



Figure 3-1. Des Moines Marina Today

3. Future Considerations

The following section provides an overview of the boating trends currently affecting operations at the Des Moines Marina, as well as a demand forecast for in-water and upland facilities. The information was taken from the Des Moines Marina Master Plan Update Demand Assessment, which was prepared by BST Associates in September 2006. A complete copy of the report is provided in Appendix B.

Trends in Recreational Boating

The boating trends summarized below are having a significant impact on operations at the Des Moines Marinas, as well as other marinas throughout the region. Responding to these trends will play a major role in the future success of the Marina.

Boat Size

The total number of registered boats in King and Pierce Counties grew from 78,289 boats in 1990 to 87,834 in 2004 (includes boats of all lengths), for an annual growth rate of 0.8 percent. However, the trends in growth were substantially different for boats less than 30 feet in length compared to those over 30 feet, indicating that in general the average length of recreational boats is increasing. In 1987, 57 percent of all registered boats were less than 16 feet long. By 2010 that figure will decline to 47 percent. Annual growth rates in King and Pierce Counties for boats of various lengths between 1990 and 2004 are summarized below.

Table 3-1. Annual Increases in Boat Length, 1990 - 2004

Length of Vessel	Annual Growth Rate	Total Boats 1990	Total Boats 2004
0' - 20'	0.6%	61,329	66,938
21' - 30'	1.2%	12,275	14,483
31 - 40'	1.7%	3,401	4,329
41' - 50'	3.1%	1,038	1,599
51' - 60'	3.7 %	178	297
Over 60'	7.5%	68	188

Source: BST Associates, Washington State Department of Licensing

At the same time, the beam and height of recreational boats is also increasing, placing additional strain on marinas like Des Moines that were built 30+ years ago for a smaller boating fleet. These fundamental changes in length, beam, and height have rendered some berths in older marinas unusable for the existing recreational fleet.

Boater Use Characteristics

Most of the major marinas on Puget Sound were built in the 1960's when salmon returns were strong and fishing was a popular recreational activity. Since that time the number of salmon returning to Puget Sound has fallen, leading to harvest restrictions, limited catch opportunities, and an overall decline in the popularity of fishing.

The marinas (and launch facilities) that catered to the recreational fishing fleet, such as the Des Moines Marina, were all designed with a large number of slips in the low 20 foot range since this was the typical size for recreational fishing boats. With the decline of fishing, the primary boating activity has shifted toward cruising, and with this shift the average boat has grown longer and wider. In 2001, fishing was the primary activity of 58 percent of boaters and cruising was the primary activity of 19 percent of boaters. By 2010, fishing will be down to 40 percent and cruising will increase to 25 percent. This fact, along with the declining number of saltwater-only fishing licenses, indicates that fishing boats are no longer a strong market for the Des Moines Marina.

Demographics of Boat Owners

The Washington State Office of Financial Management expects that the state's population will grow from 6.1 million today to about 8.3 million by 2030, with the most rapid growth occurring for persons over the age of 65 years. These "boomers" will have a significant impact on marinas throughout the region since the length of the boat typically increases with the age of the boater. In fact, most of the boaters who own boats 40 feet and longer are over 40 years of age. Ownership of boats over 65 feet in length is highest among boaters that are in their 60s.

Marina Facilities – What the Future Boater Wants

Boat owners are changing the way they use their boats, and they are demanding new services from marinas. The desire for safety, security, and a clean facility—the primary items desired by boaters—will increase in significance as the age of boat owners increases. Marinas must anticipate the needs of “active seniors” and provide assistance with the routine chores of boat ownership, such as dismounting and storing dinghies. Marinas must also accommodate vendors hired by boaters to perform maintenance, installations, and other services. Although transient moorage customers will have many of the same needs, they will also desire services such as transportation to shopping and having groceries and gear loaded onto their boats.

Trends in Marina Facilities

Many marinas in the Northwest are filling the void left by declining fishing opportunities by changing to meet the needs of the new “typical boater.” The most significant trends are the following:

- *Marinas are retrofitting existing slips to accommodate wider and longer boats.* The demand for moorage for small boats (less than 20 feet) will decrease. Small boat owners will store their boats out of the water. Dry sheds and boathouses may see increases in demand but will be impacted by increasing waterfront land values.
- *Marinas are upgrading utilities, especially electricity.* Some larger vessels will require 50 amp services, but the norm will be 30 amp services, even for the smaller boats. The demand for “landline” telephone service is disappearing with the growing usage of cell phones. While the demand for cable television has not materialized as expected, many marinas are installing wireless internet to serve their permanent tenants and guest moorage customers.
- *Marinas are expanding and retrofitting their facilities to meet the needs of the destination boater.* Fuel, clean and modern restrooms, a store for groceries and basic supplies, restaurants, and laundry facilities are common upgrades that many marinas are providing to their clients.

Impacts on the Community

In 1990, the positive financial impacts of popular destination marinas were documented in a study commissioned by the Washington State Parks and Recreation Commission and the Washington Public Ports Association. While no similar study in the Puget Sound region has been done recently, the study’s predictions for changes in boater demographics and activities proved to be accurate. In that study, 568 boaters were given expense logs to complete each time they visited ports. In 604 visits, the boaters spent an average of \$78.73 per visit. Adjusted for inflation, that number would be approximately \$115 today (2001 dollars). Restaurants and miscellaneous retail businesses were among the beneficiaries. Others included grocery stores and recreational businesses. Of course, for the marina itself, the benefits are moorage revenues and fuel sales.

Demand Forecasts

This section provides demand forecasts for both in-water and upland facilities at the Marina. The information was taken from the September 2006 Demand Assessment, which can be found in its entirety in Appendix B.

In-Water Facilities

Permanent Moorage

The primary and secondary markets at the Des Moines Marina fall primarily in Pierce and King Counties. The future number of boats for this area was projected by BST Associates using regression analysis, which projects future boat ownership based upon growth in population, non-agricultural employment, and real personal income. Based on this approach, BST Associates projects that the recreational fleet for boats over 12 feet in length will grow from 69,784 boats in 2004 to 78,810 boats in 2015, for an annual growth rate of 1.1 percent per year. Growth is expected to be fastest for larger boats, as is the case with current trends.

Determining the optimal future slip mix for the Marina is an ongoing process that matches the demand for slips with the best design for the marina. Based on existing data the optimal slip mix would provide more 32 foot and larger slips, and fewer slips under 28 feet. Table 3-2 below summarizes BST Associates' recommendations for the future slip mix at Des Moines Marina.

Table 3-2. Wet Moorage Slip Mix Forecast

Slip Length	Existing Slips	Existing Ratio	Future Slips (Optimal)	Future Ratio
20'	37	5%	24	4%
24'	188	26%	91	15%
28'	264	36%	140	23%
32'	71	10%	67	11%
36'	70	10%	104	17%
40'	65	9%	97	16%
50' and Over	33	4%	91	15%
Total	728	100%	614	100%

To summarize, boat ownership in the Marina's total market area has increased, with almost all of the growth in the secondary market area. This can be seen as a positive trend because a growing group of boat owners views the Des Moines Marina as an attractive moorage option. Further, the length distribution of the boats in the Marina's primary and secondary market areas is very similar to the length distribution of the slips in the Marina, illustrating that there is still a significant "small boat" component to the market area. In other words, most boats are currently less than 36 feet in length.

In the Marina staff's opinion, the updated market data and the demographics of the Marina's primary and secondary market areas still supports a moderate shift to larger slips, but not as soon as originally planned. BST Associates' analysis of the Marina's vacancy data in the most current update shows that the impact from vacancies in the smaller moorages can still be managed through changes to the rate structure, such as seasonal pricing, and that replacing the 20 and 24 foot moorages can be delayed beyond what was recommended in the 2001 Master Plan. It should be noted that BST did not perform a sensitivity analysis to increases in moorage rates for the smaller slips. The point at which the moorage rates will start to drive the vacancy rate up in the smaller slips still needs to be determined.

Guest Moorage

Among other factors, the forecast for guest moorage depends upon overall boating activity on Puget Sound, fishing opportunities for local boats, and the perceived attractiveness of the Des Moines Marina relative to competing facilities. As noted previously, the prospects for growth in fishing appear to be relatively limited and will likely limit Marina use by local boats. However, the increase in cruising is encouraging more marinas to become destination stopovers for non-local boats. Opportunities for attracting non-local boats appear favorable since Des Moines Marina is considered an attractive marina by boaters.

Although boating activity in Puget Sound is expected to remain steady, Des Moines will face strong competition from other area marinas, particularly those in Tacoma, Gig Harbor, and Seattle. To remain competitive marina operators throughout the region are providing more guest services, supplies, dining, and other amenities. Fortunately, the Marina does have some advantages for attracting local and non-local boaters. These include:

- Fuel prices are favorable at Des Moines, which continues to attract boaters.
- Efforts to improve economic development in the downtown retail core along with the potential for additional marine retail on the Marina floor would help increase guest moorage.
- The City has instituted a marketing campaign to attract boaters, which is beginning to show signs of success.

The market opportunity for guest moorage has two distinct elements: the individual or family cruiser and organizations/clubs. Attracting these segments of the recreational boating industry presents the best opportunity for future revenue growth. Individual or family cruisers are looking for an available slip, fuel, restrooms with showers, laundry facilities, nearby supplies, restaurants, and activities. Clubs and organizations offer a second opportunity and tend to look for the same amenities the individual or family cruiser wants, but they also want a guaranteed group moorage. Occasionally they will need extra tables, chairs, or the use of a picnic/barbecue facility or dining hall. Even though they need more services, they are willing to make reservations well in advance. There are about 100 active boating organizations on Puget Sound.

Any marina that provides more than the basic level of services will get some individual or family cruise business. Getting the club business requires marketing and facility management. Clubs need to be contacted regularly so they know the marina wants their business. Marinas in Port Orchard, Oak Harbor, and Poulsbo are very successful at attracting and serving boating clubs, due largely to their successful marketing programs.

Boat Ramp and Launcher

Future utilization of the boat ramp and launcher depends on several factors, including the number of trailerable boats, fishing opportunities, usage fees, and the availability of storage facilities for small boats. The Des Moines City Council has determined that the continued operation of the public launcher is not favorable to the community, allowing for the function to be phased out as the asset reaches the end of its usable life.

Upland Facilities

Dry Shed Storage

Utilization of the dry sheds is driven by small vessel use, rental rates, and the availability of launch facilities. At the moment the sheds are relatively underutilized (14% vacancy rate including non-boat usage) even though the current rate structure is low compared to other area storage facilities.

The sheds have an expected life of 3 to 5 more years. It is therefore recommended that the City reevaluate the financial performance of the dry sheds within the next few years to determine if dry storage is the optimal use for this location.

Boat Yard

CSR Marine, the boat yard operator, is constrained by the size of the yard and launch pier they lease from the City. CSR has expressed an interest in handling boats up to 55 feet, which is currently a challenge due to the narrow lift pier and configuration of the yard.

The boatbuilding and repair business is a target industry for economic development, generating approximately \$500 million in sales and 3,500 employees in King County and \$36 million in sales and 327 employees in Pierce County in 2004. Since CSR is currently the only boat yard between south Seattle and Tacoma, opportunities should be explored for expanding and/or reconfiguring the yard within the Des Moines Marina.

Marine Retail

Between 1997 and 2003 real per capita expenditures in Washington State have increased for boats (+110%), boating accessories (+100%), and outboard engines (+33%). Marine supply firms have indicated an interest in building an express store at the Des Moines Marina to capitalize on this market opportunity. Express stores are typically 2,500 square feet and stock a limited range of high-demand products. It's estimated that a small marine store could generate approximately \$650,000 in sales per year, which equates to approximately \$5,250 in taxes to the City of Des Moines (based on 0.85% retail sales tax rate). The Marina would also realize a financial benefit from the lease.