

August 8, 2021

Mayor, City of Cambridge
City Council, City of Cambridge
City Manager

To All Concerned,

Members of the Cambridge Association of Neighborhoods (CAN), and others with a history as tenants of the city's municipal marina, have developed concerns regarding the present and future condition of the Municipal Marina facility. CAN has recently conducted a study of the physical facility, as well as its financial condition, in an effort to better understand what issues may need attention, and how they might be addressed to ensure the long-term fitness of the marina as an economic asset to the city. The report derived from this study is provided here as a starting point in achieving that goal.

This report is based upon information provided by the City of Cambridge and Oasis Management, as well as a physical review of the marina infrastructure, although time and resource restraints of those organizations limited the extent and accuracy of the information to a degree. Therefore, while the report is correct in concept, we acknowledge that some details may require modification. We believe however, that the report is worthy of consideration as a suitable beginning in addressing the marina's economic and physical challenges.

Included in the report are an introduction to the issues, data to support options for increasing revenue and recommendations for increasing economic viability. We also offer recommendations for developing a long-term plan for the continued utility, safety and economic viability of the marina. Understanding that there are many demands on the city's personnel resources, CAN representatives would be glad to offer assistance in addressing the marina issues identified herein. It is our belief that delaying attention to the marina will result in more difficult and more expensive challenges in the near term, as well as a continued decline in revenue. CAN looks forward to the opportunity of working with the City and Oasis Management to ensure the long-term viability and profitability of the marina.

Sincerely,

CAN Marina Committee: Chuck McFadden, Rick Klepfer, Pete Doyle and Steve Gross

LOOKING FORWARD FOR THE CAMBRIDGE CITY MARINA

A Study Performed by the CAN Marina Committee

Introduction

Cambridge is fortunate to have a location that fronts the relatively protected waters of both the Choptank River and Cambridge Creek. There are few waterside towns that have the wealth of cruising waters and are also within easy reach of the Chesapeake Bay. The city is also blessed with a sizable marina, and many boat owners relocate to Cambridge to take advantage of this unique area.

The marina is a major asset to the town. For those approaching from Rt. 50 it serves as the face of the town and it is an inseparable part of the town's identity. In addition to being an asset to boat owners, the marina is a setting utilized and enjoyed by many other members of the local community. Every day people come to walk along the marina, to enjoy the water, the boats, and the activities. Apart from the recreational and visual appeal, the marina provides financial assets by inviting both new taxpaying residents and transient boaters who contribute to the local community. We need to invest in the marina to preserve the attractions and assets it affords.

Challenges

The marina does have some issues that need to be resolved to realize its full potential and to maintain the attraction it has for boaters and others who enjoy being near the water. The marina infrastructure is ageing, the layout of the slips is far from ideal for the purpose of maximizing income, and docks E, F and H, which were not repaired in 2008, now require several million dollars to replace. These issues need to be corrected for the marina to remain as an attractive and beneficial asset to Cambridge.

While the marina does generate income, its full capability is far from realized. With changes in design and some much-needed repairs, the marina will be able to both produce more income and retain its stature as a central facet of the town.

Like all physical structures, our marina's components have a limited lifespan. The docks, seawalls and utilities are approaching the end of their useful lives. If a plan to take action is not developed and implemented, the facility will become less desirable for boaters, the ability to maintain competitive slip rates will be diminished, and the appearance of the site will cease to be attractive to citizens and visitors.

In conjunction with the declining condition of the physical aspects of the marina, the design of the facility is not as useful as it could be. There are numerous slips designed for 50 and 60-foot boats that are not producing income. To optimize income these slips could be reconfigured to accommodate more income-producing boats (mostly those in the 35-foot range). The 35-foot slips are in much more in demand as evidenced the current practice of placing smaller boats in larger slips at reduced rates.

Another component that is detrimental to the marina is the lack of an adequate seawall. The docks were constructed with inadequate protection from wave action, both from storms and from

the wakes of passing boats. The wave action can be very rough inside the marina and even strong enough to dislodge the catwalk from the floating dock (See Figures 1 and 2.) An improved seawall or other wave-dampening structure needs to be constructed to provide protection for boats in the slips. As it now is, both boats and the docks are damaged by waves from time to time.



Figure 1. Seawall on yacht club side with northerly winds



Figure 2. Wave action is strong enough to dislodge the catwalk from the floating pier.

The marina is at a critical point in its life. Its condition is deteriorating quickly, especially docks E, F and H which will likely take several million dollars to replace. Because of these problems additional funding is needed. If nothing is done, maintenance costs will rise exponentially, accompanied by diminished slip rental income due to the poor condition of the deteriorating marina. A further concern is the increase in risk to users and the public due to worsening safety issues. By restructuring the facility to a more useful layout, and by resolving some of its physical problems, the town will be able to reduce its long-range maintenance costs and increase its income. The marina is one of the most valuable assets that the town has, but it is in dire need of attention.

Factors Affecting Income

Years ago, the Marina was a money maker for the City and the City used any surplus to fund other projects around town. When it came time to redo the Marina in 2007, there was no money set aside. As a result, the City had to finance the entire new construction which was approximately \$8 million. The loan with a final payment of \$255,000 will be paid off in 2022. Looking forward, discussions on how to make the marina profitable once more should focus on maximizing occupancy, charging fair yet competitive rates, acquiring helpful grant funding and developing a long-term plan that precludes undue maintenance expenses. This section of the report addresses:

1. A means to increase marina income by increasing occupancy
2. A means to increase marina income with a fair increase in slip rates
3. Costs pertaining to the seawall issue

Marina Occupancy

Due to a number of unforeseeable circumstances, the addition of larger slip sizes did not benefit the marina's economics because of poor occupancy in those slips. However, an opportunity exists to take advantage of available space in the marina to increase income by reallocating slip sizes. By capitalizing on common boat sizes in Cambridge, occupancy can be increased with a resultant increase in income. Table 1 indicates how a reallocation of slips can be changed to favor the typical marina customer while still providing space for larger vessels. By reconfiguring the larger slips the City could get approximately 280 to 300 slips that are highly rentable. The cost of the reconfiguration would be about \$100,000 per dock side. This short-term loss would be offset by increasing slip rentals.

Fair Slip Rates

The low slip rate not only suppresses the income to the city but also affects pricing in the yacht club and other marinas which must consider the city's rates when setting their own. A survey of other Marinas in the area, together with Oasis management input as to their other marinas could provide rate targets to achieve in two or three years. The Council should note that by subsidizing commercial fisherman, which is a noble goal, the marina is losing approximately \$30K an year in income.

Seawall

A wave study is being done this year, funded by a grant from the state. However, there are no funds to implement the recommendations.

Table 1. Marina Configurations and Estimated Income

		2021	2022	2023	2024
		# Slips	# slips	# Slips	# Slips
Dock	Slip				
A	50' (com)	17	17	17	17
B	50'	12	12	12	12
	60'	10	10	10	0
	35'	0	0	0	22
C	50'	26	13	0	0
	35'	0	22	44	44
D	50'	27	14	0	0
	35'	0	20	42	42
E	35'	40	40	40	40
F	35'	40	40	40	40
G	50'	18	18	18	10
	35'	23	23	23	35
H	40'	32	32	32	32
Total slips		245	261	278	294
Committee Estimate Slip Rental Income*		205,000	290,000	360,000	405,000

* Committee estimates reflect a bias of higher rates of occupancy of smaller slips
Numerals shown in ***bold italics*** indicate slip configuration changes

Recommendations

The city needs a strategic plan to forestall further decline of the marina, to help it become more self-sustaining and even profitable once more and to continue to be a major attraction for the city. We are hopeful that the Mayor, City Council and City Manager will give due attention to the recommendations provided here. Some of the actions needed include:

1. A ten-year plan needs to be drawn up this summer with action taken in 2022.
2. The unrented 50 and 60 foot slips need to be reconfigured to mostly 35 and 40 foot slips. The city now has 245 slips with maybe 130 rented.

3. Increase the slip rental rates by 10% in each of years 2022 and 2023. The Cambridge Marina rates are some of, if not the lowest, on the Bay.
4. Set up an annual \$25,000 dock maintenance fund.
5. Take out a loan in three years to redo docks E, F and H which were not replaced in 2008 and are in deteriorating condition.
6. Use funds from increased slip rentals and fees to implement recommendations from the wave action study being planned.

Conclusion

In summary, the marina is a major asset to the city providing direct and indirect financial benefits as well as significant recreational benefits for tenants and other townspeople. Continued realization of these benefits requires planning to assure the marina's physical and economic status is healthy. Recommendations are offered here to provide additional financial income to address the challenges identified above. Implementation of these recommendations will help preserve this asset to the town and to make the marina more profitable. Please consider the assessments and solutions provided herein as a start.