



City and Borough of Wrangell
Port Commission
AGENDA

Thursday, January 20, 2022
6:00 PM

Location: Zoom

Here is the Zoom information. If it will be by Zoom, you need to modify your public notice to state that and included just the link so if someone wants to join:

To Join by Computer:

<https://zoom.us/j/9078742381?pwd=MTNqSEdncjRyakh2UCtMVUNxMndYUT09>

And Enter the Meeting ID: **907 874 2381**

Then Enter Password: **99929**

Here is what you need to provide to the Commission:

To Join by Computer:

<https://zoom.us/j/9078742381?pwd=MTNqSEdncjRyakh2UCtMVUNxMndYUT09>

And Enter the Meeting ID: **907 874 2381**

Then Enter Password: **99929**

OR

To use your phone, call one of the following numbers:

+1 669 900 9128

+1 346 248 7799

+1 301 715 8592

+1 312 626 6799

+1 646 558 8656

+1 253 215 8782

And Enter the Meeting ID: **907 874 2381**

Then Enter Password: **99929**

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES (*MOTION - Move to approve the Minutes, as presented*)

[a.](#) Port Commission Minutes 12/16/2021

4. AMENDMENTS TO THE AGENDA

5. CORRESPONDENCE

6. PERSONS TO BE HEARD

7. HARBORMASTER'S REPORT

[a.](#) Harbormaster Report January 2022

[b.](#) Wrangell Marine Service Center Business Plan

8. COMMISSIONER REPORTS

9. UNFINISHED BUSINESS

10. NEW BUSINESS

11. NEXT AGENDA ITEMS

12. ADJOURN

Minutes of the Regular Wrangell Port Commission Meeting

Held December 16th, 2021

Chairman John Martin called the Regular Port Commission meeting to order at 6:00 p.m. December 16, 2021, via Borough Assembly Chambers

PRESENT: Martin, Yeager, Buness,
ABESENT: Roppel, Morrison

Harbormaster Steve Miller was also in attendance.

APPROVAL OF MINUTES

- a. Approval minutes from meeting November 4, 2021

M/S: Yeager/Buness to approve the minutes, as presented. Motion approved unanimously.

AMENDMENTS TO THE AGENDA - None.

CORRESPONDENCE/PERSONS TO BE HEARD – None.

HARBORMASTER'S REPORT

Miller reported that at the last assembly meeting the City Council narrowed down the CIP list to 15 projects. The Port & Harbor Department have 3 projects on the list and rating in at #6 – the barge ramp, #7 Meyers Chuck dock & #8 Inner Harbor Renovation. The hope is to accomplish these new projects with future grant money geared towards infrastructure and transportation. Miller explained the latest trip to Meyers Chuck to install the new airplane float. The crew allotted for 4 days to get the project done but were able to do it in 10 hours. The Marine Service Center is at compacity and boats need to be launched before future vessels can be hauled out. This is a good thing; all vendors are busy working on projects. Miller will be working with the City Manager on the bid packet for the barge ramp. The packet will be going out in the month of January.

COMMISSIONER REPORTS

Yeager asked Miller about the status of the broken hoist. Miller explained that the parts are now in and will be installed soon. Buness questioned how many hoists are currently operational and Miller stated that out of 4 hoists, 3 are working. Yeager stated that he was very happy with the work being done at the Harbor Department from all the crew. He wanted to make sure everyone was watching out for each other and remember to be extra safe during the Winter Season. Martin asked about the Harbor Software and it was explained to him that it's been officially one year with the new Harbor Software. The Harbor Department likes the new software and hoping to add the matching credit card system to do automatic payments. Martin also asked for an update on the camera system, Miller stated that the project is close to going out to bid.

UNFINISHED BUSINESS- None.

NEW BUSINESS

10a Tourism Best Management Practices

Discussion - # 3 & 4 is related to the Port and Harbor Department. The manual is following the practices of Juneau. Miller stated that the manual looks like normal policy and procedure for the Port and Harbor Department. Yeager commented that managing the cul-de-sac for parking can be challenging and the Port & Harbor department can not be expected to manage that all day. Tour operators use the summer float to offload clients and typically not Reliance Harbor. Yeager also mentioned that the summer float gets congested and boat operators should not be parking there for an extended period of time, especially if they have already offload clients for the day. Miller suggested that there be a section on policy and procedure for lightering boats during cruise ship days. Martin stated that we don't want this manual to put extra work on the Port and Harbor Department.

NEXT AGENDA ITEMS – None.

The next Regular meeting Jan. 6th, 2021

Regular meeting adjourned at 6:35pm

Harbormaster Report January 2022

Administration: I would like to welcome Jeff Good as the new full time City Manager. I look forward to working with Jeff on future projects for the Harbor Department.

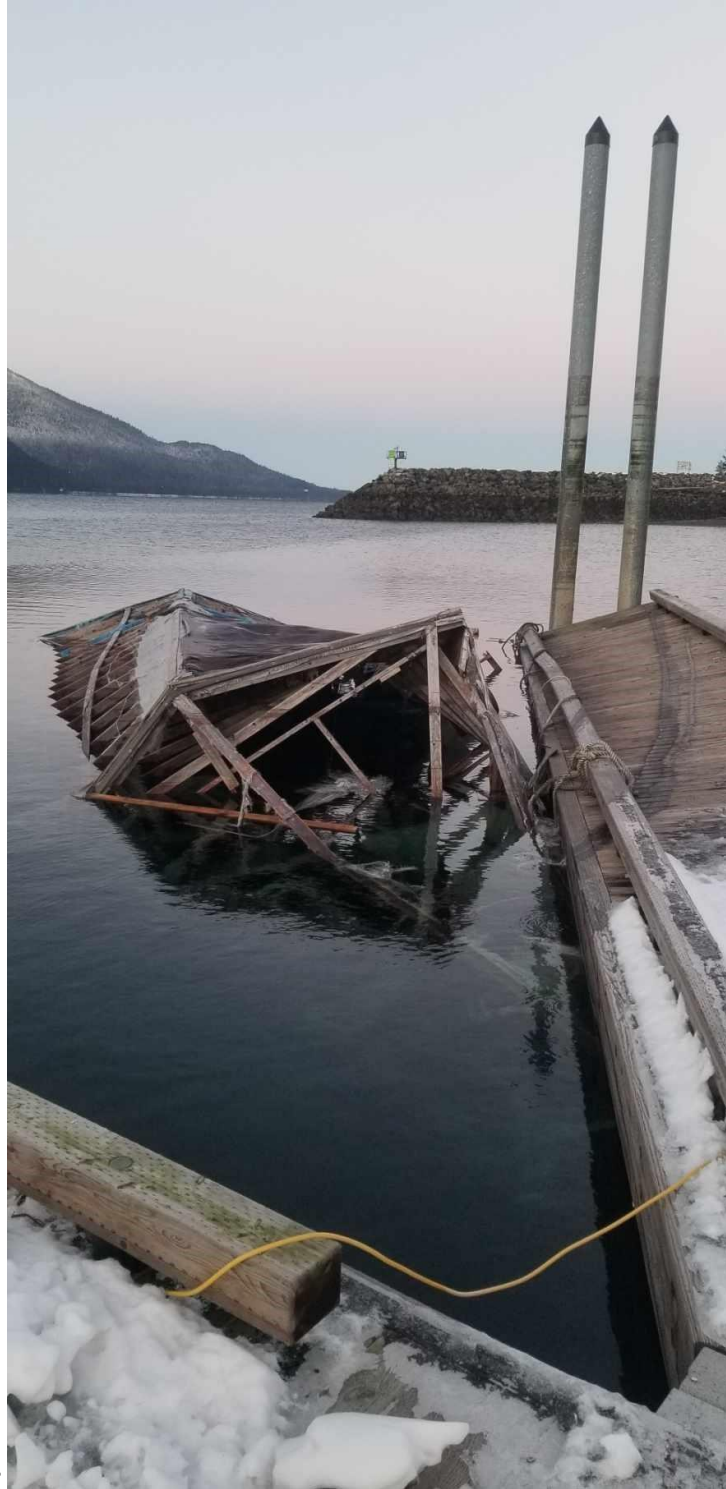
The annual storm water pollution prevention plan report along with all quarterly reports have been submitted to DEC for the Marine service center. This is an online report that includes water sampling and any deficiency's we may find in our mitigation program. These may include drains not working properly or swales that may have moss growing in them and not allowing the water to flow to the drain or even paint that may have been spilled. All of these examples are immediately dealt with and documented in our quarterly reports.

Our Marine Service Center 30-Year Cost – Benefit Analysis is complete. This is a very good tool for us to use to be able to set rates that will ensure our viability into the future. City staff and I will be bringing some new rate structures forward in the very near future.

The Seattle Boat Show will take place February 4nd thru the 12th. This is a very fun show with lots of entertainment value. If you're in Seattle please go say hi to our team that will be representing Wrangell.

Harbor Dept: With the extremely unusual early winter snow and cold we experienced this year the crew has been busy keeping parking lots and docks cleared of snow. We have had to close the Shoemaker Bay restrooms due to the water line that feeds them has frozen in the ground. Our office restrooms have also been affected. The sewer line that is buried also froze and these restrooms are also inoperable.

We had 6 vessels that needed urgent care that almost sunk either from frozen and broken thru hulls or overloaded with snow. We lost one vessel the Bee a 60' tug boat at shoemaker bay. We had to use the services of Alaska commercial Divers due to the size of the vessel. It took 4, 20k lb float bags to get it off bottom enough to get it to the beach. We were lucky as this vessel had no fuel or oils on board. I would like to thank our Harbor Staff for their prompt response to the emergency's we had in the harbor over the last month.



Bee Sinking



Bee Salvage

Bee Salvage

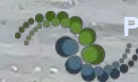
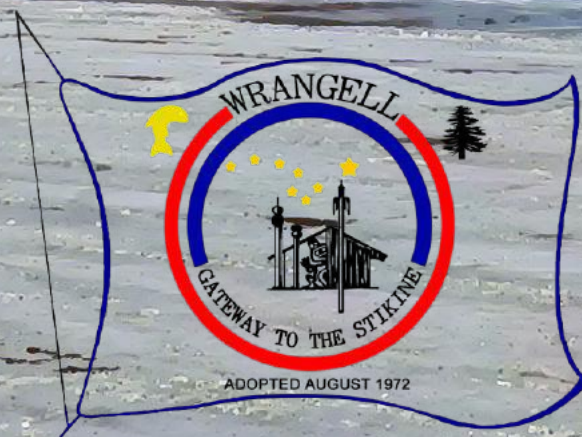


Sea Chest frozen and wet heavy snow overload.



Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

January 2022



Prepared by
Rain Coast Data

Rain Coast Data Technical Memo for the City and Borough of Wrangell

January 2022

Wrangell Marine Service Center 30-Year Cost-Benefit Analysis

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Summary of Findings

Project Description

Wrangell's Marine Service Center is a 7-acre area with 150-ton and 300-ton haul-out lifts and a 40-ton hydraulic trailer operated and managed by the City and Borough of Wrangell. It includes a wash down area and upland storage for over 85 boats.



Private businesses that lease space in the area provide repair, maintenance, fabrication, and marine industry skills to serve vessel owner needs. The Marine Service Center primarily caters to commercial fishing boats but also accommodates recreation and other commercial vessels.

The purpose of this technical memo is to assist the City and Borough of Wrangell in understanding the long-term costs and revenues associated with the Marine Service Center.

The Rain Coast Data team developed a Marine Service Center 30-year cost analysis which analyzes the long-term costs of the Wrangell shipyard including maintenance costs, life of infrastructure assessments, replacement costs, operating costs, and income analysis. This includes return-on-investment projections, long-term City and Borough of Wrangell staffing costs, and revenue projections based on user fees and lease rates. The analysis also includes summaries of 5- and 15-year ROI assessments.

Accompanying this document is a dynamic excel-based tool. Because the Marine Service Center includes many differing variables, choices, and lease elements, the tool allows these variables to be changed so that the City and Borough of Wrangell can see how future costs change based on differing input selections.

This study also includes a competitive pricing analysis. Executive interviews were conducted with representatives from shipyards in nine Alaska and Washington communities were conducted to understand comparative cost structures for various services such as boat storage, haul out fees, lease costs by square foot, and other services as directed by Wrangell Ports and Harbors.

Marine Service Center Return on Investment Analysis Summary

Based on the current rate structure, Wrangell's Marine Service Center will operate at a loss over the next 5, 15, and 30 years.

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment. Based on the assumptions programmed into model below, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of just 66 cents for each dollar invested.

Since there are so many variables and choices involved in these calculations, this deliverable includes a dynamic excel-based tool in which variables, such as vessel storage fees, lease agreement elements, capacity used, and annual inflation can be changed and new ROIs calculated. For example, increased utilization of the short-term and longer-term vessel storage yards would result in a ROI greater than 1.

Return on Investment Analysis Summary Results (No rate increases version)

Measure	5 years	15 years	30 years
Vessel Storage Revenue	\$901,584	\$2,885,069	\$5,589,821
Haulout Revenue	\$911,250	\$2,916,000	\$5,649,750
Business Lease Revenue	\$286,008	\$915,226	\$1,773,250
Other Revenue	\$70,000	\$224,000	\$434,000
Total Revenue	\$2,168,842	\$6,940,294	\$13,446,820
Labor Costs	\$1,148,943	\$4,115,163	\$9,356,491
Capital and Maintenance Costs	\$1,256,823	\$4,021,833	\$7,792,302
Other Costs	\$389,002	\$1,393,287	\$3,167,863
Total Costs	\$2,794,768	\$9,530,283	\$20,316,656
Return on Investment Ratio	0.78	0.73	0.66

The assumptions that went into the model presented above are detailed in Cost Benefit Analysis section of this report.

Wrangell Marine Service Center Rate Comparison Summary

An analysis of 14 rate structures for shipyards across nine Alaska and Washington communities were analyzed and compared to Wrangell's rates. A summary key of fee comparisons is below:

Short-term vessel storage: Short-term storage areas are generally for vessels that are being actively worked on. In the Wrangell Marine Service Center there are 30 spaces for vessels in this work area. While there are conceptually 34,290 square feet of billable short-term work space in Wrangell, the maximum functional utilization is approximately 21,000 square feet with a fee of \$0.59 per square foot per month. The work yard is full 9 months per year and at a lower capacity during the summer months. The average **short-term** cost of leasing shipyard space to work on a vessel in Wrangell is \$637 for a 60-foot boat. Wrangell's rate is 47% below the study average of \$1,208 per month for a 60-foot vessel. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

Wrangell's Rate
47%
below average
for a 60-ft
vessel

Long-term vessel storage: Long-term storage is for vessels that need to be stored on land for longer periods. Wrangell's Marine Service Center charges \$0.37 per square foot per month for this type of vessel storage, with 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full. The average **long-term** cost of renting shipyard space to store a 60-foot vessel in Wrangell is \$400 per month, which is 52% below the average study rate of \$829 per month. Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

Wrangell's Rate
52%
below average for
a 60-ft vessel

Marine Lift Fee: The Wrangell Marine Service Center has 150-ton and 300-ton boat lifts, and hauls out 250 vessels annually, on average. Wrangell's average rate falls 41% below the average rate for comparable shipyards. The overall average haul out rate for the 11 boat lifts in this analysis is \$13.28 per foot of vessel length, while in Wrangell it is \$9.43 – after adjusting for minimum fees. The cost to lift a 60-foot vessel in Wrangell is currently just under \$600.

Wrangell's Rate
41%
below average fee
per vessel foot

Business Lease Rates: Wrangell has 9 business leases encompassing 46,115 square feet. Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Comparable rates were available at four of the shipyards in the study. Wrangell has the lowest minimum rate and overall average business lease rate. Comparable lease rates in Juneau and Seward are 8 to 10% of assessed property value, with the values reassessed every 5 years.

Wrangell's
Business Lease
Rate
200%
below study
average

Environmental Fee: Most shipyards charge an environmental fee when lifting boats out of the water. Wrangell has the lowest environmental fee of any community at \$15 per vessel. The average environmental fee for a 60-foot vessel is \$84, more than 5 times higher than Wrangell's fee.

Importance of the Marine Service Center to the Wrangell Economy

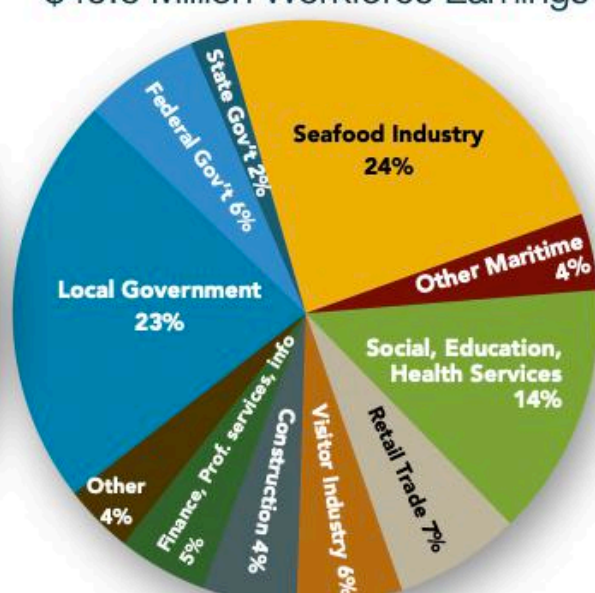
The City and Borough of Wrangell has restructured its economy and identity many times over the years. When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. Reeling from these losses, community leaders reviewed their remaining assets and refocused on developing and supporting maritime resources. Immediately the community set about enhancing its locally-based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The most critical piece of infrastructure is the community's Marine Service Center, as it provides services to the local fishing fleet and other private and commercial vessels. Between 2008 and 2018, the average value of the Wrangell fishery was \$5 million (adjusted for inflation) and the average volume landed was 3.2 million pounds. Wrangell's seafood and industrial maritime sector comprises 23% of all local jobs, and 28% of all local wages. In Wrangell there were 267 private "blue jobs"—as maritime jobs are sometimes called—with \$14 million in associated workforce earnings in 2018. It is the community's largest sector outside of Wrangell's government sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell's maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates an increasingly significant level of jobs and wages. In 2018, there were 50 year-round equivalent annualized jobs associated with the shipyard.

The Whole **Wrangell Alaska Economy** 2018

Annualized Jobs
1,151 Jobs



Employment Earnings
\$49.6 Million Workforce Earnings



Cost Benefit Analysis Overview

To understand long-term economic impacts, a rate of return on investment for public dollars was developed. The following section summarizes the results and outlines the Marine Service Center costs, revenues, and assumptions used in this analysis. The results of the ROI show the value of the cash flows that occur over the analysis period (2022– 2052) with nominal rates in place of discounted rates to show net revenue for each future year (rather than presenting these numbers in 2022 dollars).

Return on Investment (ROI) is equal to the sum of revenue divided by the sum of costs. If ROI is greater than 1, the operation is profitable. If ROI is less than 1, the operation is unprofitable. Another way of thinking of ROI is it shows how many dollars will be earned by the City and Borough of Wrangell for each dollar of public investment.

Benefit-Cost Analysis Summary Results

Measure	5 years	15 years	30 years
Vessel Storage Revenue	\$901,584	\$2,885,069	\$5,589,821
Haulout Revenue	\$911,250	\$2,916,000	\$5,649,750
Business Lease Revenue	\$286,008	\$915,226	\$1,773,250
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Total Costs	\$2,794,768	\$9,530,283	\$20,316,656
Return on Investment Ratio	0.78	0.73	0.66

Based on the assumptions inputted into the model above, in the next five years the CBW will earn 78 cents for each dollar invested in the Marine Service Center, while by year 30 the CBW will see a return of 66 cents for each dollar invested.

Dynamic Excel-Based Tool

Because the ROI model includes so many differing variables and choices, and because information informing the decision matrix that goes into these variables changes over time, this document includes a dynamic excel-based tool in which variables can be changed, so that the City and Borough of Wrangell can see how the ROI will change based on differing input selections.

Entering new values

Should the CBW want to consider what the ROI would look like with higher values, these can be entered using the excel-tool. **Any of the light blue boxes can be altered.**

[illegible]

Using the example presented above, if the utilization of the short and long term storage fees increased to 50% during the low season, the short term storage rate fee was increased to \$1.00 per square foot, and an annual rate increase of 5% for all vessel storage was implemented, the ROI would be 1.01 over the next five years. In other words, the yard would earn a profit, with five-year total expenses remaining nearly \$2.8 million with revenues increasing to \$2.8 million. In years 15 and 30 of this scenario, the ROI would be 1.13 and 1.37, respectively.

In addition to changing the blue boxes, any cost assumptions can be changed. In the "Other Cost" tab presented below, the annual cost of insurance, fuel, or other expenses can be altered, along with expected annual cost increases. Any additional annual costs can be added here as well.

Annual cost increase	2%
Expense	Amount
Materials & supplies	\$10,000
Fuel	\$7,000
Utilities	\$15,000
Derelict vessel disposal	\$15,000
Membership & dues	\$750
Insurance	\$27,000
Total annual	\$74,750

Assumptions in ROI Model Baseline

Annual Cost Increases: For all annual costs the dynamic ROI model has been set to 2% annual cost increases. These numbers can be updated by cost category if different annual cost increases are expected.

Annual Rate Increases: The model in its original setting has no rate increases at all over the next 30 years. Since rate increases represent policy making, these cells have been set at 0%, with the expectation that the City and Borough of Wrangell will explore changing these rates to achieve a better ROI over time.

Maintenance Costs: This analysis assumes that annual maintenance costs will be 1.5% of capital cost every 5 years and 3.72% of capital cost every 15 years. These assumptions were developed as a standard starting point for Alaska marine service yards. (Source: Northern Economics "Petersburg Waterfront Master Plan: Rate Study and Financial Considerations" presentation by Mike Fisher on October 4, 2017 at the AAHPA Annual Conference.)

Capital Costs and Replacement Schedule: The replacement schedule for equipment was provided by the City and Borough of Wrangell. For the model, the 2021 replacement costs were estimated to increase by 2% annually through the actual replacement year.

Capital Replacement Schedule and Costs of Marine Service Center Equipment

Equipment	Original purchase cost	Replacement year	Replacement cost in 2021 dollars
150 Metric ton lift	\$960,000	2036	\$1,100,000
300 Metric ton lift	\$1,135,000	2043	\$1,207,000
45 ton trailer	\$95,426	2048	\$110,000
Cat Loader	\$124,719	2038	\$216,000
Fork Lift	\$15,000	2041	\$38,000

Haul Out Revenue: Haul out revenue includes the fee for using the marine lift and the environmental fee of \$15 per vessel. The model is set to 250 roundtrip haul outs annually. The average vessel hauled out is 50-feet in length, and therefore a 50-ft vessel is used for ROI modeling purposes.

Vessel Storage: The value the model returns for vessel storage, \$180,317 per year, is slightly higher than the CBW is currently showing in its budget. The model assumes that the maximum short-term yard capacity is just 21,000 square feet (even though there are conceptually 34,290 square feet of short term work space), and assumes 90% utilization six months out of the year, and 30% utilization the other six months. Likewise, the long-term storage is assumed to be at 90% capacity six months out of the year, and at 30% capacity for the other six months.

Labor Costs: The model assumes that it takes two full-time staff to run the Marine Service Yard. The model also assumes that 20% of the harbormaster and admin assistance is also dedicated to running the shipyard. Labor costs, like all other costs, are set to increase at 2% annually.

Rate Study Overview

The City and Borough of Wrangell Port and Harbors asked Rain Coast Data to analyze current cost structures and rates at the Marine Service Center and compare them to specific shipyards in Alaska and Washington state. Fees and rates examined included short- and long-term storage, marine lift costs, business lease rates, environmental fees, and other services provided by shipyards throughout Alaska and Washington state. Shipyards surveyed in Alaska include: City and Borough of Wrangell, City of Hoonah, City and Borough of Juneau, City of Seward, and the City of Sitka. Washington state shipyards surveyed include: City of Port Townsend, City of Seattle, and Seaview shipyards in Bellingham and Fairhaven. Information for this report was collected in October and November of 2021 using rate cards and interviews with harbormasters and engineers at municipal shipyards, and administrative and managerial staff at private facilities.

Wrangell's fees fall below the average rates among the shipyards surveyed for this report in every metric and are the lowest in several categories. The shipyards surveyed in this study use varying rate structure when calculating costs for storage, vessel haul out, and environmental fees. In order to make comparisons between shipyards with varying rates structures, the overall costs were calculated using 40-foot and 60-foot vessels as a baseline.



Monthly storage and work yard fees

Fees and rates refer to the associated costs of long- and short-term storage. Long-term storage typically refers to the seasonal storage of working vessels, whereas short-term storage is most often associated with repairs and maintenance conducted in a work yard. To see a full analysis of comparison costs, see table on page 5.

The average **short-term** cost of leasing shipyard space to work on a 60-foot vessel in comparable communities ranges from \$360 per month in Seward to \$2,700 in Bellingham. The fee in Wrangell is \$637, which is 47% below the overall average fee of \$1,208 per month. Wrangell's short-term space rate for a 40-foot vessel is 60% below the study average.

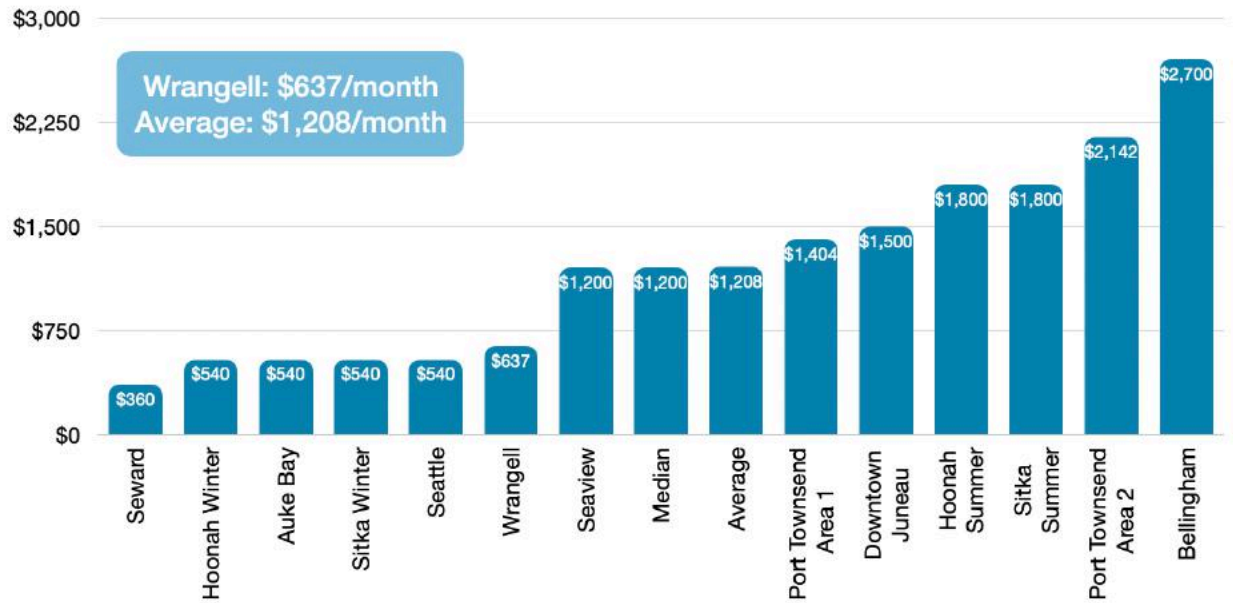
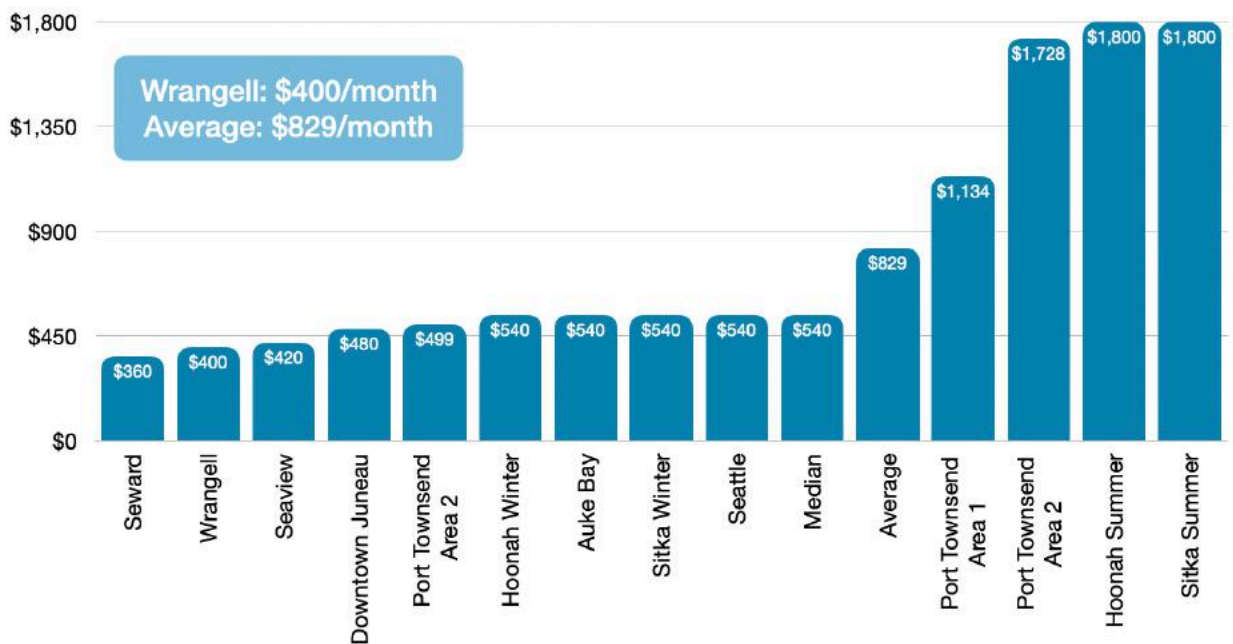
The average **long-term** cost of renting shipyard space to store a 60-foot vessel in the comparable communities ranges from \$360 per month in Seward to \$1,800 during the summer months in Sitka and Hoonah. The fee in Wrangell is \$400 per month, or 52% below the average study rate of \$829 per month.

Wrangell's longer-term storage rate for a 40-foot vessel is 61% below the study average.

Storage rates at all facilities were calculated over a 30-day period for both long- and short-term storage. In situations where storage was determined by square footage, costs were calculated using vessels that were 40'x14' and 60'x18'. It's important to note that some shipyards implement higher rates during peak season in the summer or lower rates during the winter off-season.



The charts on the following page compare the cost of storing a 60-foot vessel in a short-term work yard, and a longer-term storage yard.

Figure 1: **Short-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft VesselFigure 2: **Long-term** Storage Fees: A Comparison of Monthly Storage Costs for a 60-ft Vessel

Short-term and Long-term Storage Fees: A Comparison of Monthly Storage Costs

Name	Size (acres)	Short-term cost structure	Monthly Rate		Long-term cost structure	Monthly Rate	
			Short-term storage (40')	Short-term storage (60')		Long-term storage (40')	Long-term storage (60')
City and Borough of Wrangell	7	\$.59/sq ft/ month	\$330	\$637	\$.37/sq ft/ month	\$207	\$400
City of Hoonah (peak season, May-July)	3.5	\$1/ft/day	\$1,200	\$1,800	\$1/ft/day	\$1,200	\$1,800
City of Hoonah (non-peak, Aug-Apr)		\$.30/ft/day	\$360	\$540	\$.30/ft/day	\$360	\$540
City & Borough of Juneau Auke Bay Loading Facility	0.83	\$.50/sq ft/ month	\$280	\$540	\$.50/sq ft/day	\$280	\$540
Juneau Fisheries Terminal (downtown)	0.45	\$50/day	\$1,500	\$1,500	\$8/ft/month	\$320	\$480
Seward Marine Industrial Complex - 50-ton lift	35	\$.20/ft/day	\$240	\$360	\$.20/ft/day	\$240	\$360
City of Sitka (peak, May-July)	3.5	\$1/ft/day	\$1,200	\$1,800	\$1/ft/day	\$1,200	\$1,800
City of Sitka (non-peak, Aug-Apr)		\$.30/ft/day	\$360	\$540	\$.30/ft/day	\$360	\$540
Seaview (Bellingham)	7	\$1.50/ft/ day	\$1,800	\$2,700	na	na	na
Seaview (Fairhaven)		\$20/ft/ month	\$800	\$1,200	\$7/ft/ month	\$280	\$420
Port Townsend (work yard - 70/75-ton lift)	11	\$.78/ft/ day	\$936	\$1,404	\$.63/ft/day	\$756	\$1,134
Port Townsend (work yard - 300-ton lift)		\$1.19/ft/ day	\$1,428	\$2,142	\$.96/ft/day	\$1,152	\$1,728
Port Townsend (non-working, long-term)		na	na	na	\$8.32/ft/ month	\$333	\$499
Port of Seattle Fishermen's Terminal and Maritime Industrial Center	6	\$.50/sq ft/ month	\$280	\$540	\$.50/sq ft/ month	\$280	\$540
Average	8.25		\$824	\$1,208		\$536	\$829
Median	6		\$800	\$1,200		\$333	\$540

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Marine lift rates

The chart below represents the average cost of using a marine lift, based on lifting a 40-ft vessel and a 60-ft vessel. Based on overall averages, the lift fees range from \$6.67 per vessel foot in Seward, to \$25 per foot in Juneau. However, it should be noted that Juneau does not currently have the capacity to lift 60-ft vessels, so the Juneau rate is based on lifting 40-ft vessels only. The overall average for the 11 marine lifts in this analysis is \$13.28 per foot of vessel length. Wrangell's average rate falls 41% below the average rate. In Seward and Port Townsend the fee to use larger lifts is approximately twice the cost of using the smaller lifts.

Figure 3: Average Marine Lift Cost Per Square Foot: Based on 40-ft and 60-ft Vessel Lift Costs



Haul out costs associated with the use of haul out lifts, also commonly referred to as marine lifts or by the specific brand name Travelift, were calculated one way in the following table. Round trip costs can be calculated by doubling the one-way cost for 40-foot and 60-foot vessels.

In situations where a shipyard charged hourly for use of its marine lifts, the time was calculated at 1 hour for lifts 150 tons and under, and 1.5 hours for larger lifts (up to 330 tons). Unforeseen circumstances, such as ballasts not being properly emptied, could double the time and cost of vessel haul outs. The data provided in this report represents a "typical" scenario where no unforeseen circumstances arise. Haul out fees represent the cost of using marine lifts to hoist vessels out of the water for storage and/or repair and maintenance purposes. Most shipyards charge an environmental fee when lifting boats out of the water. Some shipyards roll these fees into marine lift rates, whereas others charge a separate fee.

Marine Lift Fees by Vessel Length

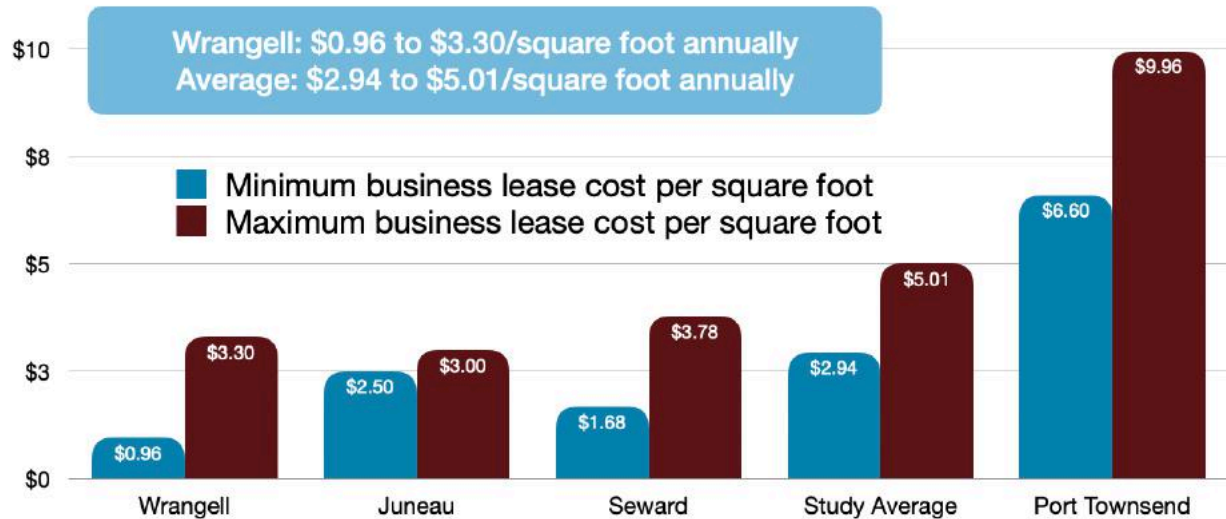
Name	Capacity (tons)	Lift cost structure 40'	Fee (40')	Lift cost structure 60'	Fee (60')	Average Fee per ft (based on 40' and 60' lifts)
City of Wrangell Harbors	150 / 300	\$6.55/ft (min \$357.20)	\$357	\$7.14/ft (min \$595.33)	\$595.33 (assumes 300 ton lift)	\$9.43
City of Hoonah Harbors	220	\$15/ft	\$600	\$15/ft	\$900	\$15.00
Juneau Marine Services	35	\$25/ft	\$1,000	na	na	\$25.00
Seward Marine Industrial Complex - 50-ton lift	50	\$236.25/hr	\$236.25	\$236.25/hr + \$21/ft over 50'	\$446.25	\$6.67
Seward Marine Industrial Complex - 330-ton lift	330	\$425/hr	\$638	\$425/hr + \$21/ft over 55'	\$742.5	\$14.16
City of Sitka	220	\$7.50/ft	\$300	\$7.50/ft	\$450	\$7.50
Seaview (Bellingham)	35/165	\$9/ft	\$360	\$11/ft	\$660	\$10.00
Port Townsend (work yard - 70/75-ton lift)	70/75	\$10.40/ft	\$416	\$12.48/ft	\$748.80	\$11.44
Port Townsend (work yard - 300-ton lift)	300	\$18.58/ft	\$743	\$18.58/ft	\$1,114.80	\$18.58
Seaview (Seattle)	55/80	\$14/ft	\$560	\$16/ft	\$960	\$15.00
Average	166	\$13.25 per foot	\$521	\$12.61 per foot	\$735.29	\$13.28
Median	150	\$12.20 per foot	\$488	\$12.48 per foot	\$742.50	\$12.80

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021. Marine lift fees were calculated one-way. Round trip rates equal double the cost of one-way lift rates.

Business lease rates

Business lease rates include property leased to a third party for the purposes of providing marine services to shipyard users. Some public and private shipyards provide services internally, such as Hoonah, or do not lease space to third parties. Wrangell has the lowest minimum rate and overall average business lease rate, while its maximum lease rates are similar to Juneau and Seward marine yard lease rates. However, Juneau's rates are poised to increase in 2022.

Marine Yard Annual Business Leases



A Comparison of Annual Business Lease Rates

	Minimum business lease cost per square foot annually	Maximum business lease cost per square foot annually	Average	Valuation method
Wrangell	\$0.96	\$3.30	\$1.24	Originally appraisal
Juneau	\$2.50	\$3.00	\$2.78	10% of assessed value annually. Determined every 5 years.
Seward	\$1.68	\$3.78	\$2.73	8% of assessed value annually. Determined every 5 years.
Port Townsend	\$6.60	\$9.96	\$8.28	Determined by market study for lease rates at similar ports every 5 years
Study Average	\$2.94	\$5.01	\$3.76	--

Note: Rate information was collected through a combination of rate cards and interviews in October 2021.

Juneau

- Juneau rents uplands space to marine service providers at 10% assessed value – which could increase substantially in 2022.
- The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman’s Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are actually not comparable to the business leases in Wrangell and are not included in the table above.
- Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease in the marine yard but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.
- The City and Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.
- These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$230,400 annually – this is 27-times what CBJ paid last year for the Juneau Fisheries Terminal compared to last year, which was \$8,500. CBJ is currently working to purchase the property for \$2.88 million – which would include two acres of tidelands property. Either way, CBJ will likely have to raise rates in May 2022, and the CBJ is currently conducting a rate study.

Hoonah / Sitka

- Does not officially lease to third parties.
- Hoonah currently allows maritime service providers to use the space for free.

Wrangell

- Current lease rates range from \$.96 to \$3.30 per square foot.
- Lease rates were originally determined by appraised land value, but rates are not standardized.

Port Townsend

- Current lease rates \$6.60 to \$9.96 per square foot
- Rates are determined by market studies conducted every 5 years (last study done in 2019)
- New rates are run through a BLM calculator and measured against comparable areas.

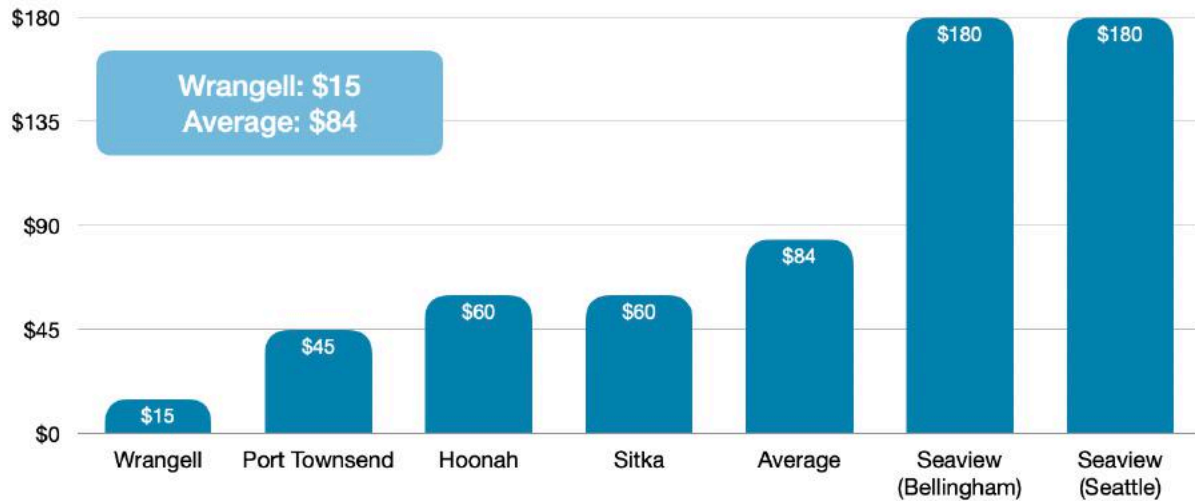
Seward

- Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.
- Seward Marine Industrial Center lease rates are assessed at 8% of the land’s fair market value and re-assessed every 5 years.

Other rates

Most shipyards charge an environmental fee when lifting boats out of the water. Some roll these fees into marine lift rates, whereas others charge a separate fee on top of marine lift fees. Wrangell has the lowest environmental fee of any community at \$15 per vessel. Marine yards charge an average of \$1.75 per foot. The average environmental fee for a 60-foot vessel is \$84. This section also reviews washdown rates and electrical rates, which are not a significant part of the Wrangell revenue model.

Average Environmental Fees: Based on a 60-ft Vessel



Environmental, Wash Down, and Electric Fees

Name	Environment fee cost structure	Environmental Fee 40'	Environmental Fee 60'	Wash down (40' - 60')	Electric rates
Wrangell	flat rate per haul out	\$15	\$15		30/50/60 amp - \$8/\$10/\$30 per day
Hoonah	\$1/ft	\$40	\$60	\$120-\$180	
Seward	Rolled into lift fee	NA	NA	\$100-\$150	NA
Sitka	\$1/ft	\$40	\$60	\$120-\$180	
Seaview Bellingham	\$3/ft	\$120	\$180	\$160-\$240	\$6/day
Seaview	NA	NA	NA	NA	\$35/month
Port Townsend 1	\$.75/ft	\$30	\$45	\$92-\$138	\$1.52/day OR \$30/month)
Port Townsend 2	NA	\$30	\$45	\$132-\$198	\$5/day + \$.10/kwh
Seaview (Seattle)	\$3/ft	\$120	\$180	\$160-\$240	
Average	\$1.75 per foot	\$56	\$84	\$158	\$4.34 per day

Note: Fee and rate information was collected through a combination of rate cards and interviews in October 2021.

Appendix



Shipyard Rates by Community

Community specific results of the rate analysis are presented in the following sections:

Southeast Alaska



The City and Borough of Wrangell shipyard operates on 5 acres with space reserved for short- and long-term boat storage. Two marine lifts capable of lifting 150 tons and 300 tons vessels are on site. The 300-ton marine lift is one of the larger lifts in Alaska and provides a unique alternative for larger vessels that otherwise would need to dock in Ketchikan or Seward, which operate a 400-ton lift and 330-ton lift, respectively.

Haul out lifts

Wrangell's two marine lifts operate under the same per foot rate structures, but with different minimum fees.

Haul out rates, and costs	
Feet	Cost structure (Round Trip)
0-40 Feet	\$13.10 per foot
41-58 Feet	\$14.28 per foot
59-75 Feet	\$15.48 Per Foot
76-90 Feet	\$17.86 Per Foot
91-120 Feet	\$20.24 Per Foot
121-140 Feet	\$22.63 Per Foot
141 Feet & Up	\$25.00 Per Foot

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

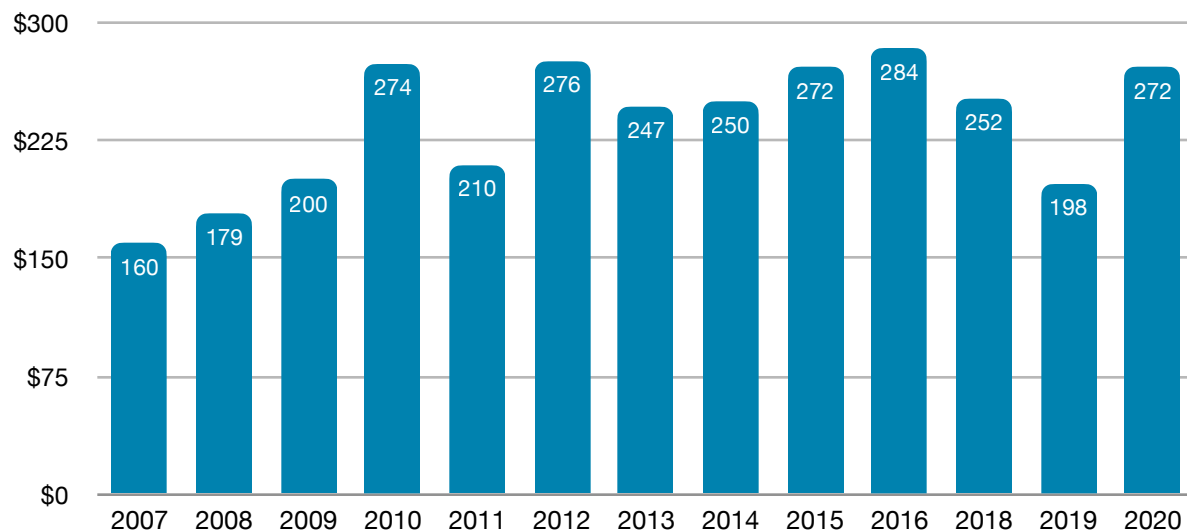
Haul out lift capacity and minimum fees	
Marine Lift	Cost structure (Round Trip)
150 Ton Boat Lift	Half of Round Trip price or minimum \$357.20
300 Ton Boat Lift	Half of Round Trip price or minimum \$595.33

Inspection Haul	
Marine Lift	Cost structure (Round Trip)
150 Ton Boat Lift	60% of Round Trip or minimum \$357.20
300 Ton Boat Lift	60% of Round Trip or minimum \$595.33

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

In Wrangell's first full year with the 150-ton Travelift, 160 vessels were lifted. The first full year of the 300 ton lift was in 2015. Overall, approximately 250 vessels are lifted on average on an annual basis. The Marine Service Center does not track how many haul outs are performed by each lift.

Wrangell Haul Outs 2007 through 2021



Storage

In the Wrangell Marine Service Center there are 30 spaces for vessels in the short term work area. While there are conceptually 34,290 square feet of billable short term work space, the maximum functional utilization is approximately 21,000 square feet. The work yard is full 9 months per year and at 50% capacity during the summer months. Wrangell's Marine Service Center long term storage area has 34,200 square feet available if the vessels are stacked as efficiently as possible. Winter capacity is 95% to 100%, while in summer the lot is 30% full.

Wrangell is one of three facilities that calculates storage rates by square footage of the vessel on a monthly basis, whereas the majority of fee structures examined are based on vessel length and accrued on a daily basis. Wrangell charges \$.59 per square foot for short-term storage, and \$.37 per square foot for long-term storage. Wrangell's short-term storage costs are below the average cost but fall in line with the median storage cost. Long-term storage, however, falls well below both the average and median storage costs. Wrangell's storage rates double after a year, so these comparisons relate only to year one.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Wrangell	7	\$.59/sq ft per month	\$330	\$637	\$.37/sq ft per month	\$357	\$595

Note: Rates and fees obtained from the City and Borough of Wrangell, October 2021.

Environmental fees

Wrangell's shipyard was the only one of those examined that uses a separate, flat-rate cost structure to assess environmental fees (\$15). Two shipyards surveyed roll environmental fees into their haul out rates, whereas the majority calculate fees based on the length of the vessel. Wrangell's environmental fee is the cheapest of all shipyards surveyed.

Business lease costs

Third parties leasing space in Wrangell's shipyard pay between \$.96 to \$3.30 per square foot annually. The annual income for the Marine Service Center is \$57,194.40. Rates are based on appraised land value, but without any standardized fee development.

Wrangell Maritime Industrial Business Lease Rates

Description	Size of leased area in square feet	Monthly income	Annual income	Annual rate per square foot
WMSC Yard Lot 1	14,443	\$1,155.44	\$13,865.28	\$0.96
WMSC Yard Lot 2	5,600	\$448.00	\$5,376.00	\$0.96
WMSC Yard Lot 3	4,240	\$339.20	\$4,070.40	\$0.96
WMSC Yard Lot 4	3,332	\$266.56	\$3,198.72	\$0.96
WMSC Yard Lot 5	2,000	\$550.00	\$6,600.00	\$3.30
WMSC Yard Lot 6	3,600	\$740.00	\$8,880.00	\$2.47
WMSC Yard Lot 7	3,000	\$475.00	\$5,700.00	\$1.90
Mill Dock 1	7,460	\$596.80	\$7,161.60	\$0.96
Mill Dock 2	2,440	\$195.20	\$2,342.40	\$0.96
Total/Avg.	46,115	\$4,766.20	\$57,194.40	\$1.24

Note: Rates obtained from the City and Borough of Wrangell, October 2021.

Other fees/services

- Electric: \$8 per day (30 amps); \$10/day (50 amps); \$30/day (60 amps)
- Hydraulic Trailer fee: \$10.46 per foot (round trip, minimum \$247.50)
- Off-site transportation: Round trip or one-way fee plus \$350 per hour



Vessel haul-out services in Juneau market are operated by Harri Commercial Marine doing business as Juneau Marine Services (JMS). JMS leases the haul-out facilities from the City and Borough of Juneau at the downtown Juneau Fisheries Terminal. The Auke Bay Boat Yard at Statter Harbor has been leased to Karl's Auto Marine, and currently has no marine lift capacity.

Juneau Marine Services provides downtown workspace at the cost of \$50 per day, and long-term dry storage at the rate of \$8 per foot on a monthly basis. JMS says its short-term costs are intentionally high to prevent overcrowding in its limited work yard space. Its short-term storage rates are among the highest of shipyards surveyed, whereas its long-term rates are 50% less than the average rate and below the median.

Haul out lifts

Juneau Marine Services operates the downtown 35-ton marine lift available at the cost of \$25 per foot of the vessel's length.

The rate is consistent regardless of vessel size.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Juneau Marine Services	35	\$25 per foot	\$1,000	\$1,500

Note: Rates obtained from Juneau Marine Services, October 2021.

While there had been a Sealift providing lift services in Auke Bay, the Sealift did not meet the needs of Karl's Auto Marine and is currently for sale. A new lift will eventually be purchased for the site.

Storage

The City and Borough of Juneau Auke Bay Loading Facility encompasses 2 acres and is used primarily as a staging area for vessels, though it does offer some storage options. Juneau's municipal shipyard charges \$.50 per square foot per month for both long- and short-term storage. The facility's storage rates are among the lowest of those surveyed, however, its space is limited and not typically used for long-term dry storage.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Juneau (ABLF)	.83	\$.50/sq ft per month	\$280	\$540	\$.50/sq ft per month	\$280	\$540
Juneau Marine Services	.45	\$50 per day	\$1,000	\$1,500	\$8/ft per month	\$320	\$480

Note: Rates and fees obtained from the City and Borough of Juneau and Juneau Marine Services, October 2021.

Environmental fees

Environmental fees tied to Juneau Marine Service's haul-out lift is rolled into the cost of using its marine lift.

Business lease cost

Juneau rents uplands space to marine service providers at 10% assessed value – but that rate could increase substantially in 2022.

	Minimum business lease cost per square foot annually	Maximum business lease cost per square foot annually	Average	Valuation method
Juneau	\$2.50	\$3.00	\$2.78	10% of assessed value

Note: Rates obtained from the City and Borough of Juneau, October 2021.

The primary leases are with the businesses that run the two marine yards (Auke Bay and Fisherman's Terminal) in the community. Because there is an expectation of providing a larger community service and managing the shipyards, these rates (of \$1.00 to \$1.51 per square foot) are not comparable to the business leases in Wrangell.

Auke Bay Lease (through 2028)

Location: Auke Bay Boatyard

Size: 36,155 square feet

Annual Lease: \$36,000

Lease per Square Foot: \$1 annually (vendor also provides all marine yard services to the community)

Downtown Marine Yard Lease (through May 2022)

Location: Next to Downtown Crane Dock

Size: 19,425.6 square feet

Annual Lease: \$29,307

Lease per Square Foot: \$1.51 (vendor also provides all marine yard services to the community)

Juneau Marine Services, which subleases the downtown marine yard, does provide space for businesses to lease but did not provide their business leasing rates, making the Juneau rates difficult to fully compare.

The City of Borough of Juneau (CBJ) provides separate adjacent subleases to businesses in the same area for \$2.00 to \$3.50 per square foot, based on assessed values.

Other Downtown Juneau Leases in Fisherman's Terminal Area:

Lease: Nordic Tug charters

Size: 1,455 square feet

Annual Lease: \$4,365

Lease per Square Foot: \$3.00

Lease: Hydraulic shop

Size: 1,105 square feet

Annual Lease: \$2,762

Lease per Square Foot: \$2.50

These rates will expire in May 2022, once the CBJ lease with the University of Alaska Southeast (UAS) expires. The CBJ has been leasing the property since 1988 for a favorable rate after committing significant funding to UAS. The lease could be renewed once at the current fair market value of \$240,000 annually. CBJ is currently working to purchase the property for \$2.88 million – in which case 10% of assessed value would be more than \$14 per square foot. Either way, CBJ will likely have to raise rates significantly in May 2022, and the CBJ is currently conducting a rate study.

Other fees/services

- Juneau Marine Services: Fiberglass repair, welding
- Auke Bay Loading Facility: Commercial launch ramp use (\$250 one-time permit fee); two 2-ton cranes (\$.25 per minute); electric (30 and 50 amp)



Haul out lifts

Sitka's shipyard operates a 220-ton marine lift and charges \$7.50 per foot regardless of vessel size. Its lift rates are below the average and median compared to other shipyards, and overall are the second lowest haul out rates.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Sitka	220	\$7.50 per foot	\$300	\$450

Note: Rates obtained from the City and Borough of Sitka, November 2021.

Storage

The City and Borough of Sitka operates a 3.5-acre shipyard offering short- and long-term vessel storage. Sitka's rates vary depending on the season. During non-peak months (April-August) rates are \$.30/foot per day, but more than triple between May and July during peak season. Sitka's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Sitka (May-July)	3.5	\$1/foot per day	\$1,200	\$1,800	\$1/foot per day	\$1,200	\$1,800
Sitka (Apr-Aug)	3.5	\$.30/foot per day	\$360	\$540	\$.30/foot per day	\$360	\$540

Note: Rates and fees obtained from the City and Borough of Sitka, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease costs

Sitka does not lease shipyard space to third parties.

Other fees

- Wash-down: \$3 per foot
- Electric: \$7 per day (30 amp); \$10/day (50 amp); \$10/day plus consumption (100 amp)
- Towing: \$102.50 plus \$56 per hour labor cost
- Pumping: \$51.25



Haul out lift

The Hoonah Travelift Facility includes a travelift dock and a 220-ton travelift facility capable of pulling boats over 58 feet in length. Hoonah's rates are double that of Sitka, at \$15 per foot. Hoonah's haul out rates exceed both the average costs for 40- and 60-foot vessels (\$521 and \$735.29, respectively) and the median cost (\$488 and \$742.50). In 2021 (as of early December) a total of 194 vessels had been lifted in Hoonah, a record for that facility.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Hoonah	220	\$15 per foot	\$600	\$900

Note: Rates obtained from the City of Hoonah, October 2021.

Storage

The City of Hoonah's storage rates are identical to that of Sitka, including differing rates based on peak- and non-peak seasons. Daily peak rates are \$1 per foot for short- and long-term storage, and non-peak rates are \$.30 per foot. Hoonah's non-peak storage rates are approximately half the overall average cost and near the median. Its peak rates are the fourth highest among shipyards surveyed.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Hoonah (May-July)	3.5	\$1/foot per day	\$1,200	\$1,800	\$1/foot per day	\$1,200	\$1,800
Hoonah (Apr-Aug)	3.5	\$.30/foot per day	\$360	\$540	\$.30/foot per day	\$360	\$540

Note: Rates and fees obtained from the City of Hoonah, October 2021.

Environmental fees

Assessed at \$1 per foot.

Business lease cost

While the City of Hoonah does not lease shipyard space to third parties, it does provide the space for free.

Currently Hoonah allows maritime services providers to use the shipyard for free. According to Dennis Gray Jr. City Administrator for the City of Hoonah: "We try to make it as attractive as possible for contractors to work in our yard and do not charge to rent out space in our yard for shipwrights or painters. We have one shipwright and one painter that work in our yard currently."

According to Horan and Company, the entire shipyard was briefly leased in 2008. The lease terms were \$1.00 per year plus \$25.00 per haul-out. The city terminated the relationship and felt it was in error due to lack of oversight for maintenance.¹

Other fees

- Wash down: \$3 per foot
- Dockside hoist: \$15-\$50 per hour
- Crab gear storage: \$450 per year; crab pot storage: \$650 per year
- Electric: \$10 minimum per month or true cost
- Forklift rental: \$75 per hour or \$300 per day
- Trailer rental: \$50-\$75 per day

¹ Horan & Company, LLC. Appraisal Report Market Rental Value Boat Haul-Out Facility At Auke Bay Loading Facility Juneau, Alaska, August 2015.

Southcentral Alaska



Haul out lifts

Seward's municipal shipyard features 50-ton and 330-ton marine lifts. Use of the lifts are billed hourly. The average time per user for the 50-ton lift is 1 hour, and average time for the 330-ton lift is 1.5 hours, according to the city's harbor department. Hourly rates vary depending on which marine lift is being used. Costs associated with the 330-ton lift are at or near the median and average costs. Costs tied to the smaller 50-ton lift are the lowest among shipyards surveyed. (Note: JAG Alaska Inc. operates the city's 5,000-ton Syncrolift used to work on oversized vessels.)

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Seward MIC	50	\$236 per hour +21/hr over 50'	\$236	\$446
Seward MIC	330	\$425 per hour +21/hr over 55'	\$638	\$743

Note: Rates obtained from the City of Seward, October 2021.

Storage

The Seward Marine Industrial Center is managed by the City of Seward and spans 35 acres, nearly a third of which is leased to JAG Alaska Inc. Seward charges \$.20 per foot for short- and long-term storage, which is the lowest rate among shipyards surveyed.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Seward MIC	35	\$.20/ft per day	\$240	\$360	\$.20/ft per day	\$240	\$360

Note: Rates and fees obtained from the City of Seward, October 2021.

Environmental fees

Environmental fees are rolled into haul out rates.

Business lease rates

Seward Marine Industrial Center lease rates are 8% of the land's assessed rates, which are appraised every five years. Businesses leasing space at the Seward Marine Industrial Center pay between \$1.68 and \$3.78 per square foot.

	Minimum business lease cost per square foot annually	Maximum business lease cost per square foot annually	Average	Valuation method
Seward	\$1.68	\$3.78	\$2.73	8% of assessed value

Other fees

- Wash pad: \$2.50 per foot per hour (minimum 1 hour)
- Relocation: \$236.25 (50-ton lift); \$425 (330-ton lift)
- Potable water: \$52.50 (during business hours); \$105 (outside regular business hours)
- Electricity: \$.40 per kilowatt hour, plus \$29.46 connection fee
- Towing (inside harbor): \$52.50 plus labor
- Pumping vessel: \$31.50 plus labor
- Equipment rental: loader, grader, oil tanker, crane truck, flatbed truck, pickup truck, dump truck, back how, pumps (rates vary from \$8.40-\$68.25 plus labor/operator cost)
- Launch fees: \$10 per launch; \$100 annually
- 10-ton crane: \$42.32 per half hour; \$90.64 per hour

Washington State

**Haul out lifts**

Port Townsend operates three marine lifts: 70, 75 and 300 tons. Rate structures vary depending on length of the vessel and which marine lift is being used. Rates for its 70- and 75-ton travel lifts are below the average cost, and at or below the median cost. Rates for its 300-ton lift are above both the average and median costs compared to other shipyards.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Port Townsend	70/75	\$10.40-\$12.48 per foot	\$416	\$749
Port Townsend	300	\$18.58 per foot	\$743	\$1,115

Note: Rates obtained from the City of Port Townsend, October 2021.

Storage

The City of Port Townsend manages three distinct storage areas as part of its 11-acre shipyard: two work yards intended for short- and long-term work, and a separate storage area used to store non-working vessels. Storage rates for work areas are linked to the location of its two marine lifts. Long- and short-term rates at the site of its 70- and 75-ton lifts are \$.63 to \$.78 per foot per day. Storage costs at the site housing its 300-ton marine lift range from \$.96 to \$1.19 per foot per day. Rates for Port Townsend's non-working, long-term storage site is \$8.32 per foot calculated monthly. Port Townsend's vessel storage rates at its work yards are above the average and median costs. Storage rates at its non-working, long-term storage facility are half the average cost and below the median.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Port Townsend (70/75-ton lift work yard)	11	\$.78/ft per day	\$936	\$1,404	\$.63/ft per day	\$756	\$1,134
Port Townsend (300-ton lift work yard)	--	\$1.19/ft per day	\$1,428	\$2,142	\$.96/ft per day	\$1,152	\$1,728
Port Townsend (non-working, long-term)	--	\$8.32/ft per month	\$333	\$499	\$8.32/ft per month	\$333	\$499

Note: Rates and fees obtained from the City of Port Townsend, October 2021.

Environmental fees

Port Townsend assesses environmental fees at \$.75 per foot.

Business lease rates

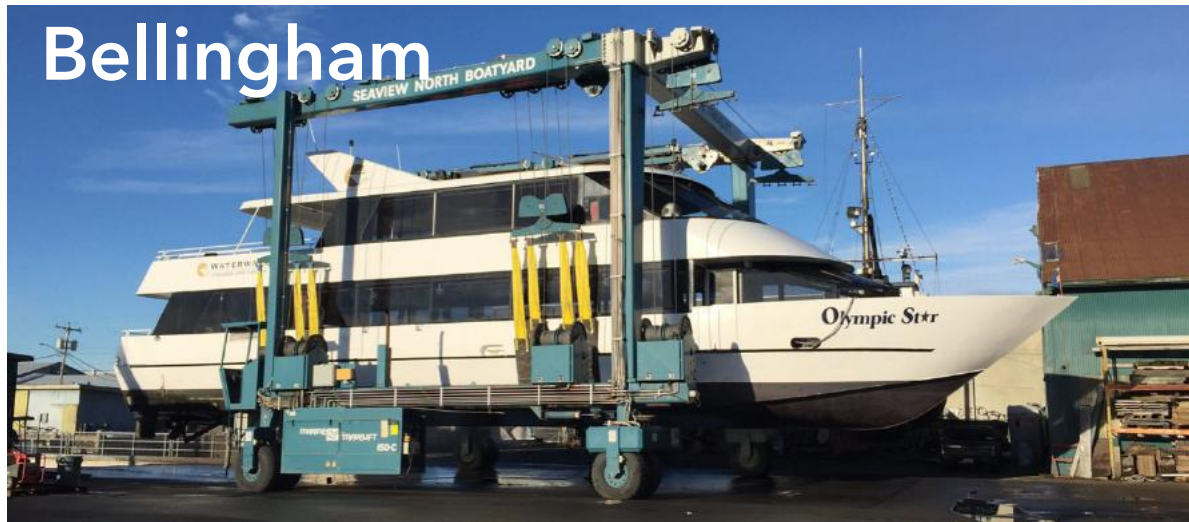
Rather than basing lease rates on appraised value like many others, its lease rates are determined by market studies conducted every five years surveying lease rates at similar ports. Current rates are \$6.60 to \$9.96 per square foot annually and are the most expensive of shipyards surveyed.

	Minimum business lease cost per square foot annually	Maximum business lease cost per square foot annually	Average	Valuation method
Port Townsend	\$6.60	\$9.96	\$8.28	Market rate study

Note: Rates obtained from the City of Port Townsend, October 2021.

Other fees/services

- Wash pad: \$2.30 per foot per hour (70/75-ton lifts); \$3.30 per foot per hour (300-ton lift)
- Electric: \$1.52 per day or \$30.30 per month (non-working, long-term storage); \$5 per day plus \$.10 per kilowatt hour (work yards)
- Inspection: equal to roundtrip haul out rate
- Labor rate: \$69 per half hour



Haul out lifts

Seaview Bellingham operates two haul out lifts rated at 35 tons and 165 tons. Rates fluctuate depending on the size of the vessel. The cost per foot for a 40-foot vessel is \$9 per foot, and the cost for hauling out 60-foot vessels is \$11 per foot. The shipyard's haul out rates are among the least expensive among shipyards and fall below the average and median cost for these services.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Seaview	35/165	\$9-\$11 per foot	\$360	\$660

Note: Rates obtained from Seaview, October 2021.

Storage

Seaview Bellingham is a private shipyard and manages several properties offering storage. Work yard storage at the site of its 35- and 165-ton lifts are the most expensive rates among shipyards at \$1.50 per foot per day. Seaview offers both indoor and outdoor storage at its Fairhaven property at rates of \$20 per foot per month (indoor) and \$7 per foot per month (outdoor). The indoor rates align with average storage costs calculated in this survey, and its outdoor storage rate is below the median.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Seaview	7	--	--	--	\$1.50/ft per day	\$1,800	\$2,700
Fairhaven (indoor)	--	\$20/ft per month	\$800	\$1,200	--	--	--
Fairhaven (outdoor)	--	\$7/ft per month	\$280	\$420	\$7/ft per month	\$280	\$420

Note: Rates and fees obtained from Seaview, October 2021.

Environmental fees

Assessed at \$3 per foot.

Business lease costs

Seaview declined to provide lease rates for its locations.

Other fees/services

- Electric: \$6 per day (Seaview Bellingham); \$35 per month (Fairhaven storage facilities)
- Wash down: \$4 per foot (Seaview shipyard only)
- Initial set up fee: \$19 per foot (haulout, pressure wash, environmental fee, blocking and launch)
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour
- Tarp fee: \$100



Haul out lifts – Seaview Seattle operates 55-ton and 80-ton marine lifts at the rate of \$14 per foot for 40-foot vessels, and \$16 per foot for 60-foot vessels. These rates are above both the average and median cost.

Haul out lift capacity, rates, and costs				
	Capacity (tons)	Cost structure (One way)	Haul out cost (40')	Haul out cost (60')
Seaview	55/80	\$14-\$16	\$560	\$960

Note: Rates obtained from Seaview, October 2021.

Storage – The Port of Seattle Fishermen’s Terminal and Maritime Industrial Center offers long and short-term storage at the rate of \$.50 per square foot per month. Its storage rates are less than half the average cost and below median costs, making it one of the most affordable storage options among shipyards surveyed. Seaview Seattle does not offer storage and instead defers to its Fairhaven location.

Storage rates							
	Size (acres)	Short-term rate	Short-term cost (40')	Short-term cost (60')	Long-term rate	Long-term cost (40')	Long-term cost (60')
Seattle MIC	6	\$.50/sqft per month	\$280	\$540	\$.50/sqft per month	\$280	\$540

Note: Rates and fees obtained from Port of Seattle, October 2021.

Environmental fees – Seaview Seattle assesses environmental fees at \$3 per foot, the same as the rate at its Bellingham shipyard.

Business lease costs –Seattle Seaview declined to discuss lease rates. The Port of Seattle did not respond to a business lease rate request by deadline.

Other fees/services

Seaview:

- Wash down: \$4 per foot
- Bottom paint package: \$41-\$61 per foot for vessels 50' to 80'
- Electric: \$6 per day
- Labor: \$120 per hour
- Clean and power wax hull
- Use of air system and regulator: \$20 per day
- Forklift: \$150 per hour
- Grove/stiff leg crane: \$200 per hour (minimum 1 hour)
- Forklift: \$150 per hour

Port of Seattle:

- Covered storage (\$75 per day)
- Forklift (3 tons): \$65.12 per hour (self-drive); \$111.76 per hour (forklift and operator)
- Hoist-WWall (3 tons): \$65.11 per half hour
- Crane (3/4 ton): \$31.84 per half hour
- Crane-WWall (3 tons): \$111.66 per half hour