

To:
Commissioners of the Port of Port Angeles

From:
Marina Advisory Committee

January 16, 2020

Problem:

The John Wayne Marina in Sequim will require major investments in the next 10 to 20 years. The Port Commissioners state that the Port cannot meet these financial obligations.

Facts bearing on the problem:

1. No financial provisions have been made to cover future expenditures.
2. The shoreline master plan as well as the provisions, implied or directed, of the original deed by the John Wayne family place certain restrictions on the possible solutions.
3. There is little room for expansion possibilities in the present lay out of the Marina.
4. The Commissioners would like to hand over management of the Marina to another entity.
5. Only three parties have shown interest in taking over the Marina.

Option 1:

The City of Sequim showed an interest in taking over the Marina.

Pros:

1. The City would assure public access to the water.
2. The City would comply with the shoreline Master Plan.
3. The Marina would remain with a Public entity.

Cons:

1. The City goes on the assumption that the Port will turn over the assets without reimbursement.
2. The City has no experience in running a Marina.
3. Without use of General Funds, the financial future of the Marina is doubtful.
4. No plan for the future of present Marina employees.
5. The same restrictions for rebuilding as the Port in terms of costing.

Option 2:

Marsh Andersen LLC provided an offer to take on the Management of the Marina.

Pros:

1. The Company is established in the North West and already manages a few Marinas.
2. Their plan includes taking over present employees.
3. They have experience in replacing obsolete docks.
4. The Company acknowledges the necessity for keeping public access and involving the community in their activities.
5. Andersen acknowledges the fact that financial investments will be required.
6. The Port would continue to receive revenue from the Marina operation and retain ownership.
7. Has experience in rebuilding marinas.

Cons:

1. Unsure of financial viability for the long term.
2. Small management team.
3. Did not provide references from presently managed Marinas.

Option 3:

Safe Harbor would like to take on the management of John Wayne Marina.

Pros:

1. Safe Harbor operates many Marinas throughout the US except in the PNW.
2. The Company has a large Management team.
3. Safe Harbor appears to be financially capable of long term operations.
4. The Company desires to expand its operation into the PNW.
5. Experience in rebuilding marinas
6. History of interaction with Municipalities.
7. Port retains possession of the marina.

Cons:

1. Lack of experience operating in the PNW.
2. Regional management would be in northern California, not in the PNW.
3. John Wayne Marina would be a small fish in a big pond.

Option 4:

That the Port of PA continue to operate the John Wayne Marina.

Pros:

1. There would be no interruption in the management and operation of the Marina.
2. The Port is completely familiar with the problems affecting the Marina.
3. The Port is knowledgeable in all the rules and requirements of operating a Marina in the State of Washington.

Cons:

1. The Port is not prepared to cover the expenses that will be incurred in the next 10 to 20 years.
2. The Port is restricted in labor cost negotiations.
3. The 60 cent to 1 Dollar comparison would apply when confronted with major repairs and/or replacements.

Recommendation:

1. That the Port Staff consider mainly Options 2 and 3.
2. That members of the Staff visit Ports operated by Andersen and Safe Harbor to get performance evaluations from active Units.
3. That the Staff evaluate the financial stability of both Companies.
4. That a final decision be made within the next 6 month before a further deterioration of the condition of the John Wayne Marina occurs.
5. That the future of the present employees be taken into consideration.
6. That the public, Marina occupants, the Tribe, and John Wayne enterprises be kept informed of the decision making process.
7. That oversight over the lease agreement is clearly spelled out, including possible termination of the agreement in case of non-compliance with the provisions of the contract.
8. That Handicap Access be a requirement and part of any renovation.