

# MARINA AND YACHT CLUB DISCUSSION

Net Income  
Comparison

FOR  
DISCUSSION  
ONLY

# GENERAL ASSUMPTIONS

- The properties being considered for sale are:
  - Marina Docks and Equipment
  - Unit 10-parcel K, Yacht Club building (1885 sf) and parking lot (1.84 acres)
  - Unit 10-parcel K, Vacant Land (3.51 acres)
  
- The selling price for these properties have not yet been determined, appraised, nor negotiated. For the purpose of this document, an abstract amount of \$650,000 was used.
  
- The Marina and Yacht Club have deferred maintenance or capital improvement projects that have been identified but have not been scheduled or have funds appropriated. For the purpose of this document, cost estimates for maintenance or CIP items have been projected. Inclusion of maintenance or CIP projects in this document do not represent an actual plan for completion.
  
- Proceeds from sale will be consumed by District operations over time.  
Projected 10 years.

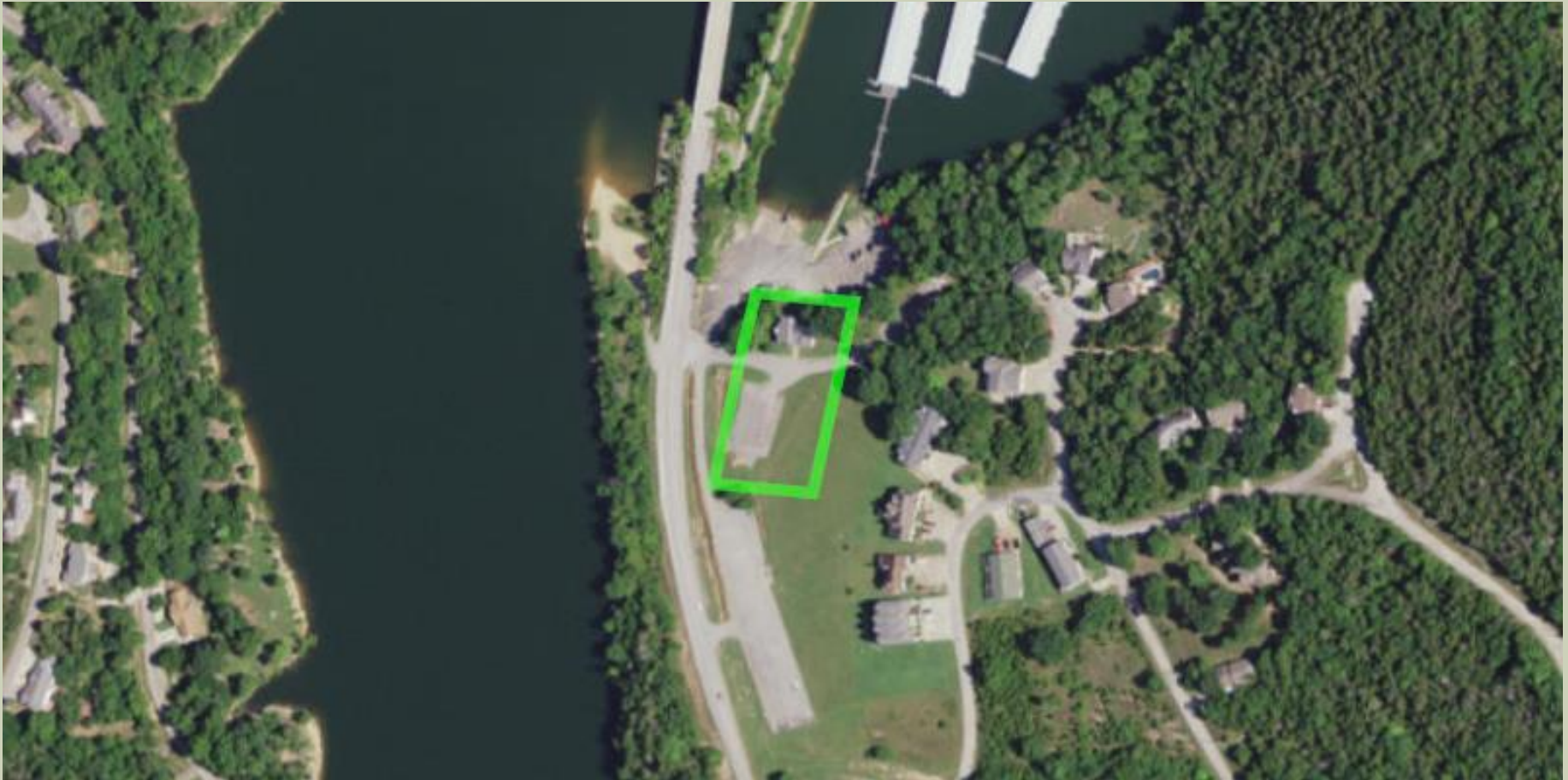
# UNKNOWN ITEMS FOR CONSIDERATION

- Sale may have unknown affects (if any) to AOB.
- Marina is outside District boundaries. After the sale, the District will likely lose all control over the operations or conditions at the Marina.
- Properties are not currently zoned. After the sale, it is assumed that the two parcels in Unit K will be zoned: Commercial 1 Vacant and Commercial 1 Improved for assessments purposes. No assessment for Marina.
- If Holiday Island incorporates: An additional property tax of approximately \$600 will be levied on owner (either HISID or third party).
- No assurance of level of service, pricing, or future improvements.
- Improvements may not be supported by community. An example is building a dry dock or boat storage along Woodsdale (loss of public process).

**MARINA DOCKS AND EQUIPMENT  
APPROXIMATELY 51,074 FT<sup>2</sup> TOTAL  
(APPROX. 12,354 FT<sup>2</sup> OF DOCKS AND 38,720 FT<sup>2</sup> OF SLIP  
SPACE)**



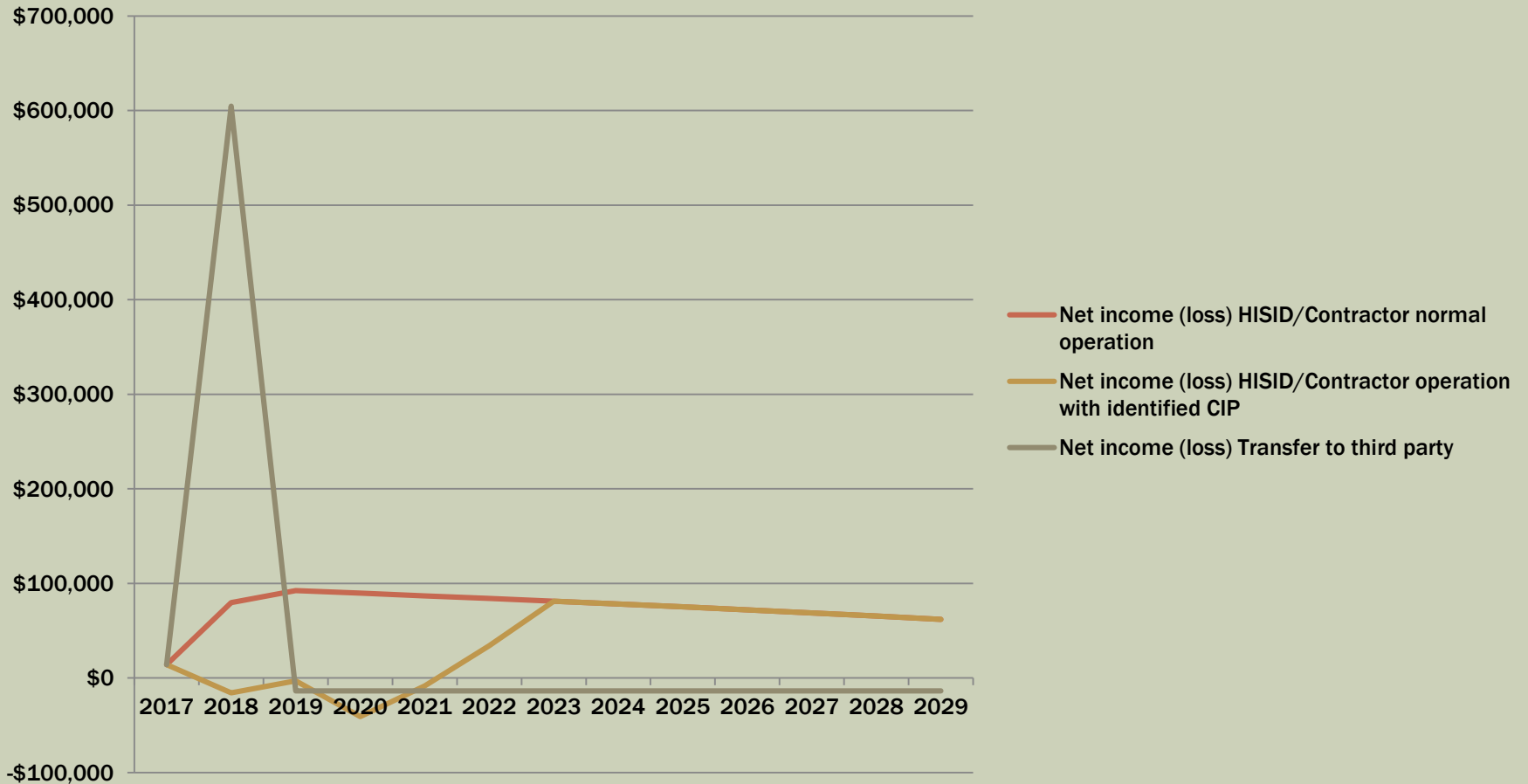
**UNIT 10-PARCEL K, YACHT CLUB  
BUILDING (1885 SF) AND PARKING LOT  
(1.84 ACRES)**



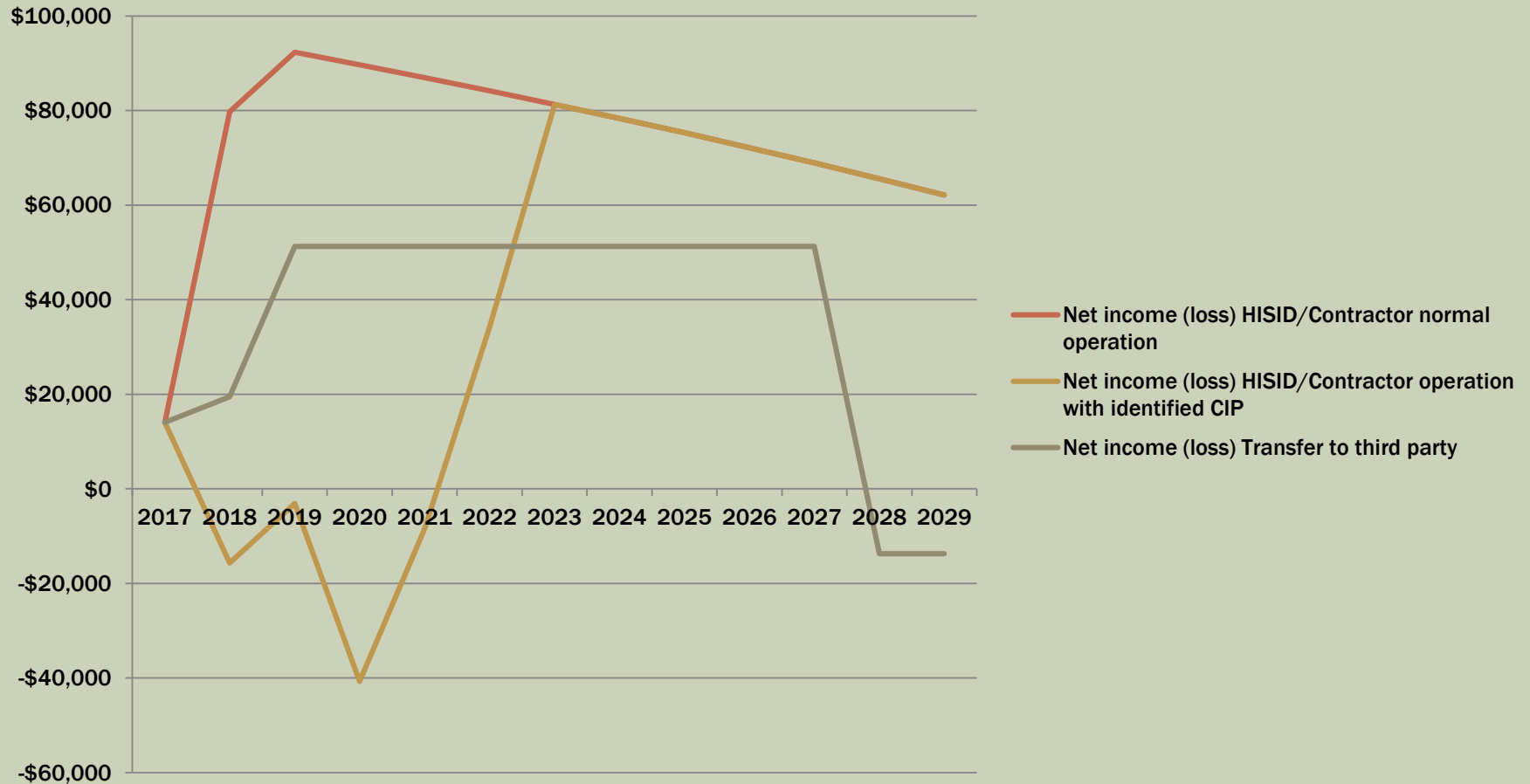
# UNIT 10-PARCEL K, VACANT LAND (3.51 ACRES)



# NET INCOME COMPARISON - PROCEEDS FROM SALE PROJECTED IN FIRST YEAR



# NET INCOME COMPARISON - PROCEEDS FROM SALE PROJECTED OVER 10 YEARS





# ASSUMPTIONS

## HISID/CONTRACTOR - NORMAL OPERATION OF MARINA

- Marina income will increase 5% annually through 2019. No further increases are projected.
- Marina O&M will increase 3% annually.
- HISID administrative overhead is estimated at \$15,000 annually (DM, billing, and other admin support)
- Floatation debt will retire in early 2018.
- General repairs and improvements will average \$7,000 annually.
- Yacht Club will incur \$25,000 in repair or demolition costs.
- District does not buyout kitchen and restroom at the end of KP Dock Services' contract.

# NET INCOME (LOSS) HISID/CONTRACTOR NORMAL OPERATION OF MARINA

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Notes
Marina Income	\$183,246	\$192,408	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	5% increase through 2019
Marina O&M	\$82,678	\$85,158	\$87,713	\$90,344	\$93,055	\$95,846	\$98,722	\$101,684	\$104,734	\$107,876	\$111,112	\$114,446	\$117,879	3% annual increase
Administrative overhead HISID	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
Floatation CIP (Debt)	\$31,541	\$5,500												
General repairs and improvements	\$40,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	Anchors, cables, walkway, etc..
Yacht Club Repairs		\$25,000												Siding, Interior, electrical OR Demolition
<b>Net income (loss)</b>	<b>\$14,027</b>	<b>\$79,750</b>	<b>\$92,316</b>	<b>\$89,685</b>	<b>\$86,974</b>	<b>\$84,183</b>	<b>\$81,307</b>	<b>\$78,345</b>	<b>\$75,295</b>	<b>\$72,153</b>	<b>\$68,917</b>	<b>\$65,583</b>	<b>\$62,150</b>	

# ASSUMPTIONS

## HISID/CONTRACTOR - OPERATION OF MARINA WITH IDENTIFIED CIP

- Marina income will increase 5% annually through 2019. No further increases are projected.
- Marina O&M will increase 3% annually.
- HISID administrative overhead is estimated at \$15,000 annually (DM, billing, and other admin support)
- Floatation debt will retire in early 2018.
- General repairs and improvements will average \$7,000 annually. In addition, the District carries out a CIP plan for: fuel system replacement, Dock 1 replacement, Fuel pump replacement (x2), and buyout of kitchen and restroom.
- Yacht Club will incur \$25,000 in repair or demolition costs.

# NET INCOME (LOSS) HISID/CONTRACTOR OPERATION OF MARINA WITH IDENTIFIED CIP

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Notes
Marina Income	\$183,246	\$192,408	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	\$202,029	5% increase through 2019
Marina O&M	\$82,678	\$85,158	\$87,713	\$90,344	\$93,055	\$95,846	\$98,722	\$101,684	\$104,734	\$107,876	\$111,112	3% annual increase
Administrative overhead HISID	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
General repairs and improvements	\$40,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	Anchors, cables, walkway, etc..
Fuel System CIP		\$54,600	\$54,600	\$54,600	\$54,600							Est. \$200k (4 years @ 4%)
Dock 1 replacement CIP		\$40,800	\$40,800	\$40,800	\$40,800							Est. \$150k (4 years @ 4%)
Fuel Pump X2 Replacement						\$50,000						
Security CIP \$20k-\$38k												Not included
Kitchen & restroom buyout				\$35,000								
Floatation CIP (Debt)	\$31,541	\$5,500										
Yacht Club Repairs		\$25,000										Siding, Interior, electrical OR Demolition
<b>Net income (loss)</b>	<b>\$14,027</b>	<b>-\$15,650</b>	<b>-\$3,084</b>	<b>-\$40,715</b>	<b>-\$8,426</b>	<b>\$34,183</b>	<b>\$81,307</b>	<b>\$78,345</b>	<b>\$75,295</b>	<b>\$72,153</b>	<b>\$68,917</b>	

# ASSUMPTIONS

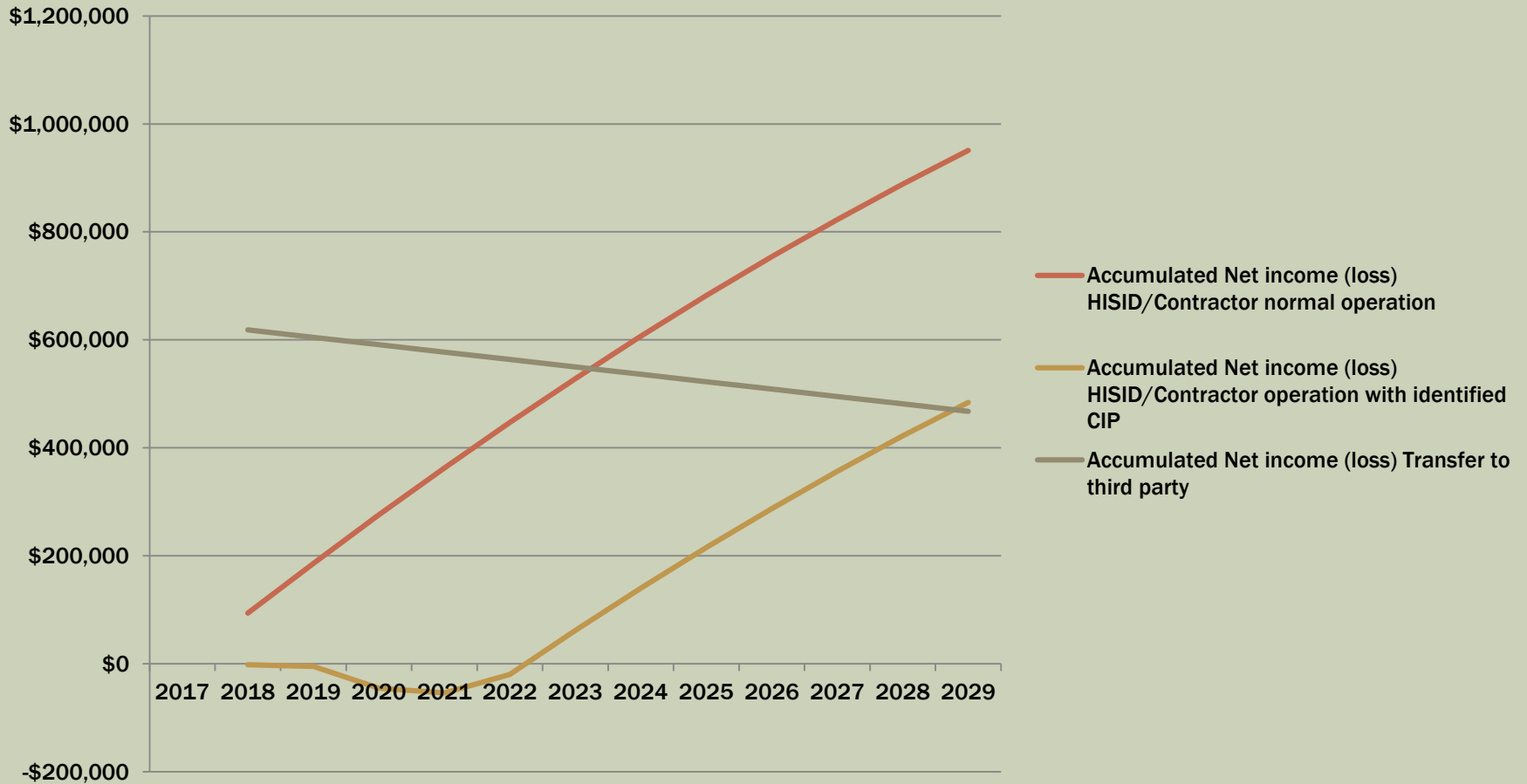
## TRANSFER MARINA TO THIRD PARTY

- The selling price has not been determined, appraised, or negotiated. For the purpose of this document, an abstract amount of \$650,000 was used.
- Proceeds from sale will be in a lump sum, but were projected over a 10 year period for comparative purposes.
- The upland properties will generate a C1I and C1V assessment. No assessment for Marina.
- \$25,000 was projected in 2018 for appraisal, surveying, closing cost.
- HISID will not have any direct administrative overhead. The estimated \$15,000 annual cost was projected for comparative purposes and because the District will maintain existing administrative employees with no offsetting revenue.
- Floatation debt will retire in early 2018.
- Yacht Club will not be repaired or demolished.

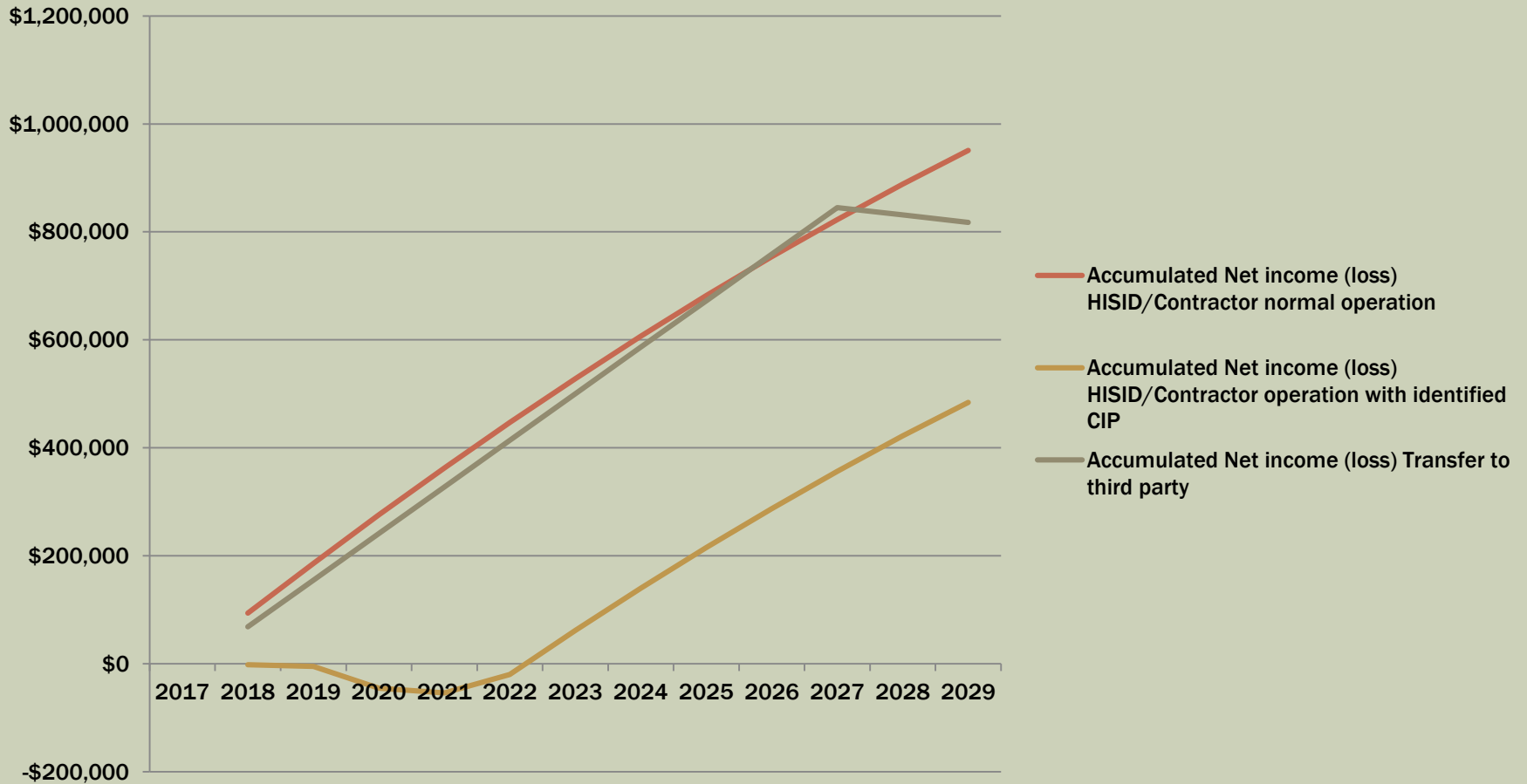
# NET INCOME (LOSS) TRANSFER MARINA TO THIRD PARTY

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Notes
Marina Income	\$183,246													
Marina Sale (budget offset) \$650,000 x 10 years		\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$0	\$0	
Assessment Marina	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Assessment Yacht Club (C1-I)			\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	\$784	
Assessment Parking Lot (C1-V)			\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	\$504	
														\$25,000 in 2018 for appraisal, surveying, closing cost
Marina O&M	\$82,678	\$25,000												
Administrative overhead HISID	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
Floatation CIP (Debt)	\$31,541	\$5,500												
General repairs and improvements	\$40,000													Anchors, cables, walkway, etc..
Yacht Club Repairs														
Net income (loss)	\$14,027	\$19,500	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	\$51,288	-\$13,712	-\$13,712

# ACCUMULATED NET INCOME COMPARISON (\$650,000) – BREAKEVEN POINTS



# ACCUMULATED NET INCOME COMPARISON (\$1,000,000) – BREAKEVEN POINTS





# SUPPLEMENTAL INFORMATION

- Estimated Market Value for Docks, Yacht Club, and Land is \$606,600 (Carroll County Assessor).
- Purchased Yacht Club in 1998 with approximately 5 acres for \$351,512.
- Acquired Marina Docks 1 through 3 from MCO.
- Borrowed \$66,698 in 2000 to construct Dock 4
- Marina has approximately 12,354 SqFt of docks and 38,720 SqFt of Slip space for a total of approximately 51,074 SqFt.
- Slip count, 24-10x28, 24-10x30, 120-10x20, and 4-10x20 uncovered

**Conclusions?**