

John Wayne Marina Market Study

FINAL REPORT

For:

THE PORT OF PORT ANGELES

Submitted by:

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1 Executive Summary

1.1 Study Purpose

The primary purpose of the Phase I analysis is to estimate the demand for the following existing and future potential uses:

- ◆ Water area uses, including permanent and transient moorage space, area for hand launched boats/dinghies and a floatplane float;
- ◆ Upland uses, including evaluation of existing building uses and consideration of dry boat storage and boat repair facilities.

The Phase I demand assessment provides an estimate of the size, timing and strength of the markets under consideration. The Phase I effort also assists the study team in developing alternative development plans for further assessment in Phase II. The Phase II effort will evaluate the financial and economic performance of alternatives.

1.2 Study Approach

The market assessment is based upon a review of current supply and demand and other market factors, economic and real estate conditions and trends in the region, the City of Sequim and Clallam County; physical and regulatory settings; and discussions with property owners, stakeholders and other knowledgeable persons (realtors and developers, among others). As a part of this study, BST Associates conducted interviews with the following groups:

- ◆ John Wayne Marina Restaurant,
- ◆ Bosun's Locker,
- ◆ Sequim Bay Yacht Club,
- ◆ Wayne Enterprise consultants (Tony Puma and Marco Vitulli),
- ◆ Jamestown S'Klallam Tribe,
- ◆ Sequim – Dungeness Chamber of Commerce,
- ◆ City of Sequim, and
- ◆ Port of Port Angeles staff (harbormaster and real estate/economic development).

The economy in the Sequim area is dynamic and holds the promise for sustained future growth in population and employment as well as in commercial and recreational facilities to accommodate the increasing economic base. The projections presented in this report for waterfront and upland uses are based upon growth projections for the entire Sequim area and in Clallam County. As a result, they take into account the potential uses that may occur at properties throughout the Sequim area.

The property bordering John Wayne Marina on the east is owned by Wayne Enterprises (WE). Specific development plans for this property have yet to be made public. However, the property has the following existing zoning and permitted uses¹:

- ◆ A portion of the WE property is zoned shoreline commercial. This category permits a wide range of uses, including lodging facilities (bed and breakfast facilities, hotels and motels), retail stores (such as convenience and grocery stores and small retail stores less than 5,000 square feet in size), restaurants, and commercial offices, among other uses.
- ◆ Another portion of the property is zoned residential, which permits single-family residences and conditionally allows multi-family residential development and RV parks, among other uses.

1.3 Findings Related to Water Uses

The findings of the demand assessment for water uses are summarized in this section.

1.3.1 Marina utilization patterns

Marina use patterns, including occupancy and vacancy rates by slip length, were evaluated in the study for the years 1998 through 2003 year to date (through July).

1.3.1.1 Wet moorage market characteristics:

John Wayne Marina has approximately 300 slips, of which 280 are used for permanent moorage and 20 are used for transient moorage. As with other marinas built 20 to 30 years ago, John Wayne marina has relatively more small slips than other marinas in Puget Sound.

The market concentration at John Wayne Marina is very tight geographically relative to other marinas, particularly those located in Skagit and Kitsap County. Clallam County residents account for 87.6% of John Wayne Marina's tenant base. Residents of other parts of Washington State account for 9.0% of tenants and out of state boat owners account for 3.4% of tenants.

Clallam County represents the primary market region for John Wayne Marina. There is a limited appeal for boaters from other parts of Washington State and out-of-state boaters in the secondary market for boaters). This characteristic tends to limit the expansion potential of John Wayne Marina.

1.3.1.2 John Wayne Marina Occupancy and Vacancy Rates

Relatively low occupancy rates (80% to 85%) dominate the winter months (November through January). Occupancy rates are approximately 90% in the months of March and October. The Marina reaches full occupancy during the months of May through August. The occupancy rates experienced at John Wayne Marina are low relative to other marinas in Puget Sound.

¹ Source: City of Sequim Planning Department.

Vacancy rates are relatively high in the smaller slips, averaging 2% to 10% annually for 32-foot slips between 1998 and 2002, 2% to 10% annually for 30-foot slips between 1998 and 2002, and 13% to 20% for 28-foot slips between 1998 and 2002. High vacancy rates indicate there are too many of the smaller slips. This trend should be considered in re-configuring the slip mix at John Wayne Marina.

1.3.1.3 Recreational Boating Trends

Boat ownership for registered boats in the primary market area (Clallam County) grew at 0.4% per year between 1990 and 2002. Unregistered boats (hand powered craft such as kayaks, canoes etc.) grew at 6.4% per year during the same period. Focusing on registered boats, growth was above average for boats greater than 30 feet in length and accelerated more rapidly as boat length increased, except for boats greater than 60 feet in length.

Sluggish growth in vessels under 30-feet and more rapid growth in vessels over 30-feet has implications for John Wayne Marina. It indicates that there are likely too many small slips (28, 30 and 32 slip lengths) and not enough in the longer slip lengths (36-feet and above).

In addition, boat buyers are generally selecting boats that are larger in all dimensions - longer, higher and wider. Facilities that were designed for a certain average vessel size 20 or 30 years ago may have a capacity of fewer boats now, because of the increase in vessel length. Furthermore, as the average vessel has become longer, the average beam for a given length of vessel has also increased over time.

Changes in average vessel dimensions are beginning to impact marinas. Marinas that were constructed 20 or more years ago typically have slip sizes for smaller boats, as well as smaller fairways between docks. The slips at these marinas were also designed for narrower vessels. These changing conditions need to be taken into account when planning for future marina at John Wayne Marina.

1.3.2 Demand for Permanent Moorage

The demand assessment for permanent slips takes into account existing use patterns and waitlist trends as well as a forecast of new boats in the primary and secondary market regions.

1.3.2.1 Waitlist Characteristics

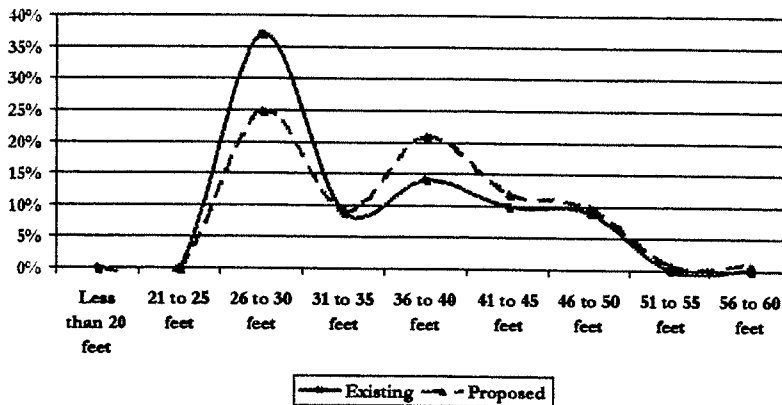
There are currently 45 boat owners on the waitlist at John Wayne Marina. The most popular slip lengths are 36-40 foot slips (26 on list), 41-45 foot slips (7 on list), 46-50 foot slips (5 on list), 26-30 foot slips (3 on list), over 50 foot long slips (2 on list), and 1 each on broadside and 31 to 35 foot long slips. The waitlist characteristics also indicate the need is greatest for additional slips over 36 feet in length. In addition, most of the demand for the longer slips is from local residents with sailboats and to a lesser extent, powerboats.

1.3.3 Permanent Slip Forecasts

The forecast for the recreational boat fleet indicates relatively slow growth in demand for boats under 30 feet in length and more rapid growth in boats between 31 and 50 feet in length.

Figure 1 – John Wayne Marina Existing and Proposed Slip Mix

John Wayne Marine Existing & Proposed Slip Mix



A preliminary slip mix (presented in Figure 1) projects a decrease in the number of 28- and 30-foot slips and an increase in number of slips that are 36-feet and longer. However, it should be emphasized that this forecast is part of an iterative process and depends on the best utilization of the water basin. Further analysis is required in Phase 2 to complete this effort.

1.3.4 Demand for Transient Moorage

Visiting recreational boats as well as tribal and non-tribal fishing vessels use the transient moorage facilities at John Wayne Marina. Transient boat days have averaged slightly more than 800 boat-days over the past four years with most of this activity occurring between May and September (approximately 78% of annual transient activity). There is also some activity in February related to the fishing derby, which was particularly strong in 2003. The remaining months individually represent 2% or less of transient moorage.

Transient moorage use exceeds 20% during July and August at John Wayne Marina and there is also very high utilization of the transient moorage facilities at Sequim Bay State Park (at 95% in June and 80% in August). Peak weekend is expected to have even higher utilization rates.

According to recent surveys, transient moorage facilities are very important to boaters in the Pacific Northwest. There is a demand for additional transient moorage, which could be met by addition of ten to fifteen mooring buoys near John Wayne Marina.

1.3.5 Hand launched apparatus

The growth of unregistered boats (primarily canoes, kayaks and other hand powered boats) has been significant in Clallam County at 6.4% per year between 1990 and 2002. These high growth rates are expected to continue during the study period. The Interagency Committee for Outdoor Recreation (IAC) projects that canoeing (and kayaking) will grow by 21% and rafting participation will probably grow by 10% over the next ten years.

The Sequim Bay Yacht Club also provides sailing instruction for small sailboats. There is a need for improved access facilities for hand-powered boats and continued need for secure storage facilities. These needs are apparent at the present time and will likely become stronger with development of the WE property.

1.3.6 Float Plane float

Interest has been expressed in developing a floatplane base at John Wayne Marina that could potentially serve visitors during peak tourist months or possibly meet some of the demand by local residents following loss of air service by Horizon Airlines.

Forecasts for floatplane activity at other Washington State Seaplane Bases were expected to grow annually at rates from 0.5% (Anacortes) to 2.7% (Friday Harbor SPB).

The development of the WE property will likely lead to additional demand for floatplane services for both visitors and local residents in the Sequim area. The WE group has expressed interest in developing a floatplane facility and has discussed this interest with Kenmore Air Service.

A floatplane float should be considered as a part of the Master Plan. Additional analysis should be undertaken to identify parking requirements associated with this use and whether it will support seasonal visitor use or year around commuter service.

1.4 Findings Related to Upland Uses

The findings of the demand assessment for upland uses is summarized in this section.

1.4.1 Existing Building

The needs of existing uses in the Marina Building are reviewed in this section.

1.4.1.1 Restaurant

The John Wayne Marina Restaurant has been leased on a month-to-month contract for approximately three years, during which time, maintenance and amenities have been deferred. The restaurant owner has expressed an interest in expanding but this ultimately depends upon the rental rate required by the Port. Due to the seasonal nature of the market, it is important to be able to maximize the sales during the peak season.

Focus should instead be placed on upgrading the existing restaurant, which (after redevelopment) would compliment potential new restaurant development that could occur at the Wayne Enterprises property. We would expect a larger, more upscale restaurant at the WE property (with the optimal view amenities) to range from 3,000 to 5,000 square feet. The options for the existing restaurant include:

- Expand the restaurant into the harbormaster's office (Phase 1) or past the harbormaster's office (Phase 2), which could add 200-400 square feet.
- Relocate the restaurant to the main floor.

1.4.1.2 Marine Store

The Bosun's Locker offers a variety of goods including marine retail products, clothing, groceries, convenience store items and gifts. The owner expects growth to continue and expressed an interest for more space (1,500 to 2,000 square feet) but said he would likely begin to focus more on gifts and phase out the marine hardware. The business also includes rental of boats and kayaks, which he states generate more revenue than the store merchandise. The store currently has poor visibility and accessibility.

It does not appear possible to expand the store to the preferable size within the existing building. The options for the existing store include:

- Leaving it as is,
- Improving access,
- Move store to ground floor (SBYC's space or a portion of the meeting room),
- Move store to new harbormaster's building.
- Move store to Room 17 and reduce footprint of store, focus on convenience goods and boat rentals.

If the store is relocated, this space could be used by the SBYC or for office space.

1.4.1.3 Sequim Bay Yacht Club (SBYC)

Yacht clubs are an integral part of most marinas. The SBYC is active in community programs, including cruise and sail programs, and provides community support (hospice, Christmas gifting, Boy Scout merit badge sail and smart programs, among other activities). SBYC currently leases an 842-square foot clubroom, 50 square feet of storage inside space and 1,740 square feet of fenced outside storage space for Lidos and racing gear. The location of the clubroom is an asset to the club, particularly its proximity to the large public meeting room. The SBYC would like to increase the size of the clubhouse by 50% to 80% to accommodate anticipated needs of a growing membership. However, if expansion is not possible, they indicated that they would likely limit the size of the membership.

The SBYC would also like to maintain the outside and inside storage areas and indicated a need for float space for the junior sail programs. This latter request could be incorporated into the hand-powered boat requirements discussed above. The options for the SBYC include:

- Leave as is,

- Move to upper floor (Bosun's Locker space),
- Move to restaurant location.

1.4.1.4 Public Meeting Room

The public meeting room is 2,207 square feet and has the capability of serving up to 132 persons. It falls into the small to mid-size range for meeting rooms. The public meeting room has increased its utilization by reducing the rate and attracting beneficial organizations. The market for public room use is relatively small in the Sequim area and current utilization rates likely maximize the room's revenue potential. The options for this space include:

- Sectioning it in two with an accordion divider, as recommended by Ken Hays,
- Keeping it as is,
- Reducing its size (one-half to three quarters) to accommodate additional retail space or other uses.

1.4.1.5 Room 17

Room 17 is very underutilized. This room has limited options for its existing use (public meeting space). However, it could potentially be used as a small office, or storage room or kept for small classes and other public use. Alternatively, it could be used as a small retail store location.

1.4.2 Dry Boat Storage

Several factors weigh against the feasibility of dry storage at John Wayne Marina:

- The number of boats in the 20 to 30-foot range has grown relatively slowly in Clallam County in the past ten years and this trend is expected to continue for the foreseeable future.
- Dry stack storage would compete with self-storage and use of trailers by boat owners in the area. This would likely place a very low storage rate on dry storage, which would make it unlikely to be financially self-sustaining.
- Boat launches (including the two-lane ramp at John Wayne Marina) are readily available in and around Sequim, although they may be heavily used during peak seasons.

It is unlikely that dry storage would be financially sustainable at the John Wayne Marina. In addition, the placement of dry stack storage facilities at the Marina could impede views from the neighboring WE property, which could impact development plans. For these reasons, dry stack storage is not recommended at John Wayne Marina.

1.4.3 Boat Repair

Boat owners at JWM can access several repair facilities that are 2 to 4 hours travel time by boat from John Wayne Marina. These boat repair clusters provide a multitude of services for a larger fleet than would be available to service the fleet at John Wayne Marina. It is unlikely that these services could be duplicated at John Wayne Marina.

The Port of Port Angeles operates a public boat yard for maintenance and repair of small vessels, offering both covered and open work areas. Boat owners can perform their own work or bring in certified independent contractors. The Port Angeles facility has the following equipment: 200-ton marine railway, 70 ton Travelift, and hydro-blasting equipment. In 2003, there were 554 lifts (combined 70-ton and 200-ton lifts). This activity is quite seasonal, with about 83% occurring between the months of March and September. The Port of Port Angeles is meeting its responsibility to boat owners in Clallam County with the facility at Port Angeles. It is unlikely that a new facility at John Wayne Marina could be financially self-supporting but its presence could erode utilization of the facilities in Port Angeles.

In addition, the placement of boat repair facilities at the Marina could impede views from the neighboring WE property, which could impact development plans. For these reasons, a boat repair yard is not recommended at John Wayne Marina.

2 Assessment of Water-Oriented Opportunities

The following section reviews the opportunities for the John Wayne marina.

2.1 Demand for Permanent Moorage

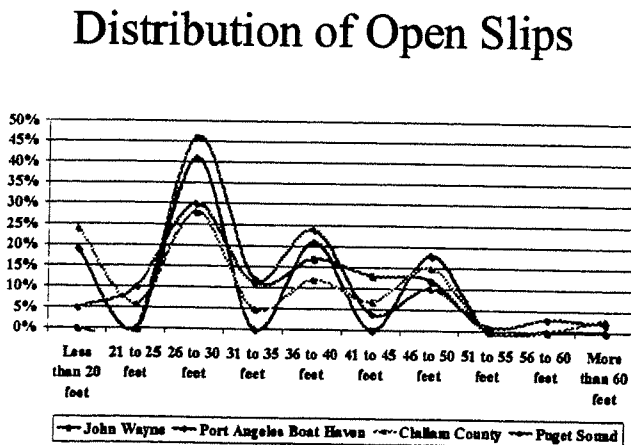
John Wayne Marina has approximately 300 slips, 280 of which are allocated to permanent tenants and 20 for transient (or guest) tenants. The distribution by length slip is presented in Table 1. Approximately 37% of the slips are 30 or fewer feet in length.

Table 1 – John Wayne Marina Slip Distribution

Slip size	# of slips	% Total	Total footage
28	68	22.7%	1,904
30	42	14.0%	1,260
32	28	9.3%	896
36	22	7.3%	792
40	19	6.3%	760
42	21	7.0%	882
45	10	3.3%	450
50	28	9.3%	1,400
Broadside*	62	20.7%	2,215
Total	300	100.0%	10,559

* Assumes average boat length of 27 feet.
Source: BST Associates, Dean Runyon data

Figure 2 – Distribution of Open Slips



There are relatively more small slips in both John Wayne Marina and the Port Angeles Boat Haven than in slips on average in Puget Sound marinas.

Several marinas that were built 20 to 30 years ago are considering a reconfiguration of the slip sizes to better match current and future market demand. This should also be considered at John Wayne Marina.

2.1.1 Study Area Market Characteristics

BST Associates obtained the Port of Port Angeles' records of tenants at John Wayne Marina and the Port Angeles Boat Haven in order to gain a better understanding of the characteristics of the marina tenants. The existing tenant base enables a definition of the market area to be undertaken.

As seen in summary form in Table 2:

- The primary market serving both marinas is Clallam County, representing 87.6% of John Wayne Marina and 80.0% of the Port Angeles Boat Haven.
 - Residents of Sequim comprise 75% of the tenants at John Wayne Marina and 10% of the tenants at Port Angeles Boat Haven.
 - Residents of Port Angeles comprise 11.6% of John Wayne Marina tenants and 65.3% of the tenants at the Port Angeles Boat Haven.
 - Residents of other areas of Clallam County comprise 1.1% of tenants at John Wayne Marina and 3.7% of tenants at the Port Angeles Boat Haven.
- Other parts of Washington State account for 9.0% of John Wayne Marina and 11.5% of Port Angeles Boat Haven.
 - Most of the John Wayne Marina tenants from other Washington reside in King, Kitsap, and Jefferson counties.
 - There is more diversity of location from other boaters in the Port Angeles Boat Haven.
- Out of state boat owners account for the remainder of the tenants, 3.4% of John Wayne Marina's tenant base and 7.7% of the tenant base at the Port Angeles Boat Haven.
 - Tenants of John Wayne Marina are spread out rather evenly across the Pacific Northwest.
 - Tenants of the Port Angeles Boat Haven are concentrated in Oregon, Alaska, and California.

The market concentration at John Wayne Marina is very tight geographically relative to other marinas, particularly those located in Skagit and Kitsap County. There is a limited appeal for boaters from other parts of Washington State and out-of-state boaters in these marina locations. This characteristic tends to limit the expansion potential of John Wayne Marina.

Table 2 – Residential Location of Boat Owners at the Port of Port Angeles Marinas

County	Zip	Boat Haven	John Wayne	Total	Share of Marina Total		
					Boat Haven	John Wayne	Total
Primary Market Areas							
Clallam County							
Sequim	98382	41	199	240	10.9%	74.8%	37.4%
Port Angeles	98362	195	24	219	52.0%	9.0%	34.2%
Port Angeles	98363	50	7	57	13.3%	2.6%	8.9%
Clallam (Other)		14	3	17	3.7%	1.1%	2.7%
	Sub-Total	300	233	533	80.0%	87.6%	83.2%
Other Washington							
Benton		0	1	1	0.0%	0.4%	0.2%
Chelan		1	0	1	0.3%	0.0%	0.2%
Clark		2	0	2	0.5%	0.0%	0.3%
Cowlitz		1	0	1	0.3%	0.0%	0.2%
Grays Harbor		3	2	5	0.8%	0.8%	0.8%
Jefferson		4	4	8	1.1%	1.5%	1.2%
King		7	5	12	1.9%	1.9%	1.9%
Kitsap		6	6	12	1.6%	2.3%	1.9%
Lewis		2	0	2	0.5%	0.0%	0.3%
Mason		0	1	1	0.0%	0.4%	0.2%
Pierce		4	1	5	1.1%	0.4%	0.8%
San Juan		1	0	1	0.3%	0.0%	0.2%
Skagit		2	0	2	0.5%	0.0%	0.3%
Snohomish		3	2	5	0.8%	0.8%	0.8%
Thurston		5	1	6	1.3%	0.4%	0.9%
Whitman		1	1	2	0.3%	0.4%	0.3%
Yakima		1	0	1	0.3%	0.0%	0.2%
	Sub-Total	43	24	67	11.5%	9.0%	10.5%
Out of State							
Alaska		4	1	5	1.1%	0.4%	0.8%
California		4	1	5	1.1%	0.4%	0.8%
Colorado		2	1	3	0.5%	0.4%	0.5%
Hawaii		2	0	2	0.5%	0.0%	0.3%
Idaho		0	1	1	0.0%	0.4%	0.2%
Minnesota		1	0	1	0.3%	0.0%	0.2%
Montana		1	1	2	0.3%	0.4%	0.3%
Nevada		1	0	1	0.3%	0.0%	0.2%
North Dakota		0	1	1	0.0%	0.4%	0.2%
Oregon		11	2	13	2.9%	0.8%	2.0%
Texas		1	1	2	0.3%	0.4%	0.3%
Utah		2	0	2	0.5%	0.0%	0.3%
	Sub-Total	29	9	38	7.7%	3.4%	5.9%
	Unknown	3	0	3	0.8%	0.0%	0.5%
	Grand Total	375	266	641	100.0%	100.0%	100.0%

Source: BST Associates, data from Port of Port Angeles

Table 3 presents additional details on the characteristics of tenants at John Wayne Marina. Clallam County residents, most of who live in Sequim, represent more than 66.7% of the use in every slip length category. Tenants that reside in Washington State (outside of Clallam County) are concentrated in 26 to 45 foot length ranges. Tenants that reside out of state concentrate in the 40-foot length ranges.

Table 3 – Distribution of Slip Length by Owner’s Home Address at John Wayne Marina

Length	Sequim	Clallam County*	Other Washington	Out of state	Total
Under 20 feet	7	8	2	0	10
21-25	5	9	1	0	10
26-30	62	76	7	2	85
31-35	28	33	2	0	35
36-40	37	43	5	0	48
41-45	25	26	4	3	33
46-50	24	26	1	2	29
51-55	4	4	1	1	6
56-60	4	5	1	0	6
Over 60	2	2	1	0	3
Total	198	232	25	8	265
Percent by Area					
Under 20 feet	70.0%	80.0%	20.0%	0.0%	100.0%
21-25	50.0%	90.0%	10.0%	0.0%	100.0%
26-30	72.9%	89.4%	8.2%	2.4%	100.0%
31-35	80.0%	94.3%	5.7%	0.0%	100.0%
36-40	77.1%	89.6%	10.4%	0.0%	100.0%
41-45	75.8%	78.8%	12.1%	9.1%	100.0%
46-50	82.8%	89.7%	3.4%	6.9%	100.0%
51-55	66.7%	66.7%	16.7%	16.7%	100.0%
56-60	66.7%	83.3%	16.7%	0.0%	100.0%
Over 60	66.7%	66.7%	33.3%	0.0%	100.0%
Total	74.7%	87.5%	9.4%	3.0%	100.0%

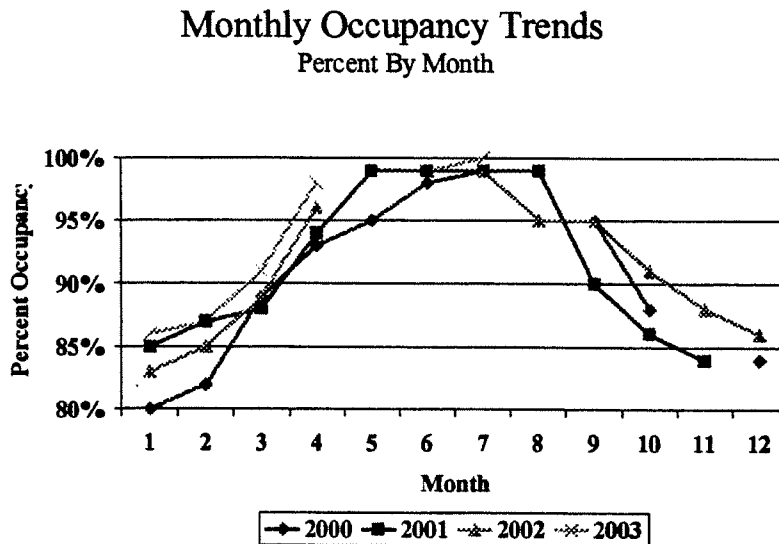
* Clallam County includes Sequim

Source: BST Associates using Port of Port Angeles Data

2.1.2 John Wayne Marina Utilization Rates

2.1.2.1 Occupancy Rates

The utilization rates of John Wayne Marina across month and year are presented in Figure 3. Relatively low occupancy rates (80% to 85%) dominate the winter months (November through January). Occupancy rates are approximately 90% in the months of March and October. The Marina reaches full occupancy during the months of May through August.

Figure 3 – John Wayne Marina Monthly Utilization Rates

The occupancy rates experienced at John Wayne Marina are low relative to other marinas in Puget Sound. As shown in Table 4, Central Puget Sound marinas average 97% occupancy throughout the year, and Northeast Puget Sound marinas average 94% throughout the year. Seasonal vacancies are relatively higher in marinas located in Northwest, the San Juans and Southern Puget Sound marinas.

Table 4 – Estimated Average Occupancy in Puget Sound State Marinas by Region

Region	Occupancy %		
	Peak	Off-peak	Average
Central Puget Sound (King and Snohomish)	98.4%	95.4%	96.6%
NE Puget Sound (Island, Skagit, Whatcom)	95.9%	93.1%	94.2%
NW Puget Sound (Jefferson, Kitsap)	88.1%	53.0%	67.6%
Peninsula (Clallam, Grays Harbor)	69.0%	46.4%	55.8%
San Juans	94.8%	69.6%	80.1%
South Puget Sound (Mason, Pierce, Thurston)	92.1%	74.7%	82.0%
Subtotal	92.5%	74.2%	81.8%

Source: Statewide Recreational Boating Study, BST Associates, 2001

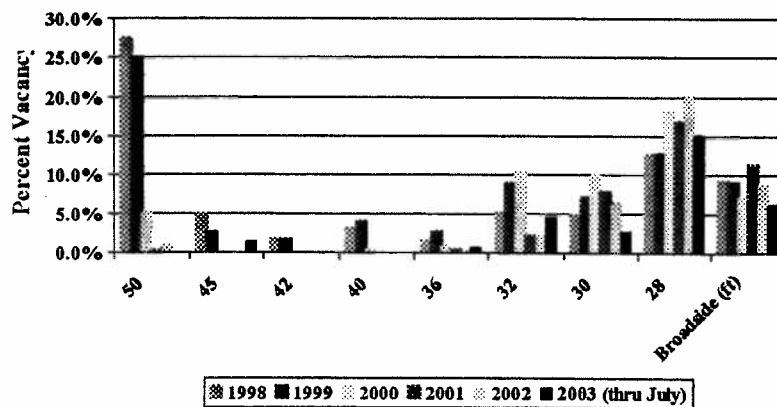
2.1.2.2 Vacancy Rates

Figure 4 identifies the average annual vacancy rates for each slip length²: 50-foot slips were added around 1994 and fully absorbed by March/April 2000. There are 28 50-foot long slips.

The 45-foot long slips have experienced some vacancy during January and February but are for the most part full occupied throughout the year. There are 10 45-foot long slips.

Figure 4 – Vacancy Rates by Slip Length

Vacancy Trends by Slip Length



Since 2000, the 42-foot long slips have been fully occupied during every month. There are 21 42-foot long slips.

Since November 2000, the 40-foot long slips have been fully occupied during every month. There are 19 40-foot long slips.

36-foot long slips experienced some vacancies in 1999 and an occasional vacancy during 2000 and 2001. However, these slips have been fully utilized from August 2001 to the present. There are 22 36-foot long slips.

32-foot slips have experienced several vacancies from October through March of most years. There are 28 32-foot long slips.

² Please refer to the Appendix for additional information on monthly utilization rates by slip length.

30-foot long slips follow a similar pattern as 32-foot slips, but vacancies are more extensive and last during a greater portion of the year (from September through April). There are 42 30-foot long slips.

This pattern of vacancy in smaller slips builds with the 28-foot slips, where sustained vacancies occur from August/September into April/May. Vacancies average more than 30% during five months of the year. There are 68 28-foot long slips.

Broadside vacancy rates occur throughout the year but are highest in the period September through April. There are 2,215 lineal feet of broadside moorage.

There is a concern that vacancy rates are too high in the 28, 30 and 32-foot slips.

2.1.3 Recreational Boating Trends

The Washington State Department of Licensing maintains a database of boats registered in the State of Washington. Washington State law says that all recreational vessels over 16 feet in length must be registered, while motor vessels less than 16 feet in length must also be registered if the motor is 10 horsepower or more. Vessels exempt from registration include motor vessels less than 16 feet and with a motor of less than 10 horsepower, and sailboats less than 16 feet in length. However, any boat used on federal waters must be registered, regardless of other exemptions. Federal waters include Puget Sound, Hood Canal, Lake Washington, Lake Union, Lake Sammamish, Columbia River, Snake River, Lake Washington Ship Canal, Capitol Lake, Pend Oreille River, Walla Walla River, Yakima River, and other bodies of water effected by the ebb and flow of the tide and are on or bordering federal land. Finally, vessels powered solely by human means are exempt, regardless of where they are used.

2.1.3.1 Trends in the Primary Market

Boat ownership for registered boats in the primary market area (Clallam County) grew at 0.4% per year between 1990 and 2002. Unregistered boats (typically hand powered craft such as kayaks, canoes etc.) grew at 6.4% per year during the same period. Focusing on registered boats, growth was above average for boats greater than 30 feet in length and accelerated more rapidly as boat length increased, except for boats greater than 60 feet in length:

- Boats under 16 feet in length declined in numbers at -0.1% per year between 1990 and 2002,
- Boats from 16 to 20 feet in length grew at 0.4% per year during the time period.
- Boats from 21 to 30 feet in length grew at 0.5% per year during the time period.
- Boats from 31 to 40 feet in length grew at 4.6% per year during the time period.
- Boats from 41 to 50 feet in length grew at 6.8% per year during the time period.
- Boats from 51 to 60 feet in length grew at 5.9% per year during the time period but little growth occurred during the past six years. This trend indicates the lack of facilities for vessels in this size range.

- Boats greater than 60 feet in length reached a peak of 4 in 1996 and have since declined to 2 boats. This trend indicates the lack of facilities for vessels in this size range.

Table 5 – Boat Ownership Trends in Primary Market Area

Year	Under 16'	16' to 20'	21' to 30'	31' to 40'	41' to 50'	51' to 60'	Over 60'	Total Registered	Not Registered
1990	2,514	1,713	603	105	24	5	-	4,964	1,955
1991	2,539	1,755	626	124	20	7	1	5,072	2,313
1992	2,558	1,735	622	146	28	7	1	5,097	2,725
1993	2,613	1,787	651	175	31	6	1	5,264	2,961
1994	2,297	1,513	599	175	39	8	3	4,634	3,826
1995	2,423	1,609	628	175	40	8	3	4,886	3,826
1996	2,474	1,566	603	164	43	10	4	4,864	3,149
1997	2,443	1,605	545	158	44	9	2	4,806	3,324
1998	2,370	1,603	576	168	44	7	3	4,771	3,666
1999	2,281	1,607	571	175	46	8	2	4,690	3,977
2000	2,460	1,739	619	188	49	9	2	5,066	3,746
2001	2,439	1,764	619	185	53	8	2	5,070	3,742
2002	2,494	1,805	639	180	53	10	2	5,183	4,121
Trends - Compound Annual Growth Rates									
1990-96	-0.3%	-1.5%	0.0%	7.7%	10.2%	12.2%	NM	-0.3%	8.3%
1996-02	0.1%	2.4%	1.0%	1.6%	3.5%	0.0%	-10.9%	1.1%	4.6%
1990-02	-0.1%	0.4%	0.5%	4.6%	6.8%	5.9%	NM	0.4%	6.4%

Source: BST Associates using Washington State Department of Licensing data

Sluggish growth in vessels under 30-feet and more rapid growth in vessels over 30-feet has implications for John Wayne Marina. It indicates that there are likely too many small slips (28, 30 and 32 slip lengths) and not enough in the longer slip lengths (36-feet and above).

2.1.3.2 Trends in the Rest of Puget Sound

Boats in Puget Sound are the secondary market for John Wayne Marina but it should be emphasized that only a very small portion of boats from Puget Sound will potentially use the John Wayne Marina, with most in the larger vessel sizes (over 45 feet in length). Growth was also typically above average for boats greater than 30 feet in length in the rest of Puget Sound³:

- Boats under 16 feet in length grew at 2.6% per year between 1990 and 2002,
- Boats from 16 to 20 feet in length grew at 1.8% per year during the time period,
- Boats from 21 to 30 feet in length grew at 1.5% per year during the time period,
- Boats from 31 to 40 feet in length grew at 2.7% per year during the time period (more sluggish growth than in the primary area),

³ Includes: Jefferson, Kitsap, Mason, Thurston, Pierce, King, Snohomish, Island, Skagit, Whatcom and San Juan Counties

- Boats from 41 to 50 feet in length grew at 4.1% per year during the time period,
- Boats from 51 to 60 feet in length grew very rapidly at 5.1% per year during the time period,
- Boats greater than 60 feet in length experienced some volatility but grew at 8.1% during the period with most of the growth occurring in the first six years.

Table 6 – Boat Ownership Trends in the Rest of Puget Sound

Year	Under 16'	16' to 20'	21' to 30'	31' to 40'	41' to 50'	51' to 60'	Over 60'	Total Registered	Not Registered
1990	51,725	54,654	23,127	6,312	1,682	253	99	137,852	56,685
1991	53,839	55,942	23,324	6,445	1,819	269	120	141,758	66,141
1992	55,452	56,886	23,760	6,764	1,955	304	128	145,249	74,859
1993	58,407	57,957	24,117	7,053	2,061	330	151	150,076	82,224
1994	58,902	58,306	23,843	7,249	2,123	337	175	150,935	93,458
1995	61,787	59,551	23,897	7,385	2,216	348	188	155,372	101,002
1996	63,102	60,180	23,942	7,510	2,236	351	214	157,535	83,107
1997	63,766	60,087	23,779	7,544	2,314	362	160	158,012	87,790
1998	63,997	60,868	24,020	7,747	2,408	384	186	159,610	97,342
1999	63,326	60,625	24,315	8,007	2,491	412	202	159,378	108,059
2000	69,369	65,215	26,261	8,463	2,651	448	226	172,633	100,467
2001	69,875	66,783	27,072	8,582	2,698	454	247	175,711	97,389
2002	69,981	67,332	27,618	8,676	2,729	462	253	177,051	114,144
Trends - Compound Annual Growth Rates									
1990-96	3.4%	1.6%	0.6%	2.9%	4.9%	5.6%	13.7%	2.2%	6.6%
1996-02	1.7%	1.9%	2.4%	2.4%	3.4%	4.7%	2.8%	2.0%	5.4%
1990-02	2.6%	1.8%	1.5%	2.7%	4.1%	5.1%	8.1%	2.1%	6.0%

Source: BST Associates using Washington State Department of Licensing data

2.1.4 Changing Vessel Dimensions

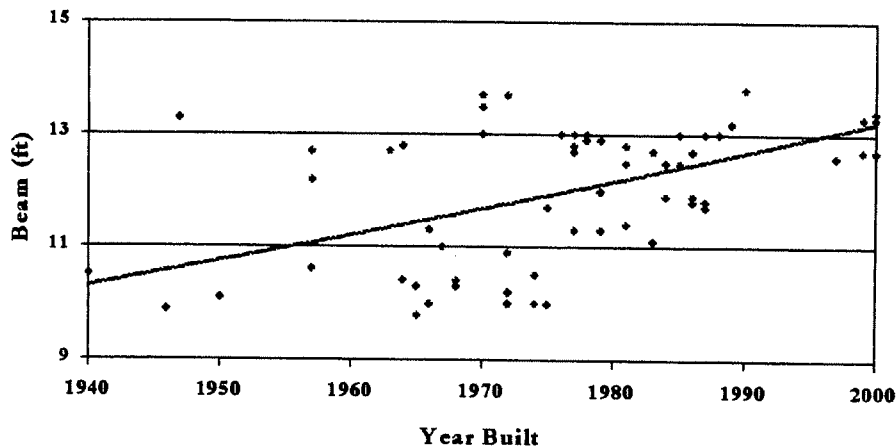
Boat buyers are generally selecting boats that are larger in all dimensions - longer, higher and wider. The faster growth in vessels longer than 30 feet has implications for agencies that provide moorage for recreational vessels. Facilities that were designed for a certain average vessel size 20 or 30 years ago may have a capacity of fewer boats now, because of the increase in vessel length. Furthermore, as the average vessel has become longer, the average beam for a given length of vessel has also increased over time.

2.1.4.1 Changes in Beam

The relationship between length and beam is shown in Figure 4 below. This table analyzes U.S. Coast Guard data for recreational vessels in Washington State. Based on the year that the vessel was built, the average beam of a 35 foot-long powerboat increased from 11 feet in 1955 to more than 13 feet in 2000. While this example is for one specific length range, this trend has occurred across all vessel lengths and types (sail and power).

Figure 5 – Average Beam of a 35-foot Long Power Boat

Changing Beam Size (35' Power Boat)



Source: BST Associates, US Coast Guard database for Washington State boats

The changes in average vessel dimensions are beginning to impact marinas. Marinas that were constructed 20 or more years ago typically have slip sizes for smaller boats, as well as smaller fairways between docks. The slips at these marinas were also designed for narrower vessels. These changing conditions need to be taken into account when planning for future marina at John Wayne Marina.

2.1.5 Waitlist Characteristics

There are currently 45 boat owners on the waitlist at John Wayne Marina. As shown in Table 7, the most popular slip lengths are:

- 36-40 foot slips – 26 on list,
- 41-45 foot slips – 7 on list,
- 46-50 foot slips – 5 on list,
- 26-30 foot slips, 3 on list,
- Over 50 foot long slips – 2 on list,
- 1 each on broadside and 31 to 35 foot long slips.

The waitlist characteristics also indicate the need is greatest for additional slips over 36 feet in length. In addition, most of the demand for the longer slips is from local residents with sailboats and to a lesser extent, powerboats.

Table 7 – John Wayne Marina Waitlist Characteristics

Length Range	County Residents				Non Residents				Total			
	Power	Sail	Other	Total	Power	Sail	Other	Total	Power	Sail	Other	Total
Boat LOA												
20 & Under	0	0	0	0	0	0	0	0	0	0	0	0
21-25	1	0	0	1	0	0	0	0	1	0	0	1
26-30	0	1	0	1	0	0	0	0	0	1	0	1
31-35	1	1	0	2	0	1	0	1	1	2	0	3
36-40	0	4	0	4	1	7	0	8	1	11	0	12
41-45	1	3	1	5	1	3	0	4	2	6	1	9
46-50	1	3	0	4	0	0	0	0	1	3	0	4
51-55	0	0	0	0	0	0	0	0	0	0	0	0
56-60	0	0	0	0	0	0	0	0	0	0	0	0
60 and over	1	0	0	1	1	0	0	1	2	0	0	2
Unknown	4	6	2	12	0	1	0	1	4	7	2	13
Total	9	18	3	30	3	12	0	15	12	30	3	45
Slip Length												
20 & Under	0	0	0	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0	0	0	0
26-30	1	2	0	3	0	0	0	0	1	2	0	3
31-35	0	1	0	1	0	0	0	0	0	1	0	1
36-40	4	9	2	15	1	10	0	11	5	19	2	26
41-45	0	4	0	4	1	2	0	3	1	6	0	7
46-50	3	2	0	5	0	0	0	0	3	2	0	5
Over 50'	1	0	0	1	1	0	0	1	2	0	0	2
Broadside	0	0	1	1	0	0	0	0	0	0	1	1
Total	9	18	3	30	3	12	0	15	12	30	3	45

Source: BST Associates using Port of Port Angeles Data

2.1.6 Permanent Slip Forecasts

2.1.6.1 Growth in Clallam County Recreational Boat Fleet

The forecast for additional boats in Clallam County is presented in Table 8. The forecast is based upon projected growth in population and household income. Three cases are presented, including low, mid (or intermediate) and high. The forecast projects relatively slow growth in demand for boats under 30 feet in length and more rapid growth in boats between 31 and 50 feet in length. The forecast for boats over 50 feet in length is constrained by the small population of these boats at the present time and may under-estimate how many of these boats may require moorage in Clallam County.

Table 8 – Boat & Slip Forecast for Clallam County

Year	Under 16'	16' to 20'	21' to 30'	31' to 40'	41' to 50'	51' to 60'	Over 60'	Total
2002 Actual	2,494	1,805	639	180	53	10	2	5,183
Forecast (2020)								
Low	2,411	1,672	605	205	60	10	3	4,966
Mid	2,714	1,882	681	230	67	11	4	5,589
High	2,989	2,073	750	254	74	12	4	6,156
Additional Boats (2020)								
Low	(83)	(133)	(34)	25	7	(0)	1	(217)
Mid	220	77	42	50	14	1	2	406
High	495	268	111	74	21	2	2	973
% Needing Wet Moorage	0%	0%	16%	85%	100%	100%	100%	
Additional Slips								
Low	-	-	(5)	21	7	(0)	1	23
Mid	-	-	7	43	14	1	2	66
High	-	-	18	63	21	2	2	106

Source: BST Associates

2.1.6.2 Growth in Puget Sound Recreational Boat Fleet

The forecast for additional boats in Puget Sound is presented in Table 9. The forecast also projects more rapid growth in boats over 30 feet in length.

Table 9 - – Boat & Slip Forecast for Puget Sound

Year	Under 16'	16' to 20'	21' to 30'	31' to 40'	41' to 50'	51' to 60'	Over 60'	Total
2002 Actual	69,981	67,332	27,618	8,676	2,729	462	253	177,051
Forecast (2020)								
Low	57,347	74,987	29,676	10,378	3,632	615	303	176,937
Mid	73,858	86,478	34,847	12,175	4,332	829	521	213,039
High	91,489	97,878	40,861	14,015	5,158	1,056	786	251,243
Additional Boats (2020)								
Low	(12,634)	7,655	2,058	1,702	903	153	50	(114)
Mid	3,877	19,146	7,229	3,499	1,603	367	268	35,988
High	21,508	30,546	13,243	5,339	2,429	594	533	74,192
% Needing Wet Moorage	0%	0%	10%	85%	100%	100%	100%	
Additional Slips								
Low	-	-	206	1,447	903	153	50	2,757
Mid	-	-	723	2,974	1,603	367	268	5,935
High	-	-	1,324	4,538	2,429	594	533	9,418

Source: BST Associates

There have been few marinas built over the past ten years and environmental constraints and lack of good sites will likely limit the number of marinas built to meet the projected demand. This is causing marinas to consider reconfigurations to focus on larger slips for boats that need wet moorage. Smaller boats (especially power boats up to 31 or 32 feet in length) are being

evaluated for dry storage. However, this paradigm only appears to be financially sustainable in high-density urban (Seattle, Edmonds, Everett) and gateway (Anacortes) areas. The demand for a dry stack storage facility in Sequim is reviewed in a later section.

2.1.6.3 Preliminary Moorage Forecast

A preliminary slip mix, which is presented in Table 10, projects a decrease in the number of 28- and 30-foot slips and an increase in number of slips that are 36-feet and longer. This forecast is part of an iterative process. BST Associates will work with RMA to evaluate the ideal slip mix that can fit into the water area of the John Wayne Marina basin.

Table 10 – Preliminary Demand Forecast

Slip Length	Permanent					Comparison of Slip Mix	
	Existing	Occupancy Adjustment	Waitlist	New Demand	Revised Slip Mix	Existing	Proposed
Less than 20 feet	0	0	0	-	-	0%	0%
21 to 25 feet	0	0	1	-	1	0%	0%
26 to 30 feet	110	-13	1	-	98	37%	25%
31 to 35 feet	28	-1	3	5	35	9%	9%
36 to 40 feet	41	0	12	32	85	14%	21%
41 to 45 feet	31	0	9	7	47	10%	12%
46 to 50 feet	28	0	4	7	39	9%	10%
51 to 55 feet	0	0	0	5	5	0%	1%
56 to 60 feet	0	0	0	5	5	0%	1%
More than 60 feet	0	0	2	5	7	0%	2%
Subtotal	238	-14	32	66	322	79%	81%
Broadside	62		13		75	21%	19%
Total	300		45	66	397	100%	100%

Source: BST Associates

It should also be noted that this forecast is based upon existing rate structures and that rates at John Wayne Marina are relatively low by comparison with other marinas in Puget Sound.

2.2 Demand for Transient Moorage

2.2.1.1 Transient Moorage Trends

Visiting recreational boats as well as tribal and non-tribal fishing vessels use transient moorage. Fishermen from the three local tribes (Jamestown S'Klallam, Port Gamble S'Klallam and Lower Elwha Tribes) use transient moorage during geoduck, shrimp and crab seasons. Most of the tribal boats are 25 to 35 feet in length. Some of these boats are trailered to Sequim and launched, and others arrive at the marina by water. In addition, there are occasions when tribal members from eastern Puget Sound (Tulalip, Swinomish and Suquamish Tribes) engage in harvests in the area (near Protection Island). These fisheries are typically stable or waning so the existing size of the fleet has stabilized. Transient usage by commercial boats is also influenced by water conditions, particularly red-tide conditions. The commercial boats need to be segregated from

recreational boats. It is recommended that design of the reconfiguration take into account the transient and permanent moorage needs of the tribal and non-tribal commercial fleets.

In addition, other developments in Clallam County such as the proposed Elwha Landing in Port Angeles (a marina for large recreational boats) and other like developments could also stimulate transient moorage demand at John Wayne Marina. The demand projections provided in this report should accommodate these additional sources of demand.

The recent trends of transient moorage at John Wayne Marina are presented in Table 11. Transient boat days have averaged slightly more than 800 boat-days over the past four years. As can be seen, most transient moorage occurs between May and September (this period accounts for approximately 78% of transient activity). There is also some activity in February related to the fishing derby (which was particularly strong in 2003). The remaining months represent approximately 3% or less of transient moorage. There are an estimated 22 slips at John Wayne Marina for transient vessels. The maximum number of boat days that these 22 slips are available is 8,008 (22 times 365 days), for an average annual utilization rate of 10% during an average year. Usage exceeds 20% during July and August, but it should be noted that this calculation of average monthly utilization rates overlooks peak weekend utilization rates, which are presumably much higher.

Table 11 – Transient Moorage Characteristics at John Wayne Marina

Month	2000	2001	2002	2003	Average 2000-2003	% Total	% Utilization
January	11	19	7	13	1.5%	682	1.8%
February	25	28	11	83	10.2%	616	13.5%
March	4	22	25	18	2.2%	682	2.6%
April	27	15	28	24	2.9%	660	3.6%
May	83	95	79	70	8.7%	660	10.6%
June	102	96	59	101	12.5%	660	15.3%
July	188	158	177	178	21.9%	682	26.0%
August	172	189	207	169	20.9%	682	24.8%
September	113	121	97	103	12.7%	660	15.6%
October	26	27	13	28	3.5%	682	4.1%
November	25	14	4	17	2.1%	660	2.5%
December	-	2	12	8	1.0%	682	1.1%
Total (reported)	776	786	719	811	100.0%	8,008	10.1%
SBYC	32	15	21	25			
% Total	4.1%	1.9%	2.9%	3.0%			
Other	746	781	702	778			
% Total	96.1%	99.4%	97.6%	96.0%			

Source: BST Associates, Port of Port Angeles data

Sequim Bay State Park also offers 6 mooring buoys near John Wayne Marina. Table 12 presents the Washington State Parks Commissions counts for overnight visiting boaters. Approximately 87% of transient moorage use at the park occurs between May and September. Annually, there is 26% utilization rate of mooring buoys. There is very high utilization of the buoys during July and August (at 95% and 80% respectively). This analysis, however, also ignores peak weekend use, which would indicate even greater utilization rates. The average monthly use patterns of transient moorage for selected marinas/parks are shown in Figure 6. As can be seen, most

transient activity occurs in the period June through September. Marinas that are located closer to urban population bases typically have a larger shoulder season of use that also occurs in April and October, but use is dependant on the weather. Marinas that are farther north typically have a more pronounced peaking of activity in July and August (at Friday Harbor, US boaters traveling to British Columbia waters and Cap Sante Boat Haven).

Table 12 – Overnight Boat Visits at Sequim Bay State Park

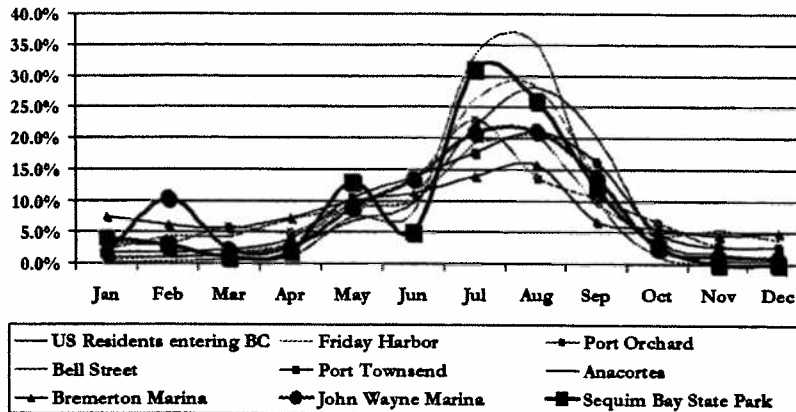
Month	2001	2002	2003	Average	% by Month	Max Boat Days	% Utilization
January	0	6	60	22	4%	186	11.8%
February	0	6	37	14	3%	168	8.5%
March	6	8	10	8	1%	186	4.3%
April	6	0	35	14	2%	180	7.6%
May	105	24	92	74	13%	180	40.9%
June	30	18	36	28	5%	180	15.6%
July	126	175	228	176	31%	186	94.8%
August	90	209	NA	150	26%	186	80.4%
September	54	78	NA	66	12%	180	36.7%
October	2	32	NA	17	3%	186	9.1%
November	0	0	NA	-	0%	180	0.0%
December	0	0	NA	-	0%	186	0.0%
Total (reported)	419	556	498	569		2,184	26.0%

Source: BST Associates, Washington State Parks Commission data

The usage occurring at Sequim Bay State Park is more indicative of the more northerly marinas, but usage in John Wayne Marina is more like that occurring in Port Orchard, Port Townsend, Bell Harbor and other marinas located near urban populations. Much of the difference in use patterns may be explained by the water conditions inside and outside the breakwater.

Figure 6 – Transient Moorage – Annual Trends

Transient Moorage Usage Trends



Source: marinas, Stats Canada, BST Associates.

2.2.2 Transient Moorage Forecasts

In a recent survey of boater activities and characteristics in Oregon (Source: Boating in Oregon 2002), boaters indicated that the sixth biggest overall problem (and first overall problem related to facilities) was the lack of short-term moorage availability.

Table 13 – Oregon Boating Opinion of Problems and Conditions (Top Ten Issues)

Rank	Category	Problem or Condition	Percent Yes
1	LAW	Violations of no-wake zones	54.4
2	LAW	Violations of speed limits	49.2
3	LAW	Careless or reckless boaters	49.1
4	LAW	Excessive boat noise	39.9
5	LAW	Not enough boating law enforcement	37.9
6	FAC	Lack of short-term tie-ups	37.0
7	FAC	Not enough parking for boat trailers	30.9
8	FAC	Long delays to use the ramp	25.0
9	FAC	Not enough launch lanes	24.8
10	SAFE	Near collision with floating hazards	24.5

Source: Boating in Oregon 2002

An Internet survey⁴ conducted by the IAC revealed boaters in Washington State also placed high priority on transient moorage slips, floats/buoys and loading floats/courtesy docks.

BST Associates prepared a forecast for transient moorage as a part of the Statewide Recreational Boating Study for the IAC and Washington State Parks Commission in 2001. The report summarized demand for transient moorage as follows:

Some facilities are experiencing a shortage of transient space at the present time and this shortfall is expected to increase over time as the fleet grows. For example, there is an existing demand for 2,168 additional dedicated transient spaces in the San Juan Islands beyond the existing provision of 537 dedicated transient spaces. This shortfall is expected to grow to more than 2,800 new transient spaces needed by the year 2010, assuming that the recreational fleet above 26 feet grows at a compound annual rate of 2.2% and that new boaters have similar preferences for service as existing boaters. There is also a shortage of transient facilities in Eastern Washington (755 spaces needed by 2010), NE Puget Sound (181 spaces needed by 2010), NW Puget Sound (215 spaces needed by 2010) and South Puget Sound (107 spaces needed by 2010).

There were no additional transient slips projected for the Peninsula region, but it should be noted that this included both Clallam and Grays Harbor counties. A different assessment occurs if the focus is on Clallam County alone. Due to the high level of utilization at Sequim Bay State Park during the months of July and September, additional transient moorage should be considered to meet new demand, including that occurring after development of the WE property.

In addition, it is unlikely that all of the demand projected in the San Juans and Northwest Puget Sound will be developed. Some of this demand could be satisfied at John Wayne Marina. There should be consideration of ten to fifteen additional mooring buoys near John Wayne Marina. These additional buoys could serve the needs of both recreational and commercial boats.

Table 14 – Forecast for Transient Moorage in Washington State

Region/County	Existing Supply & Use of Dedicated Transient Space		Net Additional Demand For Transient Spaces	
	# of Spaces (Slips/Buoys)	Ratio of Use to Supply	Existing	2010
Central Puget Sound	342	0.77	-	-
Eastern Washington	722	1.65	466	755
NE Puget Sound	100	2.26	126	181
NW Puget Sound	469	1.17	81	215
Peninsula	256	0.7	-	-
San Juan Islands	537	5.04	2,168	2,825
South Puget Sound	147	1.39	57	107
SW Washington	250	0.38	-	-
State	2,823	2.58	2,898	4,082

Source: Statewide Recreational Boating Study, BST Associates, 2001

⁴ Source: Boating Facilities Program Plan, IAC, November 2003, page 42

2.2.3 Hand launched apparatus

As indicated in a previous section, the growth of unregistered boats (primarily canoes, kayaks and other hand powered boats) has been significant in Clallam County at 6.4% per year between 190 and 2002. These high growth rates are expected to continue during the study period.

The National Survey on Recreation and the Environment (NSRE) estimated for the Pacific Region (including Washington) project future participation rates to be relatively high in non-motorized boating activities⁵:

- Rafting is projected to grow 20% in 10 years and 30% in twenty years.
- Canoeing (and kayaking) is projected to grow 21% in 10 years and 30% in 20 years.

The IAC projects that canoeing and kayaking will also increase at these rates in Washington State:

“the count of hand-powered watercraft statewide appears to be growing rapidly, about 55,000 canoes and kayaks in 1994-95, compared to 84,000 in 2001. Therefore, NSRE projections can be used with some confidence for canoe and kayak use. Rafting participation will probably grow at a rate comparable to motor boating (10% increase over ten years).”

The Sequim Bay Yacht Club also provides sailing instruction for small sailboats. There is a need for improved access facilities for hand-powered boats and continued need for secure storage facilities. These needs are apparent at the present time and will likely become stronger with development of the WE property.

2.3 Float Plane float

Interest has been expressed in developing a floatplane base at John Wayne Marina. This section evaluates the potential demand for this service. This base could potentially serve visitors during peak tourist months and/or meet some of the demand by local residents following loss of air service by Horizon to Port Angeles.

The Washington State Division of Aeronautics completed an Aviation System Plan in 2000. As shown in Table 15, forecasts for floatplane activity were expected to grow from between 0.5% (Anacortes) and 2.7% (Friday Harbor SPB). Most of the floatplane operations entail service by aircraft with a capacity of fewer than 15 (particularly Beavers and Otters).

Load factors and average daily departures are scheduled to respond to market demand characteristics:

- There were 10 average daily departures to Friday Harbor SPB with a load factor of 50.0%.

⁵ Source: Estimates of Future Participation in Outdoor Recreation in Washington State, March 2003, Pages 39-40

- At Kenmore Air Harbor in Kenmore, there were 8 average daily departures and a load factor of 78.1%
- At Kenmore Air Harbor in Lake Union, there were 11 average daily departures and a load factor of 14.6%
- There were 4 average daily departures to Roche Harbor SPB with a load factor of 17.2%.
- At Rosario SPB, there were 2 average daily departures and a load factor of 27.8%

Table 15 – Annual Enplanements on Scheduled Air Carriers

Associated City	Airport	1998*	2020	Annual Growth
Anacortes**	Anacortes	7,155	8,000	0.5%
Bellingham	Bellingham International	86,990	110,800	1.1%
Friday Harbor	Friday Harbor	11,505	21,950	3.0%
Friday Harbor	Friday Harbor SPB	6,190	11,050	2.7%
Kenmore +	Kenmore Air Harbor	14,057	17,600	1.0%
Moses Lake	Grant County	10,730	28,000	4.5%
Orcas Island**	East Sound	9,523	17,300	2.8%
Pasco	Tri-Cities	192,301	270,100	1.6%
Port Angeles	William Fairchild	24,878	24,500	-0.1%
Pullman-Moscow, ID	Pullman-Moscow	26,969	34,000	1.1%
Roche Harbor+	Roche Harbor SPB	1,500	2,600	2.5%
Rosario +	Rosario SPB	1,500	2,600	2.5%
Seattle	Boeing Field	2,818	3,000	0.3%
Seattle	Seattle-Tacoma International	14,173,752	22,300,000	2.1%
Seattle -Lake Union+	Kenmore Air Harbor	3,500	5,200	1.8%
Sequim	Sequim Valley	750	2,300	5.2%
Spokane	Spokane International	1,472,901	4,241,200	4.9%
Walla Walla	Walla Walla	24,194	51,900	3.5%
Wenatchee	Pangborn Memorial	53,149	153,100	4.9%
Yakima	Yakima	87,272	135,000	2.0%

** Forecasts are based on West Isle Air Fall and Winter Flight Schedule

* Forecasts are based on Kenmore Air Flight Schedule

Source: Washington State Department of Transportation, Aeronautics Division, Aviation System Plan, Forecast and Economic Analysis Study

Sequim Valley scheduled air carrier activity was expected to grow rapidly at 5.2%, increasing from 750 in 1998 to 2,300 in 2020. Port Angeles enplanements were expected to decline slightly by State Aeronautics. Horizon stopped service to Fairchild in January 6, 2004. The company explained the decision as follows:

Last year Horizon enplaned 22,339 passengers at Port Angeles on its four daily flights between Port Angeles and Seattle with 37-seat Q200 turboprops. Over the past 12 months, flights from Port Angeles have averaged 44 percent full, well below Horizon's system-wide average of 63 percent for the same period. Over the past four months, Horizon operated 99 percent of its scheduled flights from Port Angeles and maintained a 98 percent on-time record. Most passengers who fly from Port Angeles make connections to other major carriers at Seattle-Tacoma International Airport. Short-distance routes operated by Horizon

are often unprofitable on a stand-alone basis. However, the additional ticket revenue gained when passengers connect to longer haul flights on Horizon and Alaska can usually offset those losses. In the case of Port Angeles, a combination of low load factors, downward pressure on long-haul fares, and rising costs has kept the route unprofitable.

Horizon believed that service to Port Angeles required a sufficient number of daily flights and that reducing the number of flights would be inconvenient to travelers and not the right approach to reducing costs.

The development of the WE property will likely lead to additional demand for floatplane services for both visitors and local residents. The WE group has expressed interest in development of a floatplane facility and has discussed the interest with Kenmore Air Service.

A floatplane float should be considered as a part of the Master Plan. Additional analysis should be undertaken to identify parking requirements associated with this use and whether it will support seasonal visitor use or year around commuter service.

3 Upland Demand Assessment

This section provides a preliminary demand assessment of upland uses, including the use of the existing building (store, restaurant, meeting rooms, yacht club, and harbor master's office) as well as the potential upland demand for boat storage and boat repair.

3.1 Existing Uses at the Port Building

3.1.1 Restaurant

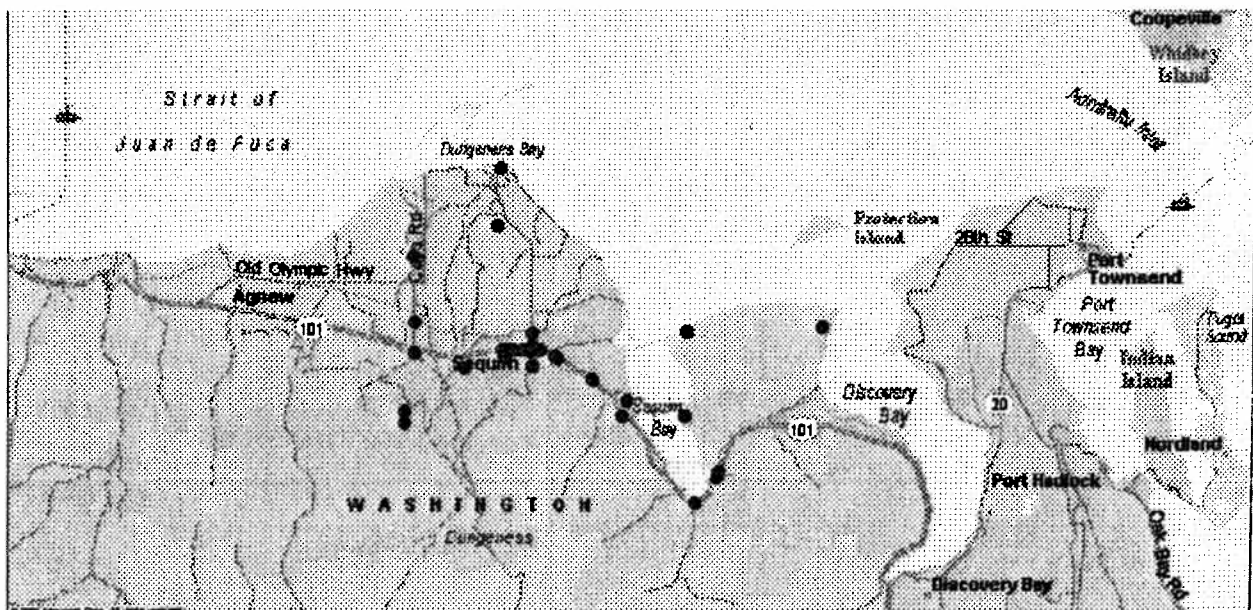
3.1.1.1 Description of Existing Conditions

The John Wayne Marina Restaurant has approximately 1,027 square feet of inside space and an estimated 200 square feet of outside space. According to the owner there is space for 60 to 80 maximum seating as currently configured. It has been leased on a month-to-month contract for approximately three years. During this time, maintenance and amenities have been deferred. The restaurant owner is interested in expanding but this ultimately depends upon the rental rate required by the Port. Due to the seasonal nature of the market, it is important to be able to maximize the sales during the peak season.

3.1.1.2 Benchmark and Forecast

As shown in Figure 7, most restaurants are located in the City of Sequim, and to a lesser extent from Carlsborg to Dungeness Spit or around Sequim and Discovery Bays. Few restaurants have the view available at the John Wayne Marina Restaurant. Sequim currently accounts for approximately 29% of the restaurant sales in Clallam County, with an estimated \$16 million in sales in 2002 (up 36% from 1994).

Figure 7 – Location of Restaurants in the Sequim Area



There are plans for new restaurants in the near-term. The City has completed an environmental review for a large development at Sequim Village Marketplace which will include a combination of sit-down and quick service restaurants, a grocery, home improvement store, discount retail store and other specialty retail uses (household and soft goods, automotive, electronics, pharmacy, food, grocery, beverage, clothing, kitchen, hardware, sporting goods, and other merchandise of all kinds).

Restaurants without a liquor license typically range from 1,200/1,300 square feet to 5,200/5,500 square feet, and have median sales per square foot of \$175 (for all firms). Restaurants with a liquor license are larger, ranging from 1,500/2,100 square feet to 5,000/8,200 square feet, and have median sales per square foot of \$227 (for all firms). Most of the restaurants in the Sequim area range from 1,000 to 4,000 square feet and have average annual revenue of \$225 per square foot, which is in-line with national benchmark standards.

Table 16 – Restaurant Benchmarks – Sales and Lease Area

Business Type	Gross Leasable Area (SqFt)			Sales per Square Foot	
	Lower Decile	Median	Upper Decile	Top Two Percent	Median
Restaurant without liquor					
Local chain	1,269	3,818	5,271		\$244
Independent	1,376	2,230	5,500		\$146
All firms	1,358	2,400	5,492	\$305	\$175
Restaurant with liquor					
Local chain	2,100	3,651	8,200		\$262
Independent	1,595	2,937	5,006	\$525	\$267
All firms	1,821	3,360	7,149	\$597	\$272

Source: BST Associates, Urban Land Institute, National Restaurant Association

The Sequim area is expected to continue to have strong growth in restaurant sales, with an additional 15,000 SqFt (low forecast) to 36,000 SqFt (high forecast) needed by 2020. It would be difficult to reconfigure the existing building to support an additional (second) restaurant. Focus should instead be placed on upgrading the existing restaurant, which (after redevelopment) would compliment potential new restaurant development that could occur at the WE property. A larger, more upscale restaurant at the WE property (with the optimal view amenities) could be expected to be developed, ranging from 3,000 to 5,000 square feet in size.

Table 17 – Space Forecast for Restaurant Space in the City of Sequim

Year	Estimated Gross Income	Share of County	Estimated Demand (Sq.Ft.)	Space Required (Sq.Ft.)
1995	\$12,961,213	27%		
2000	\$14,665,826	28%		
2002	\$16,419,528	29%	69,870	
Forecast for 2020				
Low Estimate	\$20,007,235	35%	85,000	15,000
Mid Estimate	\$22,518,020	35%	96,000	26,000
High Estimate	\$24,803,168	35%	106,000	36,000

Source: BST Associates

3.1.1.3 Findings

The options for the restaurant include:

- Phase 1 – expand the restaurant into the harbormaster’s office (approximately 200 square feet of space and double window space, which will also improve traffic flow and better utilize the kitchen area.). Phase 2 – expand the restaurant past the harbormaster’s office by building a new structure up to the access point required to use the restrooms (approximately 200+/- square feet).
- Move restaurant to main floor.

3.1.2 Marine Store

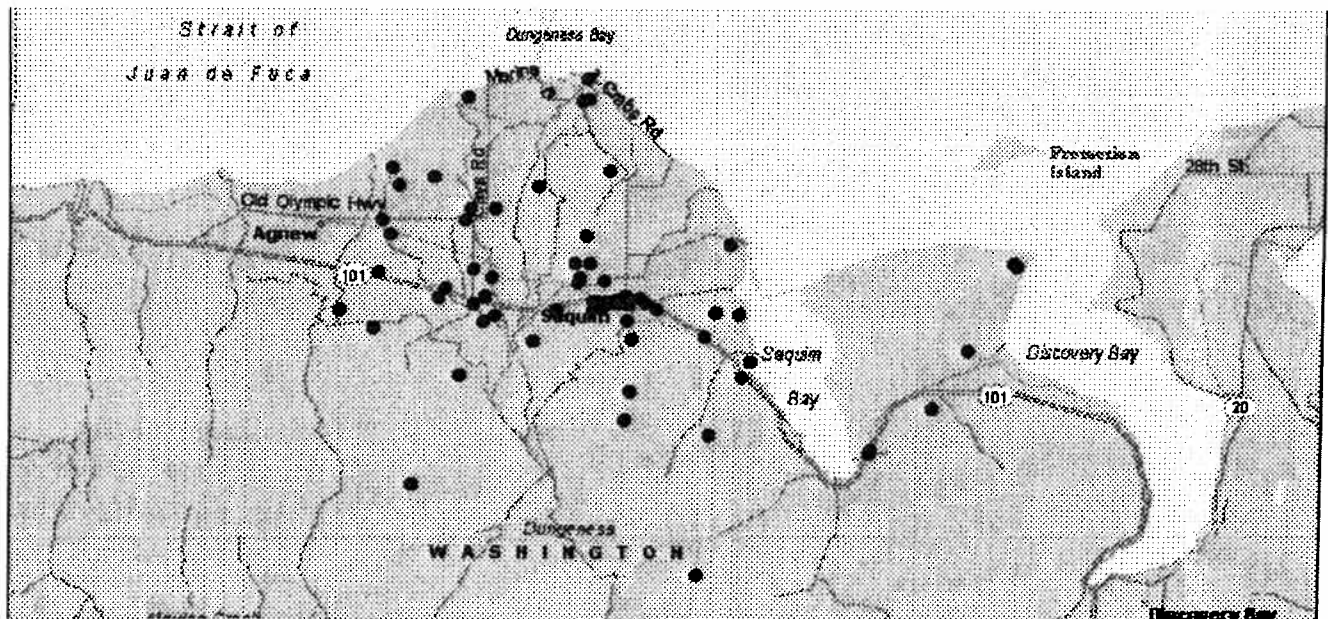
3.1.2.1 Description of Existing Conditions

The Bosun’s Locker is approximately 1,039 square feet, and offers a variety of goods including marine retail products, clothing, groceries, convenience store items and gifts. The owner expects growth to continue and expressed an interest for more space (1,500 to 2,000 square feet) but said he would likely begin to focus more on gifts and phase out the marine hardware. The business also includes rental of boats and kayaks, which he states generate more revenue than the store merchandise. The store has poor visibility and accessibility. The owner has watched elderly patrons decide not to come up due to the stairs.

3.1.2.2 Benchmark and Forecast

As shown in Figure 8, miscellaneous retail stores are also concentrated in the City of Sequim but a number are also located along major roads such as Cays Road and other roads throughout the area.

Figure 8 – Location of Miscellaneous Retail Stores in the Sequim Area



Convenience stores are typically sized between 2,400 and 3,500 square feet and have average annual revenue of approximately \$300 per square foot. Gift shops are typically sized between 1,200 and 5,000 and have average annual revenue of approximately \$230 per square foot.

Table 18 – Miscellaneous Retail Store Benchmarks – Sales and Lease Area

Business Type	Gross Leasable Area (SqFt)			Sales per Square Foot
	Lower Decile	Median	Upper Decile	
Miscellaneous Retail				
Cards & Gifts	1,231	2,533	5,640	\$229
Convenience Market				
New Urban Store		3,312		\$277
New rural store		3,084		\$297
Existing store		2,464		\$372

Source: BST Associates, Urban Land Institute, National Association of Convenience Stores

In Sequim, miscellaneous retail stores range from 500 to 3,500 square feet and have estimated average annual revenue of \$150 per square foot, which is significantly below the national benchmarks.

Sequim accounted for nearly 60% of the sales of gifts/cards in Clallam County in 2002. There is an estimated 5,000 square feet in this use in Sequim. BST forecasts that here could be additional demand of 2,000 to 3,000 square feet in gift/card space in Sequim by 2020.

Table 19 – Space Forecast for Misc Retail Space in the City of Sequim

Year	Estimated Gross Income	Share of County	Estimated Retail Space SqFt	Space Required SqFt
1995	\$724,956	34%		
2000	\$1,479,377	88%		
2001	\$1,059,719	67%		
2002	\$743,064	57%	4,921	
2020 Forecast in 2002 Dollars				
Low Estimate	\$974,409	73%	7,000	2,000
Mid Estimate	\$1,121,656	75%	8,000	3,000
High Estimate	\$1,235,482	75%	8,000	3,000

Source: BST Associates

It does not appear possible to expand the store to the preferable size within the existing building.

3.1.2.3 Findings

The options for the existing store include:

- Leaving it as is.
- Improving access (not recommended, since it would likely not cover the additional expense).
- Move store to ground floor (SBYC's space or a portion of the meeting room).

- Move store to new harbormaster's building.
- Move to Room 17 and reduce footprint of store, focus on convenience goods and boat rentals.

3.1.3 Sequim Bay Yacht Club (SYC)

The SBYC has a relatively large membership (81 couples and 14 singles), including both active boaters (50% sail and 50% power) and former boaters. The SBYC is active in community programs, including cruise and sail programs, and provides community support (hospice, Christmas gifting, Boy Scout merit badge sail and smart programs, among other activities).

SBYC leases a 901-square foot clubroom, 50 square feet of storage inside space and 1,740 square feet of fenced outside storage space for Lidos and racing gear.

Yacht clubs are an integral part of most marinas. Some yacht clubs own their own building (Port Ludlow, Port Angeles), while others lease space. The SBYC mentioned a desire to lease space to keep future costs at a minimum. The location of the clubroom is an asset to the club, particularly its proximity to the large public meeting room. The SBYC would like to increase the size of the clubhouse by 50% to 80% (1,350 to 1,600 square feet) to accommodate anticipated needs of a growing membership. However, if expansion is not possible, they indicated that they would likely limit the size of the membership.

The SBYC would also like to maintain the outside and inside storage areas and indicated a need for float space for the junior sail programs. This latter request could be incorporated into the hand-powered boat requirements discussed above.

The options for the SBYC include:

- Leave as is.
- Move to upper floor,
- Move to lower floor.

3.1.4 Public Meeting Room

The public meeting room is 2,207 square feet and has the capability of serving up to 132 persons. It falls into the small to mid-size range for meeting rooms.

The public meeting room has increased its utilization from 86 days in 1998 (24% of year) to 162 days in 2002 (44% of year). The increased utilization came about from reducing the rate and attracting beneficial organizations (Chamber of Commerce, Rotary and AA).

The meeting room has increased annual revenues from approximately \$12,000 to an estimated \$18,000 in 2003. The room's revenue stream is:

- Dominated by weekend use (40% of revenues),
- Reduced rate activities now generate 27% of total revenues,
- Kitchen revenues accounted for 13% of revenues in 2003,
- Weekday use generated 11% of revenues, and

- Sequim Bay Yacht Club (SBYC) activities generated 9% of revenue in 2003.

Other meeting rooms in the area range from larger (and more expensive for private facilities) to smaller (and less expensive). The Guy Cole Convention Center owned by the City of Sequim was used 152 days in 2003 and earned gross revenues of \$8,198. The Sequim Community Center (also owned by the City of Sequim) was used 167 days in 2003 and earned \$610.

The marina public meeting room competes with other meeting rooms for beneficial organizations and the SMERF (social, military, educational, religious and fraternal) market. This market is relatively small and it is likely that 2003 activity results represent the optimum that the room could experience.

The options for this space include:

- Sectioning it in two with an accordion divider, as recommended by Ken Hays,
- Keeping it as is,
- Reducing its size (one-half to three quarters) to accommodate additional retail space.

Table 20 – Public Meeting Room Usage Trends

Usage	1998	1999	2000	2001	2002	2003 est.
Public Meeting Room						
Weekday	5	4	12	6	10	12
Weekend (Oct to Mar)	8	8	15	17	12	9
Weekend (Apr-Sept)	28	26	22	19	14	21
SBYC weekday	11	11	11	11	15	11
SBYC weekend	6	6	6	6	7	6
Total paid days	58	55	66	59	58	59
Port sponsored	28	45	25	29	28	28
Reduced rate					16	75
Total days used	86	100	111	88	102	162
% of Year	24%	27%	30%	24%	28%	44%
Kitchen use (estimate)	36	34	37	36	36	36

Source: BST Associates, Port of Port Angeles data

Table 21 – Public Meeting Room Revenue Trends

Revenue	1998	1999	2000	2001	2002	2003 est.
Public Meeting Room	\$725	\$580	\$1,740	\$900	\$1,600	\$1,950
Weekday	\$1,640	\$1,640	\$3,075	\$3,570	\$2,700	\$2,070
Weekend (Oct to Mar)	\$6,300	\$5,850	\$4,950	\$4,370	\$3,500	\$5,355
Weekend (Apr-Sept)	\$968	\$968	\$1,078	\$1,078	\$1,470	\$968
SBYC weekday	\$738	\$738	\$822	\$822	\$959	\$738
SBYC weekend	\$0	\$0	\$0	\$0	\$0	\$0
Total paid days	\$0	\$0	\$0	\$0	\$0	\$0
Port sponsored	\$0	\$0	\$0	\$0	\$1,056	\$4,875
Reduced rate	\$0	\$0	\$0	\$0	\$0	\$0
Kitchen use (estimate)	\$2,160	\$2,040	\$2,220	\$2,232	\$2,340	\$2,376
Total revenue	\$12,531	\$11,816	\$13,885	\$12,972	\$13,625	\$18,332

Source: BST Associates, Port of Port Angeles data

3.1.5 Room 17

Room 17 is 373 square feet. This room is very underutilized, with 65 days of use in 2003 (18% of the year). This room has limited options for its use. However, it could potentially be used as a small office, or storage room or kept for small classes and other public use. Alternatively, it could serve a smaller convenience retail store and boat rental operation.

Table 22 – Room 17 Usage & Revenue Trends

Usage/Revenue	2000	2001	2002	2003est
Usage				
Paid uses	2	6	7	5
Port sponsored	29	68	41	45
Reduced rate				15
Total	31	74	48	65
% of Year	8%	20%	13%	18%
Revenue				
Paid uses	\$60	\$210	\$245	\$175
Port sponsored	\$0	\$0	\$0	\$0
Reduced rate	\$0	\$0	\$0	\$225
Total	\$60	\$210	\$245	\$400

Source: BST Associates, Port of Port Angeles data

3.2 John Wayne Marina Building Financial Assessment

The following section evaluates annual cash flows for the John Wayne Marina Building, taking into account both existing uses and potential uses that may represent the highest and best use from a real estate owner's perspective. This financial assessment is based on the actual Port lease documents. Some variations in lease space are noted between the drawings presented in the companion report by Mithun Architects and the lease documents due to the method of calculations of net Leasable versus net useable space.

3.2.1 Existing Uses and Lease Revenue

Table 23 presents the lease space and rents for existing tenants/uses. However, in many cases, the tenants also have storage space (inside and/or outside). Rents are inclusive of all types of space. In order to estimate the existing rent for store/office space, BST Associates deducted the rent associated with storage space. For example, the Bosun's Locker pays \$765 per month for store space and storage space. BST estimated the value of inside storage space at \$0.38 per square foot based upon market rates in the Sequim area. We then subtracted the storage rent from total rent to estimate the effective store space rent. In the case of the Bosun's Locker, the estimated store space rent is \$728 per month and with usable space of 1,039 square feet, the implied rent for store space is \$0.70 per square foot.

Using this process, the rents for stores and offices in the JWM Building are estimated as follows:

- Bosun's Locker - \$0.70 per square foot,
- Sequim Bay Yacht Club - \$0.58 per square foot,

- Public Meeting Room - \$0.69 per square foot,
- Room 17 - \$0.09 per square foot,
- JWM Restaurant - \$0.89 per square foot, and,

The average rent across all store/office uses is \$0.69 per square foot

Table 23 – Existing Building Performance

Floor	Tenant	Lease/Use Details		
		Lease (SqFt)	Rent	\$/SqFt
Upper Floor	3 Mates (Bosun's Locker)			
	Store	1,039	728	\$0.70
	Storage	100	38	\$0.38
	Total	1,139	765	\$0.67
Main Floor	Yacht Club			
	Main area	901	520	\$0.58
	Inside storage	50	19	\$0.38
	Outside storage	1,740	87	\$0.05
	Total	2,691	626	
Main Floor	Public Meeting Room			
	Total Area	2,207	1,528	\$0.69
Lower Floor	Room 17			
	Total Area	373	33	\$0.09
Lower Floor	John Wayne Marina Restaurant			
	Restaurant (inside)	1027		
	Subtotal	1,027	994	\$0.97
	TOTAL All Space	7,437	3,946	\$0.53
	Rentable store/office space	5,547	3,803	\$0.69

Source: BST Associates, Port of Port Angeles data

3.2.2 Comparable Rents

Rents for comparable buildings in Sequim and Port Angeles are described in this section.

Table 24 – Comparable Rents in Sequim

Building	Use	Rates (\$/SqFt)			Comments
		Low	Effective	High	
Creamery Square	Retail	\$0.35	\$0.67	\$0.80	Monthly triple net with some utilities, \$0.67 triple net; space is fully occupied
QFC Strip Mall	Retail	\$1.00		\$1.20	High visibility, new space
Net Port Center	Office		\$1.00		High visibility, newly renovated space. fiber optics
Post office strip mall	Retail		\$0.50		

Source: BST Associates, interviews with realtors and building owners

The rental rates for retail space range from \$0.50 to \$0.67 per square foot (for fully occupied older space) to \$1.00 to \$1.20 per square foot (for high visibility new space). Retail space rents in Port Angeles are approximately \$0.78 to \$0.85 per square feet for space leased by the Port of Port Angeles at the Landing. The rental rate for office space is approximately \$1.00 per square

foot for highly visible, renovated office space with fiber optics in Sequim (e.g., at the Net Port Center). The Port of Port Angeles rents office space at the Landing for approximately \$0.87 to \$1.15 per square foot.

BST Associates estimates that comparable rental rates for retail space at JWM Building is \$0.67 per square foot, which is the higher end of the lower end space in the Sequim market. JWM is removed from the local market place and the building is older than the retail outlets that command the premium price in Sequim. Due to the remoteness of the Marina, alternative retail uses are limited.

BST Associates estimates that comparable rental rates for office space is \$1.00 per square foot, which is in line with the Sequim market high-end market and slightly lower than the upper end of the Port Angeles market. The amenities (views) at JWM offset the age, the lack of fiber optics and remoteness of the building from markets and services. There is a limited market for small office space tenants, including professional service firms (architects, engineers and others) as well as firms engaged in finance, insurance and real estate.

3.2.3 Comparison of Existing and Potential Uses/Rents

Table 25 compares the monthly rent associated with existing and potential uses. The existing uses generate \$3,641 per month (\$43,689 per year) versus rent from potential uses of \$5,229 per month (\$62,747 per year). The annual difference from conversion to potential uses is \$19,058 or a 41% increase over existing rents.

Table 25 – Comparison of Existing and Potential JWM Building Rent

Area	Potential Uses			Existing Uses		
	Space	Rate (\$/SqFt)	Monthly Rent	Space	Rate (\$/SqFt)	Monthly Rent
Upper floor						
Office	1,039	\$1.00	\$1,039			
Store				1,039	\$0.70	\$728
Subtotals			\$1,039			\$728
Main floor						
Office	3,108	\$1.00	\$3,108			
Yacht Club				901	\$0.58	\$520
Meeting Room				2,207	\$0.69	\$1,528
Subtotal			\$3,108			\$2,048
Bottom Floor						
Restaurant	1,027	\$0.81	\$832	1,027	\$0.81	\$832
Room 17	373	\$0.67	\$250	373	\$0.09	\$33
Subtotal			\$1,082			\$865
Totals	5,547	\$0.94	\$5,229	5,547	\$0.66	\$3,641

Source: BST Associates

Conversion to potential uses could provide a higher annual rent, if the goal of the Port Commission were to maximize revenues from a real estate development perspective. However, some of existing uses provide space for citizens, community organizations and not-for-profit

organizations, which provide a relationship with the marina that would largely be eliminated with the conversion to other potential uses. In addition, the tenant improvements required to transform the converted spaces into office space would cost approximately \$20 per square foot⁶. It would require a 7+-year lease to fully amortize the tenant improvement costs, which is considered relatively unlikely in the local real estate market.

3.3 Dry Boat Storage

This section reviews the potential demand for dry storage facilities at John Wayne Marina.

3.3.1 Overview of Dry Storage Demand

BST Associates prepared an unconstrained demand forecast for dry storage space in Washington State in 2001⁷. This forecast was based upon existing preferences for storage by boat owners, as determined by a random telephone survey of boaters. As shown in Table 26, if boaters continue their current preference for moorage, there is an expected demand for approximately 4,600 new dry storage slips over the next 10 years under the most likely conditions (e.g., ranging from 1,900 under the low growth scenario to 7,500 under the high growth scenario). It should be noted that there is a significant question about the use of dry storage by vessels under 26 feet in length, since they are trailerable.

Table 26 – Unconstrained Forecast of Needed Dry Storage Slips in Washington State

Dry Storage Forecast	16' to 20'	21' to 30'	31' to 40'	41' to 50'	51' to 60'	Over 60'	Total
Low	1,438	260	147	-	-	-	1,845
Most Likely	3,379	987	286	-	-	-	4,652
High	5,320	1,714	426	-	-	-	7,459

Source: BST Associates, Data from Department of Licensing, OFM, Forecast Council

While there may be refinements to the demand forecast, it is clear that a new paradigm is being developing for marinas in Washington State based due to the following factors:

- Marinas in Puget Sound are nearly full, especially during the peak boating season.
- Fewer than five new marinas or major expansions occurred during the past 10 years.
- Although there are a few moorage projects planned (expansions of existing facilities or construction of new marinas), these will not be enough to meet the expected demand.
- Constraints to marina development include:
 - Government regulations (particularly as a result of listings under the Endangered Species Act),
 - Availability of protected sites with adequate water depth and upland areas for parking, and,
 - Funding for boating improvements, among other constraints.

⁶ Source: Paul Wanzer, Mithun Architects.

⁷ Source: Statewide Recreational Boating Study, prepared in 2001 for the IAC and Washington State Parks.

- Several existing marinas are experiencing weak demand for smaller slips and growing demand for longer slips.

As a result, reconstruction projects are underway with the dual goals of moving smaller boats to dry storage and reconfiguring the marina with larger slips. However, as wet moorage is reconfigured for larger slips, the total number of slips generally declines, because the area available inside of a breakwater is fixed.

3.3.2 Demand for Dry Storage at John Wayne Marina

The demand for dry storage facilities is occurring in the Puget Sound region but the question remains as to whether there is demand for dry storage at John Wayne Marina. Several factors weigh against the feasibility of dry storage.

The market for dry storage is almost entirely confined in the primary market area (Clallam County). As documented earlier, the number of boats in Clallam County between 20 and 30 feet in length has not grown significantly during the past twelve years, changing from 603 boats in 1990 to 639 boats in 2002, with the following mix by length and type:

- Approximately 16% of these boats are sailboats, which would preclude dry stack storage (some dry storage of sailboats exists in urban areas like Shilshole Bay Marina, but there are limits to the number of boats that can be served due to extensive use of land of this type of operation),
- Approximately 70% of boats in this size range are powerboats between 21 and 26 feet in length, all of which are trailerable.
- The remaining 14% are powerboats between 27 and 30 feet in length.

The Sequim area accounts for about 43% of the boats in Clallam County. The forecast for additional boats in this size range is between -(34) and +111, with a mid value of 42 additional boats. The existing and projected demand for boats in this size range is relatively low.

The characteristics of the boats within the market suggest that dry stack storage would compete with self-storage and use of trailers by boat owners in the area. This would likely place a very low storage rate on dry storage, which would likely make it unlikely to be financially self-sustaining. Boat launches (including the two-lane ramp at John Wayne Marina) are readily available in and around Sequim, although they may be heavily used during peak seasons.

The Port of Edmonds, which operates dry stack storage for 279 boats, provides a useful comparison of a successful boat storage operation. The revenue from storage is approximately \$490,000. The storage rates run from \$145 for smaller boats (up to 22 feet) to \$210 for longer boats (30 to 32 feet in length). These rates amount to lineal footage rates of approximately \$6.50 per foot per month, which exceeds the rates for wet moorage at John Wayne Marina. The expenses to operate and maintain the launch are estimated at \$480,000 (\$270,000 for operations and maintenance and \$219,000 for depreciation).

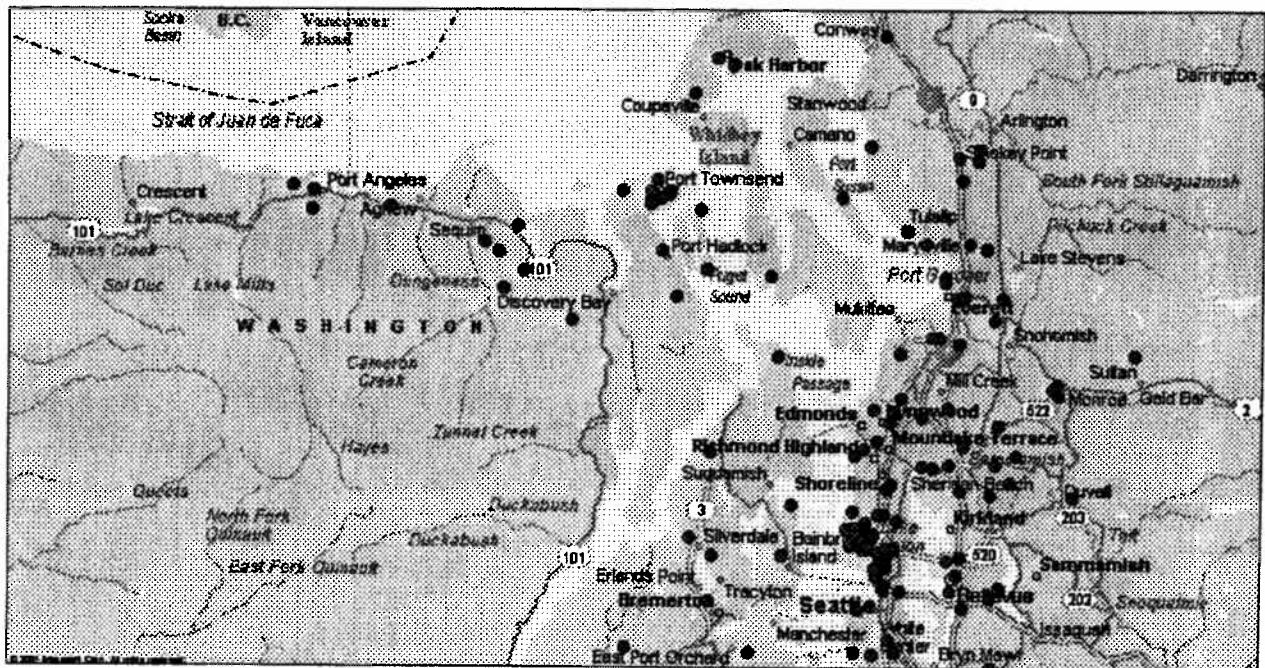
An alternative would be to provide single-tier storage (boats stored on cribs) at an upland area in/near the marina. However, this type of use is land intensive and is also unlikely to be financially self-sustaining when equipment costs are included. In addition, this service is already provided at private facilities near the marina (West Bay Boat).

Dry storage operations will likely continue to grow in heavily urbanized areas that can support higher rates. However, it is unlikely that dry storage would be financially sustainable at the John Wayne Marina. In addition, the placement of dry stack storage facilities at the Marina could impede views from the neighboring WE property, which could impact development plans. For these reasons, dry stack storage is not recommended at John Wayne Marina.

3.4 Boat Repair

There are clusters of boat repair firms throughout Clallam and Jefferson Counties that serve the needs of boat owners in these areas. Within Clallam County, there are repair services provided in Port Angeles and in Sequim (Pioneer Marine, West Bay Boat and Manufacturing, among others). Figure 9 depicts the locations of boat repair providers in the area.

Figure 9 – Location of Boat Repair Firms



Boat owners at JWM stated that repair facilities offering out-of-water services are between 2 and 4 hours travel time by boat from John Wayne Marina (in Port Angeles and Port Townsend). Nearby firms offer in-water repair services. In addition, boats up to around 30-feet in length can be trailered out the marina to nearby repair firms. Existing boat repair clusters provide a multitude of services for a larger fleet than that available at John Wayne Marina. It is unlikely that these services could be duplicated at John Wayne Marina.

The most recent Census of Services (1997) indicated that Washington State boaters spent nearly \$79 million on boat repair, which amounts to approximately \$537 per boat. However, the average annual expenditure on boat repair increases with the length, age and value of the boat. In addition, most boat repair occurs when the boat is in the water (above water line repairs and use of divers to replace zincs, etc.).

The Port of Port Angeles operates a public boat yard for maintenance and repair of small vessels, offering both covered and open work areas. Boat owners can perform their own work or bring in certified independent contractors.

Travelift activity trends at the Port of Port Angeles are shown in Table 27. As can be seen, Travelift activity has ranged between 550 and 650 lifts per year, with no clear trend up or down. This activity is quite seasonal, with about three quarters or more occurring between the months of March and September.

Table 27 – Monthly Travelift Activity at Port of Port Angeles Boat Yard (1999-2003)

Month	1999	2000	2001	2002	2003
Jan	14	22	23	26	11
Feb	20	25	32	30	22
Mar	50	46	50	29	40
Apr	102	82	82	69	63
May	95	78	82	115	78
Jun	72	49	51	54	95
Jul	74	46	46	82	73
Aug	51	60	63	62	58
Sept	69	59	38	65	53
Oct	36	42	32	45	23
Nov	51	38	31	24	15
Dec	19	19	35	24	23
Total	653	566	565	625	554

Source: Port of Port Angeles

The Port of Port Angeles is meeting its responsibility to boat owners in Clallam County with the facility at Port Angeles. It is unlikely that a new facility at John Wayne Marina could be financially self-supporting but its presence could erode utilization of the facilities in Port Angeles.

In addition, the placement of boat repair facilities at the Marina could impede views from the neighboring WE property, which could impact development plans. For these reasons, a boat repair yard is not recommended at John Wayne Marina.

4 Appendix 1 - Trends in Population, Income, Employment and Tourism

It is important to have a comprehensive context of the demographic and economic conditions that currently exist in Clallam County in order to understand how economic development is proceeding at the present time and how it may proceed in the future. The purpose of this section is to develop a better understanding of the relevant growth patterns in Clallam County, the City of Sequim and particularly the area in and around John Wayne Marina. It is implicitly recognized that the economic performance of the John Wayne Marina is constrained by the overall performance of the economy in the City of Sequim and Clallam County.

4.1 Population Trends & Forecasts

The population base in Clallam County increased from 56,210 persons in 1990 to 65,300 persons in 2002 or at 1.2% per year according to the Washington State Office of Financial Management (OFM). This level of growth was less than the state overall, which was 1.8% per year during this time period. As a result, Clallam County decreased from 1.2% of the state's population in 1990 to 1.1% in 2003. The majority of residents in Clallam County live in unincorporated areas, which currently account for approximately 60% of the population. Population growth in Sequim has been relatively rapid, at 1.6% per year during the period from 1990 to 2003. Sequim represents 6.8% of the Clallam County population.

Table 28 – Clallam County Population Trends

Year	Sequim	Sequim % County	Unincorporated	Incorporated	Forks	Port Angeles	Clallam	County % State	State
1990	3,617	6.4%	32,045	24,165	2,838	17,710	56,210	1.2%	4,866,659
1991	3,760	6.5%	32,986	24,640	3,132	17,748	57,626	1.2%	5,000,353
1992	3,804	6.5%	33,559	24,716	3,136	17,776	58,275	1.1%	5,091,138
1993	3,956	6.7%	34,159	24,996	3,132	17,908	59,155	1.1%	5,188,009
1994	3,969	6.6%	34,947	24,972	3,131	17,872	59,919	1.1%	5,291,577
1995	4,000	6.6%	35,501	25,047	3,088	17,959	60,548	1.1%	5,396,569
1996	4,118	6.7%	36,194	25,275	3,080	18,077	61,469	1.1%	5,483,103
1997	4,135	6.7%	36,720	25,317	3,117	18,065	62,037	1.1%	5,579,140
1998	4,183	6.6%	37,240	25,693	3,135	18,375	62,933	1.1%	5,685,459
1999	4,252	6.7%	37,713	25,712	3,134	18,326	63,425	1.1%	5,792,214
2000	4,334	6.8%	38,328	25,851	3,120	18,397	64,179	1.1%	5,894,121
2001	4,370	6.8%	38,519	25,935	3,145	18,420	64,454	1.1%	5,974,900
2002	4,370	6.7%	38,970	25,930	3,130	18,430	64,900	1.1%	6,041,700
2003	4,440	6.8%	39,265	26,035	3,125	18,470	65,300	1.1%	6,098,300
Average annual growth rates									
1990-1996	2.2%	0.7%	2.0%	0.8%	1.4%	0.3%	1.5%	-0.5%	2.0%
1996-2003	1.1%	0.2%	1.2%	0.4%	0.2%	0.3%	0.9%	-0.7%	1.5%
1990-2003	1.6%	0.4%	1.6%	0.6%	0.7%	0.3%	1.2%	-0.6%	1.8%

Source: Washington Office of Financial Management, US Census data

4.1.1 Age and Sex of Population

The population base is nearly evenly divided by sex in Clallam County and Washington State. In Sequim, however, females represent nearly 58% of the population base and men 42%.

As shown in Table 29, the median age of residents of Sequim in 2000 was 59.3 years of age, compared with 43.8 in Clallam County and 35.3 in Washington State. The aging of the population is an important driver of the types of waterfront and upland uses being considered in this study. According to a recent survey in Oregon, the average age of the primary operators of registered boats in Oregon was 53.6 years in 2001⁸. However, boating activity falls off somewhat after the age of 60, (primary operators over 60 represented 20% of boating activity in Oregon). There is a much larger percentage of the population of Sequim that is 65 years and older, with 45% of the residents in Sequim over the age of 65, as compared with 21% and 11% respectively in Clallam County and Washington State.

Table 29 – Age Distribution in Sequim, Clallam County and Washington State

SEX AND AGE	Sequim	% Total	Clallam County	% Total	State	% Total
Total Population	4,334		64,525		5,894,121	
Sex Distribution						
Male	1,832	42.3%	32,054	49.7%	2,934,300	49.8%
Female	2,502	57.7%	32,471	50.3%	2,959,821	50.2%
Age Distribution						
Under 5 years	191	4.4%	3,313	5.1%	394,306	6.7%
5 to 9 years	173	4.0%	3,737	5.8%	425,909	7.2%
10 to 14 years	189	4.4%	4,309	6.7%	434,836	7.4%
15 to 19 years	194	4.5%	4,498	7.0%	427,968	7.3%
20 to 24 years	152	3.5%	2,893	4.5%	390,185	6.6%
25 to 34 years	284	6.6%	5,899	9.1%	841,130	14.3%
35 to 44 years	374	8.6%	8,805	13.6%	975,087	16.5%
45 to 54 years	422	9.7%	9,718	15.1%	845,972	14.4%
55 to 59 years	217	5.0%	4,059	6.3%	285,505	4.8%
60 to 64 years	208	4.8%	3,567	5.5%	211,075	3.6%
65 to 74 years	714	16.5%	6,981	10.8%	337,166	5.7%
75 to 84 years	773	17.8%	5,179	8.0%	240,897	4.1%
85 years and over	443	10.2%	1,567	2.4%	84,085	1.4%
Median age (years)	59.3		43.8		35.3	

Source: U.S. Census data for 2000

4.1.2 Population Forecast

Clallam County is projected by OFM to grow to between 67,600 and 86,900 persons in 2025, or at average annual growth ranging from 0.5% (low) to 1.2% (high). The high growth forecast is on par with recent growth trends.

⁸ Source: Boating in Oregon, Oregon Marine Board, 2002. There is no similar survey information for Washington State.

Table 30 – Clallam County Population Forecast

Year	Clallam County			Clallam County % State			State of Washington		
	Low	Mid	High	Low	Mid	High	Low	Mid	High
2000	64,179	64,179	64,179	1.1%	1.1%	1.1%	5,894,121	5,894,121	5,894,121
2005	61,442	64,969	68,333	1.0%	1.0%	1.0%	5,935,479	6,233,345	6,621,080
2010	62,781	67,754	72,383	1.0%	1.0%	1.0%	6,190,412	6,648,112	7,215,892
2015	64,225	70,769	76,776	1.0%	1.0%	1.0%	6,460,127	7,096,501	7,867,806
2020	66,059	74,349	81,894	1.0%	1.0%	1.0%	6,710,659	7,545,269	8,541,588
2025	67,598	77,749	86,927	1.0%	1.0%	0.9%	6,925,750	7,975,471	9,215,093
Average Annual Growth Rates									
2000-2010	-0.2%	0.5%	1.2%				0.5%	1.2%	2.0%
2010-2025	0.5%	0.9%	1.2%				0.8%	1.2%	1.6%

Source: Washington Office of Financial Management

The Sequim Comprehensive Plan projected that the population in Sequim would increase at 5% per year, which is at a much higher rate than has occurred in the recent past (1.1% growth was experienced between 1996 and 2003). The population within the City was projected to increase from 4,200 persons in 1995 to 11,144 persons in 2015. The population within the Urban Growth Area (UGA) was projected to increase from 1,625 persons in 1995 to 2,687 persons in 2015. The combined population (City and UGA) was expected to reach 15,456 persons in 2015.

Table 31 – Population Projections in Sequim

Rate/Population	Sequim	UGA	Total
5% Growth Rate			
1995 Population	4,200	1,625	5,825
1995-2015 Increase	6,944	2,687	9,631
2015 Population	11,144	4,312	15,456

Source: Sequim Comprehensive Plan, Page 3-3

4.2 Income Distribution and Source of Funds

The median household income in Sequim was \$27,880 in 2000, which was lower than that in Clallam County (\$36,449) and Washington State (\$45,776). Only 37.6% of the household incomes in Sequim were \$35,000 or above as compared with 52% of households in Clallam County and 63% households in Washington State.

Income is derived from earnings, investments, and transfers (retirement and welfare). As would be expected from the area demographics, a much smaller percentage of households in Sequim (42.3%) receive income from earnings as compared with Clallam County (65.6%) and Washington State (81.9%). A much larger percentage of households in Sequim receive income from Social Security and retirement (56.5% received income from Social Security and 33.9% retirement income in 2000) as compared with Clallam County households (39.6% Social security and 27.5% retirement income) and Washington State households (22.9% Social security and 17.1% retirement income).

Income and age also affect consumption patterns and activities. For example, the most recent U.S. consumer expenditure survey indicates that expenditures on food purchase away from home declines with age. Households whose key reference persons are between 25 and 55 years of age typically spend between 5.5% and 5.9% of their income on food away from home, while households whose key reference persons are over 65 years of age and older spend 4.8% of their income on food away from home.

Table 32 – Income Distribution and Source of Funds in 2000

INCOME IN 1999	Sequim	% Total	Clallam County	% Total	State	% Total
Households	2,155		27,187		2,272,261	
Less than \$10,000	329	15.3%	2,877	10.6%	171,863	7.6%
\$10,000 to \$14,999	318	14.8%	2,097	7.7%	124,848	5.5%
\$15,000 to \$24,999	342	15.9%	3,950	14.5%	265,131	11.7%
\$25,000 to \$34,999	355	16.5%	4,040	14.9%	284,630	12.5%
\$35,000 to \$49,999	436	20.2%	5,274	19.4%	389,434	17.1%
\$50,000 to \$74,999	268	12.4%	5,318	19.6%	486,392	21.4%
\$75,000 to \$99,999	61	2.8%	2,033	7.5%	264,498	11.6%
\$100,000 to \$149,999	14	0.6%	926	3.4%	188,513	8.3%
\$150,000 to \$199,999	11	0.5%	365	1.3%	47,615	2.1%
\$200,000 or more	21	1.0%	307	1.1%	49,337	2.2%
Median household income (dollars)	27,880		36,449		45,776	
With earnings	912	42.3%	17,847	65.6%	1,862,102	81.9%
Mean earnings (dollars)	32,115		41,695		57,172	
With Social Security income	1,217	56.5%	10,758	39.6%	521,176	22.9%
Mean Social Security income (dollars)	11,684		12,010		11,914	
With Supplemental Security Income	68	3.2%	1,310	4.8%	84,750	3.7%
Mean Supplemental Security Income (dollars)	6,516		6,446		6,466	
With public assistance income	111	5.2%	1,188	4.4%	86,741	3.8%
Mean public assistance income (dollars)	3,040		3,174		3,579	
With retirement income	731	33.9%	7,490	27.5%	389,587	17.1%
Mean retirement income (dollars)	23,929		20,268		18,241	

Source: U.S. Census data for 2000

4.3 Employment Characteristics

The following section reviews employment characteristics in Sequim and Clallam County.

In 2000, the civilian labor force in the City of Sequim represented 31% of the population base that was 16 years of age and older as compared with Clallam County (50.7% and Washington State (65.4%). Unemployment levels were slightly lower in Sequim (6.4%) than in Clallam County (7.7%)

The number of individuals who work from home was similar in Sequim and Clallam County, at 5.2% and 5.6%, respectively.

Most of the employment in Sequim is associated with services (26.2%), retail trade (18.3%), arts, entertainment, recreation, accommodation and food services (11.8%) and other services (10.4%).

Self-employment is relatively high in Sequim (12.2%) and Clallam County (11.8%) as compared with Washington State (7.2%).

Table 33 – Employment Characteristics

EMPLOYMENT STATUS	Sequim	% Total	Clallam County	% Total	State	% Total
Population 16 years and over	3,756		52,214		4,553,591	
In labor force	1,184	31.5%	26,738	51.2%	3,027,734	66.5%
Civilian labor force	1,176	31.3%	26,490	50.7%	2,979,824	65.4%
Employed	1,101	93.6%	24,455	92.3%	2,793,722	93.8%
Unemployed	75	6.4%	2,035	7.7%	186,102	6.2%
Armed Forces	8	0.7%	248	0.9%	47,910	1.6%
Not in labor force	2,572	68.5%	25,476	48.8%	1,525,857	33.5%
COMMUTING TO WORK						
Worked at home	57	5.2%	1,347	5.6%	120,830	4.3%
Mean travel time to work (minutes) ¹	18.7		21.4		25.5	
INDUSTRY						
Agriculture, forestry, fishing and hunting, and mining	61	5.5%	1,478	6.0%	68,976	2.5%
Construction	58	5.3%	2,006	8.2%	194,871	7.0%
Manufacturing	45	4.1%	1,578	6.5%	348,646	12.5%
Wholesale trade	32	2.9%	648	2.6%	113,526	4.1%
Retail trade	202	18.3%	3,119	12.8%	338,772	12.1%
Transportation and warehousing, and utilities	20	1.8%	1,255	5.1%	150,985	5.4%
Information	0	0.0%	385	1.6%	95,669	3.4%
Finance, insurance, real estate, and rental and leasing	53	4.8%	1,073	4.4%	170,622	6.1%
Professional, scientific, management, administrative, and waste management services	58	5.3%	1,593	6.5%	272,466	9.8%
Educational, health and social services	289	26.2%	5,301	21.7%	541,214	19.4%
Arts, entertainment, recreation, accommodation and food services	130	11.8%	2,392	9.8%	221,656	7.9%
Other services (except public administration)	114	10.4%	1,516	6.2%	135,379	4.8%
Public administration	39	3.5%	2,111	8.6%	140,940	5.0%
CLASS OF WORKER						
Private wage and salary workers	862	78.3%	16,049	65.6%	2,125,029	76.1%
Government workers	105	9.5%	5,404	22.1%	459,722	16.5%
Self-employed workers in own not incorporated business	134	12.2%	2,896	11.8%	199,827	7.2%
Unpaid family workers	0	0.0%	106	0.4%	9,144	0.3%

Source: BST Associates, WA State Employment Security Department

4.4 Relevant Trends in Retail Sales

This section reviews trends in retail sales at eating and drinking establishments and miscellaneous retail stores, since these two uses exist in the current building at the John Wayne Marina and are being evaluated for expansion.

4.4.1 Eating and Drinking Establishments

Taxable sales at eating and drinking establishments in Sequim increased from \$11 million in 1994 to \$14 million in 2002 or at 3.3%. This was nearly twice the annual growth that registered at all establishments in the county but was second to sales that occurred in the City of Forks. However, the consumer price index for the Seattle-Tacoma-Bremerton area grew annually at 3.1% during this time period. As a result, real sales (adjusted for inflation) only increased 0.2% per year.

The number of eating and drinking establishments in Sequim peaked at 51 in 1998 and has since fallen to 44. Average sales per establishment were approximately \$325,000 in 2002.

Table 34 – Taxable Sales of Eating and Drinking Establishments

Year	Sequim	% Clallam	Port Angeles	Forks	Unincorp.	Total
1994	\$11,042,331	26.4%	\$23,154,602	\$1,739,125	\$5,910,286	\$41,846,344
1995	\$12,025,041	27.6%	\$23,782,382	\$2,286,270	\$5,480,070	\$43,573,763
1996	\$11,693,454	26.9%	\$23,258,243	\$2,405,389	\$6,040,805	\$43,397,891
1997	\$11,453,571	26.3%	\$23,075,251	\$2,418,655	\$6,668,763	\$43,616,240
1998	\$11,938,897	27.9%	\$22,054,572	\$2,515,118	\$6,334,978	\$42,843,565
1999	\$12,704,503	27.3%	\$22,734,239	\$2,782,008	\$8,262,819	\$46,483,569
2000	\$13,509,365	29.5%	\$22,946,589	\$1,871,793	\$7,470,930	\$45,798,677
2001	\$13,946,143	30.1%	\$23,808,516	\$2,372,301	\$6,168,282	\$46,295,242
2002	\$14,302,714	30.0%	\$25,066,008	\$2,518,433	\$5,817,086	\$47,704,241
Average Annual Growth Rate						
1994-2002	3.3%		1.0%	4.7%	-0.2%	1.7%

Source: BST Associates, WA State Department of Revenue

4.4.2 Miscellaneous Retail Stores

Taxable sales at all miscellaneous retail stores⁹ in Sequim increased from \$15 million in 1994 to \$19 million in 2002 or at 3.8% in nominal terms (0.7% in real terms¹⁰). This was twice the growth that registered at all establishments in the county but second to taxable sales occurring in unincorporated areas of the county. The number of eating and drinking establishments in Sequim peaked at 399 in 2002 and average sales per establishment were approximately \$49,000 in 2002.

⁹ This category includes Drug Stores and Proprietary Stores, Liquor Stores, Used Merchandise Stores, Sporting Goods Stores and Bicycle Shops, Book Stores, Stationery Stores, Jewelry Stores, Hobby, Toy, and Game Shops, Camera and Photographic Supply Stores, Gift, Novelty, and Souvenir Shops, Luggage and Leather Goods Stores, Sewing, Needlework, and Piece Goods Stores, Catalog and Mail-Order Houses, Florists, Tobacco Stores and Stands, News Dealers and Newsstands, Optical Goods Stores, and other Miscellaneous Retail Stores, NEC.

¹⁰ Real sales are adjusted for inflation.

Table 35 – Taxable Sales of Miscellaneous Retail Stores

Year	Sequim	% Clallam	Port Angeles	Forks	Unincorp.	Total
1994	\$14,454,030	33.0%	\$24,697,755	\$1,693,530	\$2,898,848	\$43,744,163
1995	\$9,603,008	24.8%	\$24,700,931	\$1,891,972	\$2,565,675	\$38,761,586
1996	\$8,886,424	24.9%	\$21,892,342	\$1,797,082	\$3,143,304	\$35,719,152
1997	\$9,062,845	25.3%	\$21,256,893	\$1,948,378	\$3,584,772	\$35,852,888
1998	\$9,480,837	25.6%	\$21,348,678	\$1,872,730	\$4,291,557	\$36,993,802
1999	\$10,005,763	26.2%	\$21,004,511	\$1,955,906	\$5,224,253	\$38,190,433
2000	\$13,651,371	32.1%	\$20,260,676	\$1,941,537	\$6,737,158	\$42,590,742
2001	\$15,921,221	35.5%	\$21,611,376	\$1,475,390	\$5,897,185	\$44,905,172
2002	\$19,429,177	38.5%	\$23,797,022	\$1,369,232	\$5,874,763	\$50,470,194
Average Annual Growth Rate						
1994-2002	3.8%		-0.5%	-2.6%	9.2%	1.8%

Source: BST Associates, WA State Department of Revenue

Sales at gift shops (which includes gifts, novelties and souvenirs) in Sequim increased from \$568,000 in 1994 to \$617,000 in 2002, with annual growth of 1.0% in nominal terms. Sales at these stores throughout the County declined, with a net loss of approximately \$500,000 during the study period. It is apparent that the recent recession has had a significant impact on this type of discretionary purchase.

Table 36 – Taxable Sales of Gift Stores

Year	Sequim	% Clallam	Port Angeles	Forks	Unincorp.	Total
1994	\$568,198	35.9%	\$908,599	NA	\$107,166	\$1,583,963
1995	\$573,694	34.2%	\$961,930	\$22,191	\$121,909	\$1,679,724
1996	\$586,197	43.9%	\$596,458	\$57,971	\$94,813	\$1,335,439
1997	\$771,097	69.4%	\$273,905	\$27,485	\$39,324	\$1,111,811
1998	\$731,570	76.8%	\$206,686	NA	\$14,478	\$952,734
1999	\$811,258	81.3%	\$152,797	NA	\$33,408	\$997,463
2000	\$1,165,112	88.1%	\$144,075	NA	\$12,932	\$1,322,119
2001	\$868,804	67.5%	\$404,560	NA	\$14,381	\$1,287,745
2002	\$617,150	56.9%	\$396,308	NA	\$70,800	\$1,084,258
Average Annual Growth Rate						
1994-2002	1.0%		-9.9%	NM	-5.0%	-4.6%

Source: BST Associates, WA State Department of Revenue

4.5 Tourism Trends in the Study Area

The local population generates most of the expenditures on retail products in Clallam County. However, Clallam County also attracts a significant number of visitors. According to data prepared by Dean Runyon Associates for the Washington State Department of Tourism, tourism spending in Clallam County grew at an average annual rate of 3.6% from 1991 through 2001. See Table 37.

Visitors' expenditures were highest in eating and drinking establishments, followed by accommodations, retail sales, recreation, ground transport and food stores.

Table 37 --Travel Spending in Clallam County (\$Millions)

Category	1991	1996	1997	1998	1999	2000	2001	CAGR 91-01
Travel Spending by Type of Traveler Accommodation (\$Million)								
Destination Spending	88	106	112	118	120	125	123	3.4%
Hotel, Motel, B&B	40	47	48	52	52	53	56	3.4%
Private Campground	10	12	15	15	15	16	16	4.8%
Public Campground	6	8	8	8	8	8	3	-6.7%
Private Home	13	16	16	17	18	19	20	4.4%
Vacation Home	3	4	4	5	5	6	6	7.2%
Day Travel	16	19	21	21	22	23	22	3.2%
Air Transportation	3	3	3	3	2	2	2	-4.0%
County Total	91	109	115	121	122	127	125	3.2%
Travel Spending by Type of Business Service (\$Million)								
Destination Spending	90	106	113	118	120	125	122	
Accommodations	18	21	22	24	24	24	25	3.3%
Eating, Drinking	25	29	31	33	33	34	33	2.8%
Food Stores	7	8	9	10	9	10	9	2.5%
Ground Transport	7	8	9	9	10	12	12	5.5%
Recreation	13	16	17	19	19	19	18	3.3%
Retail Sales	20	24	25	23	25	26	25	2.3%
Air Transportation	3	3	3	3	2	2	2	-4.0%
County Total	93	109	116	121	122	127	124	2.9%
Total Earnings Directly Generated by Travel Spending (\$Million)								
Total Earnings	25	29	31	33	33	33	33	2.8%
Employment Directly Generated by Travel Spending (Jobs)								
Accommodations	510	510	520	530	490	480	490	-0.4%
Eating, Drinking	1,040	1,100	1,100	1,140	1,090	1,050	970	-0.7%
Food Stores	70	70	80	80	70	70	60	-1.5%
Ground Transport	50	60	60	70	70	70	60	1.8%
Recreation	750	840	840	860	810	790	730	-0.3%
Retail Sales	300	320	320	320	300	290	270	-1.0%
Air Transportation	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	
Travel Arrangement	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	
County Total	2,720	2,900	2,920	3,000	2,830	2,750	2,580	-0.5%
Tax Revenues Directly Generated by Travel Spending (\$Million)								
Local Taxes	1.2	1.6	1.7	2	2.1	2.1	2.2	6.2%
State Taxes	5.6	6.6	7	7.4	7.4	7.7	7.6	3.1%
Total Taxes	6.8	8.2	8.7	9.4	9.5	9.8	9.7	3.6%

CAGR stands for compound annual growth rate

Source: Washington State Division of Tourism, Dean Runyon Associates

5 Appendix 2 – Detailed Vacancy Reports by Slip Length

Table 38 – Vacancy Rates for 50-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	10	9	8	-	2	-
Feb	10	10	5	-	-	-
Mar	10	9	3	-	-	-
Apr	6	6	1	-	-	-
May	2	7	-	-	-	-
Jun	5	7	-	-	-	-
July	9	4	-	-	-	-
Aug	4	4	-	-	1	-
Sep	7	5	-	1	-	-
Oct	10	6	-	-	-	-
Nov	10	8	-	-	-	-
Dec	9	9	-	-	-	-
Average	8	7	1	0	0	-
% Vacant						
Jan	36%	32%	29%	0%	7%	0%
Feb	36%	36%	18%	0%	0%	0%
Mar	36%	32%	11%	0%	0%	0%
Apr	21%	21%	4%	0%	0%	0%
May	7%	25%	0%	0%	0%	0%
Jun	18%	25%	0%	0%	0%	0%
July	32%	14%	0%	0%	0%	0%
Aug	14%	14%	0%	0%	4%	0%
Sep	25%	18%	0%	4%	0%	0%
Oct	36%	21%	0%	0%	0%	0%
Nov	36%	29%	0%	0%	0%	0%
Dec	32%	32%	0%	0%	0%	0%
Average	27%	25%	5%	0%	1%	0%
Slips	28					

Source: BST Associates using Port of Port Angeles Data

Table 39 – Vacancy Rates for 45-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	1	2	-	-	-	1
Feb	1	1	-	-	-	-
Mar	-	-	-	-	-	-
Apr	-	-	-	-	-	-
May	-	-	-	-	-	-
Jun	-	-	-	-	-	-
July	-	-	-	-	-	-
Aug	-	-	-	-	-	-
Sep	-	-	-	-	-	-
Oct	-	-	-	-	-	-
Nov	2	-	-	-	-	-
Dec	2	-	-	-	-	-
Average	1	0	-	-	-	0
% Vacant						
Jan	10%	20%	0%	0%	0%	10%
Feb	10%	10%	0%	0%	0%	0%
Mar	0%	0%	0%	0%	0%	0%
Apr	0%	0%	0%	0%	0%	0%
May	0%	0%	0%	0%	0%	0%
Jun	0%	0%	0%	0%	0%	0%
July	0%	0%	0%	0%	0%	0%
Aug	0%	0%	0%	0%	0%	0%
Sep	0%	0%	0%	0%	0%	0%
Oct	0%	0%	0%	0%	0%	0%
Nov	20%	0%	0%	0%	0%	0%
Dec	20%	0%	0%	0%	0%	0%
Average	5%	3%	0%	0%	0%	1%
Slips	10					

Source: BST Associates using Port of Port Angeles Data

Table 40 – Vacancy Rates for 42-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	-	1	-	-	-	-
Feb	-	1	-	-	-	-
Mar	-	-	-	-	-	-
Apr	-	-	-	-	-	-
May	-	-	-	-	-	-
Jun	-	1	-	-	-	-
July	-	1	-	-	-	-
Aug	1	-	-	-	-	-
Sep	-	-	-	-	-	-
Oct	1	-	-	-	-	-
Nov	1	-	-	-	-	-
Dec	1	-	-	-	-	-
Average	0	0	-	-	-	-
% Vacant						
Jan	0%	5%	0%	0%	0%	0%
Feb	0%	5%	0%	0%	0%	0%
Mar	0%	0%	0%	0%	0%	0%
Apr	0%	0%	0%	0%	0%	0%
May	0%	0%	0%	0%	0%	0%
Jun	0%	5%	0%	0%	0%	0%
July	0%	5%	0%	0%	0%	0%
Aug	5%	0%	0%	0%	0%	0%
Sep	0%	0%	0%	0%	0%	0%
Oct	5%	0%	0%	0%	0%	0%
Nov	5%	0%	0%	0%	0%	0%
Dec	5%	0%	0%	0%	0%	0%
Average	2%	2%	0%	0%	0%	0%
Slips	21					

Source: BST Associates using Port of Port Angeles Data

Table 41 – Vacancy Rates for 40-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	1	3	-	-	-	-
Feb	-	3	-	-	-	-
Mar	-	3	-	-	-	-
Apr	-	-	-	-	-	-
May	-	-	-	-	-	-
Jun	-	-	-	-	-	-
July	-	-	-	-	-	-
Aug	-	-	-	-	-	-
Sep	-	-	-	-	-	-
Oct	-	-	1	-	-	-
Nov	3	-	-	-	-	-
Dec	3	-	-	-	-	-
Average	1	1	0	-	-	-
% Vacant						
Jan	5%	16%	0%	0%	0%	0%
Feb	0%	16%	0%	0%	0%	0%
Mar	0%	16%	0%	0%	0%	0%
Apr	0%	0%	0%	0%	0%	0%
May	0%	0%	0%	0%	0%	0%
Jun	0%	0%	0%	0%	0%	0%
July	0%	0%	0%	0%	0%	0%
Aug	0%	0%	0%	0%	0%	0%
Sep	0%	0%	0%	0%	0%	0%
Oct	0%	0%	5%	0%	0%	0%
Nov	16%	0%	0%	0%	0%	0%
Dec	16%	0%	0%	0%	0%	0%
Average	3%	4%	0%	0%	0%	0%
Slips	19					

Source: BST Associates using Port of Port Angeles Data

Table 42 – Vacancy Rates for 36-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	1	1	1	-	-	1
Feb	-	2	-	-	-	-
Mar	-	1	-	-	-	-
Apr	-	-	-	-	-	-
May	-	1	-	-	-	-
Jun	-	-	-	-	-	-
July	-	-	-	1	-	-
Aug	-	-	-	-	-	-
Sep	-	-	1	-	-	-
Oct	1	1	-	-	-	-
Nov	1	-	-	-	-	-
Dec	1	1	-	-	1	-
Average	0	1	0	0	0	0
% Vacant						
Jan	5%	5%	5%	0%	0%	5%
Feb	0%	9%	0%	0%	0%	0%
Mar	0%	5%	0%	0%	0%	0%
Apr	0%	0%	0%	0%	0%	0%
May	0%	5%	0%	0%	0%	0%
Jun	0%	0%	0%	0%	0%	0%
July	0%	0%	0%	5%	0%	0%
Aug	0%	0%	0%	0%	0%	0%
Sep	0%	0%	5%	0%	0%	0%
Oct	5%	5%	0%	0%	0%	0%
Nov	5%	0%	0%	0%	0%	0%
Dec	5%	5%	0%	0%	5%	0%
Average	2%	3%	1%	0%	0%	1%
Slips	22					

Source: BST Associates using Port of Port Angeles Data

Table 43 – Vacancy Rates for 32-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	7	4	8	2	2	2
Feb	4	3	8	-	1	3
Mar	-	-	6	1	-	3
Apr	-	-	5	-	-	-
May	-	-	2	-	-	-
Jun	-	-	-	-	-	1
July	-	-	1	-	1	-
Aug	-	1	-	-	-	-
Sep	-	2	1	1	-	-
Oct	-	4	2	2	1	-
Nov	2	8	-	1	1	-
Dec	4	8	2	-	2	-
Average	1	3	3	1	1	1
% Vacant						
Jan	25%	14%	29%	7%	7%	7%
Feb	14%	11%	29%	0%	4%	11%
Mar	0%	0%	21%	4%	0%	11%
Apr	0%	0%	18%	0%	0%	0%
May	0%	0%	7%	0%	0%	0%
Jun	0%	0%	0%	0%	0%	4%
July	0%	0%	4%	0%	4%	0%
Aug	0%	4%	0%	0%	0%	0%
Sep	0%	7%	4%	4%	0%	0%
Oct	0%	14%	7%	7%	4%	0%
Nov	7%	29%	0%	4%	4%	0%
Dec	14%	29%	7%	0%	7%	0%
Average	5%	9%	10%	2%	2%	5%
Slips	28					

Source: BST Associates using Port of Port Angeles Data

Table 44 – Vacancy Rates for 30-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	7	6	7	9	6	4
Feb	4	7	7	7	6	2
Mar	-	1	9	7	3	1
Apr	-	-	7	1	2	-
May	-	-	2	1	-	-
Jun	-	-	-	-	-	1
July	-	-	-	1	-	-
Aug	-	-	-	1	2	-
Sep	-	3	3	4	3	-
Oct	4	4	5	5	4	-
Nov	3	8	-	3	3	-
Dec	6	7	10	-	4	-
Average	2	3	4	3	3	1
% Vacant						
Jan	17%	14%	17%	21%	14%	10%
Feb	10%	17%	17%	17%	14%	5%
Mar	0%	2%	21%	17%	7%	2%
Apr	0%	0%	17%	2%	5%	0%
May	0%	0%	5%	2%	0%	0%
Jun	0%	0%	0%	0%	0%	2%
July	0%	0%	0%	2%	0%	0%
Aug	0%	0%	0%	2%	5%	0%
Sep	0%	7%	7%	10%	7%	0%
Oct	10%	10%	12%	12%	10%	0%
Nov	7%	19%	0%	7%	7%	0%
Dec	14%	17%	24%	0%	10%	0%
Average	5%	7%	10%	8%	7%	3%
Slips	42					

Source: BST Associates using Port of Port Angeles Data

Table 45 – Vacancy Rates for 28-foot slips

Month	1998	1999	2000	2001	2002	2003
Jan	22	10	33	23	28	25
Feb	16	12	27	22	26	25
Mar	15	4	24	17	22	17
Apr	15	1	13	10	8	5
May	9	1	2	-	-	-
Jun	-	-	1	-	-	-
July	-	2	-	1	1	-
Aug	-	-	-	-	7	-
Sep	-	3	6	13	8	-
Oct	4	12	18	22	15	-
Nov	12	27	-	29	23	-
Dec	10	32	25	-	27	-
Average	9	9	12	11	14	10
% Vacant						
Jan	32%	15%	49%	34%	41%	37%
Feb	24%	18%	40%	32%	38%	37%
Mar	22%	6%	35%	25%	32%	25%
Apr	22%	1%	19%	15%	12%	7%
May	13%	1%	3%	0%	0%	
Jun	0%	0%	1%	0%	0%	
July	0%	3%	0%	1%	1%	
Aug	0%	0%	0%	0%	10%	
Sep	0%	4%	9%	19%	12%	
Oct	6%	18%	26%	32%	22%	
Nov	18%	40%	0%	43%	34%	
Dec	15%	47%	37%	0%	40%	
Average	13%	13%	18%	17%	20%	15%
Slips	68					

Source: BST Associates using Port of Port Angeles Data

Table 46 – Vacancy Rates for Broadside Space (lineal feet)

Month	1998	1999	2000	2001	2002	2003
Jan	250	336	140	382	434	345
Feb	245	206	236	354	381	267
Mar	348	216	119	379	286	185
Apr	269	198	129	204	77	65
May	266	160	241	104	-	-
Jun	122	77	184	144	-	72
July	90	84	56	37	-	35
Aug	30	58	-	69	199	
Sep	66	151	134	448	110	
Oct	223	211	307	416	266	
Nov	283	336	-	465	268	
Dec	260	355	354	-	321	
Average	204	199	158	250	195	138
% Vacant						
Jan	11%	15%	6%	17%	20%	16%
Feb	11%	9%	11%	16%	17%	12%
Mar	16%	10%	5%	17%	13%	8%
Apr	12%	9%	6%	9%	3%	3%
May	12%	7%	11%	5%	0%	0%
Jun	6%	3%	8%	7%	0%	3%
July	4%	4%	3%	2%	0%	2%
Aug	1%	3%	0%	3%	9%	0%
Sep	3%	7%	6%	20%	5%	0%
Oct	10%	10%	14%	19%	12%	0%
Nov	13%	15%	0%	21%	12%	0%
Dec	12%	16%	16%	0%	14%	0%
Average	9%	9%	7%	11%	9%	6%
Lineal Feet	2,215					

Source: BST Associates using Port of Port Angeles Data