

Excerpted from "Demand Potential for Petersburg Haul-out, prepared by McDowell Group, Dec. 2008.

## Overview of Haul Out Facilities in SE Alaska

Following is a brief summary of facilities, services, rates and volume for the region's haul-out facilities. Information was gathered from Internet sources and interviews with harbor masters and operators of private haul-out facilities in the region.

### Juneau

#### **DeHart's Marina**

The travel lift is located in Auke Bay, twelve miles north of downtown. This lift is also owned by the City and Borough of Juneau (CBJ) and operated under a lease with Juneau Marine Services (JMS). Capacity is 15 tons. The facility is small; accommodating five vessels during the summer and up to about 20 in the period from October to April. There is one concrete wash-down pad.

The following services can be contracted at either site through JMS: bottom painting, welding, fabrication, rigging, mechanical, fiberglass and carpentry, along with other general labor. The use of any outside contractors must be approved by JMS.

The rate for haul-out is \$15.00 per lineal foot and includes blocking and powerwash. Storage rates are \$50.00 per day for the first week and \$100.00 per day after that. Limited over-winter storage is available from October through March (approximately a dozen vessels) at a cost of \$2,500, plus electricity.

Approximately 100 vessels are hauled out annually at Dehart's Marina, with 75 percent local use.

### Ketchikan

#### **Air Marine Services**

The operation is situated about eight miles north of downtown Ketchikan and consists of a 35-ton hydraulic trailer, a ton 50-ton travel lift, and marine railway capable of hauling vessels up to 300 tons. The current owners have operated the haul-out facility for thirteen years. They upgraded from a 25-ton to the 50-ton lift about six years ago. The site is about fourteen acres with space for about 210 vessels. When they began operating in 1995 they had 140 spaces. Approximately 15 to 20 percent of the long-term storage is covered. There is a generally a wait list for covered storage; which is almost always full.

Ample workspace is available on the site. Vessel owners may arrange with contractors for required services, or perform the work themselves. They have a 40' x 100' enclosed paint/fiberglass work area. The building cost \$200,000 to construct. The travel lift can move and position up to two vessels in the building at one time. Maximum height is 32 feet. The hydraulic trailer can position up to three or four smaller vessels in the building at one time. Demand for the paint building is about 180 days per year. However, with little demand for accommodating multiple vessels at any one time, they have used approximately half of the building for covered long-term storage over the last couple of years.

Lift fees for vessels up to 25 tons are \$9.00 per lineal foot. Vessels over 25 tons are \$11.00 per foot. Fees are for round trip haul-out only. Blocking and powerwash services are available for an extra fee. Fees for the marine railway are \$12.50 per foot. The rate for outside storage space is \$0.50 per lineal foot per day for work area use and \$3.50 per foot monthly for long-term storage. Enclosed work space for painting and other uses is \$100 per day. Covered storage (buildings with two walls and a roof) costs \$4.50 per foot per month for small vessels on trailers and \$7.50 per month per foot for larger vessels.

Air Marine hauls an estimated 300 vessels annually, with more than 50 percent being commercial vessels. According to CFEC data, there are approximately 200 commercial fishing vessels home-ported in Ketchikan. Demand for covered storage is almost exclusively from mid-size pleasure vessels, with two-thirds of which come from out of state (approximately 20 vessels). Approximately two-thirds of their haul-outs are local vessels. Typically 200 to 210 vessels are stored over the winter, (of which about two-thirds are on trailers in covered storage and the rest are larger vessels blocked in covered storage). They are contemplating clearing more acreage and expanding the number of outside space.

### **Ketchikan Ship and Drydock (KSDD)**

This facility is designed for large vessels. They offer a dry dock and marine services for large vessels (up to 450 feet and 10,000 tons) at its full service shipyard. Crane service at the yard has a 40 ton capacity. Services available on-site include full shipwright and carpentry services, valve and hydraulics works, electrical and pipe specialty shops. Marine-related businesses in the community include full service boat and engine sales, complete shipwright services, welding, fabrication, electronics, electrical, painting services, marine hardware and supplies, canvas and upholstery, fiberglass, gas and diesel engine mechanics, refrigeration, and insulation.

Because of KSDD's cost structure and focus on the largest vessels in the region, the facility is not in direct competition for vessels appropriately sized of a Petersburg facility. Vessels likely to use a lift facility in Petersburg would only use KSDD in an emergency. Information the number of vessels serviced was not available.

### **Sitka**

Sitka has a complete range of marine businesses. There are full service boat sales shops as well as specialized service and repair shops including canvas-works and upholstery, electronics services, fiberglass and painting services, welding, general marine hardware and supplies, metal fabrications, mechanics (gas and diesel), prop work, bottom painting and zincs services. Many individual providers are members of the Shipwrights Cooperative in Sitka.

### **Halibut Point Marine**

The travel lift is located 5 miles north of the downtown area. Lift capacity is 88 tons. The site consists of about two and a half acres of storage and work space. There is no covered work or storage area.

Lift fees are charged by the lineal foot: \$12.00 per foot includes round trip haul-out. Blocking is done by the vessel owner. It is mainly a "do it yourself" yard. On-site, pressure wash units are available for rent. Summer storage rates are \$1.35 per foot per day. Winter rates are \$0.70 per foot per day or \$10.00 per foot per month, whichever is cheaper. Between 500 and 600 vessels are hauled out annually. Of these, an estimated 80 percent of the vessels are locally owned. They can store about 40-50 boats depending on size. Commercial vessels make up approximately 90 percent of those hauled at this site. According to CFEC data there are about 359 commercial fishing vessels home ported in Sitka.

### **Allen Marine**

The facility is used primarily for this boat building operation. The 60 ton travel lift is generally not available to the public, although it may be available for emergency use.

### **Skagway**

Skagway has a 20 ton hydraulic trailer capable of hauling vessels up to about 40 feet in length with a 10 foot beam. In late November they had 52 boats in their storage yard. They do not have covered storage. Skagway's competitive advantage is a dryer climate than other Southeast communities. Haul-out fee is \$200 round trip. Storage rate is \$0.20 per square foot per month with a 250 square foot minimum.

## **Craig**

Craig purchased an 80 ton hydraulic trailer in April 2006. They can haul vessels up to about 50-55 feet. There is a wash down pad with a catchment system (same type as Wrangell). They have a small storage yard that will hold about up to 20 vessels.

Rate is \$10 per foot roundtrip with up to 3 days out of the after. After 3 days, a storage charge of \$0.29 per lineal foot per day applies. After 6 weeks the long term storage rate is \$0.16 per day per foot.

Craig has hauled a total of about 215 vessels as of late November, 2008. Fiscal year 2008 is there best year to date and the harbormaster forecasts 85-90 vessels will be hauled. Approximately 80 percent of haul-outs are local vessels. There about 16 vessels in storage in late November 2008, two of them were from out of state. The harbormaster report that demand is good and if they had more room they would likely be hauling more vessels.

## **Hoonah**

Hoonah is currently completing Phase II of development of a new Marine Industrial Center. Phase II includes a 200 ton capacity travel lift slated to begin operating in May 2009. The facility will consist of a launch/haul out pier and approximately 3.5 acres of space for storage and boat work. Phase I; tideland fill was completed in June 2007. The yard will accommodate 15-25 vessels, depending on size. Plans call for utilities to be installed and ready with the completion of the launching pier. The wash down area will be concrete, with the remainder of the site a level gravel surface. The travel lift will be owned and operated by the City of Hoonah. It will operate year round, with repair work done by vessel owners or private marine service companies.

Currently there are limited shipwright services in the community. General engine repair (inboard, outboard and diesel), fiberglass, and welding services are available. There is lease space available for marine related businesses onsite as well as immediately across the highway from the facility.

According to City officials, lift rates have not yet been established but will be comparable with industry standards in the region.

A study prepared for the City of Hoonah in September 2002 estimated that 192 vessels would use a 100 ton facility. Revised figures for the 200 ton facility were not available. Given the number of competing facilities in the region and the current limited services available in Hoonah it seems unlikely that number of haul-outs will be conducted anytime in the near future. Hoonah will need an extensive marketing effort and an expansion of service providers to attract more vessels to the facility.

## **Petersburg**

There are currently two tidal grids available in Petersburg. One is capable of handling vessels up to 200 tons and a second smaller grid is limited to vessels of 40 feet or less.

### **Petersburg Shipwrights**

Petersburg Shipwrights has about 1 acre of upland and 2 acres of submerged lands (Petersburg Shipwrights owns about an acre and leases the rest from the City). Approximately one-third of an acre is filled. A marine way rail haul-out can take two vessels up to 58' at one time, or one-100' vessel (about 400 tons). Keel length is the most limiting factor. Petersburg Shipwrights has no boat storage area. Most haul-outs last 24 hours or less. Vessel owners are not permitted to perform any major work themselves while hauled-out at Petersburg Shipwrights. In addition to the marine-way rail, there is a 45' x 55' floating shop where vessels can tie-up on three sides. The front of the float can take a 110' vessel. Petersburg Shipwrights is converting previously leased space into a new 40' x 40' machine shop. The owner stated that he has plans and permits to develop a 150 ton lift at the site but that financing is an issue. Petersburg Shipwrights hauls between 200 and 250 vessels annually. The shipwright operation includes welding, woodwork, propulsion and fiberglass repair. Electronics and engine work is done by outside contractors arranged by the vessel owner.

Haul rates are \$145 per day for vessels up to 36 feet in length. Vessels 37 to 58 feet in length are charged \$5 per foot, per day. Vessels over 58 pay \$6.50 per day.

Petersburg Shipwrights also operates a retail store on the property that sells fishing and safety supplies, marine hardware, paints and other boat related equipment.

### **Petersburg Marine Industrial Park**

Petersburg Marine is located across the highway from Scow Bay turn-around. Operation began in the spring of 2008. The work yard and storage site is filled and graded, and encompasses approximately 12 acres. A hydraulic trailer with a 35 ton capacity can haul vessels up to about 47 feet. Petersburg Marine only provides haul-out services; all other work must be contracted or done by the vessels owner. Vessels are hauled using a ramp owned by the State of Alaska Department of Transportation and trailored across the highway. Until recently, power lines along the highway had limited vessel height to about 22 feet. The power lines are currently being buried as part a transmission line upgrade and will no longer limit vessel height.

The main site has a gravel pad of about 3 acres with a 40' x 60' concrete work area capable of holding approximately 12 vessels. The work area has access to power, sewer and water. There is ample room for long term vessel storage on the remainder of the site. Currently there is no catchment system for vessel washing. According to the facility owner Petersburg Marine is adhering to Alaska Coastal Zone Management Guidelines and closely monitors facility users to prevent unauthorized activities.

The owner plans to develop the site further and include marine related businesses, net storage and lockers. He stated that if a wash down containment system was not installed elsewhere in the community he would eventual hope to install one at the Petersburg Marine site but that with the cost near \$150,000, the eventuality was uncertain.

Rates are \$10 per foot round trip (includes standard blocking) and \$1.75 per lineal foot per month for storage. PM has hauled about 35 vessels since opening. Currently there are 40-45 vessels in the Petersburg Marine yard. Some were hauled by Petersburg Marine but most were brought there by the owners. Many are smaller recreational vessels. The Petersburg Marine's owner stated that he expects next year will be busier with the availability of power on the site.

### **Wrangell**

As part of Wrangell's Marine Center development, a 150-ton travel lift was installed in November 2006. The boat lift operation is run by the City of Wrangell through the harbor department, and operates during regular business hours and on an emergency basis. Vessel owners may choose to hire contractors to work on their boats or do the work themselves. The lift is able to handle boats up to 120 feet in length and 28 feet wide. The largest vessel lifted to date was a 110 -foot yacht.

There are approximately three acres of graded and fenced upland area that are used for vessel repairs and storage. An additional acre will be added to the storage yard in the near future. The City also has a U.S. Corps of Engineer permit to fill an additional 2.5 acres in front of the facility. There is not a schedule for completion of the additional acreage.

Initially, five work spaces (with electricity) were installed on a concrete pad. A wash-down pad was installed in the summer of 2008 to capture and store run-off from vessel maintenance. The City currently is installing electrical outlets for 32 more spaces. The harbor master reported that the additional outlets should be completed by the end of 2008. They hope to add 30 more outlets next year if funds are available. There is very limited covered space available for use by vessel owners. The City owns two small warehouses on the site. Vessels up to 35 feet with low rigging can use the warehouse space for work. The facilities are not ideal

work space as they are also used for storage of harbor maintenance materials. The harbormaster stated that there is a desire by a private business to acquire a long-term lease on the site and develop a business that provides covered work space for vessels. Currently the City is working on a plan that will allow space within the facility to be leased.

In June of 2008 a 40-ton hydraulic trailer was added to the facility. A front-end loader is used to maneuver the trailer. This has allowed the facility to stack smaller vessels more densely in the storage yard. Stacking boats in the yard with the travel lift (40 feet wide) caused each stored vessel to take up more space than was required, potentially resulting in lost revenue. The loader is also used for other maintenance activities (such as snow removal). Off site transportation of vessels is available.

The Wrangell harbormaster reported that approximately 160 vessels were lifted annually in the first and second year of operation. The largest number of vessels in the storage yard at one time was 57 in early 2008. In mid-November 2008 there were 45 vessels in the yard and two in the work area. An estimated 48 percent of vessels hauled out annually are non-local. Most haul-outs are commercial vessel, mainly fishing boats. CFEC data indicates that about 200 fishing vessels are registered as home-ported in Wrangell. They have hauled-out a few yachts for emergency repairs. When yachts are pulled for emergency repairs, spending in the community can be substantial. They had two smaller yachts in the yard for winter storage for 2008-2009.

Lift revenue was just over \$41,000 for FY2007 (only seven months of operation) and storage fees earned an additional \$10,000. Lift and storage revenues increased substantially in FY2008 to \$96,500 and \$45,000 respectively. Storage fees accounted for 32 percent of total lift and storage related revenues in FY2008. Average revenue per vessel hauled-out, was approximately \$600 in 2008 and storage fees were approximately \$270 per vessel hauled.

**Wrangell Travel Lift and Storage Revenue\***

	<u>FY2007</u>	<u>FY2008</u>
Lift revenue	\$41,600	\$96,500
Storage revenue	10,275	45,000
Total	\$51,875	\$141,500

Source: City of Wrangell

\*Note: Wrangell's fiscal year runs from July 1 through June 30. The lift began operation in mid-November 2006 resulting in only seven months of operation in fiscal year 2007.

The harbormaster reported that the Wrangell lift and storage facility operated at a small profit for FY2008 (\$2,000). This did not include repayment of capital costs for facilities or equipment. There is also no forward funding for future replacement of facilities and equipment. The harbormaster stated that the lift and storage operation is intended to at least break even, and fees will rise as the costs of repairs, maintenance and equipment replacement rise.

Rates for storage were increased in July 2008 from \$0.20 cents per square foot per month to \$0.30 cents for storage yard space and from \$0.20 cents per square foot per month to \$0.50 for work yard space. In addition to generating more revenue, the higher rate for work space storage was also intended to speed up turnaround