

I. INTRODUCTION

5 GCA Chapter 9 § 9301 requires that any changes related to rules, regulations or fee increases are required to be accompanied by an economic impact statement at the time the are submitted for review and approval by the Governor and the Legislature.

The economic impact statement shall address:

1. The purpose and the need for the rule or regulation;
2. The financial impact of the proposed rule or regulation;
3. Any potential increase or decrease in the cost of living on Guam;
4. Any direct or indirect impact upon employment on Guam;
5. Any increase or decrease in the cost of doing business as an enterprise or industry on Guam;
6. Any adverse or beneficial economic impact which is attributable to the proposed rule or regulation.

Subsection 9301(j) specifically exempts the requirement for an economic impact statement if the annual impact to the general public is less than \$500,000 as determined by an autonomous agency. This economic impact statement has been prepared in order to address any questions relating to economic impact that may arise, and in order to facilitate the passage of the amended Marina Rules and Regulations and rates into law.

This is the economic impact statement for the Amended Marina Rules and Regulations of the Port Authority of Guam as adopted by the Port Authority Board of Directors on March 14, 2005.

II. BACKGROUND

The existing Marina Rules and Regulations, and rates, were adopted by the Department of Parks and Recreation in the 1970s. Since new rules have never been adopted, the Port has been using rules and fees adopted by the Department of Parks and Recreation as required by the Authority's enabling act.

(h) Rules and regulations previously promulgated under the authority of the Department of Parks and Recreation concerning small boat basins and recreational boating facilities are to remain in effect unless or until the Board promulgates additional or different rules and regulations pursuant to Subsection (g) of this Section. All references and rules and regulations pertaining to persons in or duties of the Department of Parks and Recreation in regard to small boat basins and recreational boating facilities shall be considered as pertaining to the General Manager or his designee and the duties of the Port Authority of Guam until or unless the Board amends or promulgates additional or different rules and regulations pursuant to Subsection (g) of this Section.

About 1996 the Port Authority began working on new Rules and Regulations in accordance with its enabling legislation and the administrative Adjudication Law. After the required public hearings on the proposed rules, they were submitted to the Governor's office in June of 1998, but were never submitted to the legislature for approval.

Under the current Rules and Regulations the rates in Hagatna are substantially less than in Agat, and are based on boat size rather than slip size. Further, there are different rate for the Summer and Winter months. The current rates based on the existing rules and regulations are:

Gregorio D. Perez Marina (Hagatna)

VESSEL LENGTH	Apr.-Nov.	Dec.-Mar.
Under 16 feet	\$15 per month	\$10 per month
16-23 feet	\$18	\$12
24-39 feet	\$30	\$20
40 and over	\$40	\$30

and for transient vessels:

Under 16 feet	\$1 per day
16-23 feet	\$2
24-30 feet	\$3
40 and over	\$4

Agat Marina: (by Slip Size by month)

	Recreational	Commercial
25'	\$137.50	\$212.50
40'	\$220.00	\$340.00
60'	\$330.00	\$510.00

In 2003, after several years of inaction, the revised Rules and Regulations were once again brought before the public. In October 2003, a series of three public hearings were held - one in Agat, one in Agana in one at the Port. There were substantial concerns raised by tenants of the marinas at both the Agat and Agana marinas.

The rates proposed were as follows:

RECREATIONAL VESSELS

AGAT MARINA

SLIP LENGTH	PER FOOT	PER MONTH
25'	\$5.50	\$137.50
40'	\$5.50	\$220.00
60'	\$5.50	\$330.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$1.25	\$25.00
30'	\$1.25	\$37.50
40'	\$1.25	\$50.00

The new rules and regulations also provided for fees of classes of vessels (commercial and live-aboards) that have been utilizing the marinas for years, but had not been adequately charged:

COMERCIAL VESSELS

AGAT MARINA

OVERALL LENGTH	PER FOOT	PER MONTH
25'	\$8.50	\$212.50
40'	\$8.50	\$340.00
60'	\$8.50	\$510.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$2.00	\$40.00
30'	\$2.00	\$60.00
40'	\$2.00	\$80.00

LIVE ABOARD VESSELS

AGAT MARINA

SLIP LENGTH	PER FOOT	PER MONTH
25'	\$8.50	\$212.50
40'	\$8.50	\$340.00
60'	\$8.50	\$510.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$6.00	\$120.00
30'	\$6.00	\$180.00
40'	\$6.00	\$240.00

The rules will also included utility charges, which also were not addressed in the existing rules and regulations:

AGAT MARINA

LENGTH	WATER	POWER	SEWER
	PER DAYPER MO.	PER DAY PER MO.	PER DAY PER MO.
25'	\$0.50	\$12.50	At Cost to the Port
40'	\$1.00	\$25.00	At Cost to the Port
60'	\$1.50	\$37.50	At Cost to the Port

GREGORIO PEREZ MARINA (HAGATNA)

LENGTH	WATER	POWER	SEWER
	PER DAY PER MO.	PER DAY PER MO.	PER DAY PER MO.
20'	\$0.50	\$12.50	At Cost to the Port
30'	\$1.00	\$25.00	At Cost to the Port
40'	\$1.50	\$37.50	At Cost to the Port

LIVE ABOARD (ALL MARINAS)

LENGTH	WATER	POWER	SEWER
	PER DAY PER MO.	PER DAY PER MO.	PER DAY PER MO.
20' - 25'	\$0.50	\$12.50	At Cost to the Port
30' - 40'	\$1.00	\$25.00	At Cost to the Port
60'	\$1.50	\$37.50	At Cost to the Port

A working group was put together with Port Management and representatives of the boating community to address the concerns raised at the Public Hearings. This committee spent several months reworking the Rules and Regulations. In March 2004, the revised version reached by this group was presented to the Board of Directors for approval.

The working group developed new fees to address concerns from the earlier version to incorporate the utility fees into the mooring fees.

The increase in fees for the Gregorio D. Perez Marina was designed to help recoup some of the costs for running the marina. Although some of the fees will increase by more than 100 percent, the average cost per month would still only be about \$50, which is still far below the newer Agat Marina and mooring facilities worldwide.

The existing rules and regulations primarily address use and care of the marinas. All of those provisions remain in the new rules and regulations. Some are strengthened and other have been amended to incorporate other laws adopted since the rules and regulations were established.

The first major change is regulations regarding live-aboard vessels. Although there are no provisions regarding this practice in the existing rules, there have been live aboard vessels occupying both marinas. The new rules will require these vessels to obtain a permit from the Port and sets restrictions as to who can live aboard a vessel.

The new rules also spell out the method for applying for slips. Over the past several years, spaces in Hagatna have been especially rare. In order to accommodate applicants more efficiently, the Port started a slip waiting list. The new rules and regulations spell out how that list is kept.

The new rules and regulations incorporates several new federal and local laws regulating the disposal and collection of waste on board vessels and at the marinas.

The new rules allows for private parties to construct berthing facilities on Port property, provided they meet certain conditions. This provision was included to allow for private development of additional marina space on Port property.

III. EVALUATION OF ECONOMIC IMPACT

Current Revenues from both Marinas are currently substantially less than \$500,000 and the fees collected impact a very small percentage of Guam’s population.

Currently there are 53 tenants berthed at the Gregorio D. Perez Marina, 22 of which are Commercial and 31 are Recreational. There are 48 tenants berthed at the Agat Marina, eight of which are Commercial and 40 are Recreational.

Total income for the Gregorio D. Perez Marina is just over \$22,000. For Agat it is approximately \$123,000. Total Revenue for the both Marinas is under \$150,000 per year. The revised Marina Rules and Regulations fee schedule is contained in Part XI of the Marina Rules and Regulations. The fees include:

1. Security Deposit. An amount equal to one (1) month fees and charges as security. This deposit will be returned, without interest, to the Permit Holder upon termination of the Use Permit provided that all terms and conditions have been fulfilled to the satisfaction of the Port Authority.
2. Advance Payment Required. As a prerequisite to the issuance of a Use Permit, the Permit Holder shall pay a security deposit pursuant to Section 11.02(A) of these Rules and Regulations, and pay one (1) month's fees and charges and any other fees and charges that may be due and payable to the Port Authority in advance.
3. Collection charge. A service charge of \$25 will be added on the past due balance if any part remains unpaid thirty (30) days or more after the fees and charges have become due and payable. The service charge and collection charge shall continue to be assessed until the delinquency is paid in full. In the event unpaid fees or charges are referred to an attorney for collection, the owner shall be liable for the payment of the Port Authority's reasonable attorney's fees.
4. Amended Mooring Fees:

A) RECREATIONAL VESSELS

AGAT MARINA

SLIP LENGTH	PER FOOT	PER MONTH
25'	\$5.50	\$137.50
40'	\$5.50	\$220.00
60'	\$5.50	\$330.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$2.00	\$40.00
30'	\$2.00	\$60.00

40'	\$2.00	\$80.00
Outer Basin charge per vessel foot	\$1.50	

B) COMMERCIAL VESSELS

AGAT MARINA

OVERALL LENGTH	PER FOOT	PER MONTH
25'	\$8.50	\$212.50
40'	\$8.50	\$340.00
60'	\$8.50	\$510.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$3.50	\$70.00
30'	\$3.50	\$105.00
40'	\$3.50	\$140.00
Outer Basin Charge per vessel foot	\$2.50	

C) LIVE ABOARD VESSELS

AGAT MARINA

SLIP LENGTH	PER FOOT	PER MONTH
25'	\$6.50	\$162.50
40'	\$6.50	\$260.00
60'	\$6.50	\$390.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$6.00	\$120.00
30'	\$6.00	\$180.00
40'	\$6.00	\$240.00
Outer Basin Charge per vessel foot	\$5.00	

**MOORING FEES FOR TRANSIENT VESSELS OR SMALL CRAFT
OCCUPYING MOORINGS**

A) RECREATIONAL VESSELS

AGAT MARINA

SLIP LENGTH	PER FOOT	PER MONTH
25'	\$6.00	\$150.00
40'	\$6.00	\$240.00
60'	\$6.00	\$360.00

GREGORIO PEREZ MARINA (HAGATNA)

SLIP LENGTH	PER FOOT	PER MONTH
20'	\$6.00	\$150.00
30'	\$6.00	\$180.00

40'	\$6.00	\$240.00
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B) COMMERCIAL VESSELS

AGAT MARINA

OVERALL LENGTH	PER FOOT	PER MONTH
25'	\$9.50	\$237.50
40'	\$9.50	\$380.00
60'	\$9.50	\$570.00

GREGORIO PEREZ MARINA (HAGATNA)

OVERALL LENGTH	PER FOOT	PER MONTH
20'	\$9.50	\$190.00
30'	\$9.50	\$285.00
40'	\$9.50	\$380.00

5. Open space storage fees.
 - (a) Vessels stored on land: \$0.50 per foot of vessel length or per foot of cradle length per month, whichever is greater, with a minimum charge of \$8.00 per vessel per month.
 - (b) Empty boat trailer: \$8.00 per month.
 - (c) Vessel on a trailer: \$0.50 per foot of vessel length or per foot of cradle length per month, whichever is greater, with a minimum charge of \$8.00 per vessel per month.
 - (d) The charges for one-half (1/2) month or less shall be one-half (1/2) of the monthly rate.
6. Boating equipment or other items used in connection with boats moored at Marinas may be stored at such Marinas, with the prior approval of the Port Authority, if it can be done without unduly interfering with the safe and efficient public utilization of Marina facilities. The charges for the use of such storage space shall be \$0.50 per square foot per calendar month for open storage on paved areas; and \$0.30 per square foot per month for open storage on unpaved areas; with a minimum charge of \$1.50 per month. For less than one-half month, the charge will be one-half of the above full monthly rate.
7. Fee for Water Usage at Boat Ramps. Usage of water at Marina owned boat ramps for the rinsing of vessels or equipment, as provided in Section 3.24 of these rules and regulations, will be allowed by permit only. The permit fee for one year is \$25.

The majority of the added revenue would be from the increased rates in the Gregorio D. Perez Marina. Currently, revenues from commercial vessels amount to approximately \$10,500 per year. Recreation vessels bring in just under \$12,000 per year. Under the new fee schedule commercial vessels would bring in about \$29,000 and recreational vessels an estimated \$20,000 per year. That would amount to an estimated \$26,500 additional revenue from the Marina per year.

The rates for the Agat Marina and Harbor of Refuge are mostly unchanged in the revised Marina Rules and Regulations. The only change for the Agat Marina is the inclusion of a rate for Live-Aboard Vessels. There are currently no Live Aboard Vessels in the marina so no substantial impact is expected.

IV. CONCLUSION

The previous section outlines the potential impacts of the fees contained within the proposed Marina Rules and Regulations. Although the increase in fees at the Gregorio D. Perez Marina are substantial, the overall economic impact would be less than \$27,000. As there are only 101 tenants of both marinas combined, the impact to the island-wide economy is minimal.

As stated above, 5 GCA Chapter 9 § 9301 (i) allows for exemptions to the requirement for an economic impact statement if “the annual economic impact to the general public is Five Hundred Thousand Dollars (\$500,000.00) or less, as determined by the department, agency, autonomous agency, office or instrumentality proposing the rule, change of rule, regulation or request to impose or raise fees.” The above serves as documentation for the exemption.

In order to expedite the processing of these Rules and Regulations the following is provided in accordance with 5 GCA Chapter 9 § 9301.

1. The purpose and the need for the rule or regulation – The existing Rules and Regulations are more than 30-years-old and do not cover all of the marinas under Port jurisdiction. These Rules and Regulations will address that situation.
2. The financial impact of the proposed rule or regulation – The financial impact will be minimal, affecting mostly tenants of the Gregorio D. Perez Marina.
3. Any potential increase or decrease in the cost of living on Guam – no anticipated change in the cost of living in Guam.
4. Any direct or indirect impact upon employment on Guam – no anticipated change in employment in Guam.
5. Any increase or decrease in the cost of doing business as an enterprise or industry on Guam – Minimal, only 22 Commercial vessels located within the Gregorio D. Perez Marina.
6. Any adverse or beneficial economic impact which is attributable to the proposed rule or regulation – Will provide for more cohesive regulations within the marinas on Guam. The increase in fees will help the Port Authority recoup some of the operational expenses to maintain and upgrade the marinas.