



*Figure 6-1. Marina Office Building*

## **6. Schedule and Financing**

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The primary goal of this planning process is to focus on the core business activities of the Marina and develop strategies that will maintain Marina facilities and keep services in high demand. This Master Plan contains business strategies that require both capital and service improvements.

# Current Financial Summary

## Gross Revenue

Marina revenue is generated by a variety of activities, including the leasing of moorage space, fuel sales, dry shed rentals, launch activities, and upland commercial leases. Total gross revenue between 2003 and 2005 is summarized below.

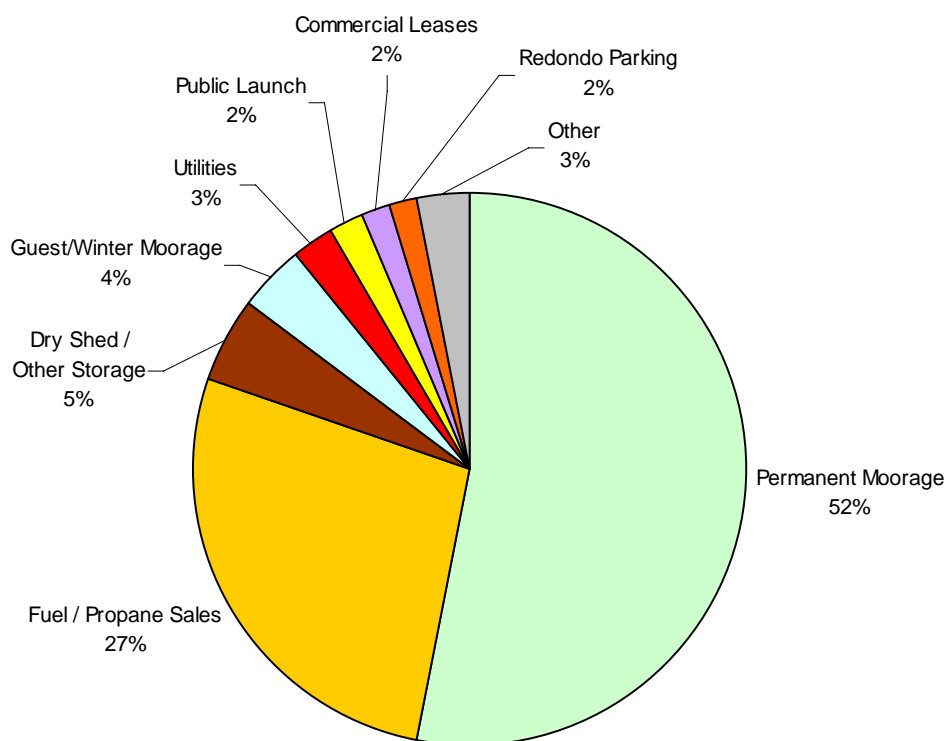


Figure 6-2. 2005 Marina Revenue Summary

Table 6-1. Marina Revenue, 2003 - 2005

	2003	2004	2005	Total
Permanent Moorage	\$1,727,815	\$1,768,297	\$1,819,656	\$5,315,768
Fuel / Propane Sales	\$557,382	\$715,004	\$924,662	\$2,197,048
Dry Shed / Other Storage	\$153,663	\$170,725	\$168,619	\$492,977
Guest / Winter Moorage	\$151,203	\$139,243	\$135,373	\$425,819
Utilities	\$84,564	\$84,406	\$86,178	\$255,148
Public Launch	\$100,557	\$83,435	\$71,000	\$254,992
Commercial Leases	\$63,113	\$52,826	\$54,472	\$170,411
Redondo Parking	\$20,332	\$29,461	\$51,985	\$101,778
Other	\$80,532	\$73,473	\$108,829	\$262,834
<b>Total</b>	<b>\$2,939,131</b>	<b>\$3,116,870</b>	<b>\$3,420,774</b>	

Sources: Des Moines Master Plan Update Demand Assessment, September 2006 and/or BST Associates

## Expenses

Marina expenses for the three year period between 2003 and 2005 are summarized below.

**Table 6-2. Marina Expenses, 2003 - 2005**

	2003	2004	2005	Total
Cost of Goods Sold <sup>1</sup>	\$565,703	\$709,445	\$916,960	\$2,192,107
Expenses <sup>2</sup>	\$958,039	\$1,046,602	\$1,108,122	\$3,112,764
Interfund Transfer <sup>3</sup>	\$687,375	\$490,000	\$550,000	\$1,727,375
<b>Total</b>	<b>\$2,211,118</b>	<b>\$2,246,047</b>	<b>\$2,575,082</b>	

<sup>1</sup> Cost of goods sold includes all items purchased and resold by the Marina; fuel is the primary contributor

<sup>2</sup> Expenses include all labor and expenses in the Marina Department

<sup>3</sup> The interfund transfer represents funding transferred from the Marina to the City in exchange for basic service, such as police, finance, etc.

Sources: Des Moines Master Plan Update Demand Assessment, September 2006 and/or BST Associates

## Net Profit

Net profit is a function of gross revenue and total expenses, as identified above. The net profit for the three year period between 2003 and 2005 summarized below.

**Table 6-3. Net Profit, 2003 - 2005**

	2003	2004	2005
Gross Revenue	\$2,939,131	\$3,116,870	\$3,420,774
Expenses	\$2,211,118	\$2,246,047	\$2,575,082
<b>Net Profit</b>	<b>\$728,013</b>	<b>\$870,823</b>	<b>\$845,692</b>

# Master Plan Project List

The projects listed in Table 6-4 below were identified for inclusion as part of this master planning effort. The projects are divided into phases but specific years are not specified since implementation will likely not occur on a strict timeline.

**Table 6-4. Updated Master Plan Project List**

Element	Cost (2006\$)	Total Phase Cost (2006\$)
<b>Phase 1</b>		<b>\$ 3,296,342</b>
<b>Relocate Water Main</b> Move 8" water main from the parking lot and the area in front of the Marina Office to Dock Ave.	216,000	
<b>Relocate 12.5 kV Power Lines</b> Install new duct back from switch near office to Cliff Ave. and transformer in north lot. Abandon 12.5 kV lines in area of office and new bldg site.	330,729	
<b>Dredging Project</b> Survey, Design, and Permit process (includes sampling and testing)	180,000	
<b>Demo Public Launch / Parking Lot Restripe</b> Demo public sling launch. Restripe parking lot from car/trailer spaces to cars.	304,848	
<b>Replace Bulkhead</b> Replace about 320 linear feet of wall in area of future 6,000 SF commercial bldg and guest moorage basin. Work includes providing new gangway access to existing guest moorage docks at north side of guest moorage docks (near existing gangway location).	1,847,165	
<b>Sidewalk and Railing I</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	201,600	
<b>Reconfigure Parking Lot</b> Reconfigure parking lot and road areas near Harbormaster Office and new commercial bldg site. Install new O/W separator in storm drain system.	216,000	
<b>Phase 2</b>		<b>\$ 1,486,992</b>
<b>Provide New Harbor Maintenance Bldg</b> Provide New Harbor Maintenance Bldg in Quatermaster Parcel, within existing 223 <sup>rd</sup> Street ROW.	281,232	
<b>Remodel Marina Office / Relocate Maintenance Div to New Bldg</b> Remodel marina office, including restrooms; relocate maintenance div to new bldg.	423,360	
<b>6,000 SF Commercial Bldg</b> Provide bldg, foundation, and site improvements.	-	
<b>Deck for New Commercial Bldg / Promenade over Water</b> Provide outdoor deck area (approx 50' x 30') using existing bulkhead alignment front building.	32,400	

Schedule and Financing

Element	Cost (2006\$)	Total Phase Cost (2006\$)
<b>Dredging Project</b> Dredge basin; quantity based on survey conducted in Phase 1.	750,000	
<b>Phase 3</b>		<b>\$ 5,630,544</b>
<b>Replace Bulkhead Phase II</b> Replace bulkhead from new travel lift pier to K Dock.	3,732,984	
<b>Sidewalk and Railing II</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	332,424	
<b>Travel Lift Pier for Boatyard</b> Construct new travel lift launch pier to replace existing. Accommodate boats up to 55 feet. Locate new pier between Docks M and N.	871,200	
<b>Upland Boat Storage</b> Partially demolish Dry Shed Buildings; pave area for an upland boat storage area.	225,936	
<b>New Tenant Restroom</b> Replace existing tenant restroom with additional space for a public restroom and small laundry facility.	468,000	
<b>Phase 4</b>		<b>\$ 1,283,306</b>
<b>J Dock Transformer</b> Extend duct bank from service entrance at the foot of the 6 <sup>th</sup> Ave. stairway to area near foot of J Dock. Install transformer. Extend duct bank north along bulkhead to K & L Docks and new commercial bldg.	387,606	
<b>Reconfigure Boat Yard / Build New 50' x 80' Bldg</b> Expand Boatyard footprint to the north. Install drainage system and pavement. Extend fences and utilities.	250,200	
<b>4,000 SF Commercial Bldg</b> Prepare site for 4,000 square foot commercial building, including landscaping and utility extensions.	69,500	
<b>L Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	
<b>K Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	
<b>Phase 5</b>	<b>w/o Gst Moor w/ Gst Moor</b>	<b>\$ 2,594,088 \$ 7,654,248</b>
<b>Replace Bulkhead III</b> Replace about 420 linear feet of wall along north end of Marina.	1,973,664	
<b>Sidewalk and Railing III</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	332,424	

Element	Cost (2006\$)	Total Phase Cost (2006\$)
<b>J Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	
<b>*Guest Moorage Improvements*</b> Expansion of the Guest Moorage is being considered. If expansion is pursued, work would include demolition of a portion of the bulkhead in Stage 1, excavation of the larger basin, construction of bulkhead wall along new alignment for the basin, installation of floating docks, and misc. utility work.	5,060,160	
<b>Phase 6</b>		<b>\$ 3,735,400</b>
<b>Replace Bulkhead IV / Replace Inner Breakwater</b> Replace about 560 linear feet of wall in front of Guest Moorage Side Tie Dock and the Touch-N-Go Dock; replace about 150 linear feet for Inner Breakwater structure.	3,082,608	
<b>Sidewalk and Railing IV</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	364,792	
<b>I Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	
<b>Phase 7</b>		<b>\$ 2,539,584</b>
<b>Replace Bulkhead V</b> Replace about 400 linear feet of wall along Docks H thru K.	1,971,648	
<b>Sidewalk and Railing V</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	279,936	
<b>H Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	
<b>Phase 8</b>		<b>\$ 2,435,213</b>
<b>Replace Bulkhead VI</b> Replace about 370 linear feet of wall fronting Docks D thru G	1,888,272	
<b>Sidewalk and Railing VI</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	258,941	
<b>G Dock – Utilities and Floatation</b> Replace/upgrade utilities on dock including electric shore power and water. Replace floatation blocks where needed. Install new fire stand pipe system and new decking where required.	288,000	

Schedule and Financing

Element	Cost (2006\$)	Total Phase Cost (2006\$)
<b>Phase 9</b>		<b>\$ 4,863,096</b>
<b>Reconfigure Docks D thru I</b> Remove Docks E and F, partial demo of D and G. Construct new, larger slips.	2,097,706	
<b>Replace Bulkhead VII</b> Replace about 510 linear feet of wall fronting Docks A thru C.	1,976,472	
<b>Sidewalk and Railing VII</b> Cast-in-place sidewalk behind new bulkhead. Salvage and reuse existing railing.	356,918	
<b>Reconfigure South Parking Lot</b> Move roadway to east side of Marina (including curb, gutter, and 5 foot wide sidewalk) and reconfigure parking lot to create more parking. Includes asphalt overlays.	432,000	
<b>Phase 10</b>		<b>\$ 225,936</b>
<b>Upland Boat Storage</b> Complete demolition of Dry Shed Buildings; pave area for an upland boat storage area.	225,936	
<b>Phase 11</b>		<b>\$ 2,199,600</b>
<b>Convert Open to Covered Docks K thru N</b>	2,199,600	

**Grand Total without Guest Moorage Expansion    \$ 30,290,101**

**Grand Total with Guest Moorage Expansion    \$ 35,350,261**

# Financial Plan

The financing plan for the updated Comprehensive Marina Master Plan identifies the funding sources for the proposed improvements for the first eight phases. The timeline for the capital improvements includes the years 2007 through 2016. A total of approximately \$23 million will be required to fund the proposed improvements. The funding sources are identified in Table 6-5 below.

**Table 6-5. Marina Master Plan Financing Plan**

Item	PHASES 1 - 8				Total
	2007	2008	2011	2015	
<b>Bond Issuance:</b>	\$ 5,910,000	\$ -	\$ 6,240,000	\$ 2,535,000	\$ 14,685,000
Costs of Issuance	95,338	-	103,153	47,598	246,089
Debt Reserve (Use Cash for Bal of 2007 Rsvr)	200,000	-	534,593	210,943	945,536
Net Bond Proceeds	\$ 5,614,662	\$ -	\$ 5,602,254	\$ 2,276,459	\$ 13,493,375
<b>For Years:</b>	<b>2007</b>	<b>2008-2010</b>	<b>2011-2014</b>	<b>2015-2016</b>	<b>Total</b>
Project Costs	\$ 2,349,786	\$ 8,051,659	\$ 8,229,115	\$ 3,844,973	\$ 22,475,533
<b>Funding Sources:</b>					
Balance of 2002 Bond Proceeds	\$ 1,519,968	\$ -	\$ -	\$ -	\$ 1,519,968
Use of 2007-2011 Bond Proceeds	-	-	4,185	4,324	8,510
Marina Capital Contributions from Operations		2,080,000	1,560,000	790,000	4,430,000
City Contributions for Public Amenities	-	555,000	370,000	690,000	1,615,000
Interest Earnings	168,000	468,000	697,000	88,000	1,421,000
Bond Proceeds	661,818	4,948,659	5,597,930	2,272,649	13,481,055
Total Funding Sources	\$ 2,349,786	\$ 8,051,659	\$ 8,229,115	\$ 3,844,973	\$ 22,475,533

Funding sources include approximately \$14.7 million in debt financing with the issuance of General Obligation Bonds in 2007, 2011, and 2015. Other proposed funding sources include capital contributions from the Marina of \$4.4 million, City contributions of \$1.6 million, interest earnings on unspent bond proceeds of \$1.4 million, and \$1.5 million in unspent bond proceeds from the 2002 bond issuance. City contributions to the Marina will be dependent upon other competing needs including transportation infrastructure and other city capital facilities improvements.

The financing plan assumes revenues from operations to grow at a 3.5% rate after 2009, operating expenses to increase at a 3% rate, and the General Fund transfer to increase at a 2% rate. These assumptions provide the resources needed to increase cash from operations to allow the Marina to pay the annual debt service on the bonds, to maintain cash balances for debt reserve requirements, and to provide capital contributions. Figure 6-3 identifies the increased capacity generated by revenues increasing at a higher rate than operating expenses.

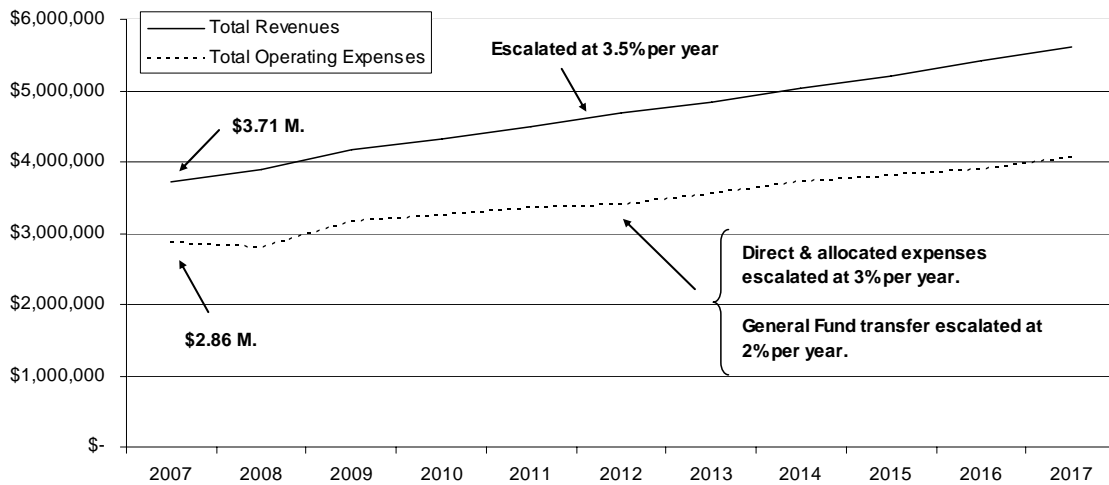


Figure 6-3. Future Revenue and Expenses

Figure 6-4 shows the cash from operations before debt service compared to annual debt service expenses. While the financing plan generates sufficient cash from operations to cover the debt service payments, the years 2012 through 2014 indicate that the capacity for additional debt has been met. As discussed previously, the Master Plan recommends that total debt issued be limited to approximately \$12 million. Additional resources could be made available from restricted cash reserved for operations if the revenue and expense assumptions result in lower than expected cash.

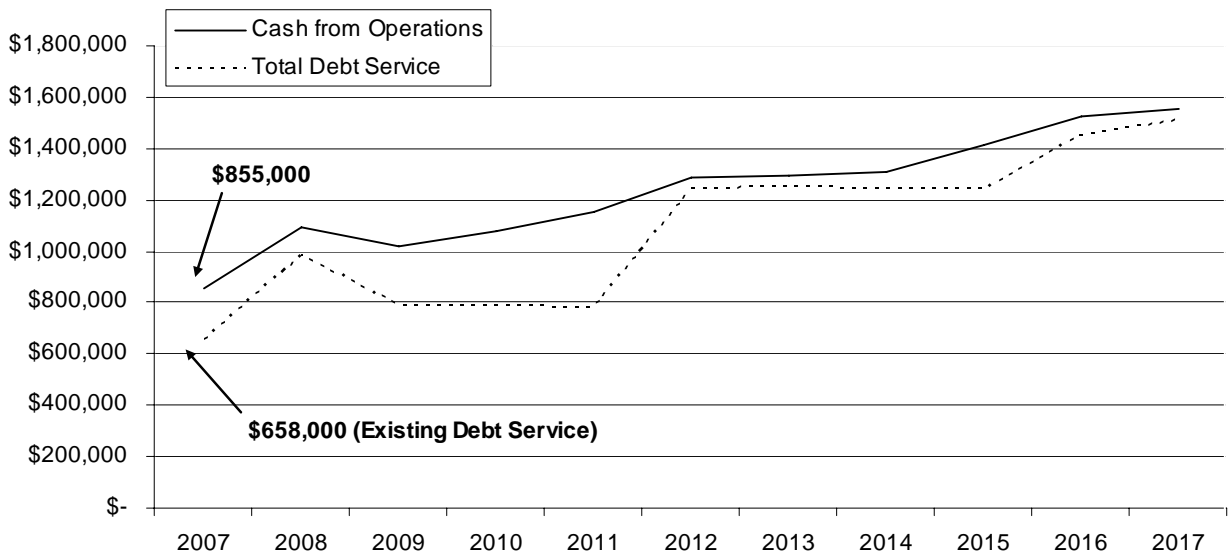


Figure 6-4. Cash from Operations before Debt Service

Figure 6-5 provides the cash projections resulting from the financing plan. The cash projections show that the Marina's operating results are sufficient in generating cash to afford the improvements for the first eight phases detailed in the updated Comprehensive Marina Master Plan.

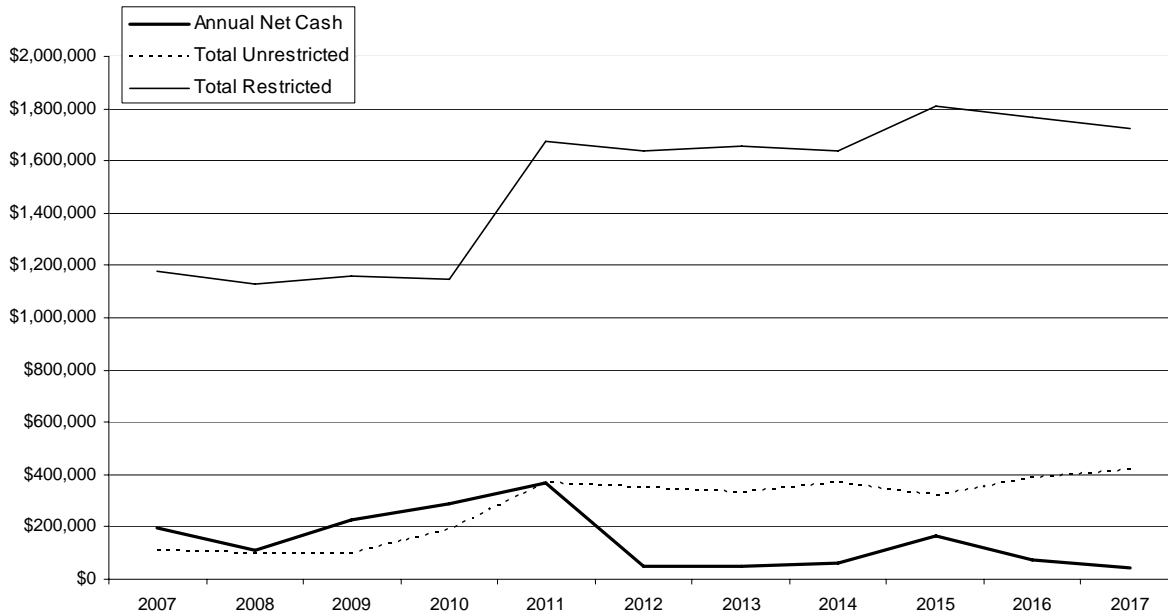


Figure 6-5. Cash Projections