



Committee of the Whole - Workshop Meeting

Agenda

Date: October 3, 2017
Time: 1:00 pm
Location: Council Chambers Level 2, City Hall

Note: This meeting is a workshop, no delegations will be registered and only staff directions and motions to receive and file will be permitted.

Pages

1. Declarations of Interest:

2. Delegation(s):

Not applicable.

3. Consent Items:

Reports of a routine nature, which are not expected to require discussion and/or debate. Staff may not be in attendance to respond to queries on items contained in the Consent Agenda.

4. Regular Items:

4.1 Joint Venture review (PR-07-17)

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Note: staff will provide a presentation

4.2 LaSalle Park Marina wave break viability review (F-35-17)

6 - 48

Note: presentation by Daniel Wootton, Grant Thornton Limited

5. Confidential Items:

Confidential reports may require a closed meeting in accordance with the Municipal Act, 2001. Meeting attendees may be required to leave during the discussion.

6. Procedural Motions:

7. Information Items:

8. **Staff Remarks:**

9. **Committee Remarks:**

10. **Adjournment:**



SUBJECT: Joint Venture review

TO: Committee of the Whole - Workshop

FROM: Parks & Recreation Department

Report Number: PR-07-17

Wards Affected: All

File Numbers: 900-04

Date to Committee: October 3, 2017

Date to Council: October 10, 2017

Recommendation:

Receive and file parks and recreation department report PR-07-17 regarding Joint Venture review.

Purpose:

A Healthy and Greener City

- Healthy Lifestyles

An Engaging City

- Good Governance
- Community Building through Arts and Culture via Community Activities

The purpose of this report is to provide background information for the Committee of the Whole Workshop on October 3rd, 2017, regarding Joint Venture (JV) relationships in the City of Burlington. This report provides an overview of the current status and issues surrounding JVs, including an overview of the Leisure Services Policy and decision framework for the provision of recreation services. The information in this report is to provide background and context and support the discussion at the pending workshop.

Background and Discussion:

The City has Joint Venture Agreements with twenty-one (21) not-for-profit organizations that offer programs and services to the community. The JV concept is a collaborative approach in the delivery of programs which is consistent with the Council approved

[Leisure Services Policy](#) and the [2009 Parks, Recreation and Cultural Assets Master Plan](#).

The Leisure Services Policy provides a framework to assess community needs and determine the most appropriate service delivery model. The JV model is one of several delivery options within this policy.

The City entered into its first JV agreement in 1954 with the Burlington Curling Club. The majority of subsequent agreements and JV facilities were developed in the 1970's and 1980's. The concept of the JV model was primarily developed based on community initiative and the efforts of volunteers. Volunteers continue to play a vital role in the operation and sustainability of JVs today.

While the development of most JV agreements pre-dates the Leisure Services Delivery Policy (2002), the City undertook a similar process to evaluate new service proposals that included:

- Community needs assessment
- Options analysis
- Organization assessment
- Business plan
- Feasibility study

Once the assessment was completed and the JV proposal was deemed viable, Council approved the initiative and an agreement was developed.

Arrangements with Joint Venture Organizations:

Joint Ventures have exclusive use of a facility on City owned or leased land, to provide services to Burlington residents. JVs do not pay rent nor do they pay property taxes given their operational classification. JVs are responsible for all costs associated with operating and maintaining their facility, as outlined in the [Joint Venture Policy](#). While the JV policy has existed for many years, a review in 2010 resulted in the re-affirmation of the key working principles of the policy.

Under the approved JV Policy, staff from Legal, Capital Works, Finance and Parks and Recreation developed a standardized rolling month to month agreement in order to extend expired JV Agreements until such time new formal agreements are executed. At this time most JVs are on a rolling month to month agreement.

In 2016, staff developed a new JV Agreement template, with the goal to move the JV from their interim month to month agreements to longer term agreements. The new agreement was established based on the principles already approved by Council which included the responsibility of JV organizations to fund their own capital. New agreements were issued to JV organizations in June 2016. Some JVs expressed

concern with the length and detail of the agreement and the requirement to fund all capital costs without the support of the City.

With aging infrastructure and a greater understanding of capital renewal needs through City condition assessments, some JVs continue to be concerned about their ability to fund future capital renewal.

Of the thirteen (13) JVs needing to move from a month to month agreement, only four (4) JVs have signed the new agreements for the reasons noted above. In addition, some JVs feel that the JV policy requirements around self-funded capital investment may be changing based on an upcoming report to Council.

Most recently, a number of JVs have expressed an interest in facility revitalization and expansions including the LaSalle Park Marina wave break, Burlington Gymnastics expansion, Aldershot Tennis Club revitalization, Rifle and Revolver Club new facility, and Drury Lane renovation. A number of challenges have come to light in recent years including:

- Some JVs are having challenges funding capital renewal, while others are self sustainable
- The scale of these types of projects is beyond the capacity and technical expertise of volunteer organizations and will require an investment of City staff and resources
- Some of the proposed expansion projects include encroachment into City park land
- Some JV organizations rely on government infrastructure funding (e.g. grants) for major projects which may compete or align with City interests and priorities

In consideration of the above, Council appropriately approved the following staff direction:

Direct the City Solicitor and the Director of Parks and Recreation to undertake a review of the Joint Venture Policy (JVP) particularly with respect to the undertaking of capital projects and report back on any recommended changes.

To support this review, a senior staff steering team has been meeting to discuss this topic. The steering team is comprised of the City Manager, Director of Parks and Recreation, City Solicitor, Director of Finance, Executive Director of Capital Works, Manager of Community Development Services, Manager of Recreation Services and Recreation Planners in Parks and Recreation. This team decided it would be prudent to bring Council into the conversation in the form of a Committee Workshop.

It is important to note that while all twenty-one (21) organizations are considered JVs, each organization has significant differences in their service delivery, customers, operating model and financial sustainability.

Strategy/process

The Committee Workshop will provide:

- A brief overview of the background related to JVs
 - Identification of the current state
 - A review of the Leisure Services Policy and process undertook to arrive at the current state
 - Focused conversation on the challenges outlined regarding JVs
 - Discussion on options moving forward
-

Financial Matters:

For the purposes of this workshop, financial matters will be discussed as related to the current state and proposed options moving forward.

Connections:

This discussion links Council's vision of a Healthier and Greener City and providing opportunities through a variety of community partners. In addition, discussion will be linked to the City's Asset Management Plan.

Public Engagement Matters:

Staff held a workshop with JVs on April 5, 2017 to discuss how JVs can better meet their asset management needs. There was a range of opinions from JVs varying from the City should be financially supporting all capital renewal of the buildings, since they are City owned, to the City should remain status quo as outlined in the policy and agreement. There was not a clear consensus amongst the JV group.

Conclusion:

Joint Ventures are one of a few service delivery arrangements that the City uses to offer Sport, Recreation and Culture Services to Burlington residents. It is a truly empowering partnership model where the Board of the Joint Venture manages the operational, programming and capital upkeep of the facility, in return for exclusive use of a facility on City land. Staff is looking forward to an engaging discussion with Council about this service delivery model.

Respectfully submitted,

Denise Beard
Manager of Community Development
905-335-7600 ext 7518

Rob Axiak
Manager of Recreation Services
905-335-7600 ext 7353

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.



SUBJECT: LaSalle Park Marina wave break viability review

TO: Committee of the Whole - Workshop

FROM: Finance Department

Report Number: F-35-17

Wards Affected: 1

File Numbers: 945-10

Date to Committee: October 3, 2017

Date to Council: October 10, 2017

Recommendation:

Receive and file finance department report F-35-17 regarding the LaSalle Park Marina wave break viability review.

Purpose:

Services offered by LaSalle Park Marina, provide recreational activities contributing to healthy lifestyles.

A Healthy and Greener City

- Healthy Lifestyles

Background and Discussion:

LaSalle Park Marina (LPMA) is a non-profit organization that was created in 1981 and provides a venue for recreational boating at the Marina, located at the bottom of LaSalle Park. LPMA operates the marina under the terms of a joint venture agreement with the City of Burlington. The joint venture agreement provides LPMA with the authority to utilize the marina and outlines their responsibilities related to maintenance, operation and capital renewal. The current Marina operation has 219 slips and is protected by a floating wave break.

At the Community and Corporate Services committee meeting held on September 12, 2016 Finance staff brought forward report F-28-16, which provided a financial review of the business case for a permanent wave break and marina expansion provided by

LPMA, for information only. In addition to this report the City Manager brought forward a supplemental report CM-13-16, providing a high level update on the Marina wave break project. The following recommendations were approved by Council;

1. Direct the City Manager, in consultation with the Director of Finance to take carriage of project planning and financial analysis including an assessment of the project's alignment with the Strategic Plan and the relative priority for capital funding.
2. Direct the City Manager to retain outside consultant services to complete the following:
 - a. A complete financial assessment of the viability of the marina operations with and without capital upgrades.
 - b. Detailed costing and funding options and a recommended strategy if the assessment indicates that the marina is not viable without a permanent wave break and marina expansion.
3. Direct the City Manager to report back on the results of the analysis in recommendation 2 including next steps.
4. Direct the City Manager to consult with the LPMA and make recommendations to Council of compensating LPMA for costs they have incurred to date in leading this project.
5. Direct the City Solicitor and the Director of Parks and Recreation to undertake a review of the Joint Venture Policy (JVP) particularly with respect to undertaking and funding of capital projects and report back on any recommended changes.

Strategy/process

As a result of the above recommendations approved by Council, the city engaged the services of Grant Thornton Limited to provide an independent financial assessment of the marina operations. Attached as Appendix A to this report, is the consultant's report on their findings regarding the financial viability of the below three scenarios;

- (a) Replacing the current floating wave break with a fixed wave break;
- (b) The current status quo (continued use of the existing floating wave break);
- (c) A new replacement floating wave break

The proceeding section provides a high level synopsis of the consultant's findings with respect to the above three scenarios.

Options considered

Replacing the current floating wave break with a fixed wave break

- Highest cost option approximately \$14 million

- LPMA would require a 25 yr. loan of \$4.67 million, with the remaining two-thirds of project funding assumed to be coming from senior levels of government.
- Cannot meet the 10% down payment requirement as per the city's Joint Venture policy
- Boater occupancy would need to grow from 70-90%
- Wave break maintenance anticipated at \$100,000 in the 25 yr. period
- Annual dock maintenance reduced as docks are offered better protection and no longer needed to be taken out of the water during winter season, approximately \$5,000 annually.
- Ownership issues with the Hamilton Port Authority

Current status quo

- Lowest capital cost option \$0
- Without financial support, Marina will not be able to sustain itself with the current floating wave break beyond six years.
- Boater occupancy will continue to decline from its current 73%
- Wave break and maintenance costs will continue to run at approximately \$55,000 per annum
- Potential opportunity for pricing increases to cover additional expenditures, primarily with Senior Membership fees
- Possibility of insurance providers no longer insuring boats at the Marina, impacting occupancy

New replacement floating wave break

- Capital cost to be determined, but significantly less expensive than a fixed wave break
- Provides the city with options on assessing the ability to provide financial support that fits within the city's current financing guidelines (10 year debt repayment, 10% down payment)
- Annual wave break and maintenance costs will reduce to approximately \$15,000
- Potential for future expansion

Other Considerations

The consultant's report also noted the following conclusions that are important to note regarding this project;

- City of Burlington held Marina reserve fund is currently in a shortfall position of approximately \$193,000
- The fixed wave break does not benefit 100% of City of Burlington residents

- The fixed wave break project would require the city to alter its joint venture financing policy
- The Hamilton Port Authority would be the owner of the fixed wave break and as per the lease contract requires that HPA approve all construction projects, therefore consideration with respect to their scope of involvement in any future project
- The city currently leases the water lots used by the Marina the contract will remain in effect until 2020; similarly the City also leases the adjacent LaSalle Park from the City of Hamilton, the contract remains in effect until 2022.
- Ability to secure senior government funding provided the timelines regarding the current sustainability of LPMA operations, and life cycle of existing floating wave break.

Financial Matters:

Grant Thornton Limited was engaged by the City of Burlington at a total cost of approximately \$72,600 (including HST).

Public Engagement Matters:

Not applicable.

Conclusion:

The City retained outside consultant services to complete a financial assessment of the viability of marina operations. The report is being presented to Committee as part of the workshop on Joint Venture Policy review to provide an overview of the current status and issues surrounding JV's. Staff will report back at a later date with a recommended strategy with regards to the LaSalle Park Marina Wave Break Project upon considering the feedback from the workshop.

Respectfully submitted,

Reena Bajwa

Coordinator of Financial Strategies & Business Consulting

905-335-7600 x7896

Appendices:

- a. Grant Thornton – Wave Break Viability Review LaSalle Park Marina

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.



LaSalle Park Marina – Wave Break Viability Review

Report of the Financial Advisor

August 25, 2017

The City of Burlington
426 Brant Street
Burlington, ON L7R 3Z6

Attention: Sandy O'Reilly

August 25, 2017

Dear Sandy:

LaSalle Park Marina – Wave Break Viability Review - Report of the Financial Advisor (the “Report”)

Grant Thornton Limited has been engaged as a financial advisor (“GTL”, the “Financial Advisor”, or “we”) to the City of Burlington (the “City”) for the purpose of reviewing, reporting and making recommendations to the City on the following matters in regards to LaSalle Park Marina (the “Marina”) and specifically LaSalle Park Marina Association’s (“LPMA”) request for support for the construction of a fixed wave break (the “Project”). The specific scope of our engagement included the following:

- Performance of a financial assessment of the viability of the marina operations, with and without the Project, including a review of: historical financial statements, LPMA’s forecasts and related assumptions, recent reports prepared by and for the City, meetings with LPMA and the City, and the creation of a financial model of LPMA’s operations and the Project;
- reviewing and reporting on the viability of LPMA with and without the Project and considering the debt service capabilities and industry standards with respect to marina operations;
- assessment of the potential funding options available to LPMA (either directly or through the City) and considering existing limits with respect to eligibility, policy limitations, debt service, and other relevant considerations;

- recommendation to the City with respect to the Project, funding, next steps, and attending meetings to discuss the results of this Report with the City; and
- reviewing any other matters related to LPMA which the City determines to be appropriate.

Sources of Information

The information contained in this Report is based primarily on:

- FY11 to FY16 audited financial statements;
- FY11 to FY16 internal financial statements;
- Forecasted financial results;
- General correspondence and discussions with Management personnel (John Birch “*President*”, Patrick Faux “*Treasurer*” and Tina Wright “*Vice-President*”)

We provided a draft version of this Report to Management on June 9, 2017, which was shared internally with the LPMA Board of Directors to confirm the facts stated herein. The following Report includes the comments made by Management.

During the course of our work we attended meetings at LPMA located at 831 LaSalle Park Road, Burlington, Ontario and our office in Hamilton, Ontario.

Scope of work and limitations

Our work focused on the areas set out in our engagement letter. Our review does not constitute an audit in accordance with Generally Accepted Auditing Standards and no verification work has been carried out by us, except as expressly stated herein. Consequently we do not express an opinion on the figures included in this Report.

The responsibility for forecasts and the assumptions on which they are based is solely that of Management. It must be emphasized that forecasts by their nature necessarily depend on subjective judgement.

Forecasts are, to a greater or lesser extent, according to the nature of the business and the period covered by the forecasts, subject to inherent uncertainties. As a consequence, they are not capable of being audited or substantiated in the same way as financial statements which present the results of completed accounting periods.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which a wider scope review might uncover.

Forms of Report

For your convenience, this Report may be made available to you in hard copy format as well as in electronic format. Multiple copies and versions of this Report may therefore exist in different media and in the case of any discrepancy, the final signed hard copy should be regarded as definitive.

General

This Report is issued on the understanding that the City and Management of LPMA and the Marina have drawn our attention to all matters, financial or otherwise, of which they are aware and which may have an impact on our Report up to the date of signature of this Report. Events and circumstances occurring after the date of our Report will, in due course, render our Report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date Report. Additionally, we have no responsibility to update this Report for events and circumstances occurring after this date.

Contacts

If there are any matters upon which you require clarification or further information please contact Daniel Wootton at 416-360-3063 or Ingrid Obendorf at 416-369-7134.

Yours truly,

GRANT THORNTON LIMITED

Glossary

| | |
|-------------------|---|
| BSBC | Burlington Sailing and Boating Club |
| City | The City of Burlington |
| EA | Environmental Assessment report dated July 2013 (Dillon Consulting Limited) |
| FY | Fiscal year-ended |
| GTL | Grant Thornton Limited, or the Financial Advisor, or 'we' |
| HPA | Hamilton Port Authority |
| IO | Infrastructure Ontario |
| LPMA | LaSalle Park Marina Association |
| Management | John Birch (President), Patrick Faux (Treasurer) and Tina Wright (Vice-President) |
| Marina | LaSalle Park Marina |
| Project | Fixed wave break project |

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Unless otherwise noted, all dollar amounts are in Canadian Dollars.

Note: Some of the tables contained in this Report may appear to be off by \$1 or 1%. This is due to rounding.

Appendices

| | |
|-------------------|--|
| Appendix A | Project Forecast Assumptions |
| Appendix B | Fixed Wave Break Assumptions and Inputs |
| Appendix C | Fixed Wave Break Financial Forecast |
| Appendix D | Marina Rate Comparison |
| Appendix E | Status Quo Assumptions and Inputs |
| Appendix F | Status Quo Financial Forecast |
| Appendix G | Replacement Wave Break Financial Forecast |

1. Executive Summary

The LaSalle Park Marina has served the residents of Burlington and the surrounding Halton Region for over thirty-seven years, however, a recent trend of declining revenue (by way of decreased occupancy) has resulted in LPMA having to consider its options to improve the financial operation of the Marina. According to Management, the decline in occupancy is due to damage to boats and equipment caused by severe weather over the past several years. Management has advised that the existing floating wave break has been unable to suppress such severe weather. The Financial Advisor has reviewed past reports, financial data, and met with Management to prepare three scenarios of financial forecasting to determine the viability of:

- (a) replacing the current floating wave break with a fixed wave break;
- (b) the current status quo (i.e. the continued use of the existing floating wave break); and
- (c) a new replacement floating wave break.

Financial Viability of a Fixed Wave Break

Based on the assumptions contained herein, which are described in this Report, the Financial Advisor is of the opinion that the Marina will be able to service a loan of approximately \$4.67 million, representing 1/3 of the estimated Project cost, whereby the balance of Project costs would have to be sourced from non-refundable government related grants (similar to other projects of a similar nature).

The challenges in completing the Project include, but are not limited to, the ability to source the funding and financing required as well as the City's policies on debt financing (i.e. a limit of amortization periods within 10 years, a 10% deposit paid to the City for all new projects, and the presumed requirement of the City guaranteeing up to \$4.67 million of debt). The Project may not be possible based on current policies but may be financially viable based on government funding and LPMA's debt service capacity.

Financial Viability of the Status Quo

Based on the assumptions contained in this Report, the Financial Advisor is of the opinion that the Marina will not be able to remain in operation as the declining rate of occupancy is expected to continue. As a result, the Marina will no longer remain solvent thereby requiring financial support to manage the projected negative cash flow from operations within six to seven years.

Financial Viability of a Replacement Floating Wave Break

Based on the assumptions made in this Report, the Financial Advisor is of the opinion that the Marina could seek a replacement floating wave break and could service such debt/cost pursuant to the City's current debt restrictions, as long as the total project cost does not exceed \$750,000.

Funding

Based on the Financial Advisor's review of similar projects, there exists an opportunity to replicate a funding/financing model that involves government grants and government supported lending which may allow for the Project to

be completed, subject to the City's debt related policies. This would relate to a new fixed wave break solution.

The Financial Advisor believes that the sourcing of financing through government related agencies would be possible under a replacement floating wave break scenario based on LPMA's debt service capabilities, the lower cost in comparison to a fixed wave break, and the amount currently available in trust to assist with a wave break project.

Recommendation

In reviewing past expert reports prepared with respect to the wave break challenges at the Marina, the Financial Advisor notes that a new fixed wave break appears to be the recommended solution. This solution includes construction of a new fixed wave break, electrical upgrades and expansion of slips. Based on our review, a fixed wave break may be financially viable if the appropriate funding/financing structure is obtained through government sources. The current challenges of a fixed wave break include, but are not limited to, obtaining such funding/financing as well as the City's debt limitations. Should this solution be explored further, proposals/quotes should be obtained from qualified engineering and infrastructure developers in order to confirm project costing in addition to exploring government financial support. A further study/report may not be required.

Should a fixed wave break no longer be explored, a replacement floating wave break should be considered over the current status quo. In this case, proposals/quotes should be obtained to consider the total cost of replacing the current floating wave break with one which will effectively protect the Marina

and the boats which reside at the Marina. Similar to the fixed wave break project, a replacement floating wave break project should consider the proposed electrical upgrades as well as the possibility of an expansion.

A further description of the Financial Advisor's recommendations is included in the final section of this Report.

2. Introduction

2.1 Background

The Marina is located within the Hamilton Harbour along the North Shore and adjacent to the LaSalle Park in Burlington, Ontario.

The Marina and related LaSalle Park Marina Association (LPMA) were established in 1981. Since its inception, the Marina has been managed and operated by LPMA. The current management and operational terms as between the City and LPMA are dictated by way of a joint-venture agreement.

LPMA is a not-for-profit organization consisting of a volunteer board of directors, an on-site manager, and seasonal labour. LPMA operates from a club house located within LaSalle Park and next to the Marina.

The land and water lots where the Marina are situated are leased by the City from the Hamilton Port Authority (HPA) whereby LPMA and the Marina pay rent to the City to satisfy a portion of rent paid by the City to the HPA.

The Marina consists of 219 boat slips and a floating wave break. The Marina's services include: a security gate, Wi-Fi internet, shared power, fresh water, outdoor seating, pump out services, seasonal dock lifts, and washroom/shower facilities for members and patrons of the Marina. The washroom and shower facilities are co-shared with the Burlington Sailing and Boating Club (BSBC).

2.2 Financial Operation of the Marina

The Marina generates revenue through four revenue streams:

1. Charter Membership – the historical model that was subsequently replaced with Senior Membership in 2005. An initial capital investment was required with reduced annual slip fees and membership in LPMA with voting rights. In order to obtain a refund of their capital investment, a Charter Member is required to find a replacement member.
2. Senior Membership – requiring an initial capital investment with reduced annual slip fees and membership in LPMA with voting rights. A refund of the capital investment is possible on a depreciating basis.
3. Associate Membership – seasonal slip fee rate with membership in LPMA without voting rights
4. Other Revenue – short term slip rentals, storage, pump outs and other fees

The capital investment made by Senior Members is maintained in a separate reserve account that is managed by both LPMA and the City and is based on a depreciating refundable amount.

All members have full use of LPMA's facilities including the clubhouse. During the boating season, general operating expenses which are managed separate from the City consist of:

1. Management and labour expenses
2. Insurance

3. Rent
4. Professional fees
5. Advertising
6. Utilities, supplies and interest

Seasonally, the Marina incurs expenses with respect to the installation and haul out of the floating wave break and all docks. The past financial performance of LPMA is summarized in the following table:

| | 000's | FY12 | FY13 | FY14 | FY15 | FY16 |
|---|-------|-----------|-----------|-----------|-----------------------|----------|
| Revenue | | 279,780 | 266,075 | 264,830 | 260,302 | 231,863 |
| Operating Expenditures | | 57,652 | 70,361 | 47,728 | 109,510 ¹ | 58,134 |
| | | 222,128 | 195,714 | 217,102 | 150,792 | 173,729 |
| Administrative and General | | 81,779 | 74,962 | 81,773 | 87,983 | 81,742 |
| Excess of revenue over expenditures from operations | | 140,349 | 120,752 | 135,329 | 62,809 | 91,987 |
| Allocation to Funds | | (139,357) | (115,000) | (136,000) | (94,000) | (94,000) |
| Net Result after Allocation to Funds | | 992 | 5,752 | (671) | (31,191) ¹ | (2,013) |

¹ Extraordinary repairs to the floating wave break.

LPMA Funds

Excess cash flow from operations is used to contribute to various funds (i.e. the Allocation to Funds above). In 2016, LPMA maintained three separate funds:

1. **City of Burlington Held Marina Reserve Fund** – a fund administered by LPMA and the City which holds a reserve of \$100,000 for marina dismantling costs as well as member trust funds for Charter and Senior members. This fund is replenished by way of interest income generated from the fund account balance, the replacement of Charter memberships with Senior memberships, as well as the prescribed declining balance of Senior member contributions (i.e. a portion of Senior member initiation fees are depreciated over a 7-year period). The balance of the fund as at November 30, 2016 was \$425,240 and it is expected to rise to \$437,042 by November 30, 2017. We understand that should all Charter and Senior members require a refund of their balances in 2017 (which is unlikely), and in considering the marina dismantling holdback of \$100,000, the required balance of the fund should be \$640,528, resulting in a shortfall of approximately \$193,000. As Charter members are replaced by Senior members (and Senior member balances are reduced at the prescribed rates), the shortfall is expected to be eliminated by 2024. In addition, surplus cash flow from operations may be used to accelerate the reduction of the shortfall.
2. **LPMA Held New Wave Break Replacement Fund** – a fund used to reserve excess cash from operations in anticipation of a new wave

break solution to the current aged floating wave break. The last contribution made to this fund occurred in 2014. The balance as at November 30, 2016 was \$356,372.

3. **LPMA Held Dock Replacement Fund** – a fund used to contribute to the cost of replacing all docks at the Marina. As at the date of this Report, we understand that all docks have now been replaced. The fund balance as at November 30, 2016 was \$247.

Going forward, it is anticipated that any future surplus cash from operations will be allocated to the LPMA Held New Wave Break Replacement Fund.

2.3 The Wave Break Project

At its inception, the Marina utilized a floating tire wave break which provided protection to boats moored in the Marina from high waves and severe weather. In 1998, the floating tire wave break was replaced with a steel tube floating wave break. While there remains some controversy with respect to the longevity of the current floating wave break, it is approaching the end of its useful life and the boats within the Marina have suffered significant damage over the past few years such that occupancy at the Marina has suffered.

In order to assess its options, LPMA has considered the following:

1. Replace the current floating wave break with a fixed wave break
2. Replace the current floating wave break with a fixed/floating wave break
3. Replace the current floating wave break with a new floating wave break

4. Do nothing and continue to operate with the existing floating wave break

Based on past reports prepared by Hall Coastal Canada Ltd. (2001) and Dillon Consulting Limited (2013), and LPMA's recommendation, it has been determined that the best option to consider would be the replacement of the current floating wave break with a more permanent fixed wave break. The following three sections will report on the results of the Financial Advisor's financial review and viability analysis of options 1), 3) and 4) above.

3. Financial Viability of the Project

3.1 Overview

The Financial Advisor performed a financial analysis focusing on the viability and debt service capacity of LPMA with respect to the installation of a fixed wave break (the Project).

Based on the Financial Advisor’s review and the assumptions contained herein, the Marina could be financially viable should a permanent wave break be installed. The primary limitations include the ability to obtain the necessary funding/financing and the City’s ability to support such financial arrangements which we understand may require the City to amend its current limits. We have assumed that City has the following limits/requirements:

1. a restriction on the amount of debt that the City may be exposed to;
2. a limit on debt amortization periods of with 10 year periods; and
3. the requirement of a 10% down payment for all new projects.

3.2 Financial Model

In order to consider the financial impact of completing the Project the Financial Advisor created a financial model to forecast future revenue, expenses, capital expenditures, and debt repayments based on certain assumptions over a thirty (30) period. The following is a list of the significant assumptions made by the Financial Advisor, a more detailed list of assumptions is attached as **Appendix A**.

Significant Assumptions

- **Project Cost** – \$14,000,000
- **Project Financing** – Loan (IO) and Grant proceeds, split 1:3, respectively
- **Project Timeline** – Commenced and completed in 2020
- **Construction** – Construction would commence in the spring/summer of 2020.
- **Occupancy** – Upon completion of the Project, occupancy will increase from the current 70% to 90% over a five year period.

3.3 Financial Results

Operating Results

As shown in the following table, over a 30 year period, LPMA has a surplus of revenue over expenses of \$7.6 million. The surplus is largely attributable to future revenue and lower operating costs following the repayment of an assumed IO loan. Interest expense accounts for a significant component of expenses (and cash flow) during the repayment period. The Financial Advisor’s summary of assumptions and inputs as well as the forecasted Income and Cash Flow Statements are attached as **Appendix B** and **C**, respectively.

Summary Income Statement - FY17 to FY45

| | (\$000's) | % of Rev |
|--------------------------------------|--------------|--------------|
| Revenue | 18,297 | 100.0% |
| Operating Expenses | (1,367) | 7.5% |
| General and Administrative Expenses | (3,635) | 19.9% |
| Earnings from Operations | 13,295 | 72.7% |
| Interest - Canada 150 JV | (26) | 0.1% |
| Interest - Wave Break Loan | (2,156) | 11.8% |
| Depreciation | (3,493) | 19.1% |
| Surplus revenue over expenses | 7,620 | 41.6% |

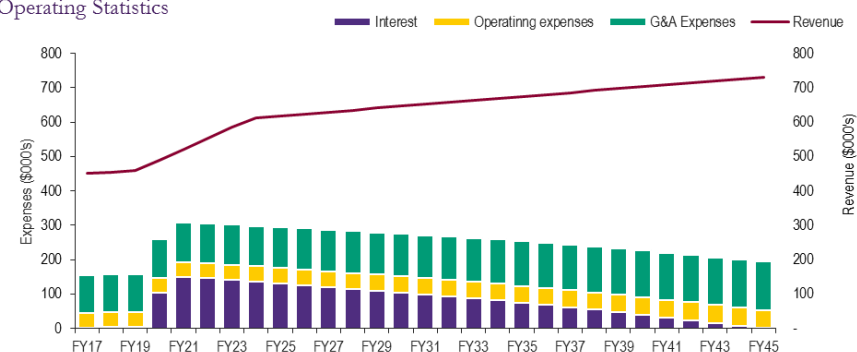
Under a fixed wave break scenario, operating costs are projected to be more stable as maintenance and repair costs would decrease due to reduced wear and tear on the docks and equipment. In addition, the docks and floating wave break may no longer have to be removed at the beginning and at the end of each boating season, eliminating such annual costs (approximately \$25,000/year).

General/administration expenses would remain stable and consist of: the manager's salary, seasonal labour, equipment lease payments, utilities, insurance professional fees, and advertising.

The following graph illustrates the projected impact of the Project on Revenue, Operating Expenses, General/Administration Expenses and Interest. The

graph projects that an IO loan could be fully repaid by FY45 and that the resulting operation could be financially viable and remain cash flow positive. At the end of FY45, the Marina would: 1) continue to benefit from the fixed wave break; 2) have repaid the IO loan; and, 3) have paid, in cash, the cost to replace all docks.

Operating Statistics



Cash Flow Results

Over a 30 year period, LPMA is projected to realize a net positive cash flow of \$2.3 million. The cash flow projection includes: Project costs, maintenance of the fixed wave break, and replacement of all docks in 25 years. The following chart shows the reduction in cash for such expenditures, however, these expenditures can be funded from Project financing and cash flow from operations.

Summary Cash Flow - FY17 to FY45

| | (\$000's) | % of Rev |
|----------------------------------|--------------|--------------|
| Cash flow from operations | 13,295 | 72.7% |
| Financing Activities | | |
| Principal payments | (4,917) | 26.9% |
| Interest payments | (2,182) | 11.9% |
| Proceeds from financing & grants | 14,250 | 77.9% |
| | 7,152 | 39.1% |
| Investing Activities | | |
| Capex | (18,100) | 98.9% |
| Net cash flow | 2,346 | 12.8% |

Sensitivity

The Financial Advisor has tested the assumptions to see where the potential cash flow break even may occur with respect to the increase in occupancy levels once the Project is completed. Instead of an increase to 90% occupancy over a five year period, should the Marina experience only a 2% increase in occupancy each year over a five year period to a maximum occupancy of 80%, LPMA would remain cash flow positive at the end of the 30 year projection period.

Debt service coverage

The debt service coverage (DSC) ratio refers to the amount of income available to meet principal and interest payments. In this scenario, the DSC remains above 1.0 for the 30 year projected period.

Conclusion

Based on a 30 year forecast and the assumptions made herein, LPMA appears to be able to maintain positive net income and cash flow each year and will be able to service the projected \$4.67 million IO loan.

The following sections will provide further detail on the assumptions made in the Financial Advisor's viability review.

3.4 Project Costing

The fixed wave break option involves a stone fixed break water structure which may provide the highest level of boater safety, the least amount of maintenance, and may include other socio-economic benefits including long term fish and wildlife habitat improvement. Notwithstanding the benefits, the fixed wave break involves the highest cost compared to the alternatives and it would require the City to amend its current policies.

While there is no formal costing, Shoreplan Engineering Limited has provided an initial estimate between \$10.9 million and \$11.6 million. LPMA has assumed an overall cost of \$14 million after adding the cost for additional docks and electrical upgrades.

The breakdown of the current cost estimate is as follows:

| Project Cost Estimate | | (\$) |
|-------------------------------|--|---------------|
| Fixed Wave Break Construction | | \$ 8,000,000 |
| Aquatic Shelf Installation | | 1,200,000 |
| Contingency (30%) | | 2,800,000 |
| Additional Docks (LPMA) | | 1,300,000 |
| Electrical Upgrade (LPMA) | | 700,000 |
| Total Estimate | | \$ 14,000,000 |

3.5 Project Financing

It is anticipated that the Project will be financed by way of a construction loan, (which will subsequently be converted to a term loan) and government grants. A description of this arrangement as well as a discussion on certain alternatives is included in this Report.

The following is a summary of the estimated loan terms. Such terms were obtained from the Financial Advisor's discussions with IO (and are therefore subject to change).

Loan

- **Lender** – Infrastructure Ontario (IO)
- **Loan amount** – \$4.67 million, representing 1/3 of the estimated Project cost
- **Loan terms** – Fixed term of 25 years at an interest rate of 3.25%. The rate is based on a loan rate given to municipalities from IO
- **Construction** – Construction would commence in the spring/summer of 2020 whereby the loan could be advanced to assist with such construction costs

As explained in the Funding and Financing section within this Report, it is assumed that two-thirds of the construction costs could be funded through government grants, similar to other fixed wave break projects in Ontario and Canada. On this basis, it is assumed that provincial and federal infrastructure funds could be utilized to cover the \$9.33 million balance of the fixed wave break construction estimate.

3.6 Operating Forecast

The following chart summarizes the assumptions made with respect to future operations, both before and after the completion of the Project. A more detailed description follows the chart.

| Revenue | Expenses |
|---|---|
| <ul style="list-style-type: none"> • Capacity - Slip capacity will increase from 219 to 340. • Occupancy - Occupancy is expected to decrease to 70% prior to the completion of the Project. Once completed, occupancy is projected to increase to 90% over a 5 year period. • Rates - Rates will be increased upon to be in line with local competition. • Inflation - Rates further increase at an inflation rate of 1.0% per year | <ul style="list-style-type: none"> • Wave Break Maintenance - Estimated at \$100,000 in the 25th year following construction. • Dock Maintenance - \$5,000 annually. • Dock replacement - The docks will require replacement in 25 to 30 years. This cost has been estimated at \$4 million. • Inflation - Expenses will increase at an inflation rate of 1.0% per year. |

Capacity

The current Project contemplates an expanded marina with an increase in the number of boat slips, an increase in the size of boats that can be accommodated at the Marina, as well as improved electrical service.

The increased capacity can create higher revenue through slip rentals and can take advantage of the anticipated growth and demand in the recreational boating community within Halton Region.

The City, in conjunction with Oakville Parks and Open Space department and the Region of Halton, retained Touristix Consulting (“Touristix”) to undertake a Harbours Feasibility and Capacity Study with respect to recreational boating across the Region of Halton. Touristix focused on population growth, boating trends and existing slip capacity.

As outlined in the Touristix report, the Halton region currently has approximately 1,300 boat slips available for rent. All marinas in the area are at near capacity and most maintain wait lists. In 2013, the Halton region wait list was estimated to be over 470 boats and is expected to grow to 820 in 2018. In addition, the population of Halton is projected to grow by 47% between 2013 and 2031. Participation in power boating and sailing is expected to increase by 5%-15% within the same period. The numbers of slips required to satisfy demand by the year 2031 is expected to be 2,160. The existing marinas, with the exception of LaSalle Park Marina, are unable to expand capacity due to natural barriers and borders.

The Touristix report also addresses the trend in boat sizes. While the majority of forecasted demand is for boats under 26 feet, there is a demand and a trend for larger boats (above 36 feet). Slips for larger boats attract a higher seasonal rate.

| Length | 2013 | 2023 | 2031 | Percentage Increase |
|-------------------------------------|--------|--------|--------|---------------------|
| 6 m. to <8 m. (20 ft. to <26 ft.) | 64,700 | 71,950 | 74,230 | 14.7% |
| 8 m. to <9 m. (26 ft. to <30 ft.) | 12,780 | 14,760 | 15,440 | 20.8% |
| 9 m. to <11 m. (30 ft. to <36 ft.) | 19,400 | 29,720 | 39,010 | 101.1% |
| 11 m. to <14 m. (36 ft. to <46 ft.) | 11,590 | 16,810 | 21,120 | 82.2% |
| 14 m. and longer (46 ft. or more) | 6,470 | 9,980 | 13,180 | 103.7% |

Occupancy

According to Management, the damage suffered by boats over the past several years has been the cause of the decreasing trend in occupancy. Management also believes that the damage is directly correlated to the floating wave break and its inability to suppress large waves during severe weather. Management’s view is supported by coastal engineering reports.

Until the current floating wave break is addressed, Management expects occupancy at the Marina may decrease further resulting in lower revenue to support the Marina’s primarily fixed cost operation. Under a fixed wave break scenario, Management believes that news of a future fixed wave break may stabilize occupancy in the short term whereby occupancy may level off at 70%.

Upon a fixed wave break being installed, occupancy is assumed to increase to 90% over a five-year period. The Financial Advisor has assumed Management’s reasons for the decline in occupancy are correct and that other

factors such as location, service offering, etc., are not negatively affecting occupancy.

Rates

A comparison of rates between current LPMA rates, anticipated post-Project LPMA rates and the rates at marinas in the surrounding area is attached as **Appendix D**. Generally, both the current and future projected rates at the Marina will be equal to or lower than the local competition.

Similar to some other marinas (i.e. Oakville Harbour), LPMA could consider a surcharge for boaters that reside outside of the City's geographic region. The Financial Advisor understands that surcharges are not widely practiced. For the purpose of this analysis, no such surcharge has been contemplated.

Fixed Wave Break Maintenance

The Financial Advisor reviewed certain reports from the City as well as the reference to fixed wave break maintenance costs in the EA report prepared by Dillon Consulting in July 2013 (see page 71). According to the EA report, the maintenance costs could be as high as 0.5% of the cost of the project, or \$60,000 annually.

In corresponding with Dillon Consulting, the Financial Advisor understood that this was an estimate only and that in considering the financial quantum of 0.5% of \$12,000,000, or \$60,000 annually, Dillon Consulting agreed that such amount was high and that an overall budget of \$100,000 over a 25-year period may be more reasonable. The Financial Advisor also spoke with Mr. Milo

Strum, P. Eng. of Shoreplan Engineering Limited who stated that the range for maintenance costs in the EA report would be an industry average for all marine structures including mechanical components and that fixed wave break structures often do not require any annual maintenance.

The Financial Advisor also spoke with Mr. John Gauthier of the Cobourg Marina who stated that the fixed wave break installed in Cobourg in the 1950's has, to the best of his knowledge, not required any maintenance over the past 20 years (representing his time at the Cobourg Marina).

The existing rock structure (the LaSalle spit) built in 1995 south of the LaSalle pier has not required maintenance. The LaSalle spit consists of an underwater rock structure and bridge and was built for aquatic habitat and recreational purposes.

Dock Maintenance

Under a fixed wave break scenario, dock maintenance is expected to be lower than in previous years. In the past, a majority of dock maintenance expenses have been recovered from insurance claims due to severe weather. It is anticipated that a fixed wave break would provide better shelter and protection from severe waves.

Dock Replacement

Recently, all docks at the Marina have been replaced. It is anticipated by Management that such docks have a 25 year life and that all docks will require

replacement at such time. The cost to replace all docks in 25 years has been estimated to be \$4,000,000, or approximately \$11,750 per dock.

3.7 Other Considerations

The Marina, and more specifically LPMA, support local organizations and the community with respect to the following:

- Free use of the two boat launch ramps;
- Burlington Able Sail (BAS) provides sailing opportunities for persons with disabilities. LPMA supports this organization by providing stock space, lift in and out services, administrative water support and volunteer hours. According to Management, BAS has assessed the financial value of these services at \$8,000 annually for marina specific support and \$10,000 annually for volunteer and storage services;
- Burlington Sailing & Boating Club (BS&BC) provides the community with boating and sailing instruction and opportunities for over 150 adults and children; and,
- Iron Duke Sea Cadets

A consideration with respect to the Project may be the number of people who are positively affected by the Project in comparison to opportunity costs and other City initiatives.

Environmental Assessment (EA)

The EA report addressed several environmental considerations of a fixed wave break Project, both during the construction phase and during the operational phase.

In summary, the EA report concluded that the net effect to the environment was minimal and more specifically:

- A fixed wave break with the addition of an aquatic shelf would benefit the fish and the general marine ecosystem.
- The timing of the wave break construction could be managed to minimize bird migration and mating cycle periods.

Parking

Currently there are 107 parking spaces at the Marina. The Project does not contemplate an increase of parking availability. Management estimates current parking utilization is 10-20% of boaters. At 340 slips and a 20% utilization rate, only 68 spaces would be required allowing for excess capacity without the need for additional parking.

Financial Risk

A fixed wave break is a structural barrier which on its own does not generate any revenue or cash flow. Its existence allows for additional slips, an increase in slip rates, and potentially higher occupancy. The repayment of debt required

to construct a fixed wave break will be based on the efficient operation of the Marina, increased occupancy and higher slip rates.

Government Support

This scenario makes two significant assumptions with respect to funding and financing the Project:

1. Grants – In order to be successful, and according to the Financial Advisor’s assumptions, non-refundable grants totaling approximately \$9.3 million will be required. The potential to obtain such grants is described in further detail in this Report.
2. City Support of an IO Loan – IO will require the City to either guarantee the loan or to borrow the funds directly from IO. Based on the Financial Advisor’s review, the amortization and payback period for such loan will be approximately 25 years. There remains a risk that the City may not support a loan in the amount of \$4.67 million or the 25 year amortization period. It is also assumed that the 10% down payment required by the City will be paid from LPMA’s current reserve for the Project in conjunction with IO loan proceeds/government grants. We note that the current LPMA Held New Wave Break Replacement Fund balance is \$356,372 therefore LPMA on their own cannot fund a 10% down payment of the estimated \$14 million project (or a \$1.4 million deposit).

Ownership

As discussed in this Report, any loan required to assist in financing the Project will most likely require the City to guarantee such debt. If the Project is approved and completed, the fixed wave break would be the property of the HPA, and not the City, as the City currently leases the water lots used by the Marina and LPMA. This is a key consideration and a question as to whether or not the HPA should be involved as a guarantor, borrower, financier, or otherwise.

The current lease with the HPA will remain in effect until 2020 with the option for three 10-year renewals (i.e. until 2050). Such renewals are available at the option of the City. In addition, the lease contract requires that HPA approve all construction projects.

4. Financial Viability of Status Quo

4.1 Overview

The Financial Advisor performed a financial analysis on the viability of the Marina and LPMA should the current floating wave break not be replaced and remain in use.

Based on the Financial Advisor’s review, without future financial support, and based on the assumptions herein, the Marina will not be able to sustain itself with the current floating wave break.

4.2 Financial Model

In order to consider the financial impact of maintaining the status quo and a decision to maintain the floating wave break, the Financial Advisor created a financial model to forecast future revenue, expenses and capital expenditures based on certain assumptions and over a thirty (30) year period.

As no significant construction work or debt service is required in this scenario, a majority of the forecast follows past financial results and considers the impact on occupancy, revenue and maintenance expenses based on the ongoing use of the current floating wave break.

The Financial Advisor’s summary of assumptions and inputs as well as the forecasted Income and Cash Flow Statements under the status quo scenario are attached as **Appendix E** and **F**, respectively.

The following is a list of the Financial Advisor’s assumptions.

| Revenue | Expenses |
|---|--|
| <ul style="list-style-type: none"> • Occupancy - Occupancy is currently at 73% and is expected to decrease between 2-4% each year until 2028. • Rates - Rates will be increased by 2-5% annually to 2028 to assist in managing costs while occupancy decreases. • Inflation - Rates increase at an inflation rate of 1.0% per year. | <ul style="list-style-type: none"> • Wave Break and Dock Maintenance - Estimated at \$25,000 annually for repairs and \$35,000 each year to install and haul out the wave break and docks. • Dock Replacement - The docks will require replacement in 25 years. This cost has been estimated at \$2.6 million. • Inflation - Expenses increase at an inflation rate of 1.0% per year |

Occupancy

Current occupancy is approximately 73%, for both Associate and Charter/Senior Members. According to Management, the occupancy levels have been on a downward trend for the past several years. Increased damage to boats as a result of severe weather have resulted in several insurance claims (from both boaters and LPMA’s policies) including five boats which have sunk due to weather in the past three years. The Financial Advisor has reviewed correspondence, provided by Management, which indicates that boat insurance providers have expressed concerns with respect to the growing number of claims at the Marina. If such claims were to continue and insurance providers

decide to no longer insure boats at the Marina, occupancy may decline at a more rapid pace. Notwithstanding the challenge with insurance providers, Management anticipates that the downward trend will continue under current conditions.

The Financial Advisor has estimated that occupancy may continue to decline for Associate Members at a rate of 2% per year to a lower limit of 50%. Occupancy is expected to decline at a faster rate (due to higher increases in slip rates) for Charter/Senior Members. The rate of decline is anticipated to be 4% per year to a lower limit of 30%.

Rates

In order to compensate for the expected decrease in revenue, rates will be increased to cover costs. It has been estimated that costs could increase at a rate of 2% per year for Associate Members and 5% per year for Charter/Senior Members. Management acknowledged that the reason for the different rates is that Charter/Senior Members may be more willing to pay a higher rate as they currently pay a reduced rate due to their capital investment with the LPMA. In addition, as Charter/Senior Members are more involved in LPMA, they may be more willing to support the Marina/LPMA while Associate Members may be more willing to relocate.

Wave Break and Dock Maintenance

Historically, LPMA has incurred approximately \$40,000 per year in repairs and maintenance expenses however this includes certain repairs which have been extraordinary. With the new dock systems in place for the current fiscal year,

the Financial Advisor has accepted Management's projection that future maintenance expenses may average \$25,000 per year.

Dock Replacement

Recently, all docks at the Marina have been replaced. Management anticipates that such docks will have a 25 year life and that all docks will require replacement at such time. The cost to replace all docks in 25 years has been estimated to be \$2,600,000, or approximately \$11,750 per dock (based on the current complement of 219 slips).

4.3 Financial Results

Operating Results

As shown in the following table, over a 30 year period, LPMA has a projected accumulated surplus of revenue over expenses of \$419,000 dollars. The surplus is largely attributable to the proper accounting treatment of wave break maintenance expenses, which has been capitalized for accounting purposes and the accumulated surplus includes the depreciation and not the full cost.

Summary Income Statement - FY17 to FY45

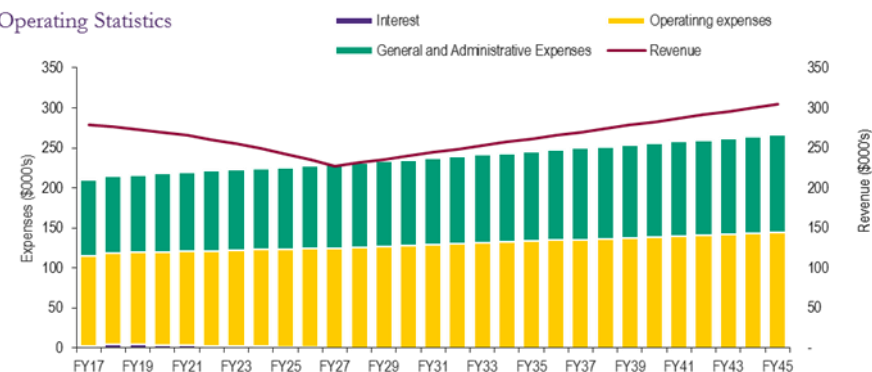
| | (\$000's) | % of Rev |
|--------------------------------------|------------|-------------|
| Revenue | 7,653 | 100.0% |
| Operating Expenses | (3,733) | 48.8% |
| General and Administrative Expenses | (3,144) | 41.1% |
| Earnings from Operations | 777 | 10.1% |
| Interest - Canada 150 JV | (26) | 0.3% |
| Interest - Wave Break Loan | - | 0.0% |
| Depreciation | (332) | 4.3% |
| Surplus revenue over expenses | 419 | 5.5% |

Under the current scenario, operating costs are high due to maintenance and the operation of the existing floating wave break. Higher maintenance costs are expected for the docks in comparison to the fixed wave break scenario as the docks are expected to experience greater damage during severe weather.

General/administration costs are estimated to remain stable and consist of the manager's salary, seasonal labour, leasing costs, insurance, professional fees, utilities and advertising.

The following graph illustrates the projected impact on revenue in comparison to operating expenses, general/administrative expenses and interest. The interest component in this scenario is immaterial and relates to the \$250,000 'Canada 150 Loan' with respect to the recent dock replacement initiative.

Operating Statistics

**Cash Flow Results**

With respect to cash flow, there exists a challenge as the Marina and LPMA are projected to become cash flow negative at the end of FY24. As shown below, during the 30 year projection period, LPMA has a negative cash flow of \$2.1 million. LPMA would require additional funding from other sources to fund the deficit. The cash flow analysis includes the cost of ongoing maintenance and repair expenses as well as the eventual replacement of all docks within 25 years.

Summary Cash Flow - FY17 to FY45

| | (\$000's) | % of Rev |
|----------------------------------|----------------|---------------|
| Cash flow from operations | 777 | 10.1% |
| Financing Activities | | |
| Principal payments | (250) | 3.3% |
| Interest payments | (26) | 0.3% |
| Proceeds from financing & grants | 250 | 3.3% |
| | (26) | -0.3% |
| Investing Activities | | |
| Capex | (2,865) | 37.4% |
| Net cash flow | (2,114) | -27.6% |

Conclusion

Overall, LPMA and the Marina may not be able to continue to operate without future financial assistance due to the anticipated loss of members and reduction in occupancy. In addition, if such financial assistance were to be provided, the operations may continue to operate on a negative cash flow basis until sufficient changes are made to improve occupancy and the financial performance of the Marina.

4.4 Other Considerations

Rental Income

LPMA remits rent payments to the City on a monthly basis. The rent payments assist the City with its lease obligations to the HPA. Should the Marina cease to exist, there would be no further rental income to assist with the lease payments to the HPA.

Insolvency

Should the status quo continue and the Marina become insolvent, the cost to remediate may be higher than the \$100,000 holdback and the associations which are currently supported by the Marina's operation may no longer be able to function without some form of ongoing managerial and administrative support.

5. Replacement Floating Wave Break Alternative

5.1 Overview

As described in detail in this Report, a fixed wave break may be a viable option but only if the following take place:

- the required debt structure is obtained utilizing a combination of an IO loan and government grants; and
- the City's limits on amortization periods, debt capacity and potentially deposits are amended to allow for the Project to commence.

If such pre-requisites cannot be achieved, and understanding that the current status quo may not be viable, a replacement floating wave break could be considered as an alternative.

As there are no current estimates of cost or a timeline with respect to a new floating wave break, we are unable to provide a specific viability assessment of such option. We have however developed a financial model, based on certain assumptions, to determine the extent to which LPMA can afford a new floating wave break structure. If a quote(s) is obtained for a new floating wave break, the financial model may be used to ascertain LPMA's ability to service the debt required to finance such project.

5.2 Benefits of a New Floating Wave Break

The benefits of a replacement floating wave break based on discussions with professional in the industry and our research are the following:

- significantly less expensive than a fixed wave break;
- floating wave breaks can be designed such that they may remain in place during winter months, thereby avoiding the current costs of moving the existing wave break twice each season;
- floating wave breaks can be designed to withstand various conditions whereby the results of reducing damage to boats and equipment during severe weather may be achieved; and
- a new floating wave break may be installed pursuant to the fixed wave break plan thereby allowing for a future expansion of the Marina when appropriate.

5.3 Risks of a New Floating Wave Break

The risks of a replacement floating wave break include the following:

- the useful life of a floating wave break would be significantly less than a fixed wave break;
- a floating wave break will require additional annual maintenance compared to a fixed wave break; and
- a new floating wave break will need to give comfort to local boat owners that they may moor their boats at the Marina with limited risk of damage during severe weather conditions.

5.4 Financial Viability

In reviewing what LPMA can afford with respect to a replacement wave break, the Financial Advisor used the following assumptions:

| Revenue | Expenses |
|---|--|
| <ul style="list-style-type: none"> • Capacity - Slip capacity will remain the same at 219. • Occupancy - Occupancy is expected to decrease to 70% prior to instillation. Once completed, occupancy is projected to increase to 90% over a 10 year period. • Rates - Rates will be increased upon to be in line with local competition. • Inflation - Rates further increase at an inflation rate of 1.0% per year | <ul style="list-style-type: none"> • New Loan - A ten (10) year amortization period at 3.25% interest. • Wave Break Maintenance - Estimated at \$10,000 annually. • Dock Maintenance - \$5,000 annually. • Dock replacement - The docks will require replacement in 25 to 30 years. This cost has been estimated at \$2.6 million. • Inflation - Expenses will increase at an inflation rate of 1.0% per year. |

Based on the Financial Advisor's assumptions, and considering what the Marina can afford, a loan of up to \$750,000 could be used to finance a replacement floating wave break. Any amount higher than this would either

require a longer term payback period, lower interest rate, or higher occupancy/dock fee assumptions.

The Financial Advisor notes that a replacement floating wave break project of up to \$2 million could be financed should the Marina have up to 25 years to repay such financing. The primary limitation to a \$750,000 budget would be the City's requirement of amortization periods of 10 years or less.

In a replacement floating wave break scenario, the Marina would be able to maintain a sufficient debt service ratio of at least 1.0, which we believe would be acceptable to most lenders.

At a \$750,000 project cost, LPMA's Held New Wave Break Replacement Fund could be utilized to satisfy the 10% down payment required by the City and could also be used to increase the overall size of the project budget.

The Financial Advisor's forecasted Income and Cash Flow Statements are attached as **Appendix G**.

5.5 Next Steps

It is recommended that if a replacement floating wave break option is considered, that several proposals be obtained from qualified wave break manufacturers. This may be a low cost option to obtaining cost estimates and timelines and will allow for manufacturers to provide a solution that is customized for the Marina.

Estimates from the manufacturers may be compared to the Financial Advisor's assessment to determine the viability of such option(s).

It is recommended that floating wave break manufacturers consider the severity of the weather in and around the Marina, ice thickness during the winter season, the length of wave break required, depth levels, wave suppression curtains and the width of wave break required to effectively suppress waves. In addition, a replacement floating wave break should cover the same footprint as the contemplated fixed wave break so as to not hinder the possibility of expanding the Marina's slip capacity in the future.

It is also recommended that HPA be contacted as any future projects involving the water lots currently being leased by the City will require HPA approval.

6. Funding and Financing Options

6.1 Overview

The following section provides a summary of the Financial Advisor’s work in determining the funding and financing options available to LPMA and the City should the Project (i.e. the fixed wave break) proceed.

The Financial Advisor has corresponded with traditional lenders (i.e. Schedule A banks), alternative lenders, private lenders and government funded lenders in order to determine the options available to LPMA and the City.

LPMA is a not-for-profit organization which does not have sufficient cash flow or tangible assets (security) to obtain traditional financing. LPMA’s largest assets consist of its docks, capital reserves for the Project of approximately \$350,000, and the reserve account for remediation and the City and LPMA marina account balances of approximately \$425,000.

A wave break on its own does not generate revenue or have any significant resale value. A fixed wave break will allow for the Marina to be expanded and should provide greater protection to the boats moored within the Marina. Based on the assumptions contained within this Report, a fixed wave break will allow LPMA to increase rates and realize greater occupancy thereby creating additional cash flow to service debt.

6.2 Financing Options

Traditional and Alternative Lenders

Due to the lack of underlying assets and cash flow, a loan in the amount of \$14 million cannot be obtained nor would the Marina have sufficient cash flow to service such debt. In addition, in comparison to the Financial Advisor’s recommended approach, traditional and alternative lenders will most likely charge a higher cost of borrowing making this option more expensive compared to a government funded lender.

Private Lenders

There exists certain private funds that focus on lending money to support public infrastructure projects (i.e. Brookfield, Stonebridge, Greystone, etc.). Based on the Financial Advisor’s review this would not be a viable source of funding as the \$14 million cost would be below the minimum threshold of acceptance. In addition, in comparison to the Financial Advisor’s recommendation, the cost of borrowing from a private lender would be higher making this option more expensive.

Government Funded Lenders

The Financial Advisor considered funding options from the Business Development Bank of Canada (“BDC”) and Infrastructure Ontario. While BDC may be an option, the Financial Advisor focused on IO as based on the Financial Advisor’s review, IO has participated on similar projects in the past and is more focused on supporting such projects compared to BDC who is

more focused in private enterprise. In addition, IO's rates in most cases are lower due to the participation and support from local governments making this the least expensive option.

For the purpose of the Financial Advisor's analysis, a loan from IO in conjunction with government grants would be the recommended strategy in seeking financial support and financing for the Project.

6.3 LPMA Funds

LPMA has allocated a portion of past years' net revenue to certain reserve funds (as described earlier in this Report). The LPMA Held New Wave Break Replacement Fund has been created for financing the Project or any permanent wave break alternative.

Currently, there are no other reserve funds that may be used for the Project as the LPMA Held Dock Replacement Fund has been depleted (as all docks have now been replaced) and the City of Burlington Held Marina Reserve Fund is in a potential shortfall position.

6.4 Government Funding/Grants

The federal government has infrastructure funds that are available to invest in infrastructure projects across the country in partnership with provinces, territories and municipalities. The federal government released the 2014 New Building Canada Fund to assist with such projects. In addition, \$3 billion is available each year for municipal projects through the federal/provincial

government programs related to Goods and Services Tax Rebates and the Gas Tax Fund.

6.5 Infrastructure Financing

In reviewing past projects of a similar nature, the Financial Advisor has seen a relatively consistent approach used to finance such projects. The approach has been used in the Financial Advisor's viability review above under the fixed wave break scenario.

A combined approach involving government grants and a government funded lender is seen as the best approach as such government grants can be made available as well as financing through a government funded lender. Such a structure would result in the lowest cost of borrowing, approximately 3.25% on the loan portion only.

The following is a summary of recent projects which have used this approach:

Frenchman's Bay Harbour – Pickering, Ontario

The project involved the reconstruction of the Frenchman's Bay Harbour entrance including wave break repair and the widening of the channel to make the area safer for boaters. Construction was completed in 2015.

The City of Pickering, with the Ontario and Federal governments, have worked in conjunction on the Frenchman's Bay Harbour project where the investment was approximately \$9 million. Each party contributed 1/3 of the funds. The governments funded the project under the Provincial Territorial Base Fund.

Prince Arthur's Landing at Marina Bay – Thunder Bay, Ontario

The completion of the first phase of this waterfront development project involved the construction of a water garden pavilion, an arts centre, a splash pad and a second garden. Additional work to improve the waterfront included the renewal and expansion of trails, the relocation of wave break walls, and the installation of electrical services, water systems and foundation piles for piers. Construction was completed in 2015.

The Ontario government contributed approximately \$5 million and the Federal government contributed \$14.65 million of the \$44 million project. The government funded the project from the Infrastructure Stimulus Fund.

Pond Inlet – Nunavut

The project involved the construction of a new marina and small craft harbour at Pond Inlet, Nunavut. The project increased overall capacity and allowed for greater accessibility for various sized vessels.

The Federal government contributed \$30 million to the estimated \$40 million project. The Nunavut provincial government was responsible for funding the remainder of the project. The governments funded the project under the New Building Canada Fund's Provincial-Territorial Infrastructure Component-National and Regional Projects.

6.6 Replacement Floating Wave Break

Based on the Financial Advisor's assumptions, a replacement floating wave project could be considered where as much as \$750,000 could be financed to cover such project costs.

The Financial Advisor believes that such financing could be obtained through the same channels in which the Canada 150 Loan was obtained in order to replace certain docks at the Marina. The Financial Advisor recommends this approach over traditional bank loans in order to take advantage of inter-government borrowing rates. The Financial Advisor believes that in either case, the City will be required to guarantee any new loan however subject to the future financial operation of the Marina, such a guarantee may come with little to no risk of default.

6.7 Conclusion

With respect to a fixed wave break solution, based on the quantum of the Project cost, traditional, alternative and private lending may not be available due to the size of the project and the fact that there will be insufficient future cash flow to service a \$14 million loan.

A collective approach including federal/provincial funding and financing from a lower cost lender, such as IO, can work subject to the City's restrictions. The Financial Advisor is aware of City's policy limits with respect to debt limits and amortization periods. If such policy limits were to remain in place, the Financial Advisor is not aware of any other financing options which would allow the Project to commence other than potentially complete funding from

federal/provincial governments where little to no financing would be required. Based on the Financial Advisor's review of past projects of a similar nature, there has always existed the requirement for a portion of the project to be financed by the local municipality/government.

With respect to the replacement floating wave break alternative, the Financial Advisor assumes that the ability to obtain financing of up to \$750,000 through either an inter-government loan or an IO Loan should be achievable.

As previously mentioned in this Report, as the HPA will benefit from the construction of a fixed wave break on their property (or a replacement floating wave break), the HPA may also have an interest in supporting the Project.

7. Conclusions and Recommendations

7.1 Conclusion

A fixed wave break project is viable if the proposed funding/financing structure can be obtained and if the City is able to amend their current debt restrictions. Consideration should be given to completing the fixed wave break project for the following reasons:

- the fixed wave break has been accepted as the best solution over the current floating wave break;
- based on the Financial Advisor's review, the Marina would be able to service a loan of up to \$4.67 million with excess cash flow available for further upgrades and programs;
- a fixed wave break could have a very long term positive impact due to the length of its useful life, minimal maintenance requirements, and the ability to protect the Marina and surrounding area; and,
- other considerations as described in Section 3 to this Report including economic contributions and environmental benefits.

The Financial Advisor has identified the following key considerations which would not support the completion of a fixed wave break project:

- general financial risk of guaranteeing debt;
- ownership of the fixed wave break would rest with the HPA; and,

- the opportunity cost of allocating resources to the Marina over other City initiatives.

The status quo scenario should not be considered an option as the current floating wave break does not appear to provide adequate protection and as a result, it is contributing to the financial challenges experienced by the Marina. Further damage to the Marina and the boats within the Marina would result in higher repair costs and could jeopardize the availability of insurance for both the Marina and the resident boats.

A replacement floating wave break is financially viable assuming the appropriate wave break can be obtained within a budget of \$750,000. This assumes that a replacement structure could remain in place year-round, provide adequate protection, and allow for the eventual expansion of the Marina as occupancy increases towards full capacity. The Financial Advisor notes that several marinas in Ontario have opted for floating wave breaks over fixed wave breaks.

7.2 Recommendations

LPMA and the City must determine which option to pursue, a fixed wave break or a replacement floating wave break. It is the Financial Advisor's recommendation that the following steps should be considered (whereby certain steps may be taken concurrently):

1. Consider the benefits and risks of a fixed wave break and determine the City's ability to amend its debt restrictions which currently restrict the ability to borrow the funds necessary to complete a fixed wave break project.
2. Seek support from existing government infrastructure funds, Infrastructure Ontario, and other inter-government lenders in order to assess the likelihood of a funding/financing option for a fixed wave break as well as financing for a replacement floating wave break.
3. Seek approval from HPA (and where required, the City of Hamilton), for either the fixed wave break or replacement floating wave break project.
4. Seek proposals/quotes from manufacturers that specialize in constructing fixed wave breaks and floating wave breaks so as to determine the actual cost, scope and timelines involved for each option.
5. Prior to implementing either option, confirm financial viability based on LPMA's financial operations at the time (i.e. the Financial Advisor's forecast models may be used by the City to assist).

Appendix A – Project Forecast Assumptions

Key assumptions

| | |
|--|--|
| Rental rates | LPMA historical rates are consistent with competition on the lower side due to a lower service offering. LPMA has forecasted rates on an increased basis. The forecasted rates are in line with the competition which reflect current rates. It is expected that competitor rates would increase slightly to reflect market conditions. See Appendix D for competitor analysis. |
| Occupancy | Current occupancy is 73%. If a fixed wave break is installed; there would be a ramp up to at least 90% occupancy within 5 years. |
| Types of slips rented | The Harbours Feasibility and Capacity Study demonstrates a demand for larger slips. LPMA has estimated the additional slip capacity includes slips that would accommodate larger boats. |
| New docks | LPMA have calculated the total cost of existing docks and extrapolated that figure to 340 slips for a cost estimate of \$4.0 million and included an inflation factor of 1.02% assuming the docks would be installed in year 26. |
| Annual maintenance of permanent wave break | Estimated at \$100,000 in year 25. Actual expenditures are anticipated within 20-30 years of installation. It is anticipated that a reserve would be created where \$4,000 could be set aside each year. Estimate is supportable through discussion with Shoreplan Engineering and discussions with local harbour masters who have experience with stone wave breaks (Coburg and Port Credit). |
| Annual maintenance of docks | LPMA has estimated the annual cost of dock maintenance at \$5,000. The maintenance required includes periodic replacement of boards and other parts on as needed basis. The existing docks are fairly new and in good condition. |

Appendix B

Fixed Wave Break Assumptions and Inputs

FY17 to FY45



Project Assumptions

| | |
|--------------------------|-------|
| Total project cost (\$M) | 14.00 |
| Project completion date | FY20 |

Funding Assumptions

| | |
|--------------------|--------|
| Debt Allocation | 33.33% |
| Debt amount (\$M) | 4.67 |
| Grant Amount (\$M) | 9.33 |

Debt Assumptions

| | |
|----------------------|-------|
| Interest per annum | 3.25% |
| Amortization (years) | 25 |
| Start Year | 2020 |
| Month | Mar 3 |

Occupancy & Pricing (Rental Docks)

| | |
|----------------------------------|--------|
| Occupancy, beginning | 70.00% |
| Yearly increase in occupancy | 4.00% |
| Beginning of increase | FY20 4 |
| Ending of increase | FY25 8 |
| Annual price increase, associate | 1.00% |

Occupancy & Pricing (Senior/Charter)

| | |
|--------------------------------------|--------|
| Occupancy, beginning | 70.00% |
| Yearly increase in occupancy | 4.00% |
| Beginning of increase | FY20 4 |
| Ending of increase | FY24 7 |
| Senior Charter Member price increase | 1.00% |

New Dock

| | |
|-----------------|------|
| Completion Date | FY20 |
|-----------------|------|

Capital Assets

| Significant Additions | Amount | Timing |
|-----------------------|-----------|--------|
| Item 1 | 100,000 | FY36 |
| Item 1 | 4,000,000 | FY42 |
| Item 1 | | |
| Annual Maintenance | | |
| Depreciation rate | 1.00% | |

Dock Allocation & Pricing

| Existing Dock | Slips | Price |
|---------------|-------|----------|
| 25 Feet | 67 | \$ 1,800 |
| 30 Feet | 41 | \$ 2,200 |
| 35 Feet | 10 | \$ 2,400 |
| 37 Feet | 1 | \$ 2,750 |

New Dock

| | Slips | Price |
|---------|-------|----------|
| 25 Feet | 20 | \$ - |
| 30 Feet | 20 | \$ 2,200 |
| 35 Feet | 40 | \$ 2,400 |
| 40 Feet | 40 | \$ 3,500 |

Charter/Senior Members

| | No. | Price |
|------------------|-----|----------|
| Membership | | |
| Maintenance Fees | 100 | \$ 1,094 |

Other Revenue

| | Annual | Increase |
|--------------------|--------|----------|
| Short-term dockage | 5,000 | 1.00% |
| Dinghy storage | 400 | 1.00% |
| Oversize charge | 1,400 | 1.00% |
| Keys/Cards | 11 | 1.00% |
| Pump-out | 400 | 1.00% |

Expenses

| | |
|-----------------------------|-------|
| Annual increase in expenses | 1.00% |
|-----------------------------|-------|

Operating Expenses

| | |
|----------------------------------|--------|
| 7020 · VOLUNTEERS/FUEL/SUNDRIES | - |
| 7022 · CRANE | - |
| 7025 · VOLUNTEERS/FUEL/SUNDRIES | - |
| 6010 · EQUIPMENT MTCE | 5,000 |
| 6011 · EQUIPMENT PURCHASES | 5,000 |
| 6020 · DOCK MAINTENANCE | 5,000 |
| 6021 · DOCK ELECTRICAL | 5,000 |
| 6025 · SUMMER STUDENT | 8,000 |
| 6028 · VOLUNTEER DOCK CLEANING | 2,000 |
| 6030 · WAVE BR MTCE | - |
| ELECTRICITY & WINTER MAINTENANCE | 10,000 |
| 6022. key expense | 1,000 |

General and Administrative Expenses

| | |
|-------------------------------|--------|
| 5010 · ADVERTISING | 3,000 |
| 5015 · BANK SERVICE CHARGE | 300 |
| 5020 · BOARD TRAVEL etc. | |
| 5025 · INSURANCE | 18,000 |
| 5031 · VISION 2012 | - |
| 5040 · LEASE | 17,900 |
| 5050 · LEGAL & ACCOUNTING | 5,000 |
| 5060 · MANAGEMENT | 50,000 |
| 5064 · EMPLOYER PAYROLL | 6,000 |
| 5065 · COMMUNICATION | 3,000 |
| 5085 · POSTAGE/STATIONARY | 2,000 |
| 5090 · MISCELLANEOUS EXPENSES | 3,000 |
| 5070 · MEMBERSHIP EXPENSE | 800 |

LaSalle Park Marina – Wave Break Viability Review

Appendix C
LPMA - Fixed Wave Break Financial Forecast
FY17 to FY45

| Income Statement | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 | FY37 | FY38 | FY39 | FY40 | FY41 | FY42 | FY43 | FY44 | FY45 | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----|
| Revenue | \$ 450,537 | \$ 454,998 | \$ 459,458 | \$ 490,000 | \$ 521,044 | \$ 552,589 | \$ 584,635 | \$ 612,457 | \$ 618,128 | \$ 623,799 | \$ 629,470 | \$ 635,141 | \$ 640,812 | \$ 646,483 | \$ 652,154 | \$ 657,824 | \$ 663,495 | \$ 669,166 | \$ 674,837 | \$ 680,508 | \$ 686,179 | \$ 691,850 | \$ 697,521 | \$ 703,192 | \$ 708,863 | \$ 714,533 | \$ 720,204 | \$ 725,875 | \$ 731,546 | |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7020 - VOLUNTEERS/FUEL/SUNDRIES | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7022 - CRANE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7025 - VOLUNTEERS/FUEL/SUNDRIES | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6010 - EQUIPMENT MTCE | 5,060 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 | |
| 6011 - EQUIPMENT PURCHASES | 5,060 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 | |
| 6020 - DOCK MAINTENANCE | 5,060 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 | |
| 6021 - DOCK ELECTRICAL | 5,060 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 | |
| 6025 - SUMMER STUDENT | 8,080 | 8,160 | 8,240 | 8,320 | 8,400 | 8,480 | 8,560 | 8,640 | 8,720 | 8,800 | 8,880 | 8,960 | 9,040 | 9,120 | 9,200 | 9,280 | 9,360 | 9,440 | 9,520 | 9,600 | 9,680 | 9,760 | 9,840 | 9,920 | 10,000 | 10,080 | 10,160 | 10,240 | 10,320 | |
| 6028 - VOLUNTEER DOCK CLEANING | 2,020 | 2,040 | 2,060 | 2,080 | 2,100 | 2,120 | 2,140 | 2,160 | 2,180 | 2,200 | 2,220 | 2,240 | 2,260 | 2,280 | 2,300 | 2,320 | 2,340 | 2,360 | 2,380 | 2,400 | 2,420 | 2,440 | 2,460 | 2,480 | 2,500 | 2,520 | 2,540 | 2,560 | 2,580 | |
| 6030 - WAVE BR MTCE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| ELECTRICITY & WINTER MAINTENANCE | 10,100 | 10,200 | 10,300 | 10,400 | 10,500 | 10,600 | 10,700 | 10,800 | 10,900 | 11,000 | 11,100 | 11,200 | 11,300 | 11,400 | 11,500 | 11,600 | 11,700 | 11,800 | 11,900 | 12,000 | 12,100 | 12,200 | 12,300 | 12,400 | 12,500 | 12,600 | 12,700 | 12,800 | 12,900 | |
| 6022 - key expense | 1,010 | 1,020 | 1,030 | 1,040 | 1,050 | 1,060 | 1,070 | 1,080 | 1,090 | 1,100 | 1,110 | 1,120 | 1,130 | 1,140 | 1,150 | 1,160 | 1,170 | 1,180 | 1,190 | 1,200 | 1,210 | 1,220 | 1,230 | 1,240 | 1,250 | 1,260 | 1,270 | 1,280 | 1,290 | |
| | 41,410 | 41,820 | 42,230 | 42,640 | 43,050 | 43,460 | 43,870 | 44,280 | 44,690 | 45,100 | 45,510 | 45,920 | 46,330 | 46,740 | 47,150 | 47,560 | 47,970 | 48,380 | 48,790 | 49,200 | 49,610 | 50,020 | 50,430 | 50,840 | 51,250 | 51,660 | 52,070 | 52,480 | 52,890 | |
| General and Administrative Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5010 - ADVERTISING | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 | |
| 5015 - BANK SERVICE CHARGE | 303 | 306 | 309 | 312 | 315 | 318 | 321 | 324 | 327 | 330 | 333 | 336 | 339 | 342 | 345 | 348 | 351 | 354 | 357 | 360 | 363 | 366 | 369 | 372 | 375 | 378 | 381 | 384 | 387 | |
| 5020 - BOARD TRAVEL etc. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5025 - INSURANCE | 18,180 | 18,360 | 18,540 | 18,720 | 18,900 | 19,080 | 19,260 | 19,440 | 19,620 | 19,800 | 19,980 | 20,160 | 20,340 | 20,520 | 20,700 | 20,880 | 21,060 | 21,240 | 21,420 | 21,600 | 21,780 | 21,960 | 22,140 | 22,320 | 22,500 | 22,680 | 22,860 | 23,040 | 23,220 | |
| 5031 - VISION 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5040 - LEASE | 18,079 | 18,258 | 18,437 | 18,616 | 18,795 | 18,974 | 19,153 | 19,332 | 19,511 | 19,690 | 19,869 | 20,048 | 20,227 | 20,406 | 20,585 | 20,764 | 20,943 | 21,122 | 21,301 | 21,480 | 21,659 | 21,838 | 22,017 | 22,196 | 22,375 | 22,554 | 22,733 | 22,912 | 23,091 | |
| 5050 - LEGAL & ACCOUNTING | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 | |
| 5060 - MANAGEMENT | 50,500 | 51,000 | 51,500 | 52,000 | 52,500 | 53,000 | 53,500 | 54,000 | 54,500 | 55,000 | 55,500 | 56,000 | 56,500 | 57,000 | 57,500 | 58,000 | 58,500 | 59,000 | 59,500 | 60,000 | 60,500 | 61,000 | 61,500 | 62,000 | 62,500 | 63,000 | 63,500 | 64,000 | 64,500 | |
| 5064 - EMPLOYER PAYROLL | 6,060 | 6,120 | 6,180 | 6,240 | 6,300 | 6,360 | 6,420 | 6,480 | 6,540 | 6,600 | 6,660 | 6,720 | 6,780 | 6,840 | 6,900 | 6,960 | 7,020 | 7,080 | 7,140 | 7,200 | 7,260 | 7,320 | 7,380 | 7,440 | 7,500 | 7,560 | 7,620 | 7,680 | 7,740 | |
| 5065 - COMMUNICATION | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 | |
| 5085 - POSTAGE/STATIONARY | 2,020 | 2,040 | 2,060 | 2,080 | 2,100 | 2,120 | 2,140 | 2,160 | 2,180 | 2,200 | 2,220 | 2,240 | 2,260 | 2,280 | 2,300 | 2,320 | 2,340 | 2,360 | 2,380 | 2,400 | 2,420 | 2,440 | 2,460 | 2,480 | 2,500 | 2,520 | 2,540 | 2,560 | 2,580 | |
| 5090 - MISCELLANEOUS EXPENSES | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 | |
| 5070 - MEMBERSHIP EXPENSE | 808 | 816 | 824 | 832 | 840 | 848 | 856 | 864 | 872 | 880 | 888 | 896 | 904 | 912 | 920 | 928 | 936 | 944 | 952 | 960 | 968 | 976 | 984 | 992 | 1,000 | 1,008 | 1,016 | 1,024 | 1,032 | |
| | 110,090 | 111,180 | 112,270 | 113,360 | 114,450 | 115,540 | 116,630 | 117,720 | 118,810 | 119,900 | 120,990 | 122,080 | 123,170 | 124,260 | 125,350 | 126,440 | 127,530 | 128,620 | 129,710 | 130,800 | 131,890 | 132,980 | 134,070 | 135,160 | 136,250 | 137,340 | 138,430 | 139,520 | 140,610 | |
| Excess of revenues over expenditures from ops | 299,037 | 301,998 | 304,958 | 334,000 | 363,544 | 393,589 | 424,135 | 450,457 | 454,628 | 458,799 | 462,970 | 467,141 | 471,312 | 475,483 | 479,654 | 483,824 | 487,995 | 492,166 | 496,337 | 500,508 | 504,679 | 508,850 | 513,021 | 517,192 | 521,363 | 525,533 | 529,704 | 533,875 | 538,046 | |
| Other expenses/(income) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest - Canada 150 JV | 2,052 | 4,601 | 4,137 | 3,663 | 3,180 | 2,687 | 2,184 | 1,671 | 1,147 | 613 | 107 | - | 115,079 | 109,873 | 104,495 | 98,940 | 93,201 | 87,273 | 81,150 | 74,824 | 68,290 | 61,540 | 54,568 | 47,366 | 39,926 | 32,240 | 24,302 | 16,101 | 7,629 | 613 |
| Interest - Wave Break Loan | - | - | - | 100,341 | 147,153 | 143,005 | 138,720 | 134,294 | 129,721 | 124,998 | 120,119 | 115,079 | 109,873 | 104,495 | 98,940 | 93,201 | 87,273 | 81,150 | 74,824 | 68,290 | 61,540 | 54,568 | 47,366 | 39,926 | 32,240 | 24,302 | 16,101 | 7,629 | 613 | |
| Depreciation | 10,076 | 9,975 | 9,876 | 9,777 | 9,679 | 9,580 | 9,481 | 9,382 | 9,283 | 9,184 | 9,085 | 8,986 | 8,887 | 8,788 | 8,689 | 8,590 | 8,491 | 8,392 | 8,293 | 8,194 | 8,095 | 7,996 | 7,897 | 7,798 | 7,699 | 7,600 | 7,501 | 7,402 | 7,303 | |
| | 12,128 | 14,576 | 14,012 | 113,781 | 300,012 | 293,674 | 287,604 | 281,198 | 274,649 | 267,954 | 261,146 | 254,590 | 247,988 | 241,229 | 234,307 | 227,214 | 219,946 | 212,496 | 204,857 | 197,023 | 189,986 | 181,729 | 173,255 | 164,556 | 155,625 | 146,452 | 137,030 | 126,949 | 116,339 | |
| Excess of revenues over expenditures | \$ 286,909 | \$ 287,421 | \$ 290,946 | \$ 220,220 | \$ 63,532 | \$ 99,715 | \$ 136,531 | \$ 169,260 | \$ 179,979 | \$ 190,845 | \$ 201,824 | \$ 212,551 | \$ 223,323 | \$ 234,253 | \$ 245,347 | \$ 256,610 | \$ 268,049 | \$ 279,670 | \$ 291,480 | \$ 303,485 | \$ 314,693 | \$ 327,121 | \$ 339,766 | \$ 352,635 | \$ 365,738 | \$ 379,082 | \$ 352,675 | \$ 366,926 | \$ 379,707 | |
| EBITDA: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess of revenues over expenditures | 286,909 | 287,421 | 290,946 | 220,220 | 63,532 | 99,715 | 136,531 | 169,260 | 179,979 | 190,845 | 201,824 | 212,551 | 223,323 | 234,253 | 245,347 | 256,610 | 268,049 | 279,670 | 291,480 | 303,485 | 314,693 | 327,121 | 339,766 | 352,635 | 365,738 | 379,082 | 352,675 | 366,926 | 379,707 | |
| Interest | 2,052 | 4,601 | 4,137 | 104,004 | 150,333 | 145,691 | 140,904 | 135,964 | 130,868 | 125,611 | 120,226 | 115,079 | 109,873 | 104,495 | 98,940 | 93,201 | 87,273 | 81,150 | 74,824 | 68,290 | 61,540 | 54,568 | 47,366 | 39,926 | 32,240 | 24,302 | 16,101 | 7,629 | 613 | |
| Depreciation | 10,076 | 9,975 | 9,876 | 9,777 | 9,679 | 9,580 | 9,481 | 9,382 | 9,283 | 9,184 | 9,085 | 8,986 | 8,887 | 8,788 | 8,689 | 8,590 | 8,491 | 8,392 | 8,293 | 8,194 | 8,095 | 7,996 | 7,897 | 7,798 | 7,699 | 7,600 | 7,501 | 7,402 | 7,303 | |
| EBITDA | \$ 299,037 | \$ 301,998 | \$ 304,958 | \$ 334,000 | \$ 363,544 | \$ 393,589 | \$ 424,135 | \$ 450,457 | \$ 454,628 | \$ 458,799 | \$ 462,970 | \$ 467,141 | \$ 471,312 | \$ 475,483 | \$ 479,654 | \$ 483,824 | \$ 487,995 | \$ 492,166 | \$ 496,337 | \$ 500,508 | \$ 504,679 | \$ 508,850 | \$ 513,021 | \$ 517,192 | \$ 521,363 | \$ 525,533 | \$ 529,704 | \$ 533,875 | \$ 53 | |

Appendix D – Marina Competition Analysis

LaSalle Park Marina

Marina Slip Fee Comparison - Halton Region

| | LPMA (Current) | LPMA (Forecast) | Fifty Point ¹ (Current) | Harbour West ² (Current) | Bronte Outer Harbour Marina ³ (Current) | Oakville Harbour (Current) | Lakefront Promenade ³ (Current) |
|---------------------------------|-------------------|--------------------|---------------------------------------|---|--|----------------------------------|--|
| Full Season | | | | | | | |
| Up to 25' Ft | \$ 1,549 | \$ 1,800 | \$ 1,950 | \$ 1,871 | \$ 1,900 | \$ 1,898 | \$ 1,704 |
| Up to 30' Ft | 1,919 | 2,200 | \$ 2,340 | 2,557 | 2,295 | 2,277 | 2,044 |
| Up to 35' Ft | 2,274 | 2,400 | \$ 2,730 | 2,557 | 2,665 | 2,657 | 2,385 |
| Up to 37' Ft | 2,438 | 2,750 | \$ 2,886 | 3,242 | 2,850 | 2,809 | 2,521 |
| Up to 42' Ft | n/a | 3,500 | \$ 3,276 | 3,242 | 3,225 | 3,188 | 2,862 |
| Summer Season | | | | | | | |
| Small boats (less than 20' Ft) | \$ 1,128 | \$ 1,200 | \$ 1,560 | \$ 653 | \$ 1,535 | \$ 1,518 | \$ 1,363 |
| Other fees | | | | | | | |
| Pump out | \$ 15 | \$ 15 | n/a | \$ 16 | \$ 16 | n/a | n/a |
| Boat launch | Free | Free | \$ 12 | n/a | n/a | \$ 18 | n/a |
| Transient per Day | \$ 40 | \$ 40 | \$ 41 | \$ 45 | \$ 45 | n/a | \$ 53 |

Note

* The above prices are for seasonal rates only and do not include any membership dues or other fees.

1 - Preferential rates for repeat customers from last season. Transient fees are based on size of boat; rate noted is for 30 foot boat (\$1.35/foot).

2 - Transient fees are based on size of boat by category; rate noted is an average based on rate for 35 foot boat.

3 - Transient fees are based on size of boat; rate noted is for 30 foot boat (\$1.50/foot).

Appendix E

Status Quo Assumptions and Inputs

FY17 to FY45



Project Assumptions

| | |
|--------------------------|---|
| Total project cost (\$M) | - |
| Project completion date | |

Funding Assumptions

| | |
|--------------------|---|
| Debt Allocation | |
| Debt amount (\$M) | - |
| Grant Amount (\$M) | - |

Debt Assumptions

| | |
|----------------------|---|
| Interest per annum | |
| Amortization (years) | |
| Start Year | |
| Month | 1 |

Occupancy & Pricing (Rental Docks)

| | |
|----------------------------------|---------|
| Occupancy, beginning | 70.00% |
| Yearly increase in occupancy | -2.00% |
| Beginning of increase | FY18 2 |
| Ending of increase | FY28 11 |
| Annual price increase, associate | 2.00% |

Occupancy & Pricing (Senior/Charter)

| | |
|--------------------------------------|---------|
| Occupancy, beginning | 70.00% |
| Yearly increase in occupancy | -4.00% |
| Beginning of increase | FY18 2 |
| Ending of increase | FY28 11 |
| Senior Charter Member price increase | 5.00% |

New Dock

| | |
|-----------------|--|
| Completion Date | |
|-----------------|--|

Capital Assets

| Significant Additions | Amount | Timing |
|-----------------------|-----------|--------|
| Item 1 | - | |
| Item 1 | 2,600,000 | FY42 |
| Item 1 | | |
| Annual Maintenance | - | |
| Depreciation rate | 1.00% | |

Dock Allocation & Pricing

| Existing Dock | Slips | Price |
|---------------|-------|----------|
| 25 Feet | 67 | \$ 1,800 |
| 30 Feet | 49 | \$ 2,200 |
| 35 Feet | 10 | \$ 2,400 |
| 37 Feet | 1 | \$ 2,750 |

New Dock

| | Slips | Price |
|---------|-------|----------|
| 25 Feet | 0 | \$ - |
| 30 Feet | 0 | \$ 2,200 |
| 35 Feet | 0 | \$ 2,400 |
| 37 Feet | 0 | \$ 3,500 |

Charter/Senior Members

| Membership | No. | Price |
|------------------|-----|----------|
| Maintenance Fees | 92 | \$ 1,094 |

Other Revenue

| | Annual | Increase |
|--------------------|--------|----------|
| Short-term dockage | 19,616 | 1.00% |
| Dinghy storage | 389 | 1.00% |
| Oversize charge | 1,257 | 1.00% |
| Keys/Cards | 700 | 1.00% |
| Pump-out | 300 | 1.00% |

Expenses

| | |
|-----------------------------|-------|
| Annual increase in expenses | 1.00% |
|-----------------------------|-------|

Operating Expenses

| | |
|----------------------------------|--------|
| 7020 · VOLUNTEERS/FUEL/SUNDRIES | 19,689 |
| 7022 · CRANE | 11,202 |
| 7025 · VOLUNTEERS/FUEL/SUNDRIES | 5,085 |
| 6010 · EQUIPMENT MTCE | 2,317 |
| 6011 · EQUIPMENT PURCHASES | 5,000 |
| 6020 · DOCK MAINTENANCE | 60,000 |
| 6021 · DOCK ELECTRICAL | 5,000 |
| 6025 · SUMMER STUDENT | 2,167 |
| 6028 · VOLUNTEER DOCK CLEANING | 1,475 |
| 6030 · WAVE BR MTCE | - |
| ELECTRICITY & WINTER MAINTENANCE | |
| 6022. key expense | |

General and Administrative Expenses

| | |
|-------------------------------|--------|
| 5010 · ADVERTISING | 5,473 |
| 5015 · BANK SERVICE CHARGE | 377 |
| 5020 · BOARD TRAVEL etc. | - |
| 5025 · INSURANCE | 15,000 |
| 5031 · VISION 2012 | - |
| 5040 · LEASE | 13,741 |
| 5050 · LEGAL & ACCOUNTING | 8,000 |
| 5060 · MANAGEMENT | 37,650 |
| 5064 · EMPLOYER PAYROLL | 1,696 |
| 5065 · COMMUNICATION | 7,224 |
| 5085 · POSTAGE/STATIONARY | 2,052 |
| 5090 · MISCELLANEOUS EXPENSES | 3,047 |
| 5070 · MEMBERSHIP EXPENSE | - |

Appendix F

LPMA - Status Quo Financial Forecast

FY17 to FY45

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LaSalle Park Marina – Wave Break Viability Review

Appendix G
LPMA - Replacement Wave Break Financial Forecast
FY17 to FY45

| Income Statement | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 | FY37 | FY38 | FY39 | FY40 | FY41 | FY42 | FY43 | FY44 | FY45 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | \$ 252,577 | \$ 255,078 | \$ 257,578 | \$ 267,296 | \$ 277,152 | \$ 287,147 | \$ 297,280 | \$ 307,553 | \$ 317,964 | \$ 328,514 | \$ 339,203 | \$ 350,030 | \$ 360,997 | \$ 364,191 | \$ 367,386 | \$ 370,581 | \$ 373,775 | \$ 376,970 | \$ 380,165 | \$ 383,359 | \$ 386,554 | \$ 389,749 | \$ 392,943 | \$ 396,138 | \$ 399,333 | \$ 402,527 | \$ 405,722 | \$ 408,916 | \$ 412,111 |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7020 - VOLUNTEERS/FUEL/SUNDRIES | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7022 - CRANE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7025 - VOLUNTEERS/FUEL/SUNDRIES | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6010 - EQUIPMENT MTCE | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 |
| 6011 - EQUIPMENT PURCHASES | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 |
| 6020 - DOCK MAINTENANCE | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 |
| 6021 - DOCK ELECTRICAL | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 |
| 6025 - SUMMER STUDENT | 8,080 | 8,160 | 8,240 | 8,320 | 8,400 | 8,480 | 8,560 | 8,640 | 8,720 | 8,800 | 8,880 | 8,960 | 9,040 | 9,120 | 9,200 | 9,280 | 9,360 | 9,440 | 9,520 | 9,600 | 9,680 | 9,760 | 9,840 | 9,920 | 10,000 | 10,080 | 10,160 | 10,240 | 10,320 |
| 6028 - VOLUNTEER DOCK CLEANING | 2,020 | 2,040 | 2,060 | 2,080 | 2,100 | 2,120 | 2,140 | 2,160 | 2,180 | 2,200 | 2,220 | 2,240 | 2,260 | 2,280 | 2,300 | 2,320 | 2,340 | 2,360 | 2,380 | 2,400 | 2,420 | 2,440 | 2,460 | 2,480 | 2,500 | 2,520 | 2,540 | 2,560 | 2,580 |
| 6030 - WAVE BR MTCE | 10,100 | 10,200 | 10,300 | 10,400 | 10,500 | 10,600 | 10,700 | 10,800 | 10,900 | 11,000 | 11,100 | 11,200 | 11,300 | 11,400 | 11,500 | 11,600 | 11,700 | 11,800 | 11,900 | 12,000 | 12,100 | 12,200 | 12,300 | 12,400 | 12,500 | 12,600 | 12,700 | 12,800 | 12,900 |
| ELECTRICITY & WINTER MAINTENANCE | 10,100 | 10,200 | 10,300 | 10,400 | 10,500 | 10,600 | 10,700 | 10,800 | 10,900 | 11,000 | 11,100 | 11,200 | 11,300 | 11,400 | 11,500 | 11,600 | 11,700 | 11,800 | 11,900 | 12,000 | 12,100 | 12,200 | 12,300 | 12,400 | 12,500 | 12,600 | 12,700 | 12,800 | 12,900 |
| 6022. key expnse | 1,010 | 1,020 | 1,030 | 1,040 | 1,050 | 1,060 | 1,070 | 1,080 | 1,090 | 1,100 | 1,110 | 1,120 | 1,130 | 1,140 | 1,150 | 1,160 | 1,170 | 1,180 | 1,190 | 1,200 | 1,210 | 1,220 | 1,230 | 1,240 | 1,250 | 1,260 | 1,270 | 1,280 | 1,290 |
| | 51,510 | 52,020 | 52,530 | 53,040 | 53,550 | 54,060 | 54,570 | 55,080 | 55,590 | 56,100 | 56,610 | 57,120 | 57,630 | 58,140 | 58,650 | 59,160 | 59,670 | 60,180 | 60,690 | 61,200 | 61,710 | 62,220 | 62,730 | 63,240 | 63,750 | 64,260 | 64,770 | 65,280 | 65,790 |
| General and Administrative Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5010 - ADVERTISING | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 |
| 5015 - BANK SERVICE CHARGE | 303 | 306 | 309 | 312 | 315 | 318 | 321 | 324 | 327 | 330 | 333 | 336 | 339 | 342 | 345 | 348 | 351 | 354 | 357 | 360 | 363 | 366 | 369 | 372 | 375 | 378 | 381 | 384 | 387 |
| 5020 - BOARD TRAVEL etc. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5025 - INSURANCE | 15,150 | 15,300 | 15,450 | 15,600 | 15,750 | 15,900 | 16,050 | 16,200 | 16,350 | 16,500 | 16,650 | 16,800 | 16,950 | 17,100 | 17,250 | 17,400 | 17,550 | 17,700 | 17,850 | 18,000 | 18,150 | 18,300 | 18,450 | 18,600 | 18,750 | 18,900 | 19,050 | 19,200 | 19,350 |
| 5031 - VISION 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5040 - LEASE | 18,079 | 18,258 | 18,437 | 18,616 | 18,795 | 18,974 | 19,153 | 19,332 | 19,511 | 19,690 | 19,869 | 20,048 | 20,227 | 20,406 | 20,585 | 20,764 | 20,943 | 21,122 | 21,301 | 21,480 | 21,659 | 21,838 | 22,017 | 22,196 | 22,375 | 22,554 | 22,733 | 22,912 | 23,091 |
| 5050 - LEGAL & ACCOUNTING | 5,050 | 5,100 | 5,150 | 5,200 | 5,250 | 5,300 | 5,350 | 5,400 | 5,450 | 5,500 | 5,550 | 5,600 | 5,650 | 5,700 | 5,750 | 5,800 | 5,850 | 5,900 | 5,950 | 6,000 | 6,050 | 6,100 | 6,150 | 6,200 | 6,250 | 6,300 | 6,350 | 6,400 | 6,450 |
| 5060 - MANAGEMENT | 50,500 | 51,000 | 51,500 | 52,000 | 52,500 | 53,000 | 53,500 | 54,000 | 54,500 | 55,000 | 55,500 | 56,000 | 56,500 | 57,000 | 57,500 | 58,000 | 58,500 | 59,000 | 59,500 | 60,000 | 60,500 | 61,000 | 61,500 | 62,000 | 62,500 | 63,000 | 63,500 | 64,000 | 64,500 |
| 5064 - EMPLOYER PAYROLL | 6,060 | 6,120 | 6,180 | 6,240 | 6,300 | 6,360 | 6,420 | 6,480 | 6,540 | 6,600 | 6,660 | 6,720 | 6,780 | 6,840 | 6,900 | 6,960 | 7,020 | 7,080 | 7,140 | 7,200 | 7,260 | 7,320 | 7,380 | 7,440 | 7,500 | 7,560 | 7,620 | 7,680 | 7,740 |
| 5065 - COMMUNICATION | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 |
| 5085 - POSTAGE/STATIONARY | 2,020 | 2,040 | 2,060 | 2,080 | 2,100 | 2,120 | 2,140 | 2,160 | 2,180 | 2,200 | 2,220 | 2,240 | 2,260 | 2,280 | 2,300 | 2,320 | 2,340 | 2,360 | 2,380 | 2,400 | 2,420 | 2,440 | 2,460 | 2,480 | 2,500 | 2,520 | 2,540 | 2,560 | 2,580 |
| 5090 - MISCELLANEOUS EXPENSES | 3,030 | 3,060 | 3,090 | 3,120 | 3,150 | 3,180 | 3,210 | 3,240 | 3,270 | 3,300 | 3,330 | 3,360 | 3,390 | 3,420 | 3,450 | 3,480 | 3,510 | 3,540 | 3,570 | 3,600 | 3,630 | 3,660 | 3,690 | 3,720 | 3,750 | 3,780 | 3,810 | 3,840 | 3,870 |
| 5070 - MEMBERSHIP EXPENSE | 808 | 816 | 824 | 832 | 840 | 848 | 856 | 864 | 872 | 880 | 888 | 896 | 904 | 912 | 920 | 928 | 936 | 944 | 952 | 960 | 968 | 976 | 984 | 992 | 1,000 | 1,008 | 1,016 | 1,024 | 1,032 |
| | 107,060 | 108,120 | 109,180 | 110,240 | 111,300 | 112,360 | 113,420 | 114,480 | 115,540 | 116,600 | 117,660 | 118,720 | 119,780 | 120,840 | 121,900 | 122,960 | 124,020 | 125,080 | 126,140 | 127,200 | 128,260 | 129,320 | 130,380 | 131,440 | 132,500 | 133,560 | 134,620 | 135,680 | 136,740 |
| Excess of revenues over expenditures from ops | 94,007 | 94,938 | 95,868 | 104,016 | 112,302 | 120,727 | 129,290 | 137,993 | 146,834 | 155,814 | 164,933 | 174,190 | 183,587 | 185,211 | 186,836 | 188,461 | 190,085 | 191,710 | 193,335 | 194,959 | 196,584 | 198,209 | 199,833 | 201,458 | 203,083 | 204,707 | 206,332 | 207,956 | 209,581 |
| Other expenses/(income) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest - Canada 150 JV | 2,052 | 4,601 | 4,137 | 3,663 | 3,180 | 2,687 | 2,184 | 1,671 | 1,147 | 613 | 107 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest - Wave Break Loan | - | - | - | 15,846 | 22,008 | 19,833 | 17,586 | 15,265 | 12,867 | 10,390 | 7,832 | 5,189 | 2,459 | 197 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | 10,076 | 9,975 | 9,876 | 9,777 | 17,179 | 17,007 | 16,837 | 16,669 | 16,502 | 16,337 | 16,174 | 16,012 | 15,852 | 15,693 | 15,536 | 15,381 | 15,227 | 15,075 | 14,924 | 14,775 | 14,627 | 14,481 | 14,336 | 14,193 | 14,051 | 13,910 | 39,771 | 39,373 | 38,980 |
| | 12,128 | 14,576 | 14,012 | 29,286 | 42,367 | 39,527 | 36,607 | 33,604 | 30,516 | 27,340 | 24,112 | 21,201 | 18,311 | 15,891 | 15,536 | 15,381 | 15,227 | 15,075 | 14,924 | 14,775 | 14,627 | 14,481 | 14,336 | 14,193 | 14,051 | 13,910 | 39,771 | 39,373 | 38,980 |
| Excess of revenues over expenditures | \$ 81,879 | \$ 80,361 | \$ 81,856 | \$ 74,730 | \$ 69,935 | \$ 81,200 | \$ 92,684 | \$ 104,389 | \$ 116,318 | \$ 128,473 | \$ 140,820 | \$ 152,989 | \$ 165,276 | \$ 169,321 | \$ 171,300 | \$ 173,080 | \$ 174,858 | \$ 176,635 | \$ 178,410 | \$ 180,184 | \$ 181,957 | \$ 183,728 | \$ 185,497 | \$ 187,265 | \$ 189,032 | \$ 190,797 | \$ 192,561 | \$ 194,326 | \$ 196,091 |
| EBITDA: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess of revenues over expenditures | 81,879 | 80,361 | 81,856 | 74,730 | 69,935 | 81,200 | 92,684 | 104,389 | 116,318 | 128,473 | 140,820 | 152,989 | 165,276 | 169,321 | 171,300 | 173,080 | 174,858 | 176,635 | 178,410 | 180,184 | 181,957 | 183,728 | 185,497 | 187,265 | 189,032 | 190,797 | 192,561 | 194,326 | 196,091 |
| Interest | 2,052 | 4,601 | 4,137 | 19,509 | 25,188 | 22,519 | 19,770 | 16,935 | 14,014 | 11,003 | 7,939 | 5,189 | 2,459 | 197 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | 10,076 | 9,975 | 9,876 | 9,777 | 17,179 | 17,007 | 16,837 | 16,669 | 16,502 | 16,337 | 16,174 | 16,012 | 15,852 | 15,693 | 15,536 | 15,381 | 15,227 | 15,075 | 14,924 | 14,775 | 14,627 | 14,481 | 14,336 | 14,193 | 14,051 | 13,910 | 39,771 | 39,373 | 38,980 |
| EBITDA | \$ 94,007 | \$ 94,938 | \$ 95,868 | \$ 104,016 | \$ 112,302 | \$ 120,727 | \$ 129,290 | \$ 137,993 | \$ 146,834 | \$ 155,814 | \$ 164,933 | \$ 174,190 | \$ 183,587 | \$ 185,211 | \$ 186,836 | \$ 188,461 | \$ 190,085 | \$ 191,710 | \$ 193,335 | \$ 194,959 | \$ 196,584 | \$ 198,209 | \$ 199,833 | \$ 201,458 | \$ 203,083 | \$ 204,707 | \$ 206,332 | \$ 207,956 | \$ 209,581 |
| Cash Flow | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess/(deficiency) of revenue over expenditures | 81,879 | 80,361 | 81,856 | 74,730 | | | | | | | | | | | | | | | | | | | | | | | | | |