

Sunset Marina Feasibility Analysis

City of Rock Island, February 27, 2023

OVERVIEW

Condition
Assessment

Market Analysis

Alternatives
Analysis

Funding
Strategies



Condition Assessment

Existing Docks
Have Exceeded
Their Useful Life

Electrical Utilities
Not Compliant
With Current
Codes

ADA Issues



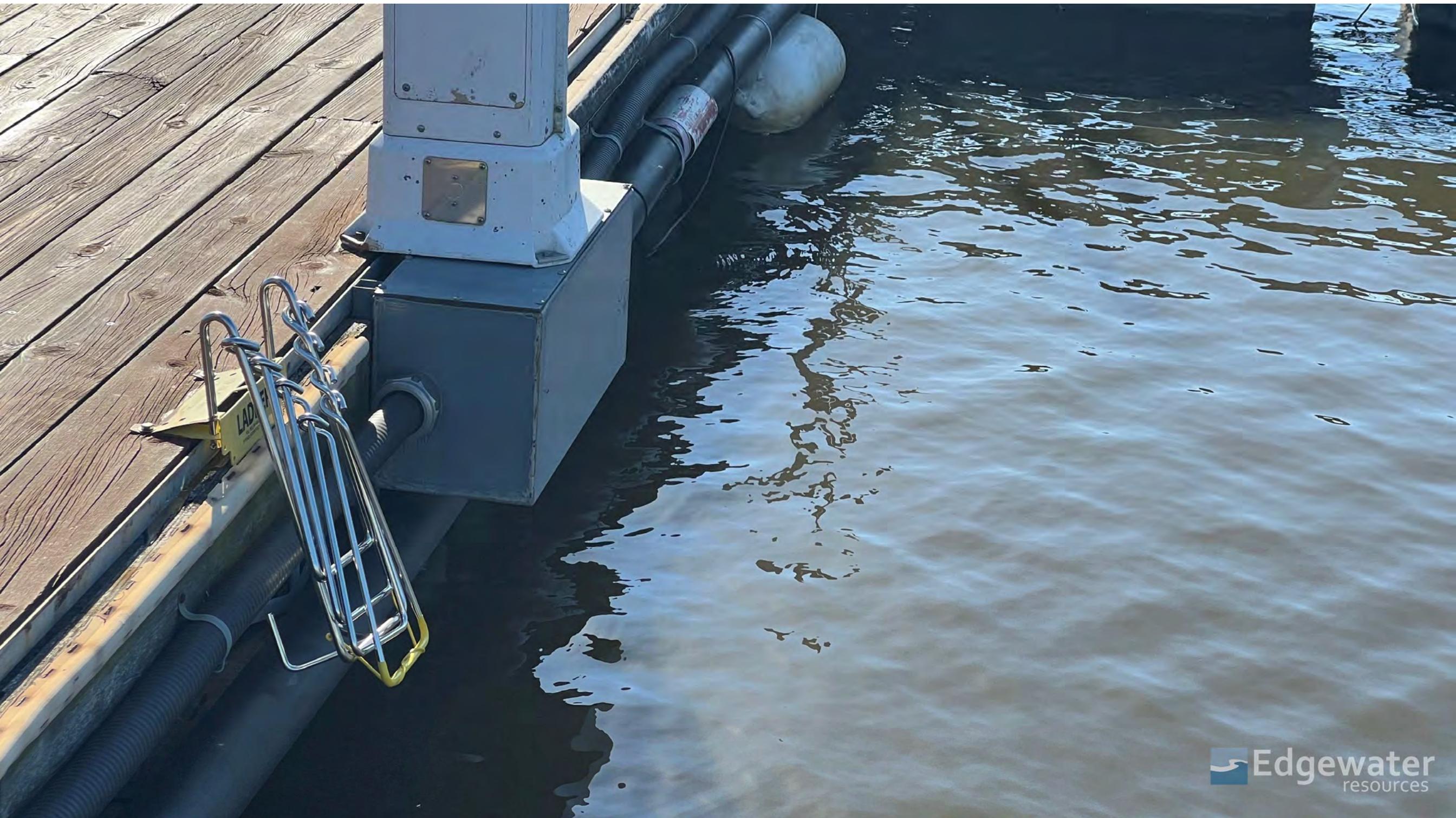


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Market Analysis

Regional Occupancy
Strong, Waiting Lists
at Many Facilities

Rates at Modern
Competitors Strong

Sunset Occupancy
Well Below Region

Slip Mix Should
Include Larger Slips



Target Metrics

95% Seasonal
Occupancy

50% Transient
Occupancy

30% Operational
Expenses

Marina	Slips Total	Slips <25	Slips 25	Slips 30	Slips 35	Slips 40	Slips 45	Slips 50	Slips 55	Slips 60	Slips 70	Slips 80	Slips >80	Broadside L/F
Sunset Marina	395	145	75	35	72	54	-	11	-	3	-	-	-	0
Island City Harbor	134	-	-	10	-	80	-	40	-	4	-	-	-	0
Clinton Marina	150	10	15	40	-	40	-	45	-	-	-	-	-	0
Camanche Marina	80	24	10	20	-	18	-	6	-	2	-	-	-	115
Marquis Harbor Marina	104	-	-	-	-	-	-	-	-	-	-	-	-	0
Lindsay Park Yacht Club	91	-	22	18	34	-	14	3	-	-	-	-	-	0
Bluff Harbor Marina	134	42	42	50	-	-	-	-	-	-	-	-	-	0
Fort Madison Marina	148	44	36	32	-	32	32	16	-	-	-	-	-	0
Green Gables Marina	80	-	30	30	-	20	-	-	-	-	-	-	-	0

Marina	Rate		Slip Occupancy		Waiting List
	Seasonal	Transient	Seasonal	Transient	
Sunset Marina	\$57/ft	1.25/ft	-	-	-
Island City Harbor	\$37/ft	\$1/ft	-	-	Y
Clinton Marina	\$46/ft	\$1/daily	-	-	Y
Camanche Marina	\$41/ft	-	-	-	Y
Marquis Harbor Marina	\$92/ft	-	-	-	-
Lindsay Park Yacht Club	\$66/ft	\$1.50/ft	-	-	Y
Bluff Harbor Marina	\$85/ft	-	-	-	-
Fort Madison Marina	\$76/ft	-	-	-	Y
Green Gables Marina	\$46/ft	-	-	-	N

Proposed Rates

25' = \$80 per lf

30' = \$85 per lf

35' = \$90 per lf

40' = \$95 per lf

45' = \$100 per lf

50' = \$102 per lf

60'+ = \$105 per lf

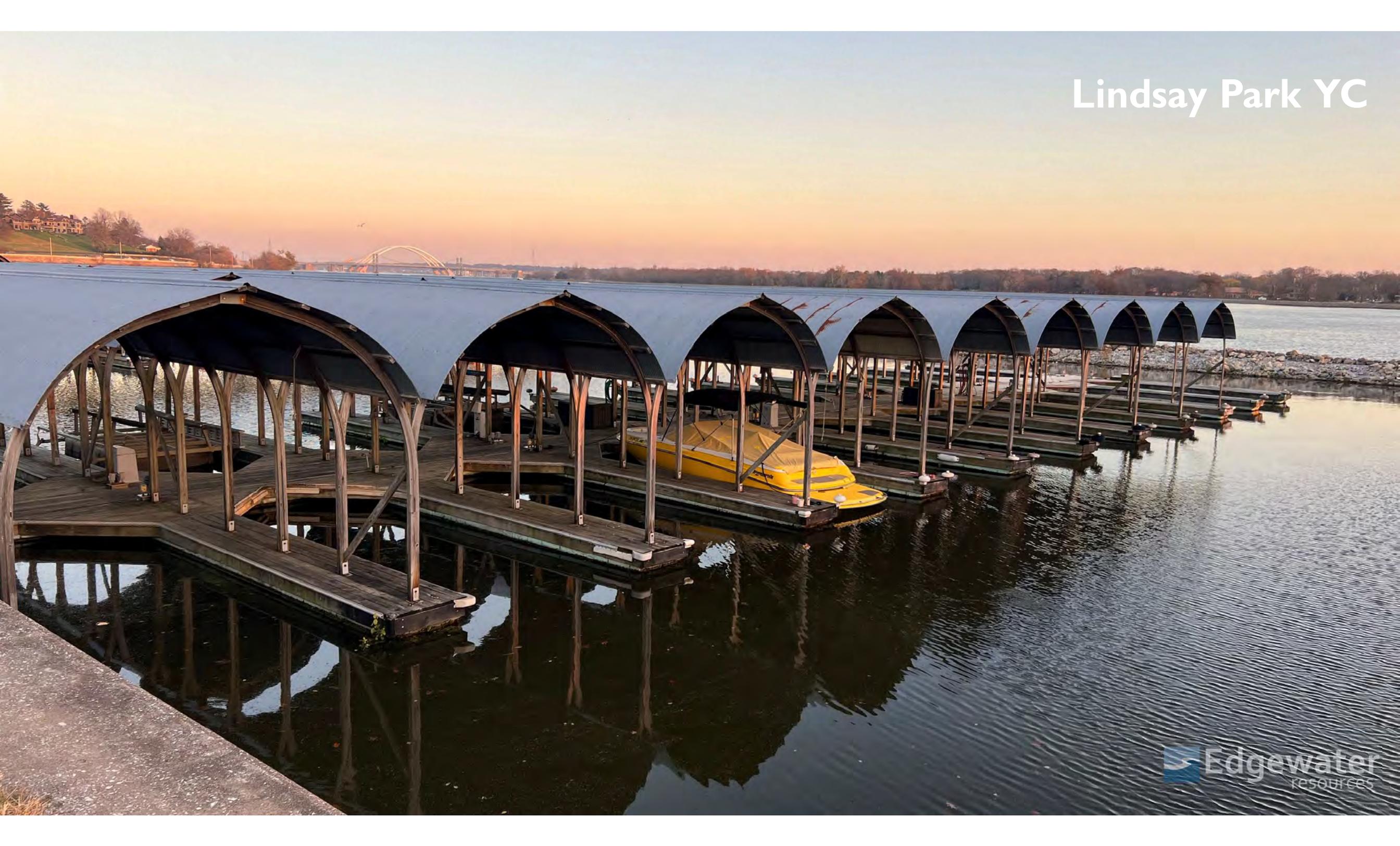
Transient Daily

Rates = \$1.50 per lf

Marquis Marina



Lindsay Park YC



Clinton Marina



Clinton Marina



Bluff Harbor Marina



Strategies

Continue City Ownership
and Operations

Continue City
Ownership, Lease to
Operator

Sell the Facility

Close the Facility



Continue City Ownership

Modernize Marina
at Smaller 200 Slip
Size: \$9,218,000

Provide Additional
Capacity in 50-100
Slip Phases

Project Component	Quantity	Unit	Unit Price		Cost
General Conditions / Mobilization	1	LS	\$ 400,000	\$	400,000
Demolition	1	LS	\$ 300,000	\$	300,000
Dredging	1	LS	\$ 1,500,000	\$	1,500,000
25' Covered Docks	50	Slip	\$ 6,000	\$	300,000
30' Covered Docks	50	Slip	\$ 12,000	\$	600,000
35' Covered Docks	50	Slip	\$ 22,000	\$	1,100,000
40' Covered Docks	40	Slip	\$ 28,000	\$	1,120,000
50' Covered Docks	10	Slip	\$ 56,000	\$	560,000
Gangways	2	EA	\$ 50,000	\$	100,000
Slip Utilities	200	EA	\$ 8,000	\$	1,600,000
Site Utility Upgrades	1	EA	\$ 500,000	\$	500,000
Site / Building Renovations	1	LS	\$ 300,000	\$	300,000
Subtotal:				\$	8,380,000
10% Contingency:				\$	838,000
Grand Total				\$	9,218,000



Sunset Marina Concept Financial Summary

200 Slip Option

Quantity	Slip Size	Rate/LF	Slip Cost/Year	Net Revenue
	<25	\$ 80	\$ 2,000	\$ -
50	25	\$ 80	\$ 2,000	\$ 100,000
50	30	\$ 85	\$ 2,550	\$ 127,500
50	35	\$ 90	\$ 3,150	\$ 157,500
40	40	\$ 95	\$ 3,800	\$ 152,000
0	45	\$ 98	\$ 4,410	\$ -
10	50	\$ 100	\$ 5,000	\$ 50,000
	55	\$ 103	\$ 5,665	\$ -
0	60	\$ 105	\$ 6,300	\$ -
	70	\$ 105	\$ 7,350	\$ -
	80	\$ 105	\$ 8,400	\$ -
	90	\$ 105	\$ 9,450	\$ -
	100	\$ 105	\$ 10,500	\$ -
0	20' Dry	\$ 50	\$ 1,000	\$ -
200	6600	\$ 93	\$	\$ 587,000

Occupancy: 95%

Gross Revenue: \$ 557,650

Other Revenue: 0

Less Operational Expenses: 30% \$ 167,295

Net Revenue: \$ 390,355

Revenue Bond Funding Capacity: \$6,750,032

Interest Rate: 4%

Term: 30

Monthly Payment: \$32,530

Summary Economic Impacts

Impact Type	Employment (Jobs)	Industry Output	Value Added (GDP)	Labor Income
Direct	5	\$693,540	\$285,853	\$132,758
Indirect	3	\$584,689	\$286,200	\$172,755
Induced	7	\$1,339,384	\$777,864	\$482,547
Total Impact	14	\$2,461,926	\$1,395,533	\$722,898

- Industry output represents sales revenues. Employment represents fulltime and part-time jobs.
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- Employment represents fulltime and part-time jobs.
- Value added is equivalent to Gross Domestic Product (GDP) and represents labor income, other property income and business taxes.
- See the table below for a detailed listing of local/state and federal tax impacts.
- Note that these economic measures are independent and should not be added together

Funding Deficit Strategies

Existing FEMA Funds: \$1.9 Million

USFWS BIG Grant: \$1.5 Million

Clean Vessel Act Grant: \$ 50,000

Rentals, Boat Clubs, Other Revenue Generators

Capital Expenditures

Continue City Ownership

Modernize Marina at Smaller 125 Slip Size: \$6,457,000

Project Component	Quantity	Unit	Unit Price	Cost
General Conditions / Mobilization	1	LS	\$ 300,000	\$ 300,000
Demolition	1	LS	\$ 100,000	\$ 100,000
Dredging	1	LS	\$ 1,000,000	\$ 1,000,000
25' Covered Docks	25	Slip	\$ 6,000	\$ 150,000
30' Covered Docks	30	Slip	\$ 12,000	\$ 360,000
35' Covered Docks	30	Slip	\$ 22,000	\$ 660,000
40' Covered Docks	30	Slip	\$ 28,000	\$ 840,000
50' Covered Docks	10	Slip	\$ 56,000	\$ 560,000
Gangways	2	EA	\$ 50,000	\$ 100,000
Slip Utilities	125	EA	\$ 8,000	\$ 1,000,000
Site Utility Upgrades	1	EA	\$ 500,000	\$ 500,000
Site / Building Renovations	1	LS	\$ 300,000	\$ 300,000
Subtotal:				\$ 5,870,000
10% Contingency:				\$ 587,000
Grand Total				\$ 6,457,000

Sunset Marina Concept Financial Summary

125 Slip Option

Quantity	Slip Size	Rate/LF	Slip Cost/Year	Net Revenue
	<25	\$ 80	\$ 2,000	\$ -
25	25	\$ 80	\$ 2,000	\$ 50,000
30	30	\$ 85	\$ 2,550	\$ 76,500
30	35	\$ 90	\$ 3,150	\$ 94,500
30	40	\$ 95	\$ 3,800	\$ 114,000
0	45	\$ 98	\$ 4,410	\$ -
10	50	\$ 100	\$ 5,000	\$ 50,000
	55	\$ 103	\$ 5,665	\$ -
0	60	\$ 105	\$ 6,300	\$ -
	70	\$ 105	\$ 7,350	\$ -
	80	\$ 105	\$ 8,400	\$ -
	90	\$ 105	\$ 9,450	\$ -
	100	\$ 105	\$ 10,500	\$ -
0	20' Dry	\$ 50	\$ 1,000	\$ -
125	4275	\$ 93		\$ 385,000

Occupancy: 95%

Gross Revenue: \$ 365,750

Other Revenue: 0

Less Operational Expenses: 30% \$ 109,725

Net Revenue: \$ 256,025

Revenue Bond Funding Capacity: \$4,427,193

Interest Rate: 4%

Term: 30

Monthly Payment: \$21,335

Continue City Ownership

400 Dock Replacement Only

Project Component	Quantity	Unit	Unit Price	Cost
General Conditions / Mobilization	1	LS	\$ 300,000	\$ 300,000
Demolition	1	LS	\$ 10,000	\$ 10,000
Dredging	1	LS	\$ 500,000	\$ 500,000
25' Covered Docks	0	Slip	\$ 6,000	\$ -
30' Covered Docks	30	Slip	\$ 12,000	\$ 360,000
35' Covered Docks	30	Slip	\$ 22,000	\$ 660,000
40' Covered Docks	18	Slip	\$ 28,000	\$ 504,000
50' Covered Docks	0	Slip	\$ 56,000	\$ -
Gangways	2	EA	\$ -	\$ -
Slip Utilities	78	EA	\$ 78	\$ 6,084
Site Utility Upgrades	1	EA	\$ -	\$ -
Site / Building Renovations	1	LS	\$ -	\$ -
Subtotal:				\$ 2,340,084
10% Contingency:				\$ 234,008
Grand Total				\$ 2,574,092

Sunset Marina Concept Financial Summary

FEMA 78 Slip Only Option

Quantity	Slip Size	Rate/LF	Slip Cost/Year	Net Revenue
	<25	\$ 80	\$ 2,000	\$ -
	25	\$ 80	\$ 2,000	\$ -
30	30	\$ 85	\$ 2,550	\$ 76,500
30	35	\$ 90	\$ 3,150	\$ 94,500
18	40	\$ 95	\$ 3,800	\$ 68,400
0	45	\$ 98	\$ 4,410	\$ -
	50	\$ 100	\$ 5,000	\$ -
	55	\$ 103	\$ 5,665	\$ -
0	60	\$ 105	\$ 6,300	\$ -
	70	\$ 105	\$ 7,350	\$ -
	80	\$ 105	\$ 8,400	\$ -
	90	\$ 105	\$ 9,450	\$ -
	100	\$ 105	\$ 10,500	\$ -
0	20' Dry	\$ 50	\$ 1,000	\$ -
78	2670	\$ 93		\$ 239,400

Occupancy: 95%

Gross Revenue: \$ 227,430

Other Revenue: 0

Less Operational Expenses: 30% \$ 68,229

Net Revenue: \$ 159,201

Revenue Bond Funding Capacity: \$2,752,909

Interest Rate: 4%

Term: 30

Monthly Payment: \$13,267

Lease to Operator

City Maintains Ownership of Facility

Lease Period of 30+ Years

City Liability Remains

Low Return to City Likely Due to High Development Costs

Risk of Operator Default



Sell the Facility

Relieves City of Liabilities

Potential Value of Facility
\$670k - \$835k Based on
Income Valuation

Approach

Approximate \$100k Net
Revenues

12% - 15% Cap Rate

Loss of Control Could
Result in Poor Outcomes



Close the Facility

Relieves City of Liabilities

\$300,000+ Cost to Decommission

Displacement of 250+ Boaters

Loss of Economic Benefits to Community

Summary Economic Impacts

Impact Type	Employment (Jobs)	Industry Output	Value Added (GDP)	Labor Income
Direct	3	\$433,500	\$181,724	\$93,692
Indirect	2	\$357,596	\$174,800	\$105,697
Induced	5	\$840,183	\$488,196	\$302,519
Total Impact	9	\$1,542,460	\$871,752	\$465,500

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- Employment represents fulltime and part-time jobs.
- Value added is equivalent to Gross Domestic Product (GDP) and represents labor income, other property income and business taxes.
- See the table below for a detailed listing of local/state and federal tax impacts.
- Note that these economic measures are independent and should not be added together



Recommendation

Maintain City Ownership

Maintain Professional Third Party Operations

Initiate Full Renovation of Smaller Facility

Raise Rates to Match Local Market

Expand in Phases Based on Demand



FEDERAL GRANTS

USFWS Boating Infrastructure Grant

Clean Vessel Act

FEMA Building Resilient Infrastructure and Communities

FEMA Flood Mitigation Assistance

HUD CDBG Disaster Recovery Program

National Marine Fisheries / Wildlife

National Fish and Wildlife Fund

US FISH and WILDLIFE SERVICE BOATING INFRASTRUCTURE GRANT TIER I and TIER II

Funds Transient Boating Infrastructure Only, 26' or Longer

Open to Public or Private Entities

Tier I Funds Up to \$150k, For Design, Planning, and Engineering

Tier II Funds up to \$1.5m, For Engineering and Construction

Distributed Through State Agencies

Supplement with Clean Vessel Act Funds

STATE GRANTS

Waterways Program Funding

Economic Development Funding

Varies State by State





INFLATION REDUCTION ACT

30% Tax Credit:

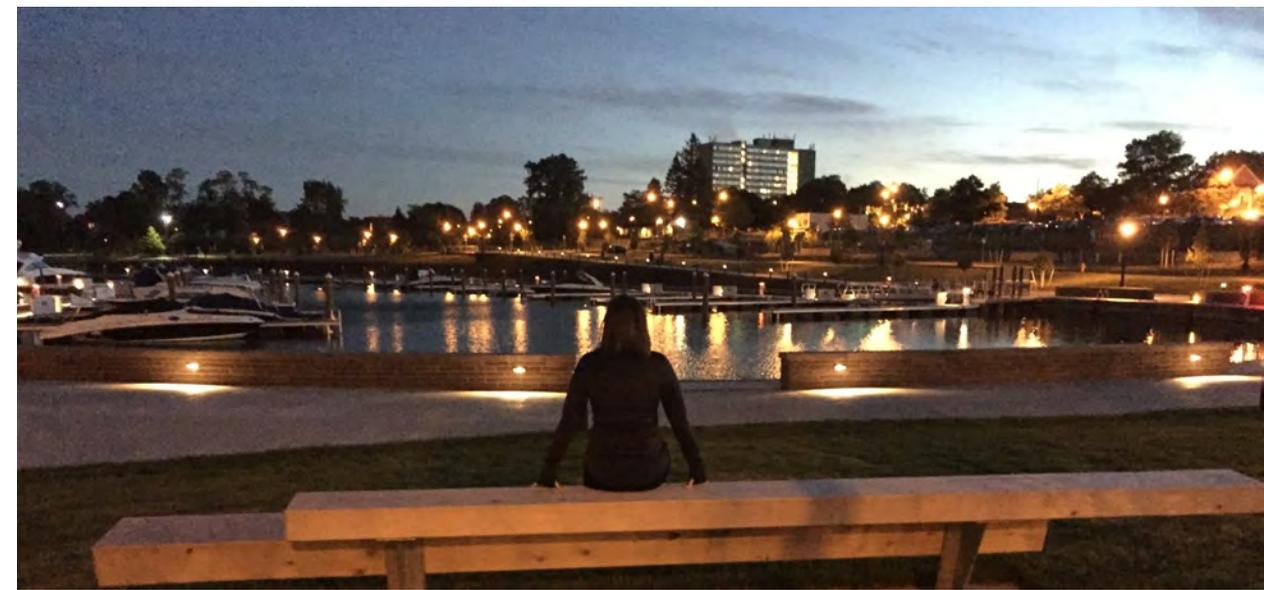
Solar Panels

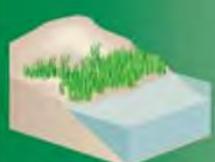
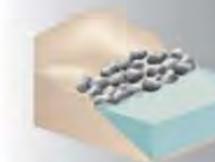
Labor Costs for Installation, Permitting Fees,
Inspection Costs, and Developer Fees

All Solar Equipment, Inverters, Wiring, and Mounting
Hardware

Energy Storage Systems Rated Three Kilowatt-Hours
(kWh) or Greater (starting in 2023)





GREEN - SOFTER TECHNIQUES			GRAY - HARDER TECHNIQUES		
<i>Living Shorelines</i>			<i>Coastal Structures</i>		
 <p>VEGETATION ONLY - Provides a buffer to upland areas and breaks small waves. Suitable for low wave energy environments.</p>	 <p>EDGING - Added structure holds the toe of existing or vegetated slope in place. Suitable for most areas except high wave energy environments.</p>	 <p>SILLS - Parallel to vegetated shoreline, reduces wave energy, and prevents erosion. Suitable for most areas except high wave energy environments.</p>	 <p>BREAKWATER - (vegetation optional) - Offshore structures intended to break waves, reducing the force of wave action, and encourage sediment accretion. Suitable for most areas.</p>	 <p>REVETMENT - Lays over the slope of the shoreline and protects it from erosion and waves. Suitable for sites with existing hardened shoreline structures.</p>	 <p>BULKHEAD - Vertical wall parallel to the shoreline intended to hold soil in place. Suitable for high energy settings and sites with existing hard shoreline structures.</p>



DECEMBER 21, 2021

Tritium partners with Aqua superPower to expand charging network for electric boats

Scooter Doll - Dec. 21st 2021 9:01 pm PT □ @SCOOTERDOLL



SUMMARY

Consider All
Potential Sources

Leverage
Partnerships

Focus on the Value
You Provide

