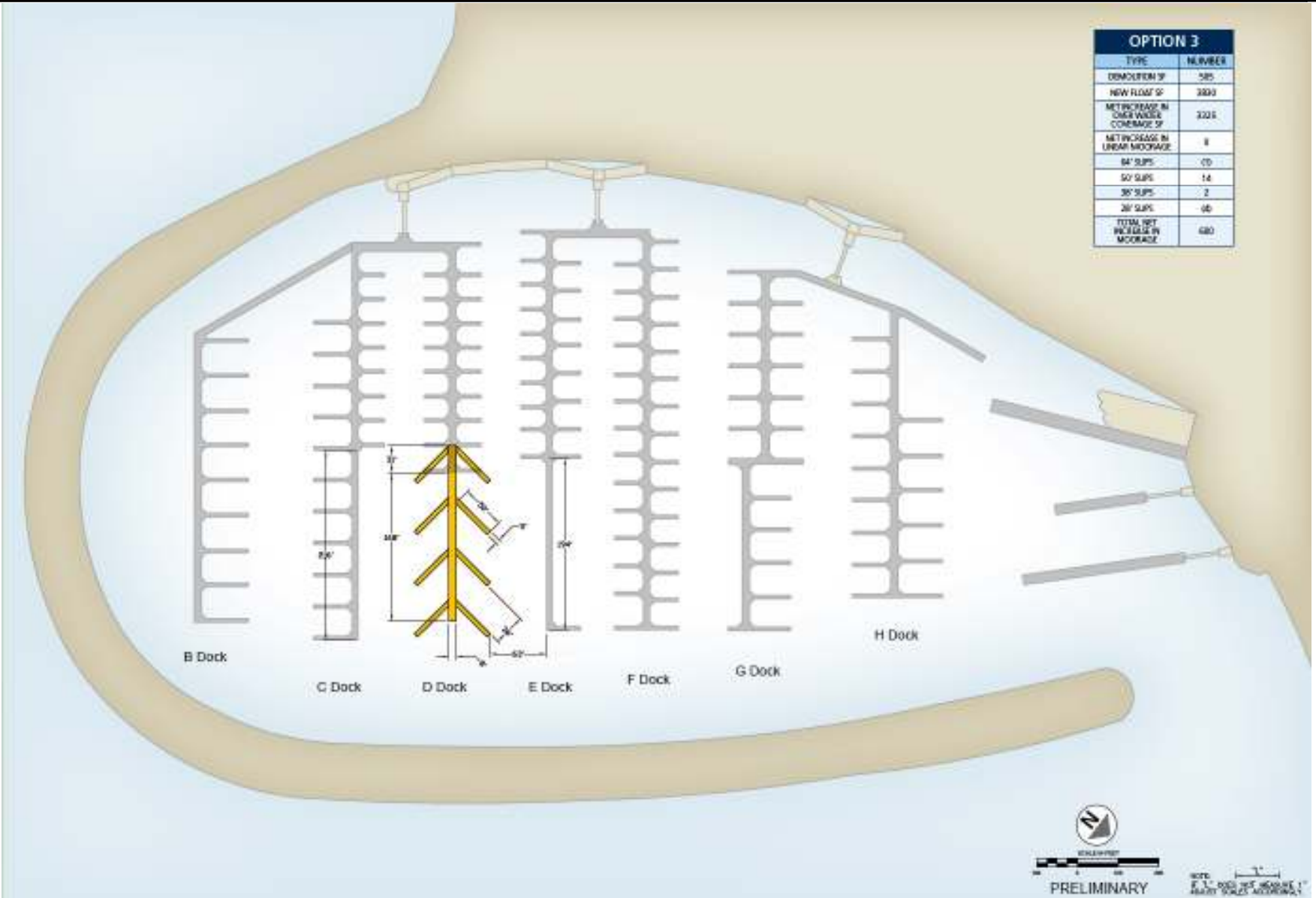


  
 PRELIMINARY
 

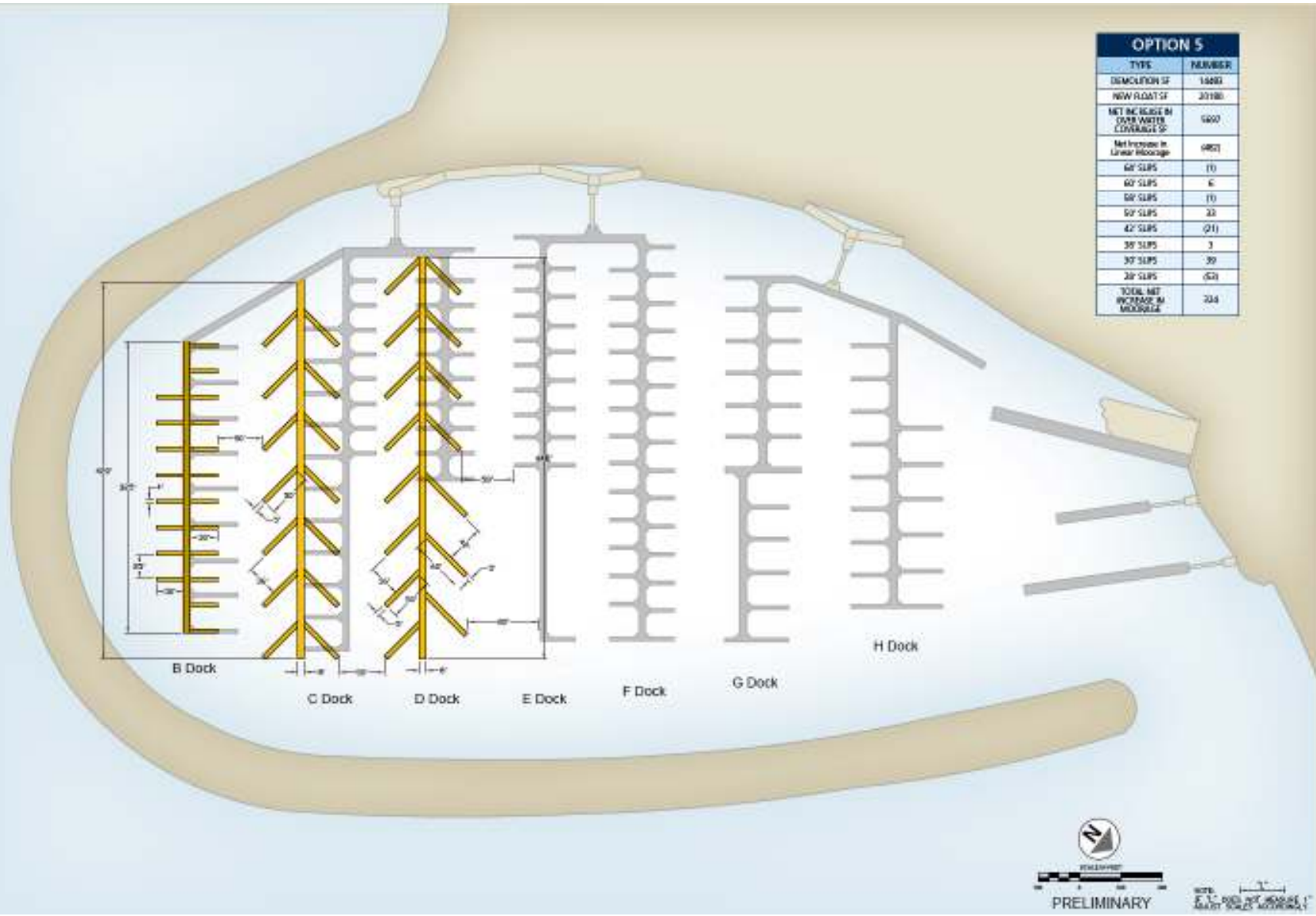
  
 SCALE: 1" = 100'

OPTION 3	
TYPE	NUMBER
DEMOLITION SF	585
NEW FLOOR SF	3800
NET INCREASE IN OVERWATER COVERAGE SF	3215
NET INCREASE IN LINEAR MOORAGE	8
84' SUPS	05
50' SUPS	14
30' SUPS	2
20' SUPS	06
TOTAL NET INCREASE IN MOORAGE	680





OPTION 5	
TYPE	NUMBER
DEMOLITION SF	14483
NEW FLOAT SF	20180
NET INC INCREASE IN OVER WATER COVERAGE SF	5400
Net Increase in Linear Moorings	682
60' SLIPS	11
60' SLIPS	6
60' SLIPS	11
60' SLIPS	22
42' SLIPS	211
30' SLIPS	3
30' SLIPS	39
30' SLIPS	621
TOTAL NET INCREASE IN MOORINGS	224



  
  
 PRELIMINARY

# Comparison of Options

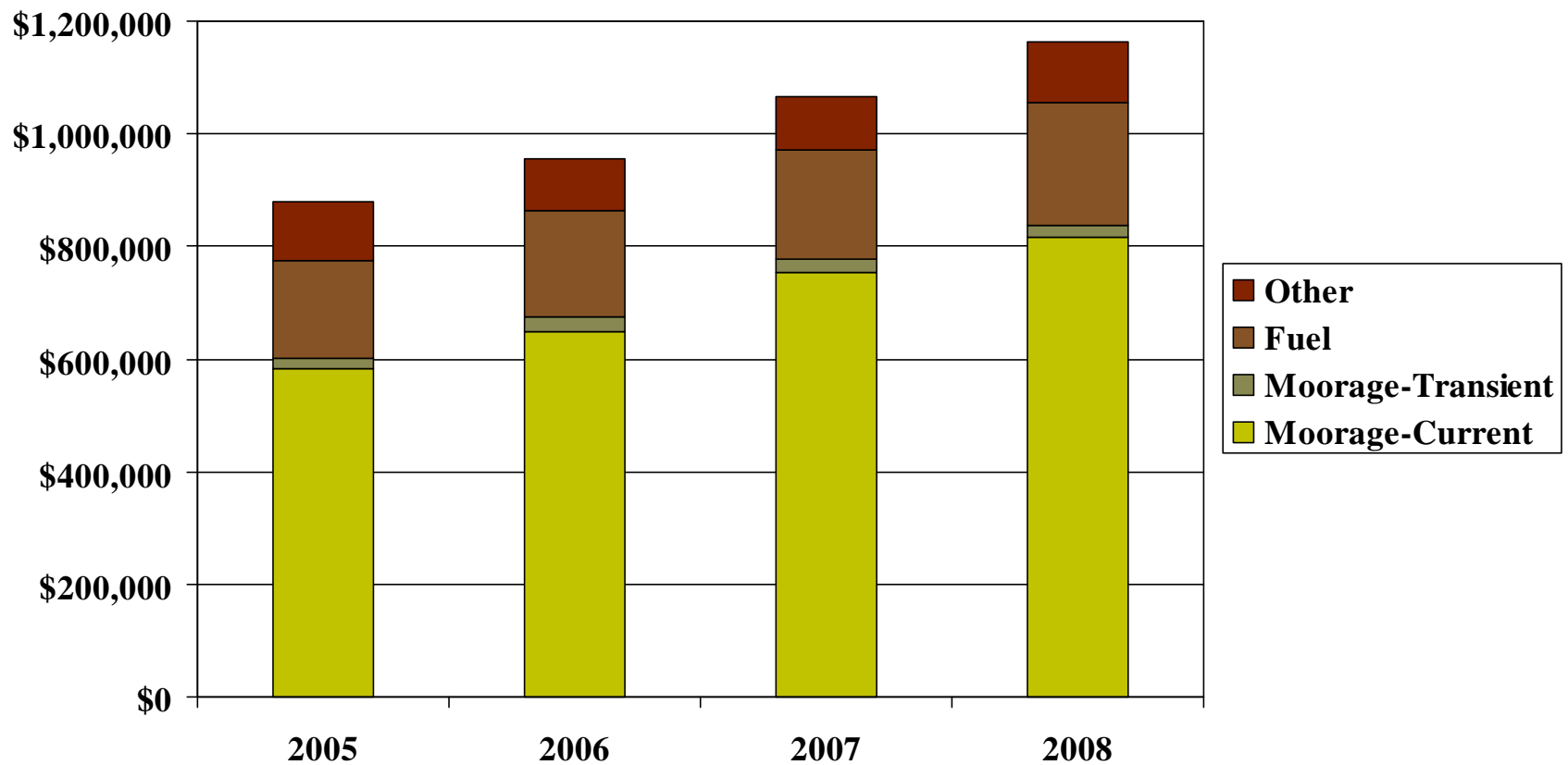
Total # of Slips	Existing	Option 1	Option 2	Option 3	Option 4	Option 5
26 to 30 feet	119	119	113	115	130	105
31 to 35 feet	29	29	33	29	29	29
36 to 40 feet	79	84	71	81	82	68
41 to 45 feet	31	31	31	31	10	10
46 to 50 feet	28	35	41	42	53	61
51 to 55 feet						
56 to 60 feet	2	3	2	2	2	6
More than 60 feet	9	9	14	7	9	7
Subtotal	297	310	305	307	315	286
<b>Net # of New Slips</b>						
26 to 30 feet	0	0	-6	-4	11	(14)
31 to 35 feet	0	0	4	0	0	-
36 to 40 feet	0	5	-8	2	3	(11)
41 to 45 feet	0	0	0	0	-21	(21)
46 to 50 feet	0	7	13	14	25	33
51 to 55 feet	0	0	0	0	0	-
56 to 60 feet	0	1	0	0	0	4
More than 60 feet	0	0	5	-2	0	(2)
Subtotal	0	13	8	10	18	(11)
Estimated Project Cost		\$609,000	\$462,000	\$787,000	\$4,194,000	\$4,338,000
New Floats (Sq. Feet)		2,865	2,360	3,830	19,070	20,180
Total Cost per SqFt		\$212.6	\$195.9	\$205.6	\$219.9	\$215.0



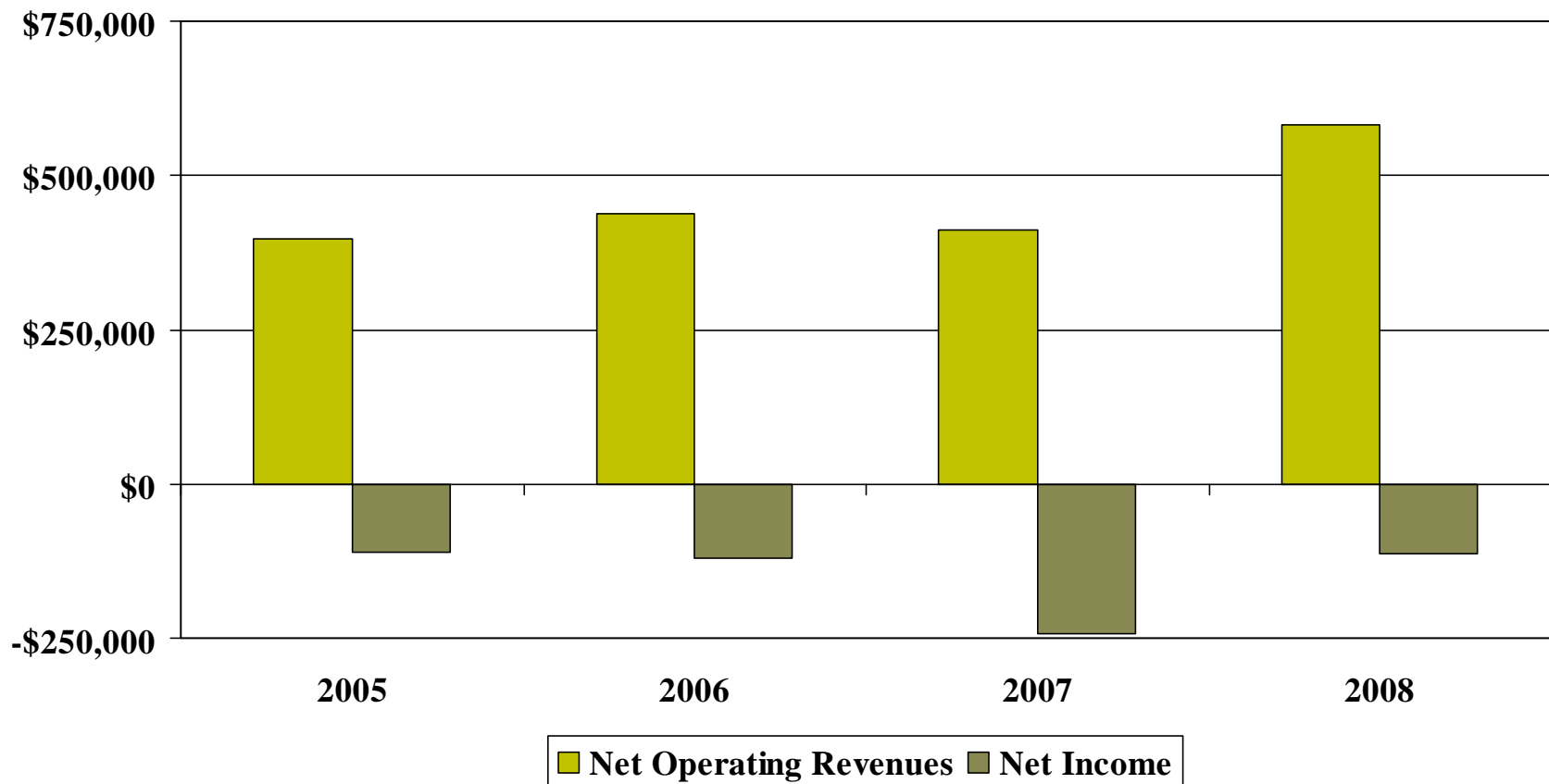
# Financial Assessment

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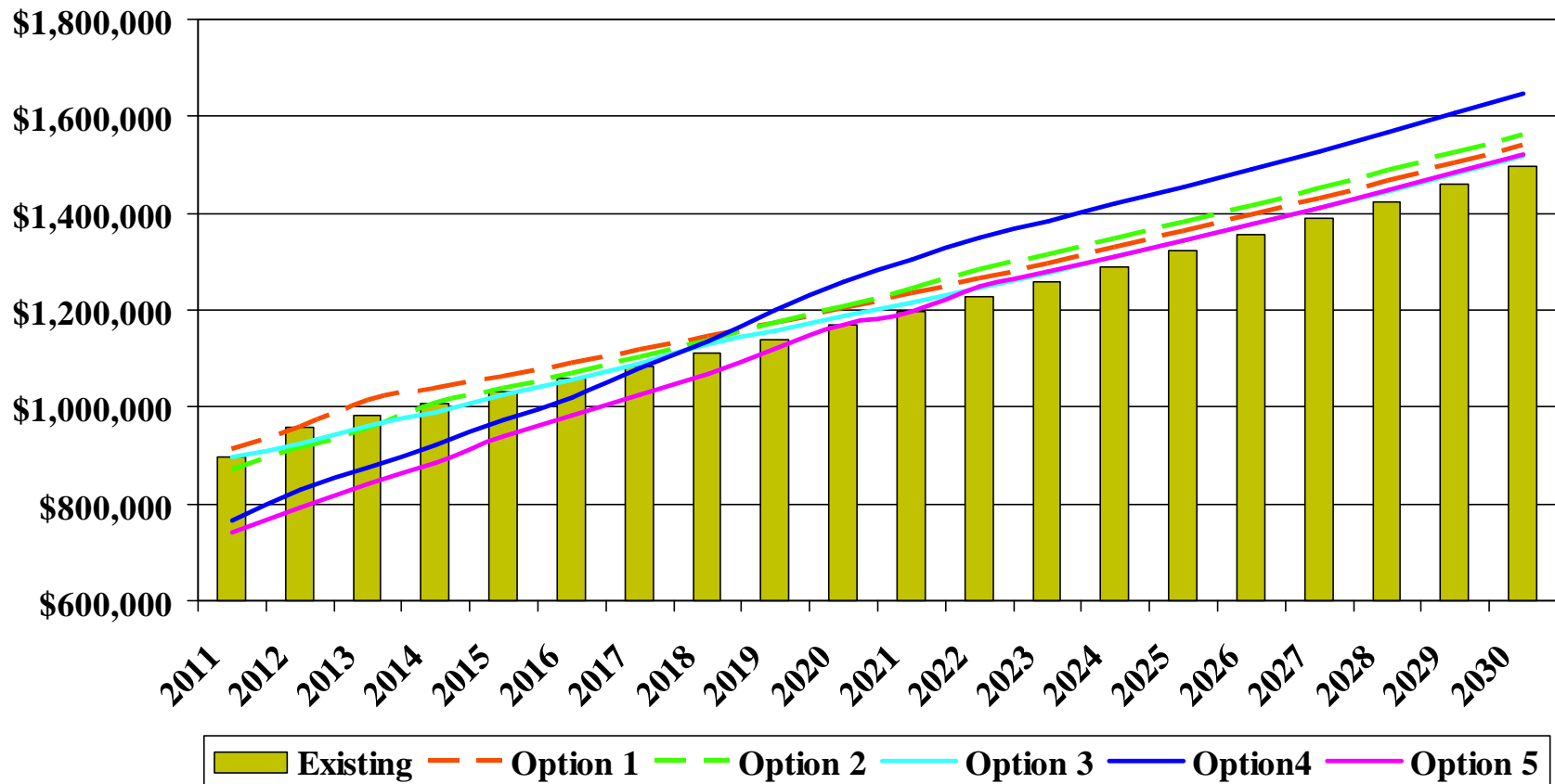
# Revenue Trends at JWM



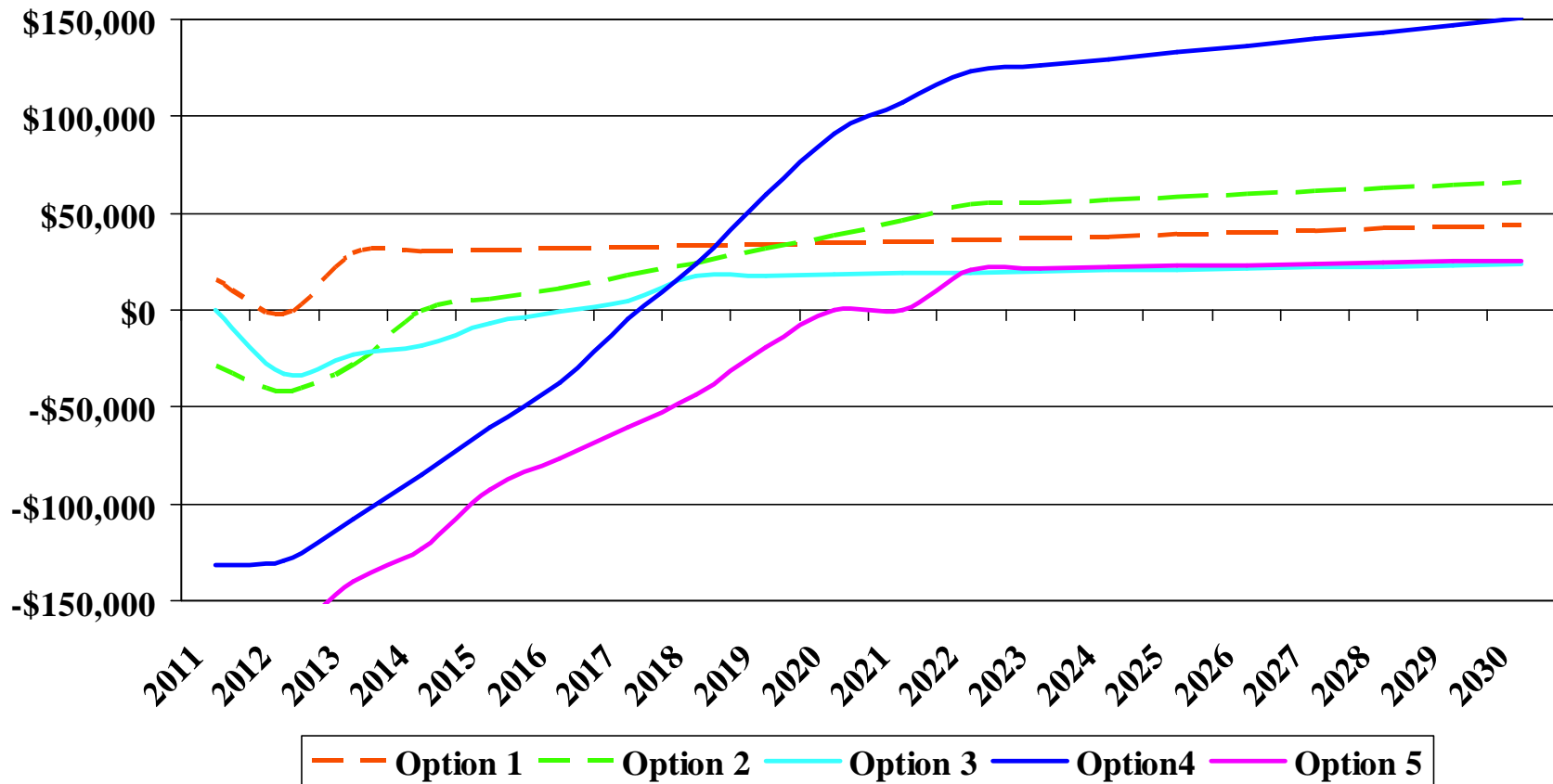
# Net Rev And Inc Trends at JWM



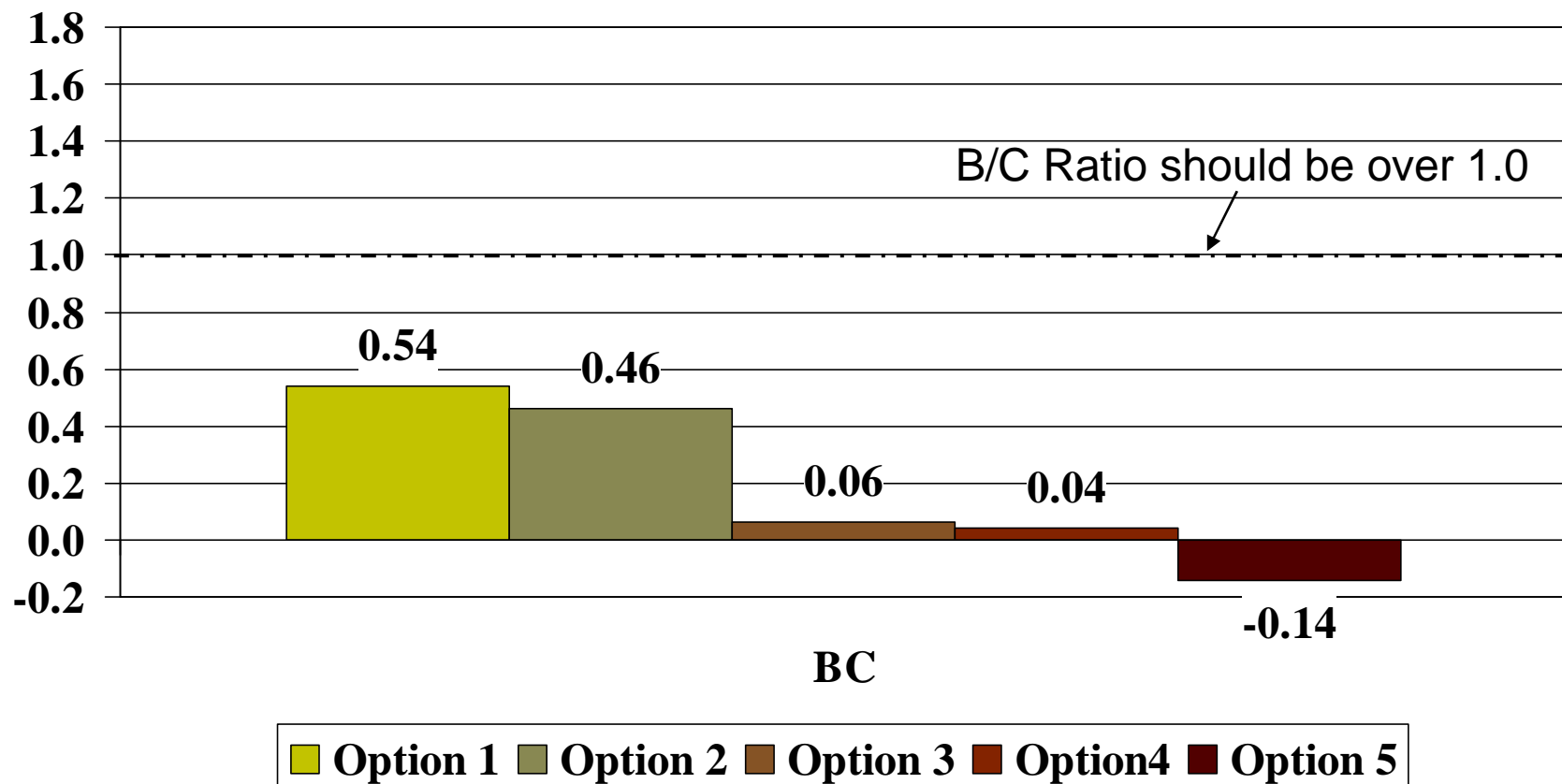
# Comparison of Permanent Gross Moorage Revenues by Option



# Comparison of Permanent Net Moorage Revenues by Option



# Benefit Cost Summary



None of the alternatives is expected to have benefits exceed costs.

As a result, none of the alternatives is financially viable.



# Other Considerations

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- The existing marina is approximately 25 years old. The life of the floats is likely between 30 and 40 years. Any alternative to add new floats to existing floats should take the life cycle costs of the entire marina into account.
- The Port Angeles Boat Haven, which has recently been redeveloped, has more than 10 vacant 50-foot slips. The Port should consider both marinas in making decisions about new floats at John Wayne Marina.