

# 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
<i>Total</i>	<b>\$1,100,000</b>

# 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  $\frac{1}{2}$  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>

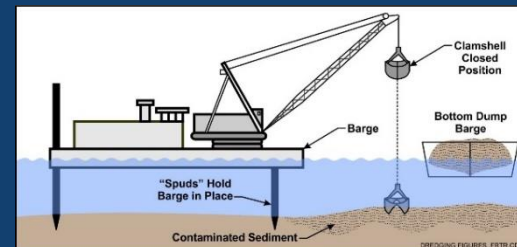
# DREDGING PROJECT

## *Steps Taken So Far:*

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

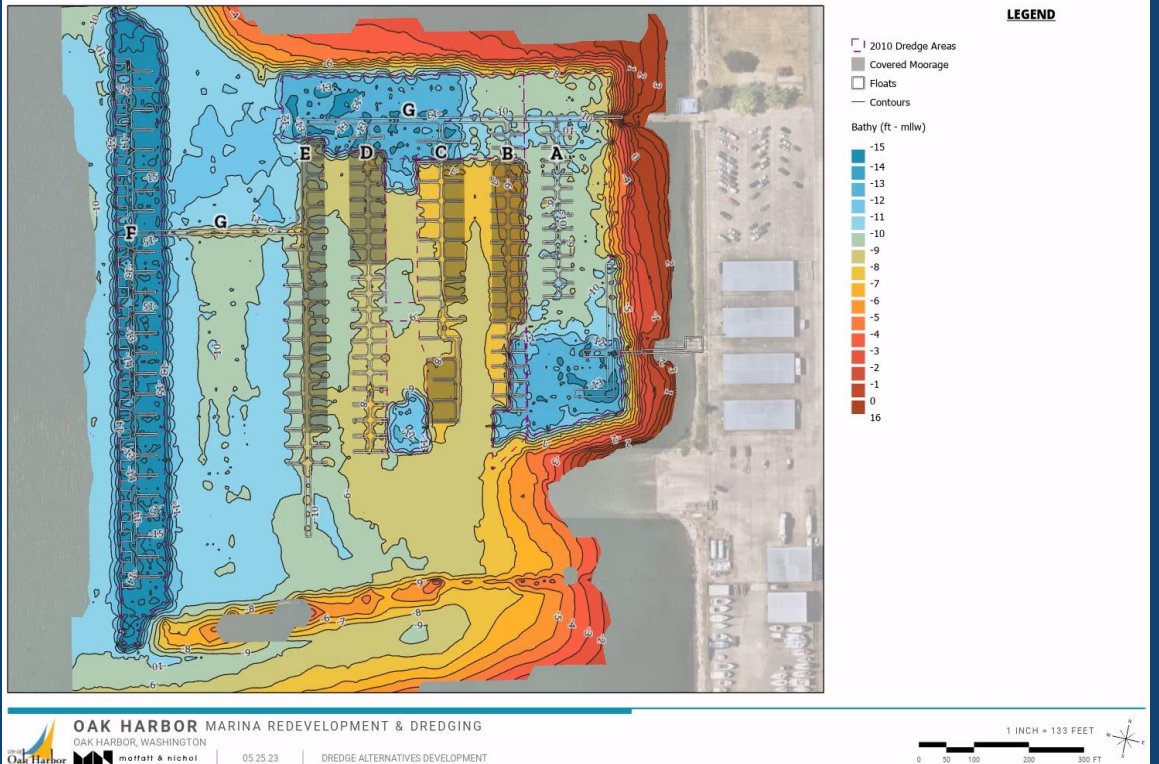
## *In the process of:*

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



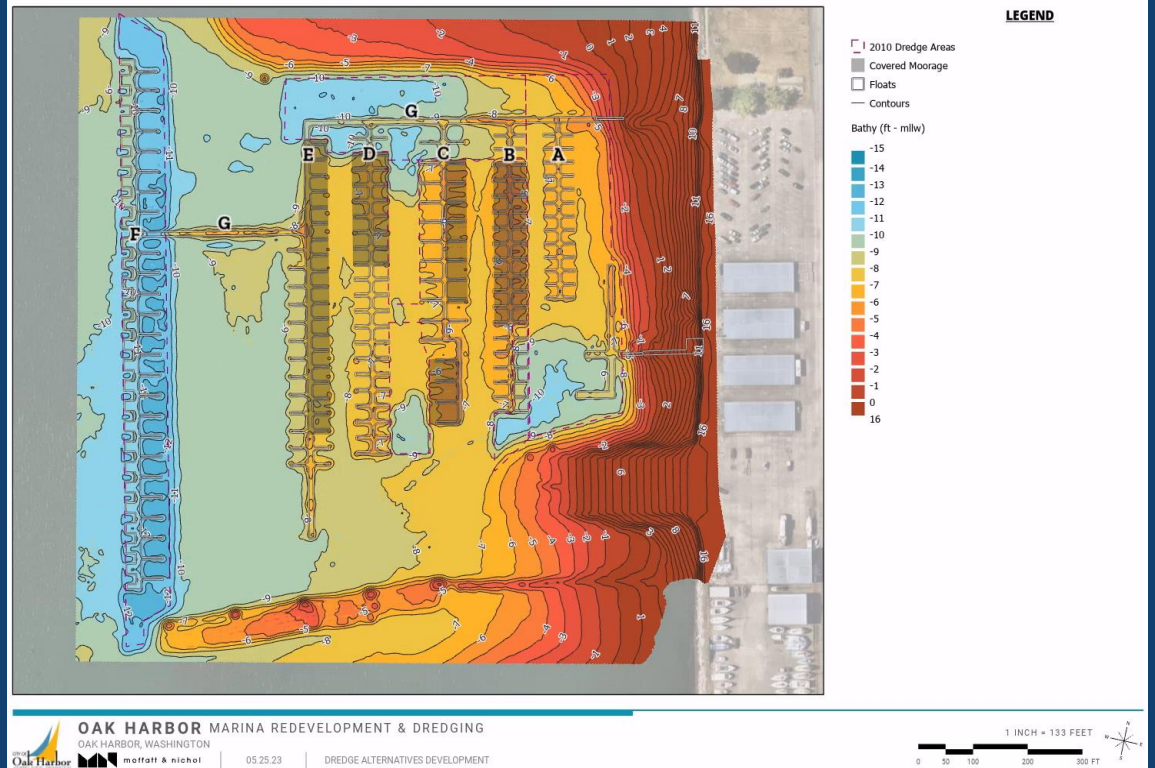
# DREDGING PROJECT

- Post 2010/2011 dredge depth survey
  - Blue & light green is deep
  - Orange & yellow is shallow
  - Only ½ 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.



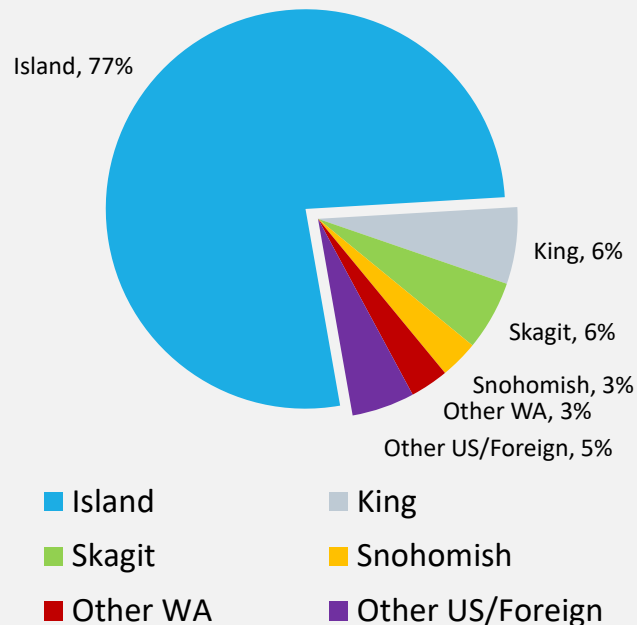
# CURRENT MARINA OPERATIONS

## *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
<b>Number of Jobs/FTEs</b>	6.22	2 (City)	Up to 10
<b>Average Wage/FTE</b>	\$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?