

January 19, 2018

MARINA USER FEE CHANGE

User Informational Outreach on the petition filed with the Public Utilities Commission for the Proposed User Fees for the Gregorio D. Perez and Agat Small Boat Marina

AGENDA

- Purpose
- Overview
- Rate History
- Consulting Report
- Filing of Rate Change Petition
- Moving Forward

Purpose

- User Outreach on the proposed changes to certain user fees for the boating facilities under the jurisdiction of the Port
- Rate petition by the Port to revise the user fees for the Agat Small Boat Harbor and the Gregorio D. Perez Marina was filed with the Public Utilities Commission

Agat Small Boat Marina

99 Slips
65 Tenants



Gregorio D. Perez Marina

42 Vessel Slips
58 Tenants



Marina Related Revenues - FY'17 was \$270,089.08

Overview

- Support boater population (300+)
- Critical to visitor industry (250,000+ visitors)
- Fair to Excellent condition

Fee History

- Marina Rates have not been subjected to any major revisit since the facilities were administratively turned over to the Port through Public Law 17-01
- Last change to the rate structure was done through the approval of the current Marina Rules and Regulations
 - Impact of then day rate change applied solely to the Gregorio D. Perez M
 - The rates for the Agat Small Boat Harbor were not affected
- Petition by the Port to modify fees filed in 2009 was denied by the PUC in 2011 for reasons related to the dilapidated state of the marinas

Rate History

Agat Small Boat Harbor

Gregorio D. Perez Marina

Recreational

	Prior (pre-2007)		Current		Recreational	Prior (pre-2007)		Current	
						April-Nov	Dec-March		
25'	\$	137.50	\$	137.50	Under 16'	\$	15.00	\$	10.00
40'	\$	220.00	\$	220.00	16'-23' (20')	\$	18.00	\$	40.00
60'	\$	330.00	\$	330.00	24'-39' (30')	\$	30.00	\$	60.00
					40'-over	\$	40.00	\$	80.00
					OB/vslft			\$	1.50

Commercial

	Prior (pre-2007)		Current		Commercial	Current	
25'	\$	212.50	\$	212.50	25'	\$	70.00
40'	\$	340.00	\$	340.00	30'	\$	105.00
60'	\$	510.00	\$	510.00	40'	\$	140.00
					OB/vslft	\$	2.50

Liveaboard

	Prior (pre-2007)		Current		Liveaboard	Current	
25'			\$	162.50	20'	\$	120.00
40'			\$	260.00	30'	\$	180.00
60'			\$	390.00	40'	\$	240.00
					OB/vslft	\$	5.00

Consulting Report

- Port retained the services of Captain and Associates ('C&A') to, among other things, revisit the Marina User Fees
- The comprehensive Report was completed on October 31, 2016
- C&A valuation methodology was based primarily on comparative analysis

Adoption of Report Findings

- At the recommendation of staff, the Port Board of Directors adopted the findings contained in the “Consulting Report Update regarding Recommendations Including Marina Fees...” on February 13, 2017
- Executive decision made to implement the proposed fees during the 2018 lease year

Marina User Fees – As Proposed

RECREATIONAL

<u>Slip Length</u>	<u>Old rate</u>	<u>Recommended</u>	<u>Recommended</u>
	<u>(\$/ft/mo)</u>	<u>New Rate</u>	<u>Rate Change</u>
		<u>(\$/ft/mo)</u>	<u>(\$/ft/mo)</u>
<u>Agat Small Boat Harbor</u>			
25"	\$5.50	\$5.00	(\$0.50)
40'	\$5.50	\$5.50	\$0.00
60'	\$5.50	\$6.00	\$0.50
<u>Gregorio D. Perez Marina</u>			
20"	\$2.00	\$5.50	\$3.50
30'	\$2.00	\$6.00	\$4.00
40'	\$2.00	\$6.50	\$4.50
OB	\$1.50	\$3.00	\$1.50

Marina User Fees...cont

COMMERCIAL RATE

<u>Slip Length</u>	<u>Old rate</u> <u>(\$/ft/mo)</u>	<u>Recommended</u> <u>New Rate</u> <u>(\$/ft/mo)</u>	<u>Recommended</u> <u>Rate Change</u> <u>(\$/ft/mo)</u>
<u>Agat Small Boat Harbor</u>			
25"	\$8.50	\$8.00	(\$0.50)
40'	\$8.50	\$8.50	\$0.00
60'	\$8.50	\$9.00	\$0.50
<u>Gregorio D. Perez Marina</u>			
20"	\$3.50	\$8.50	\$5.00
30'	\$3.50	\$9.00	\$5.50
40'	\$3.50	\$9.50	\$6.00
OB	\$2.50	\$4.25	\$1.75

Marina User Fees...cont

LIVE ABOARD RATE

<u>Slip Length</u>	<u>Old rate</u> (\$/ft/mo)	<u>Recommended</u> <u>Rate Change</u>		<u>Total</u>	<u>Rate</u> <u>Change</u>
		<u>Slip (\$/ft/mo)</u>	<u>(\$/ft/mo)</u>		
<u>Agat Small Boat Harbor</u>					
25"	\$162.50	\$125.00	\$100.00	\$225.00	\$62.50
40'	\$260.00	\$220.00	\$100.00	\$320.00	\$60.00
60'	\$390.00	\$360.00	\$100.00	\$460.00	\$70.00
<u>Gregorio D. Perez Marina</u>					
20"	\$120.00	\$110.00	\$100.00	\$210.00	\$90.00
30'	\$180.00	\$180.00	\$100.00	\$280.00	\$100.00
40'	\$240.00	\$260.00	\$100.00	\$360.00	\$120.00
OB	\$5.00/ft/mo	Varies	\$100.00	Slip Fee + \$100	

Rate Change Petition

- Public Law 30-52 placed the Port under the oversight of the Public Utilities Commission ('PUC') for matter related to establishment or modification of rates and other charges
- The Port filed the Rate Change Petition for the Marina Fees subject to this proceeding with the Public Utilities Commission on January 8, 2018

Petition... cont

- Pursuant to the Ratepayers Bill of Rights, the PUC will be required to hold a series of formal public hearings on the proposed fees party to the petition
- Thereafter, the ALJ will present his findings and recommendations to the PUC commissioners for their consideration as to whether the proposed fee are 'just and reasonable'.

Progress and Moving Forward

- Past Projects
 - Substantial repair has been conducted at the marinas
- Future Projects
 - Future CAPEX
- Alternative Management Regime

Recent Project – Fiscal Year

- 2011
 - GDP Marina Dock A Repair - \$253,000
- 2012
 - GDP renovation and Site Improvements – Phase I - \$1,498,192
- GDP Marian Dock B repair - \$318,000
- GDP Dock C Repair - \$278,700
- GDP Dock A&B Piling Extension - \$96,230

Project Summary... cont

- 2013
 - GDP Marina New Waterlines - \$119,600
 - GDP Marina Renovation and Site Improvements Phase II - \$1,735,691
- 2014
 - Agat Small Boat Harbor Dock A Repair - \$532,100
- 2015
 - Agat Small Boat Harbor Dock C&D and Floating Improvements - \$1,593,208
 - Agat Small Boat Harbor Catwalk Repair - \$58,000

Project Summary... cont

- 2015
 - Agat Small Boat Harbor Dock C&D and Floating Improvements - \$1,593,208
 - Agat Small Boat Harbor Catwalk Repair - \$58,000
- 2016
 - GDP Marina of Pumpout - \$78,800

Future CAPEX

- 2018
 - GDP Marina Coin Operated Pressure Washer - \$45,950
 - Harbor of Refuge Mooring Renovation and Pump out - \$500,000
 - Agat Small Boat Harbor Dock B Removal - \$109,522
- PENDING – GDP Marina Renovation and Site Impairments Phase III - \$2.5M

Alternative Management Regime

- Alternative Management Regime Study – this study was funded by the USDA. The purpose of the initiative was to conduct a comprehensive review of the marinas and associated operations.
- Considered in the study were Public Sector Operation, Public Sector Operation (As Improved), Privatization and Joint Public Private Partnership to determine the best/ideal business model to implement at the marinas. The initial study was done in 2011, updated in 2016 and it is still under management review prior to re-submittal to the Board of Directors for their consideration to adopt.



QUESTIONS?

ALFRED F. DUENAS
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