



Subject: Recommended Short-term Moorage Rate Increase

Date: 10/29/18

Commissioners:

During a recent one-on-one conversation with Commissioner Putney I underscored the fact that short-term (nightly) moorage is losing money at both the Boat Haven as well as Point Hudson and that a selective rate increase for this line of business should be considered. Commissioner Putney requested a brief letter summarizing the particulars. (Note this case was made in detail in a prior letter of 10/22/18.)

To summarize, our analysis indicates that BH and PH nightly moorage are losing money with profit margins of **-34%** and **-9%**, respectively. See the attached spreadsheet. Additionally, a review of gateway marina nightly rates indicates that Port Townsend's current rate of \$1.25 per foot puts it at the bottom of the pricing spectrum as shown in the table below.

JeffCoMTA recommends, therefore, raising nightly rates by 12% to \$1.40. This accomplishes several things. First, it brings nightly rates in line with other marinas. Second, it improves the profitability of this line of business (although still remaining negative), and third, it generates more revenue than an automatic CPI increase to long-term moorage (**\$50,520** vs. **\$34,150**). In summary, the port will make more money on a selective rate increase which improves the profitability of a money-losing business while at the same time enabling the Commission to act in the interests of community-minded access to port resources.

Gateway Marinas	Per foot under 40'
Port Townsend	\$1.25
Sidney Marina	\$1.40
Friday Harbor	\$1.40
Edmonds Marina	\$1.45
Victoria Harbor Marina	\$1.48
Shilshole	\$1.75
Cap Sante Marina Anacortes	\$1.38

Respectfully,  
Jeff Kelety  
JeffCoMTA

cc:  
Jim Pivarnik  
JeffCoMTA Steering Committee