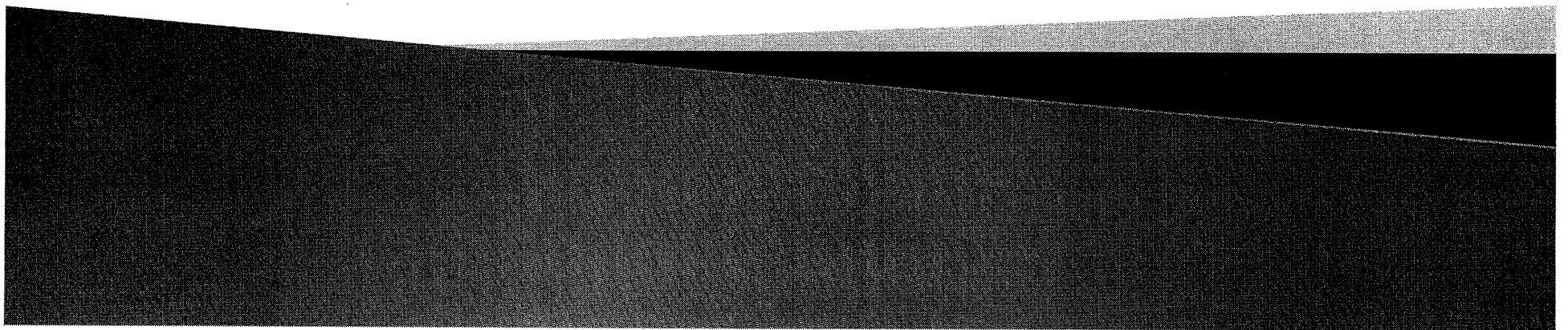


Cobourg Marina

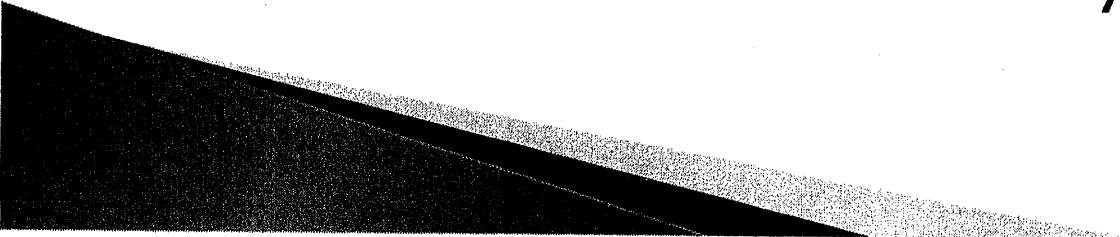
Expansion

Economic Justification

By: Paul Gauthier
Manager of Marina
and Waterfront Facilities



Why we need to expand?

- Address shortage of recreational boating facilities in Cobourg.
 - Provide critical customer base required to support \$630K investment in boat handling equipment.
 - Provide revenue stream required to support anticipated \$1M replacement cost of C, D & E Docks within the next 15 years
- 

Slip Requirements

Boats on Waiting List by Size	Shortage	Proposed	Total Existing & Proposed	Finger L.O.A.
28 Total Boats 20 to 25 ft. L.O.A.	28	0	48	30 ft.
73 Total Boats 26 to 30 ft. L.O.A.	73	0	88	30 ft.
49 Total Boats 31 to 35 ft. L.O.A.	49	34	82	30 ft.
35 Total Boats 36 to 40 ft. L.O.A.	35	60	76	36 ft.
19 Total Boats 41 to 50 ft. L.O.A.	19	18	34	40 ft.
3 Total Boats 51 to 55 ft. L.O.A.	3	4	6	45 ft.
TOTALS	207	116	334	

NOTE: Slip Size recommendations are based on industry trend towards increasingly larger boats and the ability to put smaller boat on larger finger but not visa versa. As a result boats in the smaller size range (20' to 30') can be accommodated with the proposed mix of dock sizes.

Boat Storage Needs Analysis

Existing 218 Slip Marina		
# of Seasonal Slips	# Seasonal Storage Boats	% Seasonal Boaters Requiring Seasonal Storage
141	72	51%

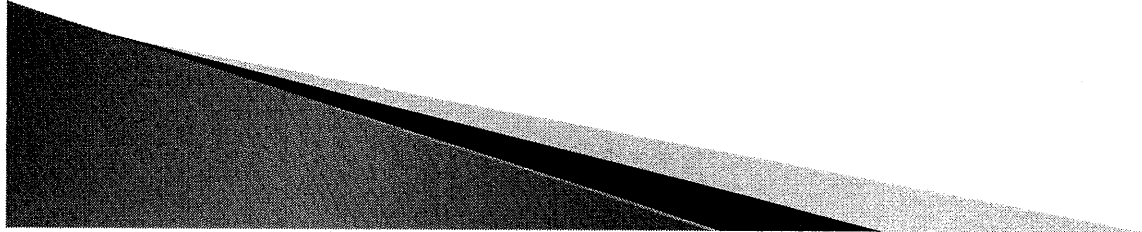
Proposed 344 Slip Marina		
# of Seasonal Slips	# Seasonal Storage Boats	% Seasonal Boaters Requiring Seasonal Storage
257	131	51%

NOTE: Dryland storage projections for the expanded marina assumes that the percentage of seasonal docks vs. seasonal dryland storage boats will remain relatively static.

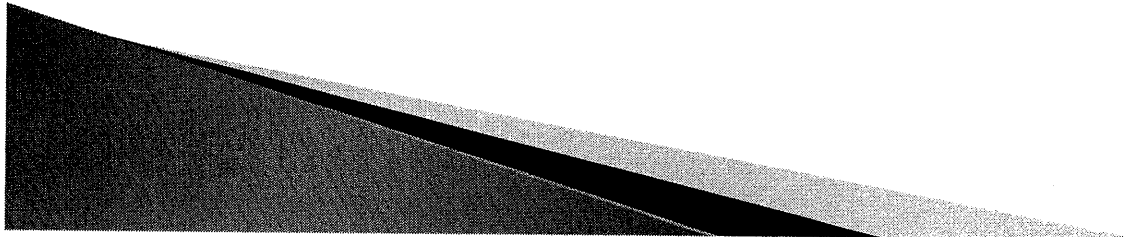
Financial Summary

	2013	2014	2015	2016	2017
Total Revenue	\$561,624	\$620,620	\$649,594	\$1,075,782	\$1,104,905
Total Operating Expenses	\$517,631	\$572,241	\$623,746	\$782,512	\$1,049,359
Long Term Debit Service	\$0	\$3,180	\$17,226	\$39,916	\$277,994
Transfer to Reserves	\$43,993	\$48,379	\$25,849	\$293,270	\$55,545

Benefits

- ▶ Dock life expectancy is 25 to 30 years with a debt repayment period of 15 years. This will result in 10 to 15 years of annual reserve fund contributions of approximately \$300,000.
 - ▶ No Tax dollars required for this project.
 - ▶ Increased target “Heads In Beds” market base for DBIA.
 - ▶ Economic ripple effect from increased tourism.
- 

What has Changed

- ▶ Change of dock layout to accommodate paddle boaters has increased cost.
 - ▶ Contingency amounts increased due to uncertainty of final design elements such as electrical services, parking facilities and storage compound.
 - ▶ Total number of proposed slips has been reduced to 116.
- 

Conclusion

- ▶ Marina Expansion as currently proposed is self supporting and will address all 3 primary objectives, namely:
 - ▶ Significantly increase number of available seasonal slips
 - ▶ Provide adequate customer base to support boat handling equipment.
 - ▶ Provide revenue stream to service estimated \$1M replacement cost for C D & E dock within 15 years.
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