

CITY OF OAK HARBOR

RURAL COUNTY ECONOMIC DEVELOPMENT

2023 FUNDING

APPLICATION



City of Oak Harbor RCED
Grant Presentation
06/21/2023



OAK HARBOR MARINA IMPROVEMENT PROJECT

This is a two-part project:

- Replacing the roof and siding on Mariners Haven front building
 - Requesting \$300,000
- Dredging the Marina
 - Requesting \$2,000,000





ROOF & SIDING PROJECT

- **Redevelopment of boat repair and storage facility**
 - Existing business (Mariners Haven)
 - Once provided boat repair, maintenance and storage; now just storage
 - City Redevelopment presents growth opportunities for Oak Harbor Marina
 - Increased dry boat storage capacity
 - Provide much needed repair and maintenance services
 - “Full-service marina”
 - Increased revenue and jobs



ROOF & SIDING PROJECT

Background:

- The City was awarded a \$675,000 RCED grant (thank you!), for the purchase of Mariners Haven and is in the process of purchasing the property and business.
 - The City is contributing \$75,000 for a total of \$750,000.
 - It is anticipated that the City contribution may increase to \$125,000 based on the final cost of the due diligence.
- This is an extremely complicated purchase as we are working with:
 - 2 Owners
 - The Claus family owns the fee simple property and 1 building.
 - Mrs. Stauffer owns 1 building and the business.
 - Department of Natural Resources
 - There are 2 leases on the property
 - One lease is held by the Claus family and the other by Mrs. Stauffer.
 - Ecology
 - Issues the boatyard permits



ROOF & SIDING PROJECT

Project Funding:

Funding Source	Amount
Rural County Economic Development Grant	\$675,000
City of Oak Harbor	\$75,000
Rural County Economic Development Grant- New Request	\$300,000
City of Oak Harbor - Additional Expenses	\$50,000
Total	\$1,100,000



ROOF & SIDING PROJECT

Steps Taken So Far:

- Agreed on a purchase price.
- Opened escrow
- Performing Due Diligence
 - Had an appraisal completed
 - Had a Business Plan written
 - Completed a phase I & II ESA
 - Had the buildings inspected
 - Completing more environmental testing
 - Working with DNR on lease reassignment
 - Working with Ecology on boat yard permit transfer



ROOF & SIDING PROJECT

Due Diligence Findings:

- There is a level III Ecology finding.
 - The owner has hired an environmental Engineer and they are negotiating a solution with Ecology.
 - The City has hired Maul Foster & Alongi to investigate the issue and verify that the solution is appropriate
- The sewer force main is broken.
 - The owner is working on the issue.
- The roof and siding on the front building needs to be replaced.
 - The estimated roof and siding replacement cost is \$300,000.



ROOF & SIDING PROJECT

Roof & Siding Issues:



DREDGING PROJECT

- Need to dredge every 10 - 15 years
 - This will be tied in with a marina reconfiguration effort.
 - It is anticipated that we will dredge the entire marina.
- Dredging of the Marina presents growth opportunities for Oak Harbor Marina
 - All slips will be usable in all tidal conditions
 - Ability to accommodate larger boats with deeper drafts
 - Allows us to attract more events, large sailboat races, boat shows & etc.
 - Increased revenue and jobs:
 - Public sector mechanics, electricians, detailers & etc.

DREDGING PROJECT

■ Background

- Last dredge effort was in 2010/2011
 - Only dredged ½ the marina
 - Removed approximately 20,000 cubic yards of material
 - Cost was approximately \$2,750,000
 - Part of the cost was for new floats, gangway and electrical updates.
- Previous dredge effort was in 1996/1997
 - Removed 39,263 cubic yards of material



DREDGING PROJECT

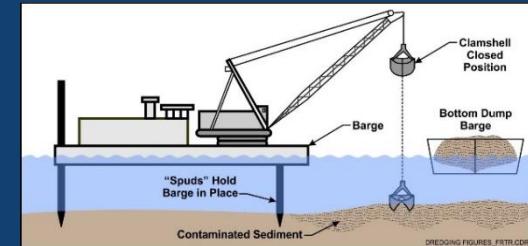
Project Funding:

Funding Source	Amount
Rural County Economic Development Grant- New Request	\$2,000,000
City of Oak Harbor – Reserves, Grants & Bond	\$3,200,000
<i>Total</i>	<i>\$5,200,000</i>

DREDGING PROJECT

Steps Taken So Far:

- Received City Council authorization for the project
- Hired Moffat & Nichol
 - Engineering, Design, Permitting, & Project Management
- Conducted a bathometry survey
- Calculated potential mitigation costs
 - Approximately \$800,000 - \$1,000,000

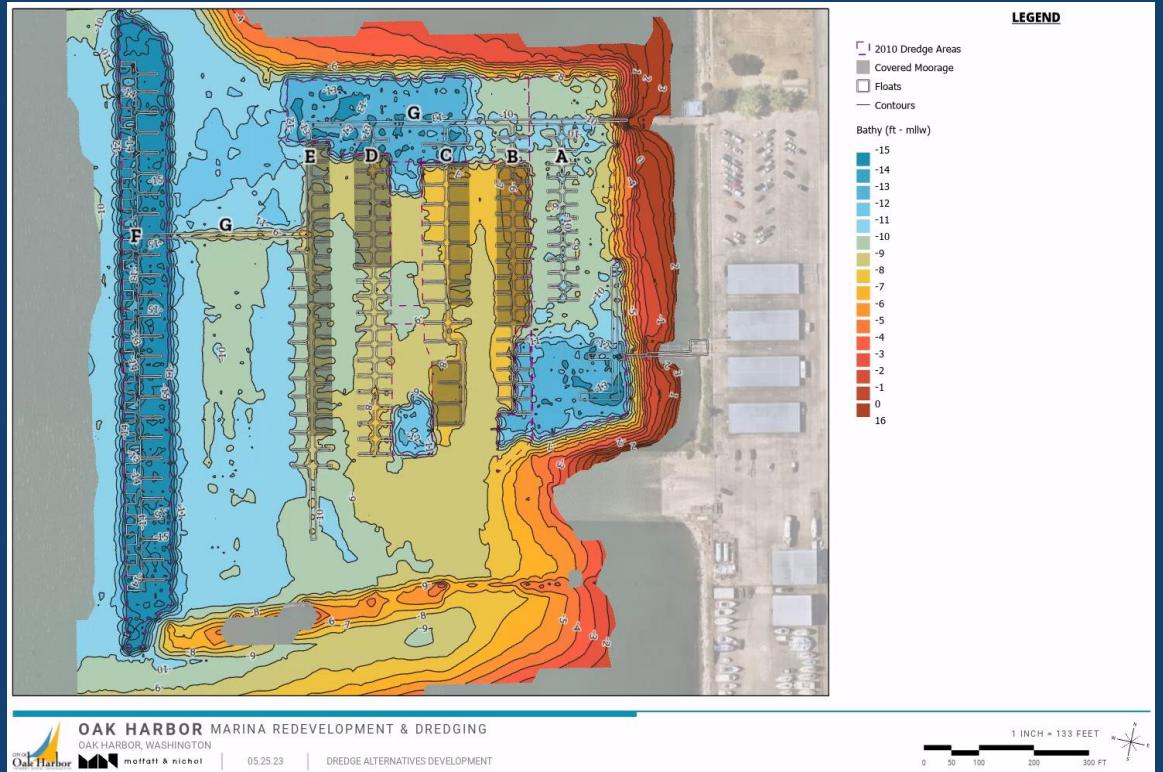


In the process of:

- Identifying dredge areas
- Creating dredge design options
- Identifying potential mitigation options
- Conducting a feasibility study
- Determining permit process & requirements
- Identifying marina redevelopment options

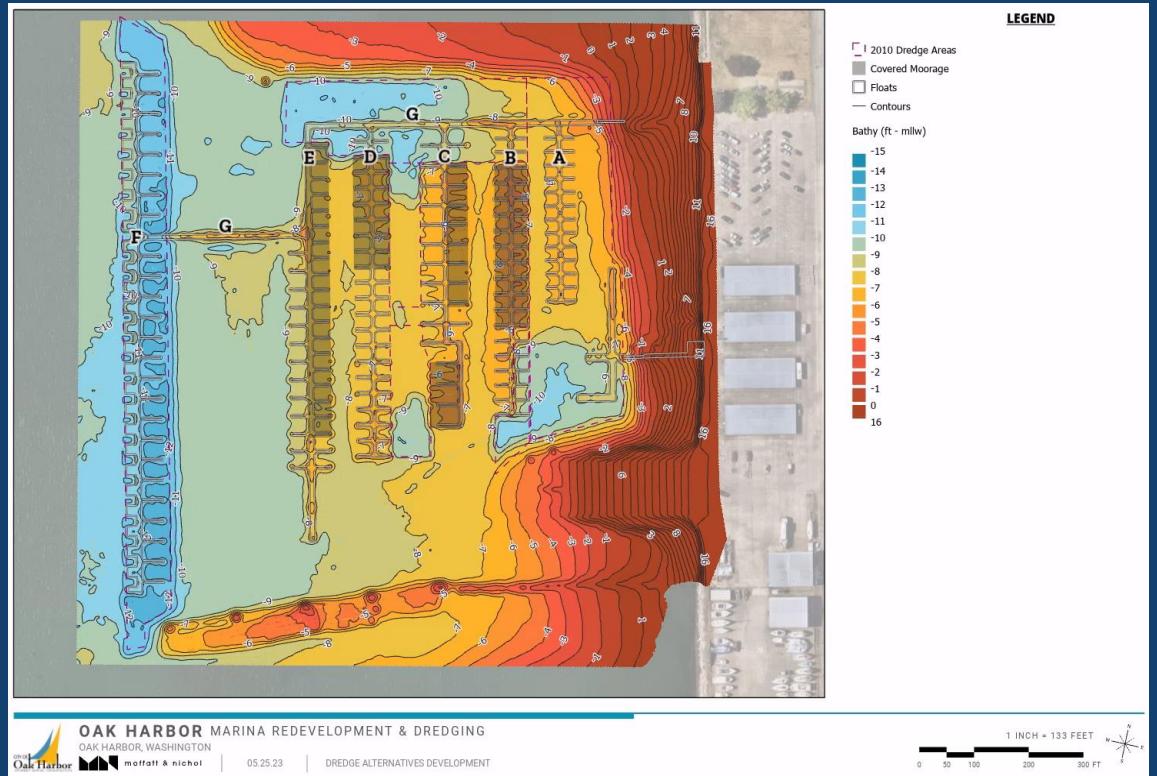
DREDGING PROJECT

- Post 2010/2011 dredge depth survey
 - Blue & light green is deep
 - Orange & yellow is shallow
 - Only $\frac{1}{2}$ dredged



DREDGING PROJECT

- 2023 depth survey:
 - Blue & light green is deep
 - Orange & yellow is shallow
- Much of the marina is unusable at low tides
 - Low tides occur in the day during the summer boating season.





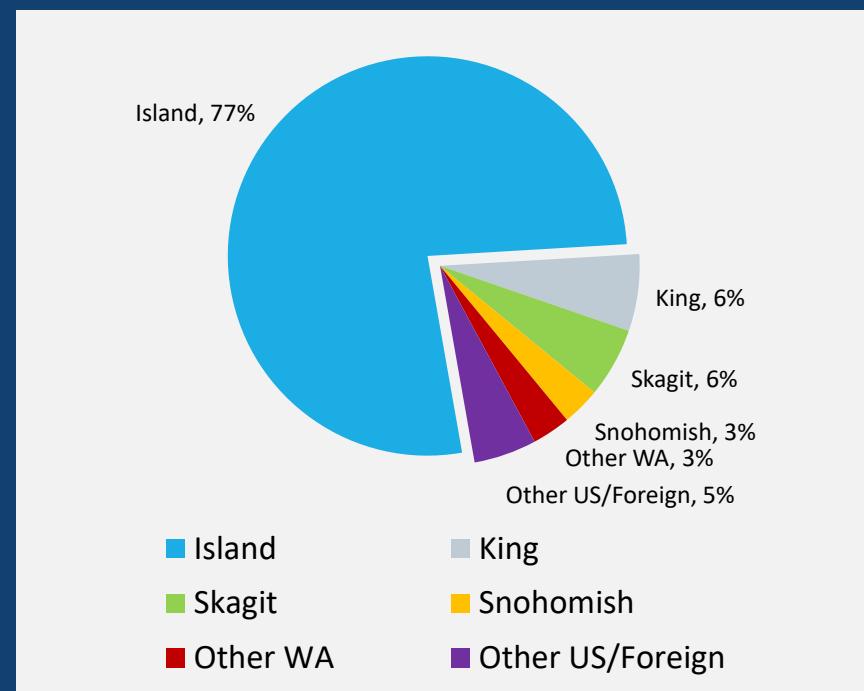
CURRENT MARINA OPERATIONS

Project Supports:

- City of Oak Harbor Marina
 - *Employs 5 full time positions with 3 seasonal laborers*
- Current boating industry support businesses:
 - *Mechanics, electricians and etc*
 - *Dependent on boatyard and Marina for services*
 - *Number of jobs supported varies*

MARINA MARKET

- The Oak Harbor marina is the largest marina in Island County. It primarily serves boaters from Island County.
- **77%** of tenants are from Island County, including 49% from Oak Harbor, and the remainder from Coupeville, South Whidbey and other areas of Island County.
- The remaining **23%** of marina tenants are from Puget Sound, other parts of Washington State as well as some from other parts of the US or from overseas.



ECONOMIC IMPACT

- Average expenditures by recreational boaters in Oak Harbor range from approximately **\$8,000 to \$28,000** per boat per year, with expenditures increasing with the length of the boat.
- **Expenditures on annual boat ownership:**
 - Marina slip fees
 - Repair & maintenance/purchase (of engine, electronics, sails and other equipment)
 - Boat yard Services
 - Boat trailer maintenance & repair
 - Insurance
 - Specialty clothing
 - Boat Loan or purchase, among others
- **Expenditures on use of the boat:**
 - Lodging
 - Restaurant meals
 - Groceries
 - Fishing Supplies
 - Equipment Rental
 - Other Trip Supplies
 - Boat Fuel Costs, among others

ECONOMIC IMPACT

- The annual expenditure by boat tenants of the Oak Harbor marina
\$5 million per year.

These expenditures account for
51 jobs in total.



The Oak Harbor Marina is an economic engine for Island County.



VALUE PROPOSITION: JOBS

	Jobs / FTE Retained	Jobs/FTE Created 1-3 Years	Jobs/FTE Created 4 Years
Number of Jobs/FTEs	6.22	2 (City)	Up to 10
Average Wage/FTE	\$77,900	\$80,237	\$50,000 - \$80,000

GROWTH OPPORTUNITIES

■ City of Oak Harbor Marina

- The boatyard will generate revenue immediately through boat storage.
- A deep marina will attract larger deep draft boats which will increase revenue.
- City anticipates creating up to two new jobs in first year of operation to support boat storage operations
- Anticipates up to 10 new jobs will be created within next four years; associated with boatyard activity
- Increase boating industry presence through boatyard & marina activity



GROWTH OPPORTUNITIES

■ **Marina Support Businesses**

- Historically several marine-related, small businesses are based at marina
- Job growth will increase with opportunities associated with the boatyard & dredging project

■ **Non-marine related**

- Increased tourism
- Increased visitor spending



GROWTH OPPORTUNITIES

Support Small Business with Free Advertising:



ACTION PLAN

Quantifiable Outcomes:

- Increase in marina revenue
- Increase in City jobs
- Increase in private sector jobs





SUMMARY

Oak Harbor Marina Improvement Project:

- Request \$2,300,000
 - Roof & Siding \$300,000
 - Dredging \$2,000,000
 - Sponsor will fund \$3,200,000
- Project supports/enhances City-owned marina
 - Creates a deep full-service marina
- Marina is integral part of downtown/city economy
 - 85% average occupancy
 - 600 - 700 guest boats each year
- This project creates and supports several new City and private sector jobs



OAK HARBOR MARINA IMPROVEMENT PROJECT

Questions?