

**Memorandum
Public Works Department**



To: City Manager
Subject: Sunset Marina 2014 Rate Reduction Proposal
Date: March 27, 2014
Number: 2014-075

Sunset Marina occupancy of the covered slips on 400 Dock continues to remain low. There are 70 covered slips and only 16 are currently leased for the 2014 season. This dock is not equal in quality to the other covered docks making it less attractive to new leaseholders. One method to encourage an increase in occupancy would be to reduce the rate.

The current per foot rate for covered slips with power on 400 Dock is \$70.89. A 25% rate reduction would lower the rate to \$53.17 per foot. This rate would be slightly above the uncovered with power rate on 400 Dock which is \$49.87. Approximately 32 covered slip leases would be needed to match the budgeted occupancy for these slips for the 2014 season.

A second suggestion to increase occupancy in all types of slips is to offer a 10% discount to active and retired military personnel. There is no data available to project anticipated revenue loss if no additional slips were leased and only current leaseholders received the discount.

Both proposals would be on a temporary trial basis for the 2014 boating season for current and new leaseholders entering into either a summer or annual lease. Both ideas were discussed at the recent Sunset Marina Boaters Advisory Committee meeting and committee input has been included in the proposals

Recommendation

The Public Works Department recommends a 25% rate reduction for covered slips with power on the 400 Dock and a 10% discount to active and retired military personnel be offered on a temporary trial basis during the 2014 boating season. The reduction would apply to summer and annual leases for current and new leaseholders.

Submitted by: Randall D. Tweet, Public Works Director
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Approved by: Thomas Thomas, City Manager