



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

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Meeting Date: February 15, 2007

TO: Standing Committee on City Services and Budgets
FROM: General Manager of Corporate Services / Director of Finance
SUBJECT: 2007 Heather Marina Moorage and Other Fees

RECOMMENDATION

- A. *THAT the moorage rates at the Heather Marina be increased by 14% effective April 1, 2007 as detailed in Appendix B, reflecting adjustments for market conditions and for inflationary increases in anticipated expenses.*
- B. *THAT the fees for electrical service for recreational and liveaboard boaters at Heather Marina be increased by 3.54% effective April 1, 2007 as detailed in Appendix B, reflecting the net increase in rates by BC Hydro in 2006.*

COUNCIL POLICY

It has been Council policy that the Heather Civic Marina moorage rates reflect but do not lead the local market.

Moorage rates at the Heather Civic Marina have been adjusted annually to reflect cost increases and current market conditions.

PURPOSE

The purpose of this report is to seek Council approval of moorage rates and other fees and charges at the Heather Civic Marina for the period from April 1, 2007 to March 31, 2008.

BACKGROUND

The City of Vancouver owns two marinas, both situated in False Creek and managed by the Park Board. The Heather Civic Marina has 254 mooring berths, including 27 liveaboard berths, while the Burrard Civic Marina has 471 berths.

Heather Marina is an asset of the Property Endowment Fund (PEF), and is operated as a business rather than a public service. Moorage and other fees are generally at or near market levels such that operating expenses are covered and the net income accrues to the PEF. The allocation of the net income to the PEF is in recognition of the fact that depreciation is not charged to the Marina and its eventual replacement will be funded by the PEF. The net revenue also provides a return on investment to the PEF. Moorage and other fees and charges are set annually by Council.

On February 16, 2006 Council approved a 2.8% increase in moorage and other fees at the Marina.

DISCUSSION

1. Vancouver Area Moorage Rates

Appendix A provides a comparison of rates as of January 2007 at various marinas in the area and the increase over 2006 rates. Rates at other marinas range from \$8.00 per foot per month (with an additional annual fee of \$800 and a one time fee of \$8,000) to \$12.34 per foot per month. For those marinas that have established recreational moorage fees for 2007, increases have ranged from 5% to 15.5%. The Park Board increased the moorage rates at Burrard Marina by 15.1% for 2007 to keep rates in line with the market.

2. Moorage Rates

Moorage fees at the Heather Civic Marina account for about 90% of the marina's revenues, the balance coming from other fees. Moorage fees reflect the marina's operating costs as well as the market for moorage in False Creek and the Greater Vancouver area.

Table 1 shows the revenues and expenditures for Heather Civic Marina in 2005 and 2006 and the 2007 budget prior to an increase in moorage rates.

Table 1. Heather Civic Marina Revenues and Expenses

	2005 Actual	2006 Actual	2007 Budget
REVENUES			
Moorage	\$839,341	\$838,902	\$824,400
Other revenue	<u>\$74,211</u>	<u>\$81,422</u>	<u>\$85,100</u>
TOTAL REVENUE	\$913,552	\$920,324	\$909,500
EXPENSES			
Maintenance	\$70,205	\$56,239	\$71,500
Management	\$264,301	\$281,144	\$268,100
Utilities	\$52,455	\$59,367	\$76,100
Waterlot Lease	<u>\$35,630</u>	<u>\$37,686</u>	<u>\$37,700</u>
TOTAL EXPENSES	\$422,591	\$434,437	\$453,400
ALLOCATION TO PEF	<u>\$490,961</u>	<u>\$485,887</u>	<u>\$456,100</u>

Based on a review of budgeted expenditures for the marina, current market rates for moorage and increases at other marinas in Greater Vancouver, the Director of Finance recommends that the moorage rates at the Heather Civic Marina be increased by 14% for 2007. The following table summarizes the current and proposed rates. This increase will increase the net income from the marina to approximately \$570,000.

The following table summarizes the current and proposed rates.

Table 2. Recommended Heather Marina Moorage Rates

	Current Fee	Proposed Fee
	per foot, per month	
General Moorage	\$8.74	\$9.96
Liveaboard Moorage	\$9.15	\$10.43

The liveaboard moorage fee includes a 5% surcharge reflecting the cost of the monthly payment option available to owners who live aboard their boats. Liveaboard boat owners who pay their annual moorage in advance can avoid the surcharge reflected in these fees.

The 14% rate increase keeps the moorage rates at Heather Marina comparable with other facilities in Greater Vancouver. Rates at other Greater Vancouver Marinas range from \$8.00 per foot per month (with an additional annual fee of \$800 and a one time fee of \$8,000) to \$12.34 per foot per month. Appendix A provides a comparison of rates as of January 2007 at various marinas in the area and the increase over 2006 rates.

Appendix B provides a comparison of monthly moorage charges for a 30 foot boat in various marinas in the area. For a 30 foot boat, the proposed moorage rate at Heather Marina places it at about the mid point of eight marinas surveyed. When annual and one-time fees that some marinas charge are factored into the analysis, Heather Marina monthly payments for a

30 foot boat are less than all of the marinas surveyed except Burrard Marina. This is consistent with Council policy to neither lead nor lag the market.

The recommended increase also ensures that the relationship between the fees at Heather and Burrard Marinas is maintained. The higher rates at Heather Marina reflect a generally newer and superior facility. A general moorage fee of \$9.96 per foot per month would be \$0.29 greater than the rate at Burrard Marina (\$9.67 before GST, for boats 22 ft. and over).

Temporary (transient) moorage is offered by the day when berths are available. Transient fees are charged at a premium to reflect the short term duration. It is recommended that these fees are increased by 14%. Appendix C provides a detailed breakdown of current and proposed rates and other fees for Heather Civic Marina.

2. Electricity Charges

The use of electricity is available to recreational and liveaboard boaters. It is recommended that this charge be increased by 3.54% to reflect the net increase imposed by BC Hydro in 2006.

NOTIFICATION TO INTERESTED PARTIES

Notification of the proposed changes in moorage rates and other fees at the Heather Civic Marina for 2007 and the date upon which the increase will be considered by City Council has been posted at the Marina.

CONCLUSION

This report recommends a general fee increase of 14% to moorage rates and an increase of 3.54% to electricity charges at the Heather Marina to reflect anticipated cost increases.

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MARINA MOORAGE RATE COMPARISON - AS AT JANUARY 2007

LOCATION	2007 RATES ¹	% CHANGE FROM 2006
Heather Civic Marina - Vancouver	\$9.96/ft/month (Recreational) (proposed) \$10.43/ft/month (Liveaboard) (proposed)	14.0% 14.0%
Burrard Civic Marina - Vancouver	\$8.48/ft/month (21 ft. and under) \$9.67/ft/month (22 ft. and over)	15.3% 15.1%
Coal Harbour Marina ² - Vancouver	\$11.15/ft/month (30 ft. and under) \$11.62/ft/month (34 ft.) \$11.85/ft/month (36 ft.) \$12.34/ft/month (40 ft.)	7.5% 7.5% 7.5% 7.5%
False Creek Marina - Vancouver	Members only: Annual fee of \$800 plus: \$8.00/ft/month (36 ft. and under) \$8.50/ft/month (over 36 ft.) \$0.75/ft/day + \$5.00/day utility (Members - Temporary Moorage) \$1.50/ft/day + \$5.00/day utility (Non-Members - Temporary Moorage) Liveaboards: pay member moorage rates + \$100/month + \$800 (annual fee) + \$8,000 (one time initiation fee)	No change in monthly moorage rate; Annual fee paid by all members increased by 33.3% and one time initiation fee increased by 60.0%
Spruce Harbour Marina - Vancouver	Recreational: \$9.50/ft/mo (all sizes) Liveaboard: \$5.15/ft/mo. +\$46,000 (license and co-op fee)	15.15% increase in recreational moorage; no increase in liveaboard monthly moorage; 5.7% increase in license and co-op fee
Pelican Bay Marina - Vancouver	Annual Rate of \$5,000 to \$16,000	2007 rates not available
Mosquito Creek Marina - North Vancouver	2006 Rates: \$9.39/ft/month (24 feet) \$9.63/ft/month (26 feet) \$10.06/ft/month (30 feet)	Increase from 2005: 6.0% 6.0% 6.0%
Thunderbird Marina - West Vancouver	\$7.58/ft/month (21 ft.) \$9.75/ft/month (26 ft.) \$11.06/ft/month (30 ft.)	5.0% 5.0% 5.0%

Notes:

1. All rates exclude GST
2. Coal Harbour rates have not been finalized. The stated increased is the proposed increase.

COMPARISON OF MONTHLY MOORAGE FOR A 30 FOOT RECREATIONAL BOAT¹

LOCATION	2007 Rates ²	Monthly Moorage	Comments
Spruce Harbour Marina - Vancouver	\$9.50/foot/month	\$438.33	Includes monthly payment of co-op fee (\$46,000 assumed to be amortized over 25 years)
Pelican Bay Marina - Vancouver	\$13.10/foot/month	\$393.08	Based on an annual rate of \$5,000. Annual rates at the marina range from \$5,000 to \$16,000
Coal Harbour Marina - Vancouver	\$11.15/foot /month	\$334.43	
Thunderbird Marina - West Vancouver	\$11.06/foot/month	\$331.80	
False Creek Marina - Vancouver	\$8.00/foot/month	\$306.67	Includes monthly portion of \$800 annual fee
Mosquito Creek Marina - North Vancouver	\$10.06/foot/month	\$301.80	Based on 2006 rates
Heather Civic Marina - Vancouver	\$9.96/foot/month	\$298.91	
Burrard Civic Marina - Vancouver	\$9.67/foot/month	\$290.10	

Notes:

1. Monthly fee includes portion of annual fee where applicable
2. 2007 Rate per foot per month for a 30 foot recreational boat

SUMMARY OF PROPOSED 2007 HEATHER MARINA FEES

Service	2006 Fee, Excluding GST	2007 Fee, Excluding GST
Moorage Fees:		
General Moorage	\$8.74/ft/month	\$9.96/ft/month
Liveaboard Moorage	\$9.15/ft/month	\$10.43/ft/month
Transient Moorage	\$1.06/ft/day	\$1.21/ft/day
Liveaboard Fees:		
Liveaboard Surcharge	\$26.50/month	\$26.50/month
Use of Electricity:		
Liveaboards	\$0.66/KW	\$0.68/KW
Recreational Boaters (15 amp)	\$15.85/month	\$16.41/month