



**COMMISSION
AGENDA MEMORANDUM**

Item No.

9a

BRIEFING ITEM

Date of Meeting

August 11, 2020

DATE: May 15, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director Maritime
Kenneth R. Lyles, Director, Maritime Operations & Security
Jo Woods, Sr. Manager Recreational Boating

SUBJECT: Recreational Boating Briefing

EXECUTIVE SUMMARY

Recreational Boating represents one of the three enterprise-businesses in the Maritime Portfolio; Commercial Fishing and Cruise being the other two. Recreational boating has been a part of the Port of Seattle business portfolio since 1962, and collectively with the other three marinas, represents over 1,700 moorage customers. Shilshole Bay Marina {Shilshole} represents the largest liveaboard client base on the West Coast, which is represented by 350 agreements and over 600 residents.

The “Three Port” Community Attributes Economic Impact Analysis published in March 2019 identified \$1.6 billion dollars of Total Business Output to the Puget Sound region; over 8,400 jobs tied to the recreational boating industry and \$2.6 million in moorage revenues specifically to the Port of Seattle. Over the years, Shilshole has met ever-evolving operating regulations in maintaining its standing as responsible stewards of these public assets and continues its commitment to being pacesetters in environmental sustainability and ingenuity.

In this briefing, staff will share the Port of Seattle’s recreational boating portfolio, which includes business practices and community programs; the commitment to Workforce Development, environmental sustainability and initiatives; the rate structure and methodology, and an update on the capital programs.

Background

The Port of Seattle was created in 1911, and opened its first recreational facility, Shilshole Bay Marina, in 1962. Shilshole Bay Marina continues to provide the recreational boating community with first class moorage facilities located in Ballard, the commercial fishing and recreational boating hub of the Northwest. With over 1,400 individual moorage slips, and 600 plus Liveaboard residents, Shilshole Bay Marina is also a vibrant and active community. Along with Shilshole Bay, the Port also owns Salmon Bay, Bell Harbor, and Harbor Island Marinas.

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The Covid-19 health crisis has placed a health and safety focus in the day-to-day management of these marinas. As stewards of these assets, staff is taking the lead in health and safety messaging, redesigning customer service engagement, and increasing emphasis on physical distancing. Shilshole Bay Marina is adjacent to a City of Seattle public park, *Golden Gardens*. Day-to-day management of public areas are being managed in such a way to address the pedestrian and parking overflows for customer safety and facility integrity. Steps that have been taken include the temporary closure of the two Shilshole public docks; restricted access to the parking lot; and temporary closure of park benches and picnic tables. Customer outreach has been developed to provide moorage relief programs, communication of health and safety measures and enhanced sanitation of restrooms, shower facilities and other high-touch surfaces.

Covid-19 Response

Actions taken to-date

- Emphasis on deep cleaning of marina offices and public restrooms
- Approximately 50% of staff teleworking
- Closed Bell Harbor and Shilshole Bay offices to walk-in visitors
- Installed hand sanitizer dispensers around facilities
- Developed financial relief plan
- Restricted public access to:
 - SBM parking lot
 - SBM plaza
 - Picnic tables and benches
 - Public restrooms at A-1 bldg.
 - A-Pier and X-Dock
- Created signage similar to the City of Seattle's, "Keep It Moving"
- Installed plexiglass at front desk counters

With Covid-19 health awareness in the forefront, staff must continue to manage marina operations. With this understanding, the following information provides an overview of the critical operations that continue in these unprecedented times.

Portfolio

The Port owns and operates four recreational marinas in Seattle including:

- **Shilshole Bay Marina:** The second largest marina in the state of Washington accommodating over 1,400 recreational vessels and home to Washington's largest liveaboard community with capacity for 350 liveaboard vessels

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- **Bell Harbor Marina:** The only marina in downtown Seattle and is open to guests year-round to tie up amid Seattle’s iconic attractions like Pike Place Market and the Seattle Waterfront
- **Harbor Island Marina:** Located south of downtown Seattle on the Duwamish River. This Marina is convenient to West Seattle neighborhoods and the South Sound
- **Salmon Bay Marina:** Just inside the Ballard Locks and next to the Ballard Bridge, it offers both covered and uncovered freshwater monthly moorage

Port of Seattle marinas are Puget Sound favorites and are widely regarded as the premier boating and sailing centers of the Northwest.

Shilshole Bay Marina:

- 1,400+ slips
- 350 liveaboard vessel contracts
- 80% sailboats and 20% powerboats
- Tribal moorage
- Boat Yard
- Fuel Dock
- Ballard Kayak Storage
- Corinthian Yacht Club

Business Challenges:

- Parking
- Public Transportation to/from Ballard
- Limited capacity for liveaboard demand

Opportunities:

- Parking Analysis (underway)
- Conversation with Metro about shuttle service

Customer Programs and Industry Engagement:

- Dock captain meetings
- Customer events: Shilshole Boatfest; Earth Day; National Night Out; and Deck the Hulls
- Industry engagement: Seattle Boat Show; Northwest Marine Trade Association; Pacific Coast Congress; and Propeller Club

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Bell Harbor Marina:

- 40 slips
- 90% powerboats and 10% sailboats
- Monthly moorage during off-peak season (September-May)
- Tribal moorage

Business Challenges:

- Plaza usage for events sharing with Cruise
- Events coinciding with monthly moorage program
- Weekday guest moorage demand

Opportunities

- Marketing initiatives to increase weekday guest moorage

Customer Programs and Engagement:

- Clipper Round the World
- Classic Weekend
- Trawlerfest
- Seattle Boat Show

Harbor Island Marina:

- 80 slips
- 83% recreational boats
- 17% commercial vessels

Business Challenges:

- West Seattle Bridge emergency response
- Outdated restroom and shower facilities

Opportunities

- Replacing restroom and shower facilities
- Commercial dock redevelopment

Salmon Bay Marina

- 170 slips
- 90% covered slips and 10% uncovered slips

Business Challenges:

- Capital upgrades; Roof Replace, docks D & E

Capital Programs

- Shilshole Customer Service Buildings and Parking Lot Improvements
- Harbor Island Marina E Dock Rehabilitation

Environmental Sustainability

Green Marine Certified

The Port of Seattle became the first US Port in North America to become a member of the Green Marine program. The Green Marine program is an environmental certification program for the North American marine industry. Shilshole Bay Marina has consistently achieved a high level of success through the Green Marines evaluation framework.

Enviro Stars

The Port of Seattle's Bell Harbor, Harbor Island and Shilshole Bay Marinas are members of the Enviro Stars program which showcases the dedication to protect the environment, become more efficient, and be a "Green Leader".

Clean Marina

As certified Clean Marinas, Bell Harbor, Harbor Island and Shilshole Bay Marinas showcase leadership in environmental protection. The efforts identified by the Clean Marina program helps protect salmon, shellfish and other valuable resources as well as improving safety and working conditions for staff and the general public.

Earth Day

Shilshole Bay Marina is the proud host of an annual Earth Day event involving local partners, tenants, and the community. The annual event celebrates the Port of Seattle's commitment to the community and environment.

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Solid Waste Management

Port Marinas strive to reduce environmental footprint from operations. The Port of Seattle has developed a solid waste management plan to identify opportunities to increase waste diversion to minimize the amount of wastes being disposed of in local landfills.

2019 Financial Performance

<u>2019 Revenue</u>	<u>SBM</u>	<u>BHM</u>	<u>HIM</u>	<u>TOTAL</u>
<i>Monthly Moorage</i>	10,111,826	99,662	441,045	10,652,533
<i>Guest Moorage</i>	436,966	354,686	195	791,847
<i>Utility Sales and Other Revenue</i>	988,953	31,013	19,538	1,039,505
Total Revenue	11,537,745	485,361	460,778	12,483,885
<u>2019 Expenses</u>				
<i>Operating Expenses*</i>	9,310,806	1,301,461	546,399	11,158,665
<i>Depreciation Expenses</i>	2,211,069	470,360	81,305	2,762,735
Total Expenses	11,521,875	1,771,821	627,704	13,921,400
2019 Net Income	15,870	(1,286,459)	(166,926)	(1,437,515)

** Includes \$152,917 one-time favorable true up.*

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation Slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None