

Port Elgin Harbour Strategic Assessment

Study undertaken by TOURISTICS and Shoreplan Engineering Limited



March 26, 2018

Port Elgin Harbour Strategic Assessment

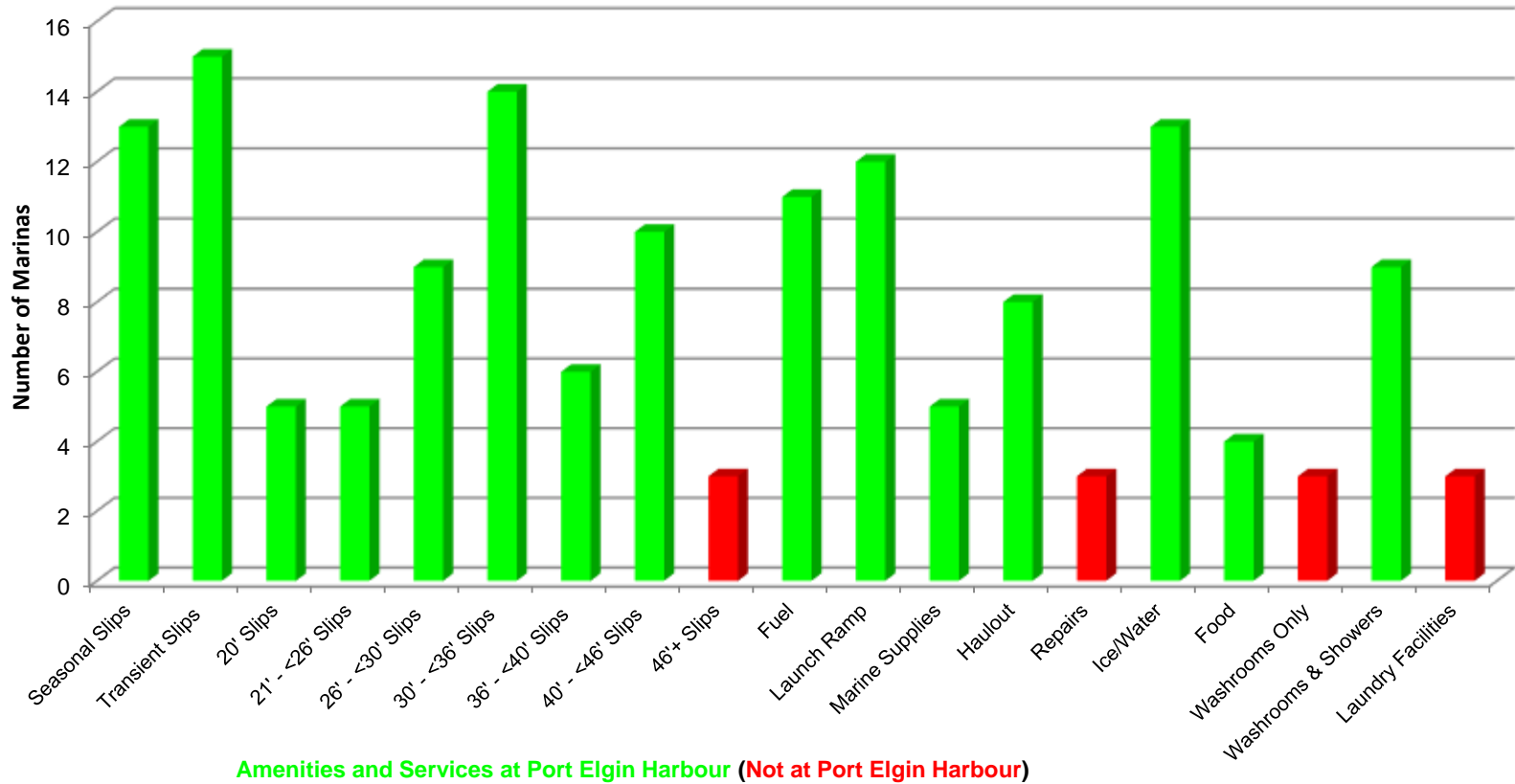
Study included:

- **Review of existing recreational boating facilities in Bruce and Grey Counties**
- **An analysis of trends in recreational boating and marinas**
- **An operational review of Port Elgin Harbour Marina**
- **A financial review of the marina**
- **Recommendations for facilities and services at the marina**
- **A capital development plan**



Port Elgin Harbour Strategic Assessment

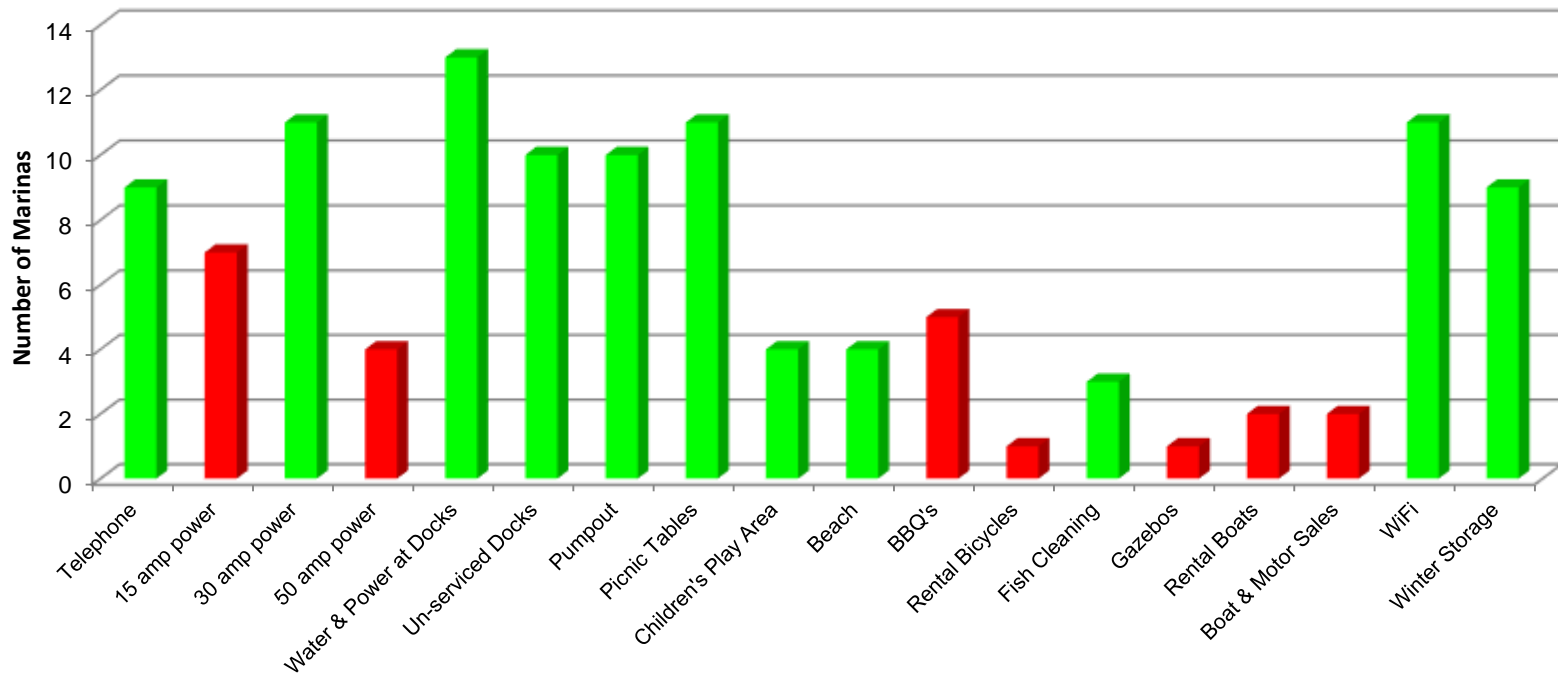
Amenities and Services at 18 Marinas in Bruce & Grey Counties



- Having more 46 ft.+ slips will be key, as trend is to boats of greater length

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Amenities and Services at 18 Marinas in Grey & Bruce



Amenities and Services at Port Elgin Harbour (Not at Port Elgin Harbour)

- With trend to bigger boats, there will be need for slips with 50 amp power

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Comparison of Selected Boating Facilities

	Port Elgin Harbour	Bruce and Grey
seasonal slips occupied	78.0%	90.9%
% of slips <26 ft.	33.6%	13.8%
% of slips 26 ft. to <30 ft.	9.0%	13.4%
% of slips 30 ft. to <36 ft.	35.8%	39.0%
% of slips 36 ft. to <46 ft.	21.6%	30.2%
% of slips 46 ft. and over	0%	3.6%
% of total slips un-serviced slips	42.5%	22.8%
% of slips with 50 amp. power	0%	6.7%

• To remain competitive there is need to:

- reduce number of slips <26 ft.
- add slips 46 ft. and over
- reduce number of un-serviced slips
- add 50 amp power

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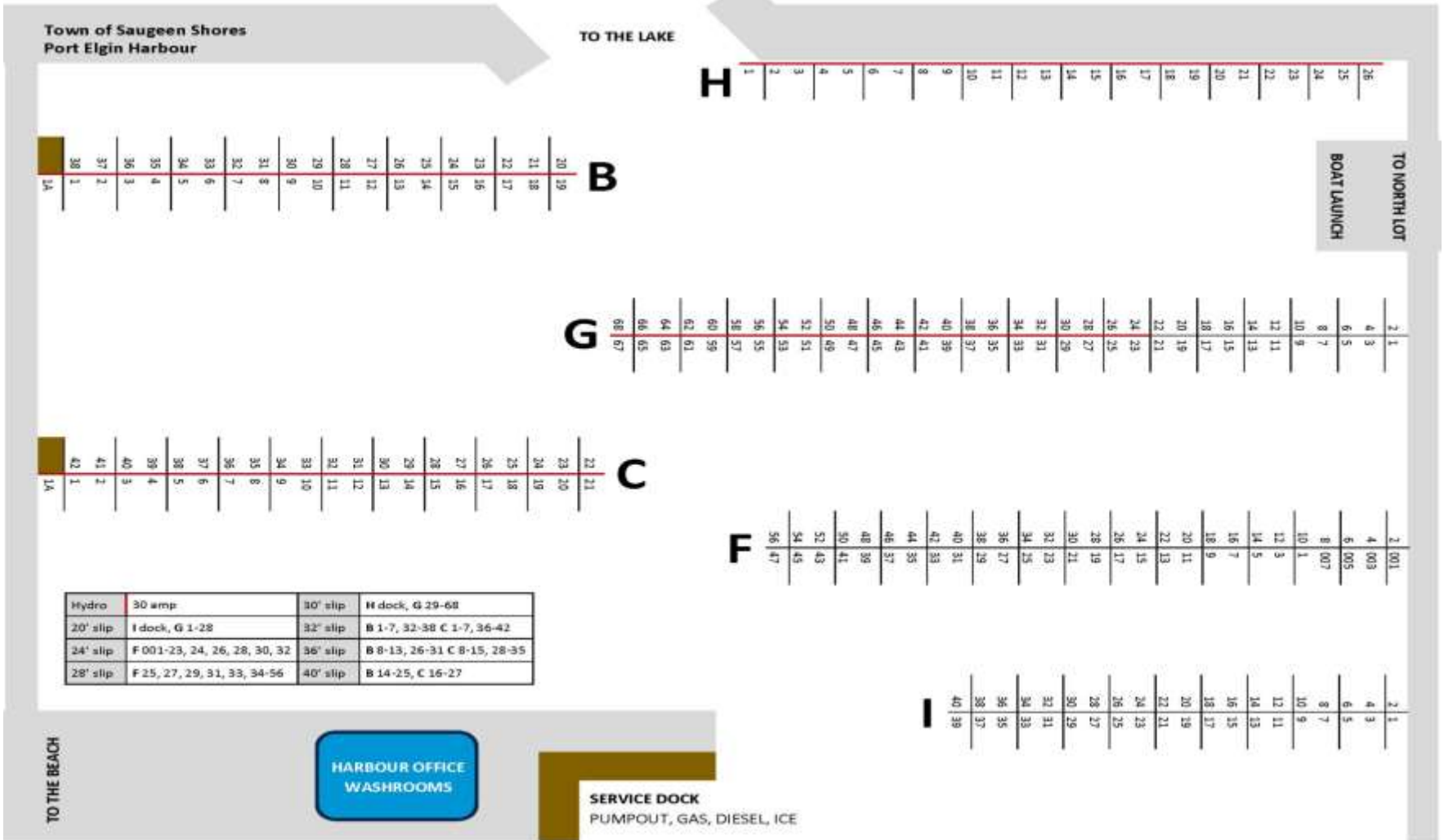
Comparison of Rates and Fees							
	Slip with service	Un-serviced slip	Pump out per tank	Daily transient fee	Daily launch ramp fee	Haulout/launch fee	Outside winter storage
Highest	\$91.00/ft	\$59.80/ft	\$20.00	\$1.95/ft	\$15.00	\$13.25/ft	\$52.90/ft
Lowest	\$48.19/ft	\$42.50/ft	\$14.70	\$1.50/ft	\$5.00	\$6.67/ft	\$8.64/ft
Port Elgin	\$65.91/ft	\$59.80/ft	\$14.70	\$1.82/ft	\$8.85	\$10.00/ft	\$8.72/ft

• To remain competitive there is need to:

reduce rate for un-serviced slips

keep rates for serviced slips in line with others in seasonal market area

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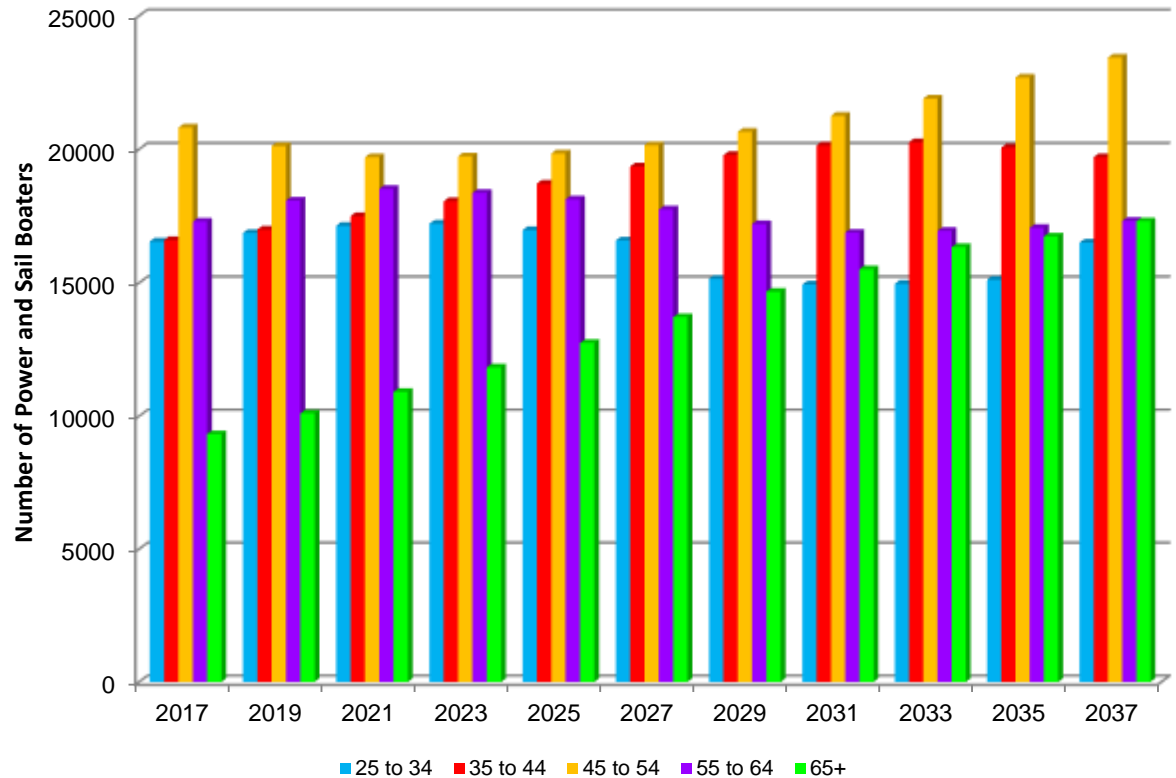
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Seasonal Slip Occupancy at Port Elgin Harbour Marina								
Dock	Length	Hydro & water	2012	2013	2014	2015	2016	2017
B	32' to 40'	Yes	92%	92%	92%	95%	90%	92%
C	32' to 40'	Yes	100%	100%	92%	95%	90%	95%
H	30'	Yes	100%	100%	100%	100%	100%	100%
G	20' to 30'	Partial	95%	100%	74%	84%	82%	80%
F	24' to 28'	No	63%	77%	58%	53%	55%	52%
I	20'	No	88%	93%	60%	68%	72%	70%
Considered profitable by industry norms								
Not considered profitable by industry norms								
<ul style="list-style-type: none"> • To increase occupancy there is a need to: increase number of longer docks (30 ft. +) decrease number of shorter docks (<29 ft.) 								

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- Over next 20 years the age profile of power and sail boaters in the seasonal market area will change dramatically
- 65 and over - increase
- 25 to 34 - increase, decrease, then increase again
- Will be need to provide wider, more stable docks to cater to older boaters

Projected Growth in Power and Sail Boaters in Areas with Highest Potential



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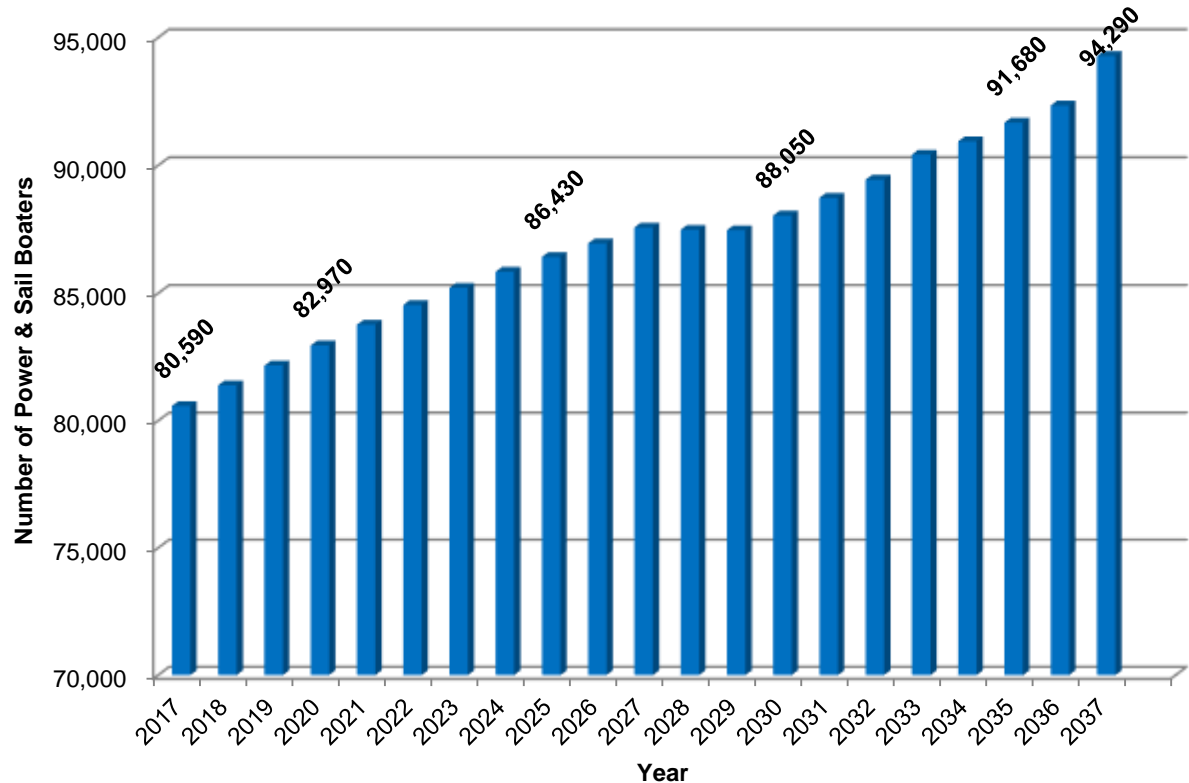
Overall number of male and female power and sail boaters will

increase from 80,600 in 2017 to 94,300 by 2037,

with slight decrease between 2027 and 2030

- Potential to add new boaters will decrease - increase efforts to retain existing seasonal boaters

Projected Annual Growth in Power and Sail Boaters in Areas with Highest Potential



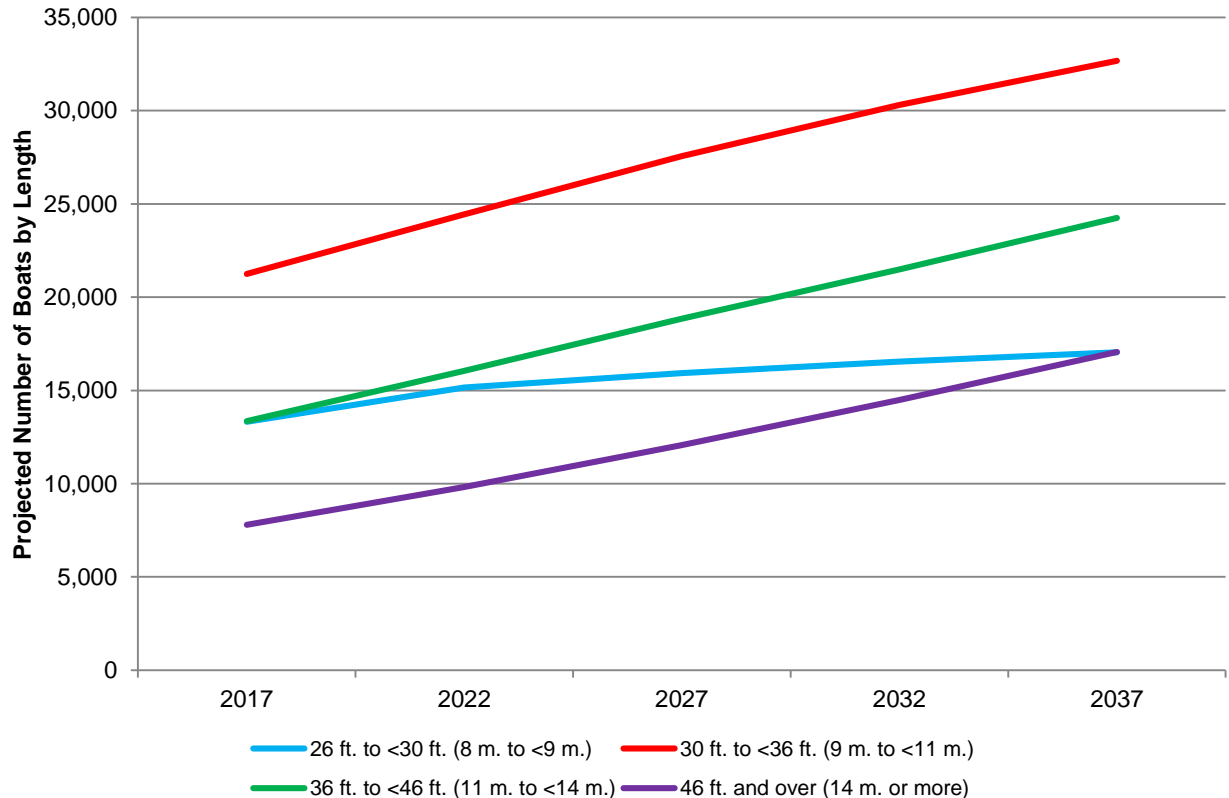
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For Port Elgin Harbour Marina to continue to attract its fair share of boaters

It will be necessary to

- Increase number of docks 36' to <46' in length
- Add docks 46' or more in length

Projected Growth in Ontario Power and Sail Boats by Length (2017 to 2037)

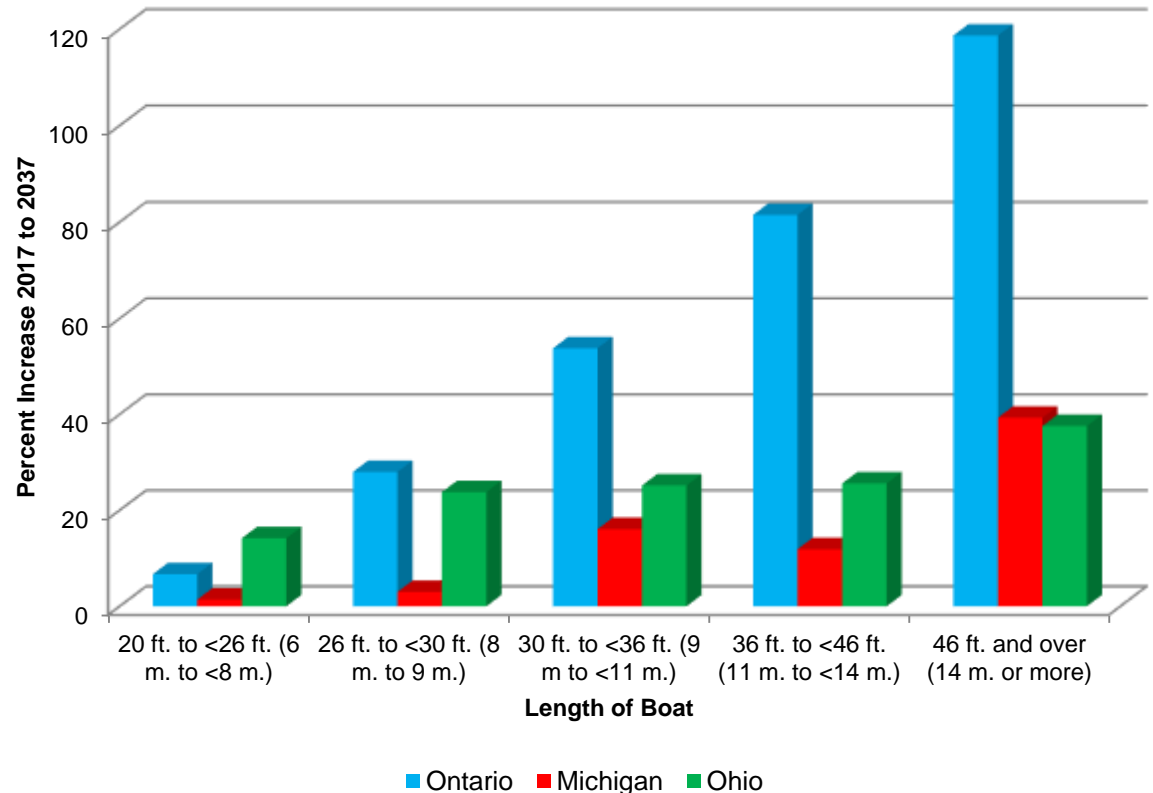


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By 2037 Ontario boats will generate much larger share of transient boats visiting Port Elgin Harbour Marina

- To accommodate larger boats marina will need to provide more longer slips
- A number of which should have 50 amp power

Percentage Increase in Number of Boats in Ontario, Michigan and Ohio by Length (2017 to 2037)



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Current system of organization and operation of Port Elgin Harbour Marina should continue

Based on 2016 occupancy casual staff number low - 7

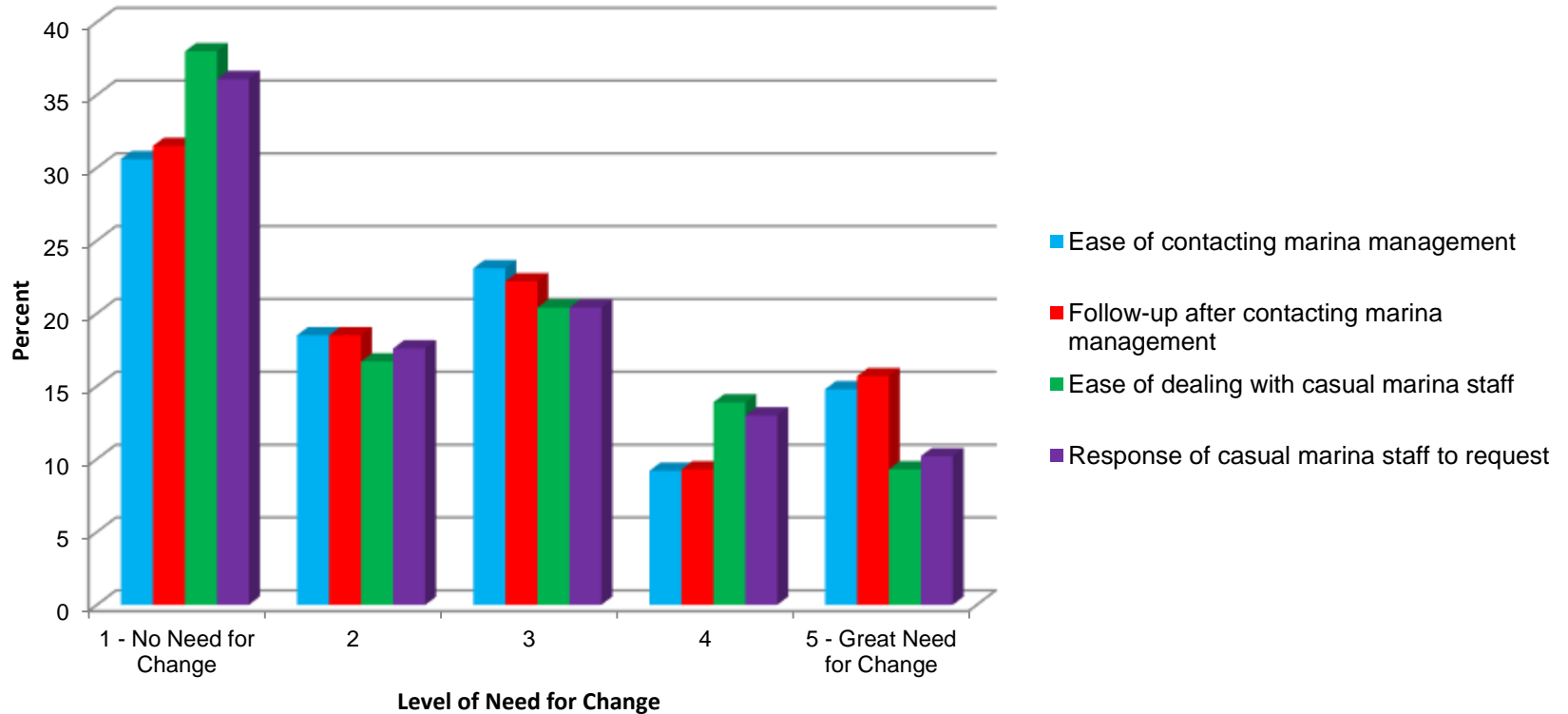
**Mid may to Mid June - 9
Mid June to Labour Day - 11**

Consider offering Harbour Master 3 year contract to promote stability and allow for smoother transition from one year to next with new programs and policies



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Boater's Perception of Contact with Marina Management and Casual Staff



- Overall boaters are happy with marina management and casual staff

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Amenity/Service	Percentage in Favour	
Some combination of seasonal and transient slips	98.5%	<i>Strongly Favoured</i>
Docks with 30 amp power and water	88.5%	
Internet/WiFi	84.6%	
Pump out station	82.3%	
Restaurant/bar/lounge	81.5%	
Fuel dock	80.8%	
<ul style="list-style-type: none"> • All of these strongly favoured amenities and services are currently available at marina • Boaters would like more reliable WiFi service 		

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Amenity/Service	Percentage in Favour	
Lookout/observation deck (at end of south or north break wall)	73.8%	<i>Moderately Favoured</i>
Boater's store (chandlery offering products of interest to boaters)	73.1%	
Outdoor winter storage for boats	71.5%	
Mast Crane	70.8%	
Mobile Travel Lift	68.5%	
Docks with 50 amp power and water	65.4%	
Washroom, shower and laundry facilities	65.4%	
<ul style="list-style-type: none"> • Only winter storage and washroom and shower facilities are currently available • Boater's store and docks with 50 amp power will increase revenue • Mast crane & mobile travel lift could increase winter storage revenue - only profitable if large number of boats lifted • Laundry facilities nice to have but not a money maker 		

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Amenity/Service	Percentage in Favour	
Rental bicycles	61.5%	<i>Favoured</i>
Tourist /visitor information Kiosk	61.5%	
Engine repairs/tune-up/replacements	60.0%	
Dock suitable for accommodating small cruise boats/ Tall ships	58.5%	
Electronic repairs	57.7%	
Story-boards illustrating history of Port Elgin waterfront	56.9%	
<ul style="list-style-type: none"> • Rental bicycles and docks suitable for cruise boats/tall ships - increase revenue • Information kiosk and story boards - increase length of stay for transient boaters • Marina too small to support these on-site repair services 		

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Amenity/Service	Percentage in Favour	
Slips for charter fishing operators/tour boat operators	56.6%	<i>Favoured</i>
Small boat rental facility (canoes/kayaks, paddleboards)	56.2%	
Some combination of on-site and off-site parking	53.1%	
Sail/canvas repair s/replacements	51.5%	
On-site parking only	51.5%	
Hull repairs/refinishing (steel , fiberglass, wood)	50.8%	
<ul style="list-style-type: none"> • Separate slips for charter fishing/tour boat operators and small boat rentals - increase revenue • Marina too small to support these on-site repair services 		

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Review of financial statements from 2009 to 2016 indicates Port Elgin Harbour Marina is a well run marina

- **Marina operates within industry norms for major revenue and expense line items**
- **Port Elgin's average annual Net Income as percentage of Total Revenue at 10.9% compares very well with other marinas of a similar size (11.5% - highest) (7.8% - lowest)**

Conduct an annual survey of marina fees in Bruce & Grey Counties to stay competitive



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Summary of Potential Sources of Increased or New Revenue

- Longer slips with 50 amp power
- Tour boats/cruises/Tall Sips - would require handicapped access from docks
- Non-motorized boat rentals - in partnership with local business
- Bicycle rentals - in partnership with local business
- Concierge service for seasonal boaters
- Concierge service for transient boaters - in partnership with local business

When reasonably priced there is market for concierge services



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Summary of Potential Sources of Increased or New Revenue

- Coin laundry service
- Vending machines
- Restaurant/bar/lounge – when lease is up for current facility gauge interest of local business operating seasonal “satellite” operation
- Learning experiences – in partnership with Port Elgin Yacht Club or local Power and Sail Squadron



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Recommended Facilities and Services, Required Budget and Priority

- Replace Dock G and include 46 foot slips with 50 amp power; this should involve reducing number of 20, 24 and 28 foot slips - **\$1,400,000 High Priority**
- Add 50 amp power to 50% of 40 foot slips at south end of basin (Docks B&C) - **\$75,600 High Priority**
- Replace all remaining slips in north end of basin (Docks H, F & I) with docks of similar quality to those in south end of basin including 30 amp service for most 28 ft. slips - **\$1,062,600 High Priority**
- Boarding docks at launch ramp - **\$68,600 Medium Priority**
- Provide winged security gates at entrance to each main dock at north end - **\$44,800 - Medium Priority**
- Install web cam system in strategic locations throughout the harbour - **\$7,000 Medium Priority**
- Improve quality of WiFi service - **No budget allowance Medium Priority**

See Table 24 –
Estimated costs (include
15% design cost + 25%
construction contingency
(\$2017)



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Recommended Facilities and Services, Required Budget and Priority

- **Additional lighting on Docks I, H, F - \$42,000 Medium Priority**
- **Provide security fencing around winter stored boats at north end of harbour - \$23.80/metre Medium Priority**
- **Improve access to the Lake at north end of harbour for use by rental or personally owned non-motorized boats - \$54,600 Medium Priority**
- **Replace haul out structure - \$504,000 Low Priority**
- **Purchase or lease a mobile travel lift - \$560,000 Low Priority**
- **Purchase or lease a mast crane - \$22,400 Low Priority**



See Table 24 - Estimated costs (include 15% design cost + 25% construction contingency (\$2017))