



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: DIANE McBRIDE, RECREATION DIRECTOR/ASSISTANT TOWN MANAGER**  
**JENN SHIMP, MARINA GUEST SERVICES MANAGER**  
**RE: PROPOSED 2022 FRISCO BAY MARINA RATES**  
**DATE: DECEMBER 14, 2021**

**Summary and Background:** Boat rental and storage rates for the Frisco Bay Marina are evaluated by staff on an annual basis. The 2021 Marina rates were reviewed with Council on December 8, 2020, and as a result of this discussion, rate changes were implemented during the 2021 season. Staff once again reviewed end of year financials, feedback from F3 Marina, and comparisons to other marinas in Colorado and nearby states, and is proposing rate recommendations to Council for the 2022 season. Staff is seeking feedback and approval of 2022 rates at this time.

Please note: During the November 30, 2021, work session on the Marina Action Plan, staff presented preliminary information regarding a proposed paid parking plan for the Marina in 2022, as well as changes to employee perks. Both of these topics will be revisited with Council in early 2022.

**Analysis:** Both rental and storage rates are analyzed below.

***Rentals:*** Rental boats include power boats (fishing and pontoons) and paddle boats (kayaks, canoes, stand up paddleboards, and Hobies). Rentals continued to be popular this summer, routinely selling out on weekends and holidays, and accounting for approximately 55% of the total marina revenue.

Power and paddle boats rental rates increased 8-12% in 2021, rates were rounded to the nearest whole \$5 increment, and weekend/holiday rates of 10% higher than the standard rate were implemented. Staff is recommending a \$5/hour rate increase for fishing boats and a \$10/hour rate increase for large pontoons to further simplify the rate structure. No other price increases to the rental business are recommended at this time.

**Table 1: Power Boat Rental Rates – 2hr Rental Rate**

Power Boat	2021 Rate	Proposed 2022 Rate	Difference
Fishing Boats	\$75	\$80	\$5
Small Pontoons	\$200	\$200	\$0
Large Pontoons	\$290	\$300	\$10

**Table 2: Paddle Boat Rental Rates – 2hr Rental Rate**

Paddle Boat	2021 Rate	Proposed 2022 Rate	Difference
Canoe	\$50	\$50	\$0
Single Kayak	\$40	\$40	\$0
Tandem Kayak	\$50	\$50	\$0
Stand Up Paddleboard	\$45	\$45	\$0
Hobie (1hr Rental)	\$40	\$40	\$0
Pedal Kayak	\$50	\$50	\$0

**Storage:** Boat storage at the FBM includes slips, moorings, and on land storage options.

F3 Marina noted that the way the storage rates are presented is confusing. There is a consistent use of 153 days in all billing language regarding slips. The 153 days represents May 15 through October 15. Given that weather and water level conditions are extremely volatile on a reservoir in the mountains, F3 Marina recommends the billing language should highlight a “season” vs. the exact number of days. F3 Marina also recommends shortening this season – June 1 through September 30 – and stating “as weather and water conditions allow.” All rates presented below are in consideration of this shorter season. Overall, the recommendation is to move to a seasonal flat rate for dockage and moorings.

**Slips.** Per the Operational Audit from F3 Marina in 2020, and the One Year Review Audit in 2021, F3 Marina recommends charging by the length of the slip or the boat length overall, whichever is greater, for slip rates.

During the December 8, 2020, Council work session, staff presented the 2021 proposed marina rates to Council. At that time, staff recommended moving to this industry standard proposed by F3 Marina of charging by the length of the slip or the boat length overall, whichever is greater. Under this new pricing structure, one price would be established for each slip length and if a boat was larger than the slip length, the boat would be charged by the length overall (LOA), which is the measured length of the tip of the bow to the very end of the stern or anything hanging off the stern.

During this work session, there was concern about the fees and the prioritization of slips. For many boat owners with small boats, the increase to their rates would have been quite significant under this new rate structure. Council recognized this concern and directed staff at that time to measure every boat and price them accordingly. Staff followed this direction and measured every boat in 2021 and charged the boaters \$.48/ft/day for slips. For instance, a 25' boat was charged \$1,836 for the slip for the summer season.

$$2021 \text{ Slip Rate} = \$.48/\text{ft}/\text{day} \times 25' \text{ vessel} \times 153 \text{ days (summer season)} = \$1,836$$

The measuring of every boat is not the industry standard recommended by F3 Marina, and this new pricing structure raised a lot of concerns from the boaters in 2021. This was also different than in years past when pricing was determined by manufactured boat length rather than measured boat length. The measuring of every boat was time consuming and the accuracy of the measurements questioned by many of the boaters.

Moving forward, staff recommends a simplification to the rates, which is charging per slip length. Charging per slip length is the industry standard, is simplified, and takes out the human error and time component of measuring boats. The 2022 recommendation is to charge the following:

- o 24' slip = \$1,350
- o 30' slip = \$1,700
- o 40' slip = \$2,300

F3 Marina staff assisted Frisco staff with these rates. The rates are comparable to Dillon Marina's rates and will result in a minimal increase in fees to less than 10% of our boaters. Staff have done a good job over the years placing boats in the appropriate slip lengths. For instance, a 36' boat is not placed in a 30' or 24' slip; nor is a 25' boat placed in a 40' slip. There are a handful of boats that measure one to two feet over their current slip length, and staff have worked with these boaters and the space to ensure this extra length does not hinder the space nor the fareway, and that it is not a safety concern. For those boats that measure over their current slip length, staff could establish a LOA fee to account for this extra length or, establish a policy whereby this extra length is permitted provided it is no more than say 1' over the slip length. For instance, for a 24' slip, the additional length could not be more than 25'. Anything longer than 25' would either need to move to a larger slip or if there are no safety concerns, be charged an additional fee for the length over 25'. This fee could be something like \$75 per additional boat foot. Boats that are over the slip length and pose a potential safety risk, will be placed in a larger slip and charged accordingly.

**Moorings.** Mooring rates also changed in 2021, and the Town followed the recommendation from F3 Marina. F3 Marina recommended charging by the overall length of the vessel to "ensure proper swing length between vessels on the mooring field." The overall length of the vessel takes into consideration items added on to the front or back of the boat such as anchors or outboard motors that stick out beyond the normal registered length of the boat. Council supported this change and in 2021, boaters were charged by the overall measured length of the vessel instead of the registered length of the vessel. For a Catalina 25 vessel, the 2021 mooring rate was:

$$2021 \text{ Mooring Rate} = \$.35/\text{ft}/\text{day} \times 25' \text{ vessel} \times 153 \text{ days (summer season)} = \$1,338.75$$

There are currently 40 mooring balls positioned at the Marina, and an additional 15-20 will be added in 2022. The price difference between a mooring and a slip in 2021 was approximately 27%. With the proposed fee changes for slips, staff also recommends changing the mooring rates. F3 Marina recommends charging a flat fee of \$900 per vessel regardless of the size of the boat. Upon further review of the data, staff recommends increasing this rate to \$1,000 per vessel. The smallest size vessel currently on a mooring is a 20' boat. With this price change, this boater would still pay less in 2022 than in 2021, and the difference between a mooring and a slip (24') would still be close to 27%.

**Racks Storage for Paddle Sports.** There are currently 276 rack spaces for paddle sports at the Marina, with a waitlist of 58. These rates were not changed in 2021. Staff recommends a 2% increase to rack rates for 2022.

**Table 3: Rack Storage Rates**

	2021 Rate	Proposed 2022 Rate	Difference
Summer Only	\$250	\$255	\$5
Winter Only	\$210	\$215	\$5
Annual	\$420	\$430	\$10

**On-Land Boat Storage – Trailer Storage, Winter Storage, and Dry Storage:** Trailer, Winter and Dry storage rates were changed in 2021 to reflect standard marina practice and the recommendation from F3 Marina of charging for the square footage that the vessel and/or the trailer occupies.

As detailed in the One Year Review Operational Audit from F3 Marina, staff received a number of complaints in regards to this pricing as many boaters experienced a significant price increase with this change. Staff worked with F3 Marina to re-evaluate these rates and to find an equivalency rate from linear footage to square footage. F3 Marina recommends a rate between \$3.25 and \$3.35 a square foot.

Given the current constraints of available land for the storage of boats and trailers, charging by square footage for storage will provide an increase in revenue directly from those who are taking up the most space. It may also encourage some boaters to find alternative places to store their boat or trailer, which could free up space for those unwilling or unable to do so. With the proposition of paid parking coming to Council for review in early 2022, staff recommends Council suspend a decision on on-land boat storage rates until that time. The proposed paid parking plan may affect storage capacity on site and should be reviewed together.

**Questions for Council:**

- 1) Rentals. Does Council support the changes to the fishing boat and large pontoon rental rates for 2022?
- 2) Slips. Does Council support charging per the length of the slip?
- 3) Moorings: Does Council support charging a flat rate of \$1,000 per mooring?
- 4) Rack Storage. Does Council support a 2% increase to rack rates?

5) On Land Storage: Does Council support charging by square footage for the space the vessel and/or trailer occupies, yet suspending any decision until early 2022 when additional details are reviewed regarding the proposed paid parking system?

**Financial Impact:** The Marina is an enterprise fund and expected to remain independently, financially sustainable. There are waiting lists for all storage options at this time including slips, moorings and on land storage options. The Marina operates as a business, and in business, when the demand outpaces supply, there is an opportunity to reasonably increase rates to industry standards. Per the bond ordinance, a review and revision of rates is also required on an annual basis, and increasing rates, fees and charges to ensure the payments required by the provisions of the bond ordinance is appropriate.

- Increasing rental rates has the potential to increase rental revenues by approximately \$12,000.
- Changing the rate structure for slips will achieve the 2022 budgeted revenue target of \$250,000.
- Changing the rate structure for moorings and adding in the insurance plan will achieve the 2022 budgeted revenue target of at least \$46,500.
- Increasing rack rates by 2% will directly increase revenue by 2%.
- Land storage rate revenues are not anticipated to increase.

With these proposed changes, staff is confident that 2022 budgeted revenues will be achieved, if not exceeded.

**Alignment with Strategic Plan:** The Town commits to providing unique and accessible opportunities for residents and visitors so they may find their own unique adventures and meaningful experiences in Frisco, and the Town pledges to maintain, sustain, and protect these assets and experiences for future generations. Annual cost benefit analysis of the marinas rate structure allows us to maintain a balance between keeping revenues aligned with Bond estimates while maintaining accessible forms of recreation.

**Environmental Sustainability:** There are no environmental impacts.

**Staff Recommendation:** Staff recommends increasing rental rates in 2022 and changing the rate structure for slips, moorings and on land storage options.

- Staff recommends increasing rental boat rates as proposed above.
- Staff recommends charging by the length of the slip.
- Staff recommends billing a flat rate for the mooring field.
- Staff recommends increasing rack rates as proposed above.
- Staff recommends charging by square footage for dry, winter, and trailer storage. This will account for the boats/trailers taking up the most space on land and potentially create more turnover as some customers look for off-site options for boat storage. However, staff recommends suspending any decision until early 2022 when additional details are reviewed regarding the proposed paid parking system.

**Approved By:**

Tony O'Rourke, Town Manager

Leslie Edwards, Finance Director