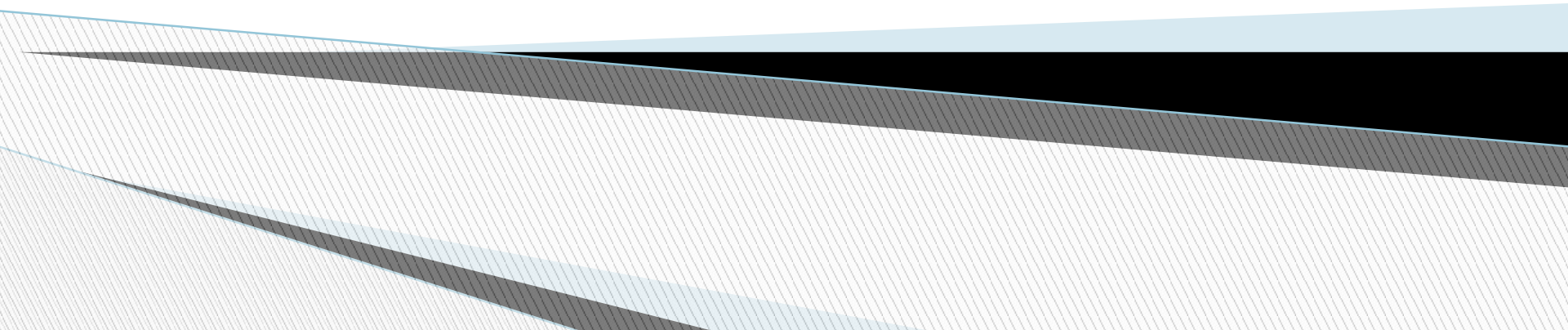


PCC 45th Semi-Annual Conference

**What lies ahead? Is your marina preparing
for the future or just satisfying today's
needs?**

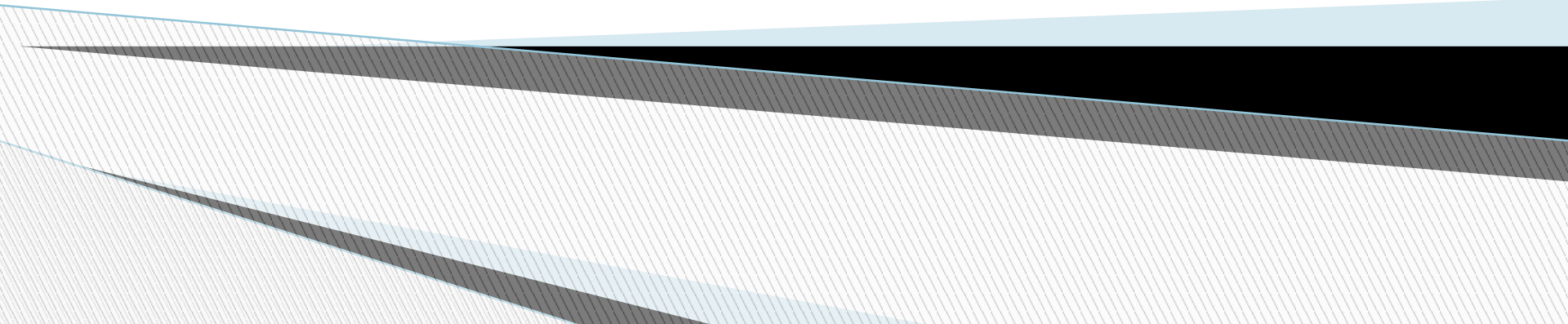
BST Associates
October 10, 2019



Agenda

- Where should you invest your scarce resources to ensure that your facilities not only expand but are also tailored to meet the needs of future boats?
- How to keep boaters engaged – ability to draw tenants for decades to come.
- If the long-term sustainability of the industry is truly dependent upon a “grow boating” approach then marina operators should seek ways to keep boaters and potential boaters excited about boating.

Recreational Marinas

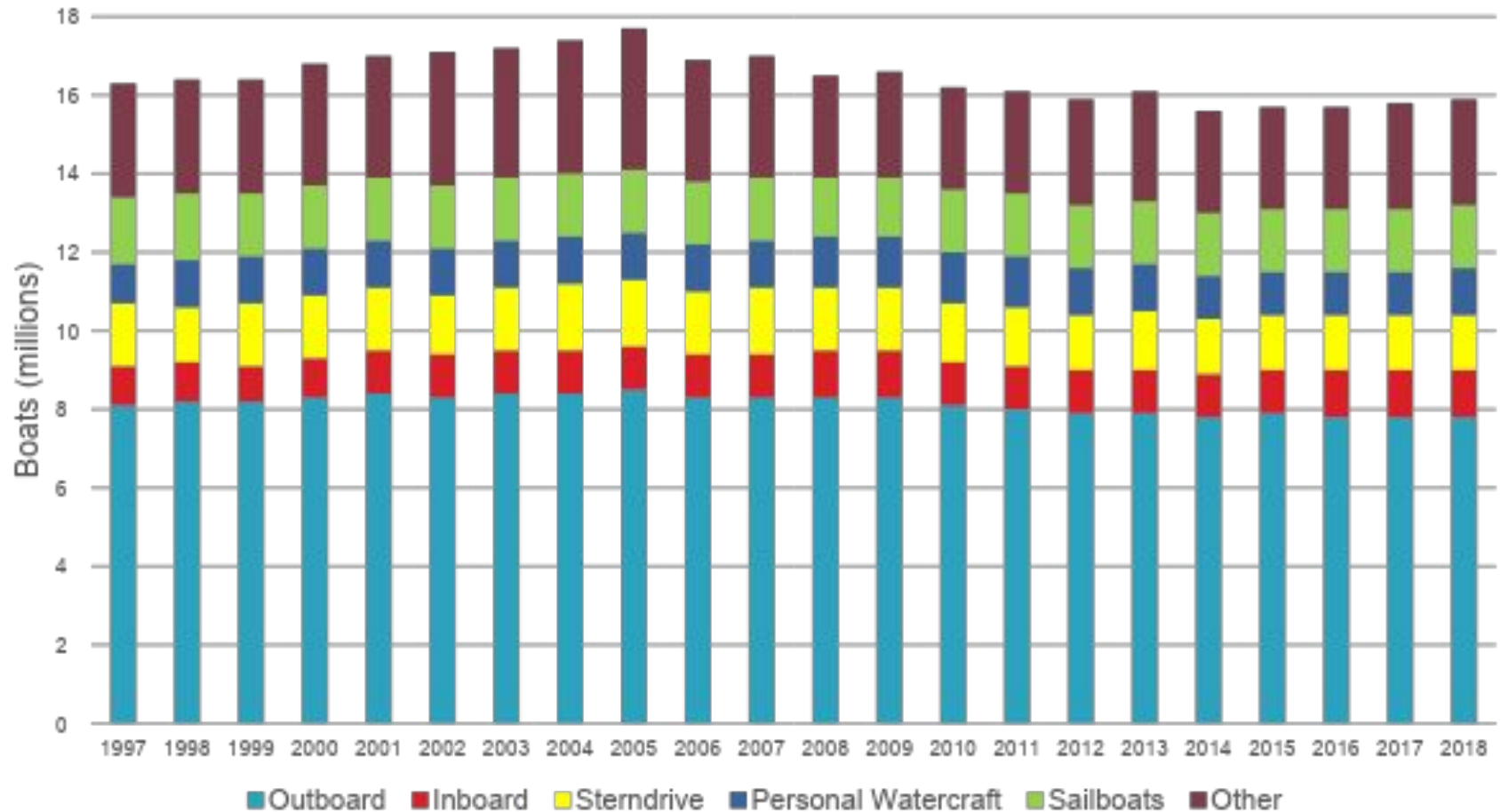


Markets

- Moorage markets are still precarious
 - Recreational marinas are in a mature market position
 - Strong growth for recreational marinas in near-term but questions about long-term growth
 - Aging owners
 - Participation by millennials
 - Fishing opportunities
 - Commercial marinas are also in a mature market position
 - Fleet size is stable or slightly in decline
 - Fleet changing (length, beam, depth)
 - Tenants requesting more amenities

Total Recreational Boats in Use

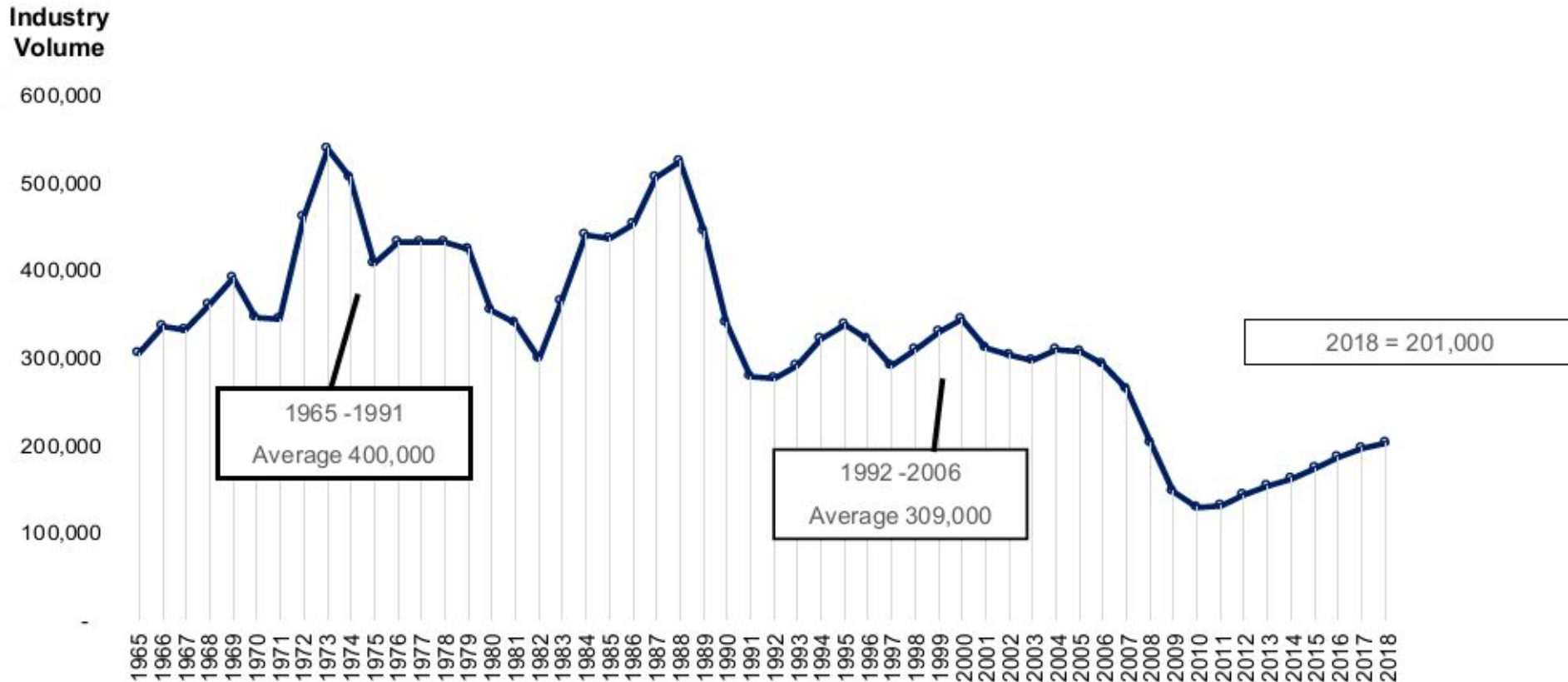
Source: NMMA



Total recreational boats in use peaked in 2005 at slightly more than 17.6 million boats. In 2018, the fleet in use was 15.8 million boats.

U.S. Powerboat Sales

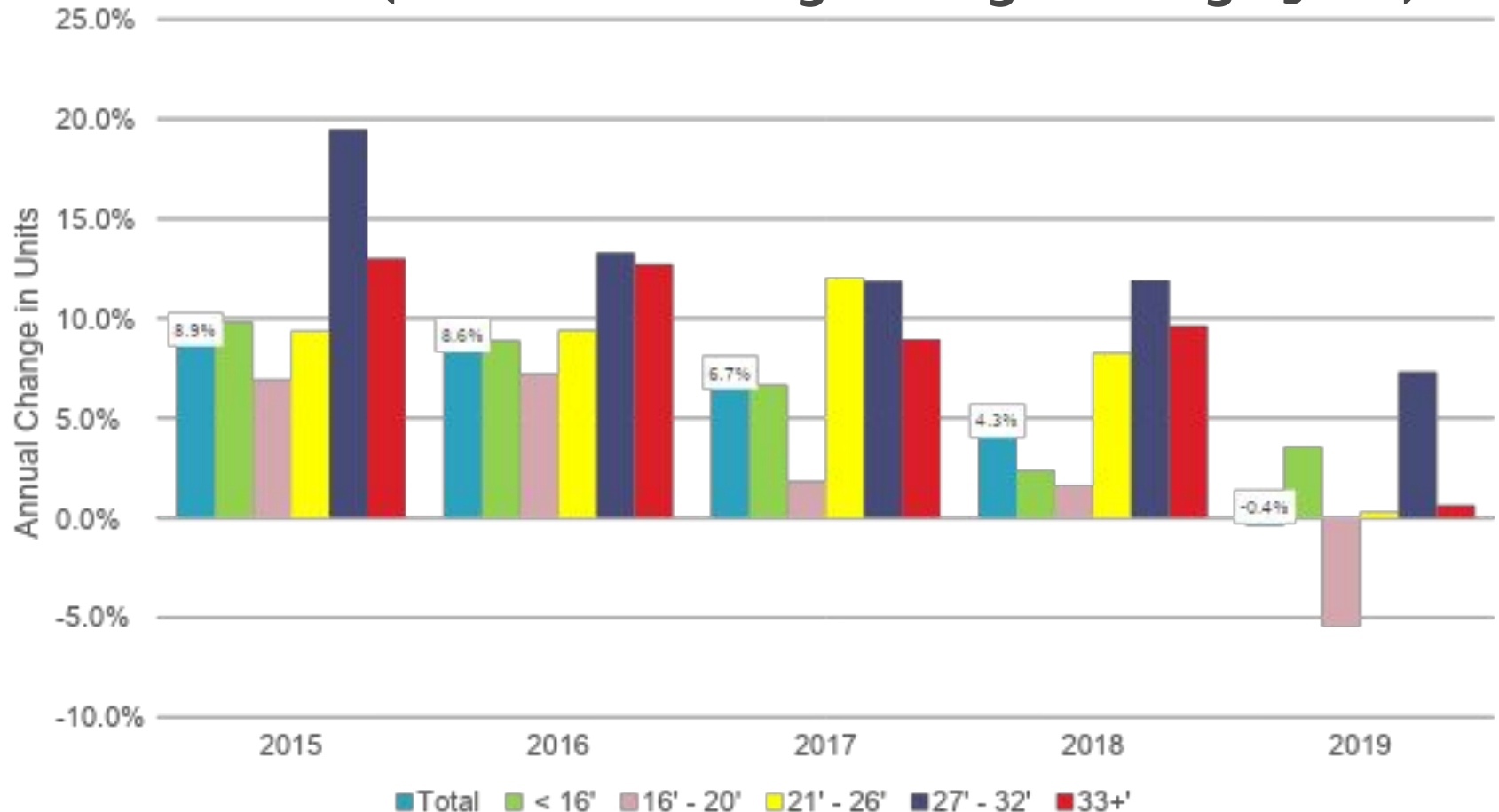
Source: Brunswick Corporation, NMMA data



New power boat boats sales accounted for 2% of the powerboats in use in 2018.

US Powerboat Registration Trends

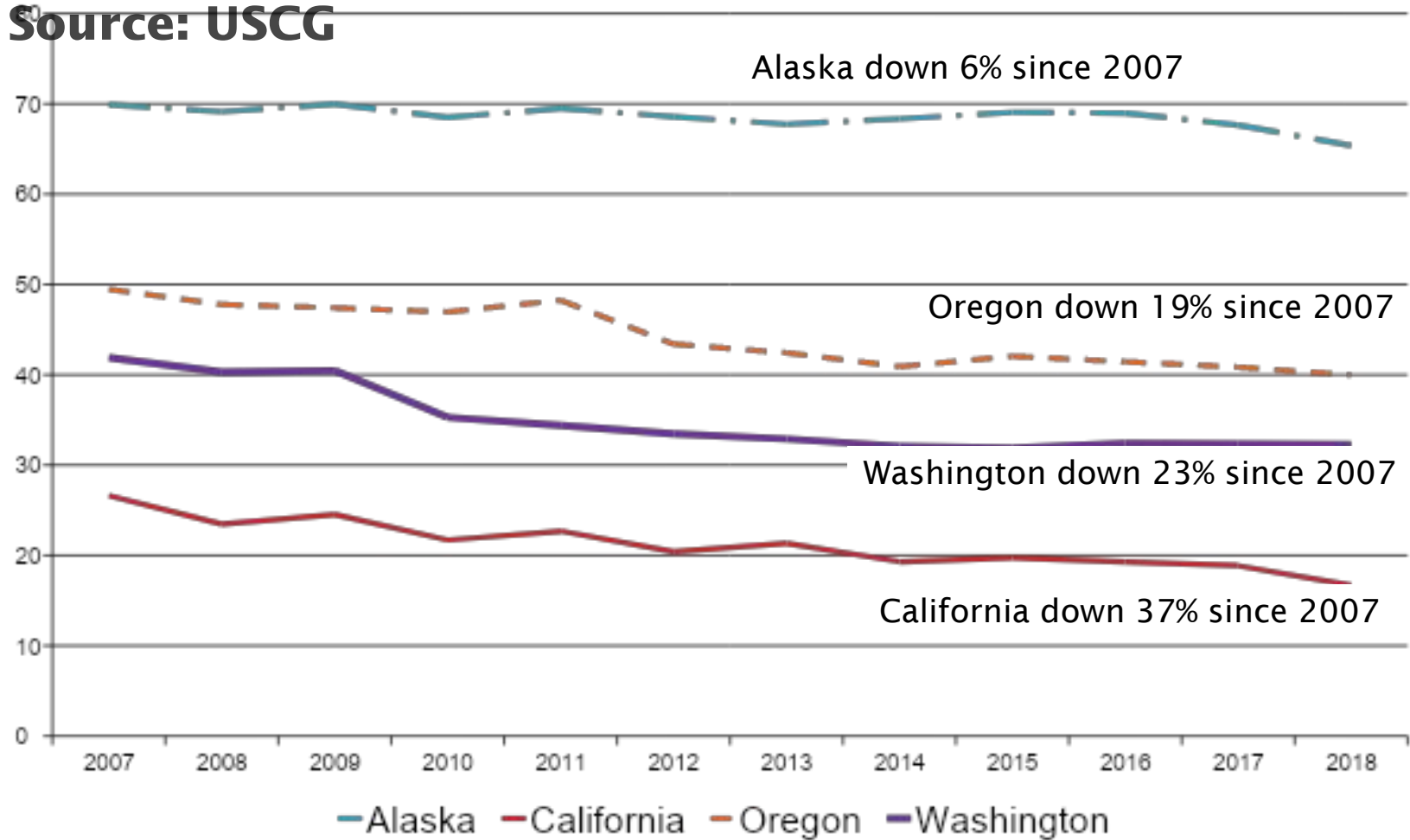
Source: NMMA (12 month rolling average through June)



Annualized growth slowed for most length ranges.
27'-32' range had strongest performance

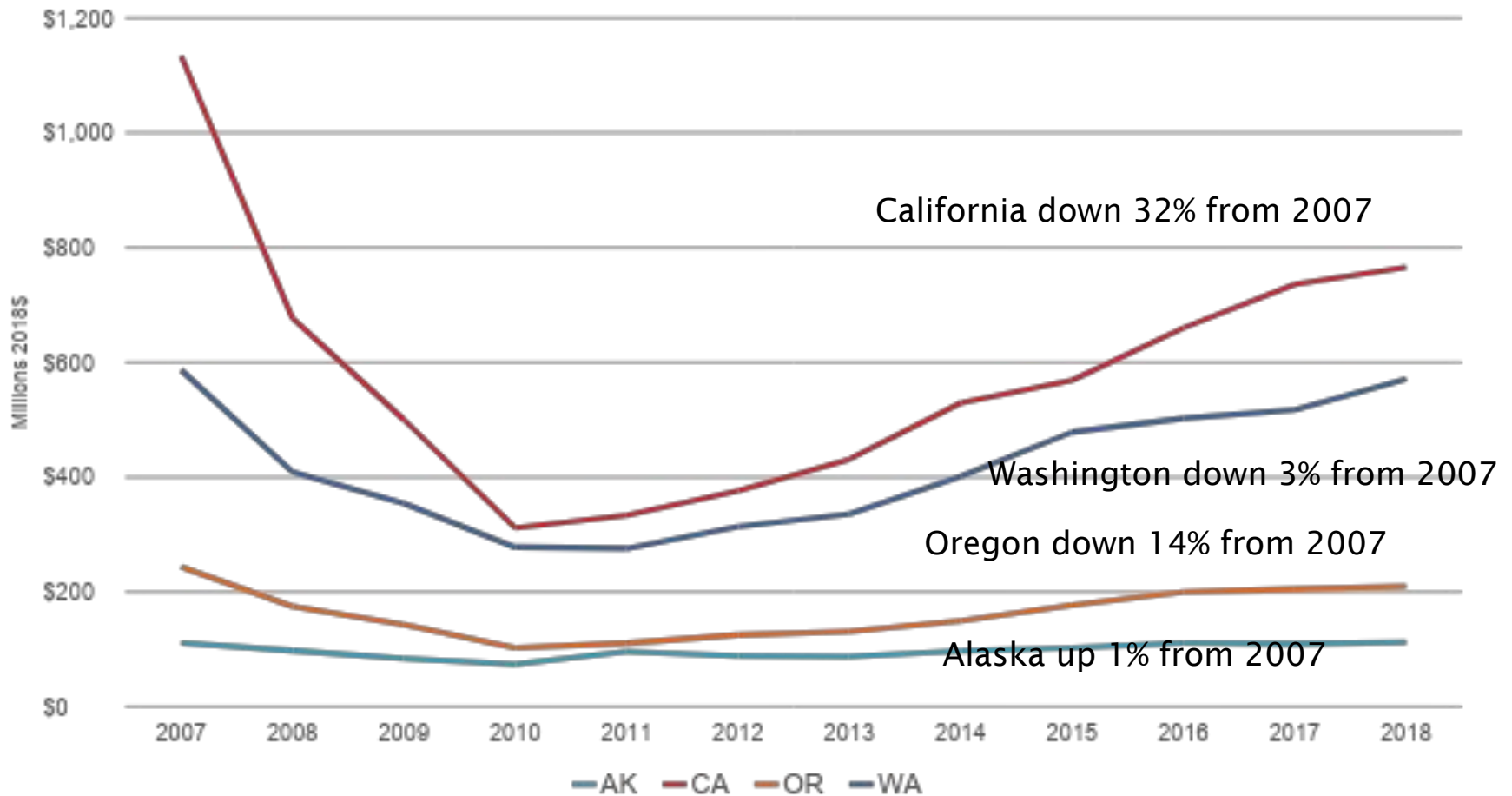
Registered Boat per 1,000 persons

Source: USCG



Boating Expenditures by State

Source: NMMA



Expenditures (new powerboats, engines, trailers and accessories) are adjusted for inflation

Brunswick September 2019

Investor Presentation

The Evolution of the Recreational Marine Market will Create Opportunities

COMPETITION
FOR RECREATION TIME



CHANGING
CONSUMER
EXPECTATIONS

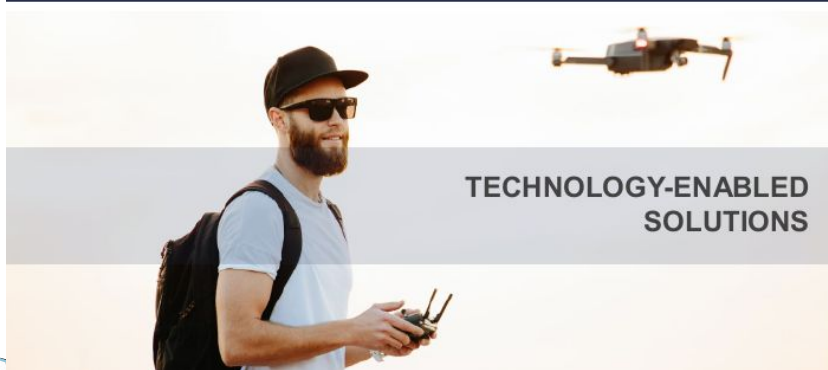


CHANGING
COMPETITIVE
ENVIRONMENT



We are uniquely positioned to create the future of marine
– contemporary, relevant, compelling, high-quality, frictionless and inclusive.

TECHNOLOGY-ENABLED
SOLUTIONS



CHANGING
DEMOGRAPHICS



Brunswick September 2019

Investor Presentation

The **Future** of Boating Experiences is Being Shaped by New Expectations and a Wider Demographic of Participation



Business Acceleration will integrate a portfolio of strategic and innovation assets to shape the future of boating experiences:

- 1 Make Boating **Accessible**
to expand marine participation
- 2 Lead with **Connected** Solutions
that enhance the customer experience and channel effectiveness
- 3 Amplify the Boating **Experience**
through services and new business models

Brunswick September 2019

Investor Presentation

Favorable Marine Consumer and Market Trends

Committed Boater



- Core boater is older, affluent, and committed to boating
- Many more years of significant boating activity



- Continued market growth driven by traditional customer

Family Boaters



- Positive on boating as a family activity
- Early boating experiences an important influencer



- New ownership/use options and boat features benefit this trend

Millennials



- Millennials are boating, including through different participation models (boat clubs, partial ownership)



- Capitalize on opportunity through products, better solutions, technology, and easier use options

The consumer and market trends driving today's growth will continue to support future new boat growth

Brunswick September 2019

Investor Presentation

Brunswick Acquires Freedom Boat Club

- On May 21, 2019, Brunswick completed the purchase of Freedom Boat Club, the largest player in the boat club segment
 - ✓ Approximately 190 locations and over 20,000 members
 - ✓ Access to over 2500 boats
 - ✓ Strong, established management team
- Brunswick intends to be the leading national provider of shared access boating experiences
 - ✓ Boat clubs are most attractive shared access segment – proven business model, popular with consumers, especially younger generations
- Entering this market will also enhance our core business while generation new business / service steams
 - ✓ Fleet will convert to Brunswick boats and Mercury engines over time



Brunswick September 2019

Investor Presentation

Fishing Popularity Will Continue To Drive Outboard Powered Boats

#1

Fishing is the most popular boating activity

80%

Proportion of fishing that takes place on freshwater

New fishing participants are younger and more diverse



#2

Fishing is the second most popular outdoor activity

49 Million

fishing participants
Participation rate =
16.5% of U.S.
population – highest
since 2009

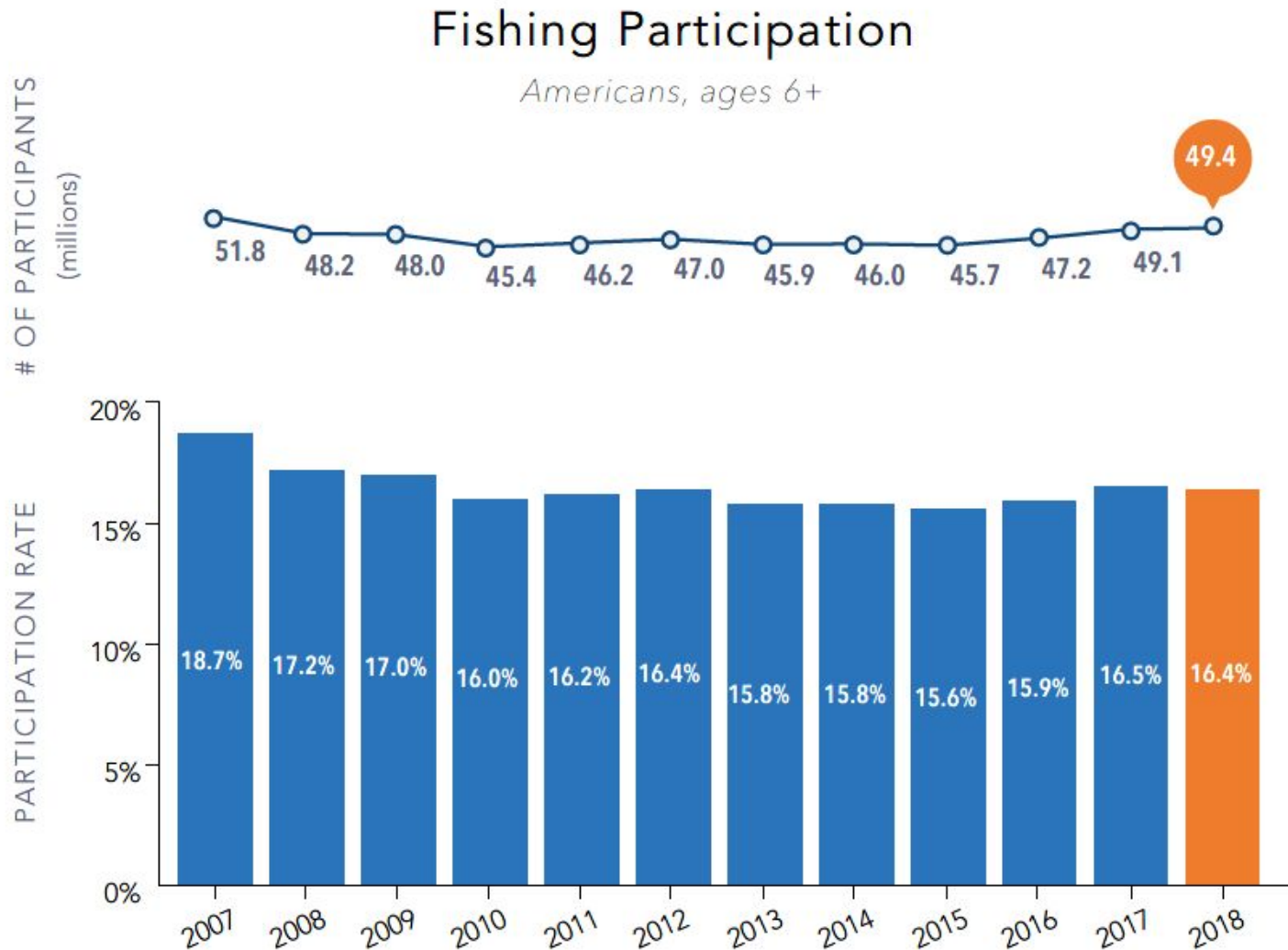
Dealers indicate fishing boat buyers are trading up to more premium boats

Source: Recreational Boating and Fishing Foundation – 2017

Fishing participation forms a strong and resilient foundation for demand and usage

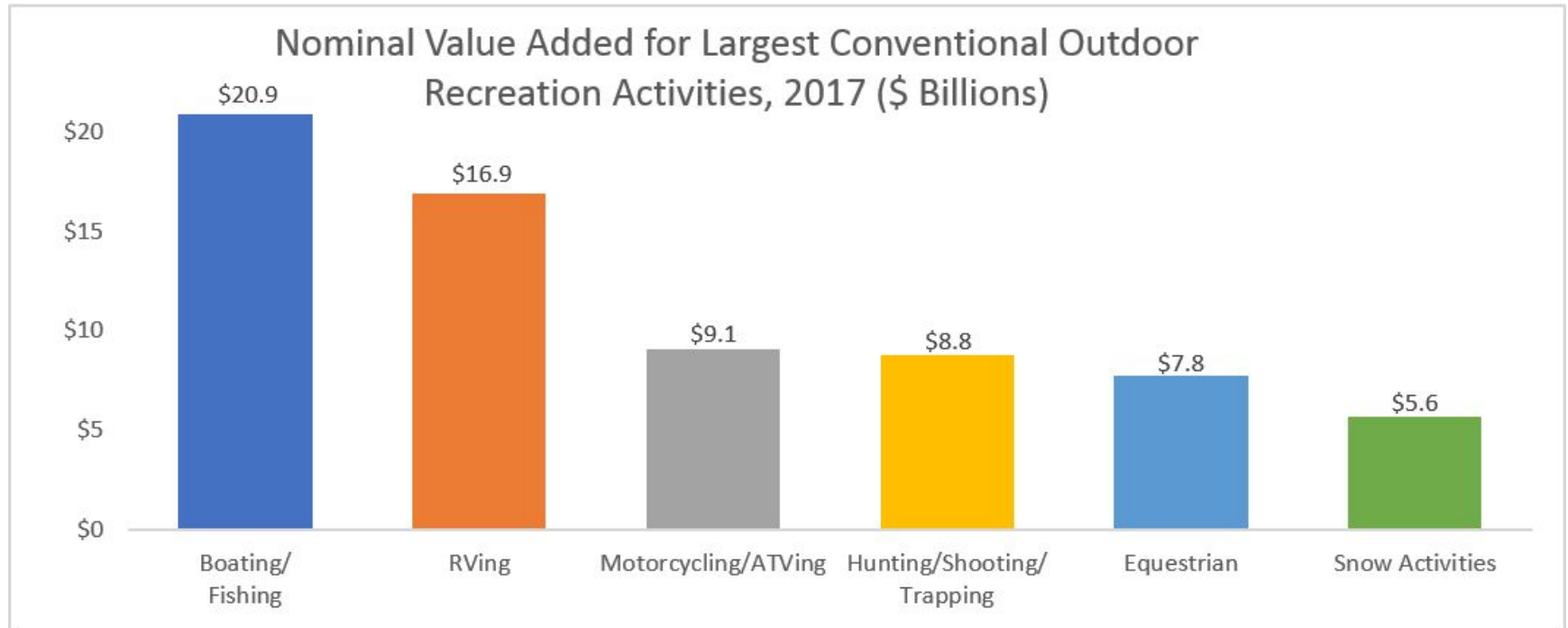
Fishing Participation *Americans, ages 6+*

Source: 2019 Special Report on Fishing RBF and Outdoor Foundation



2019 Special Report on Fishing

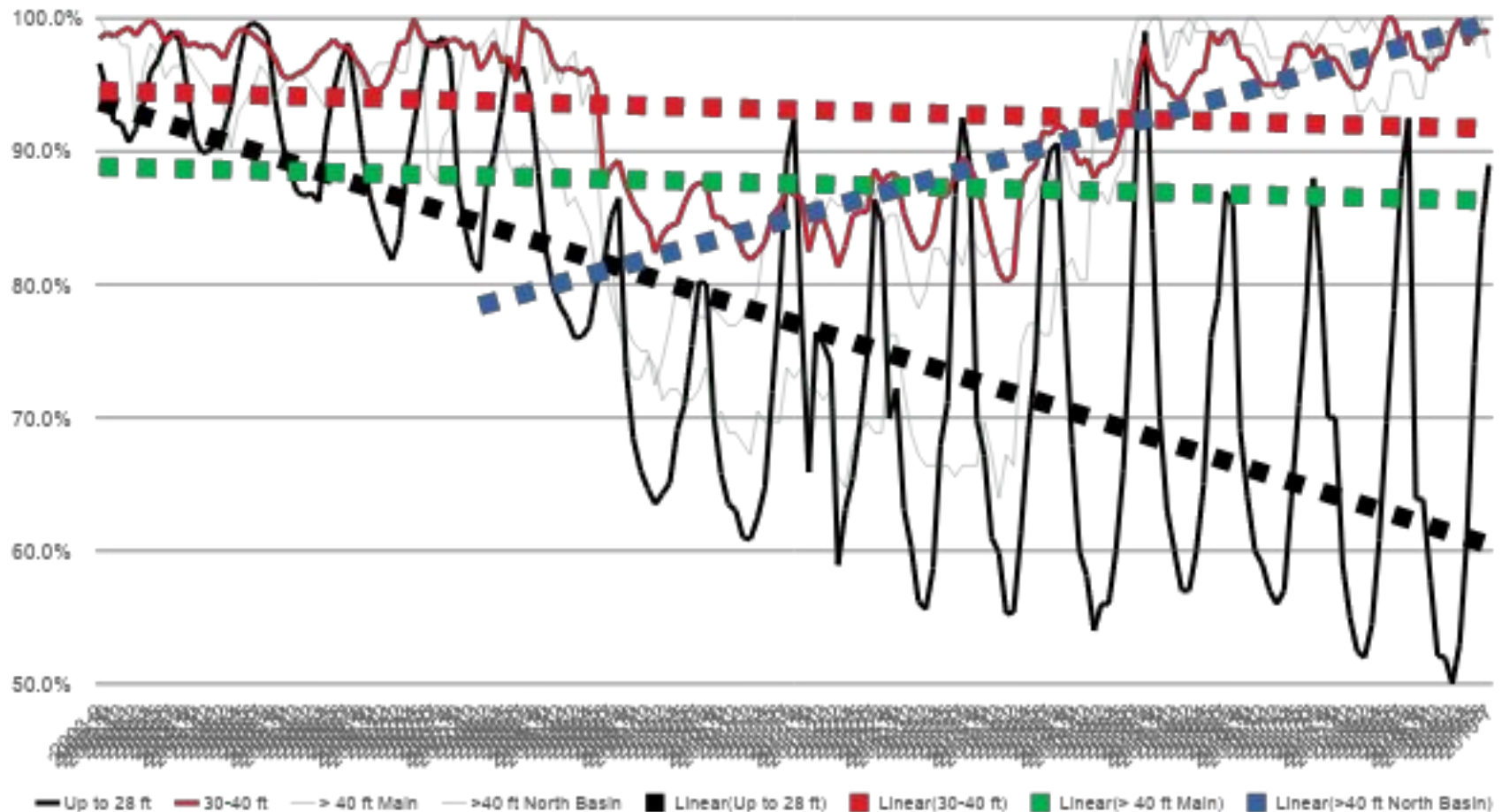
Source: 2019 Special Report on Fishing RBF and Outdoor Foundation



Summary	Boating / Fishing	% US
Alaska	\$100	0.5%
Washington	\$662	3.2%
Oregon	\$298	1.4%
California	\$1,805	8.6%
subtotal	\$2,866	13.7%
USWC in \$ millions		

Port of Everett Occupancy Trends

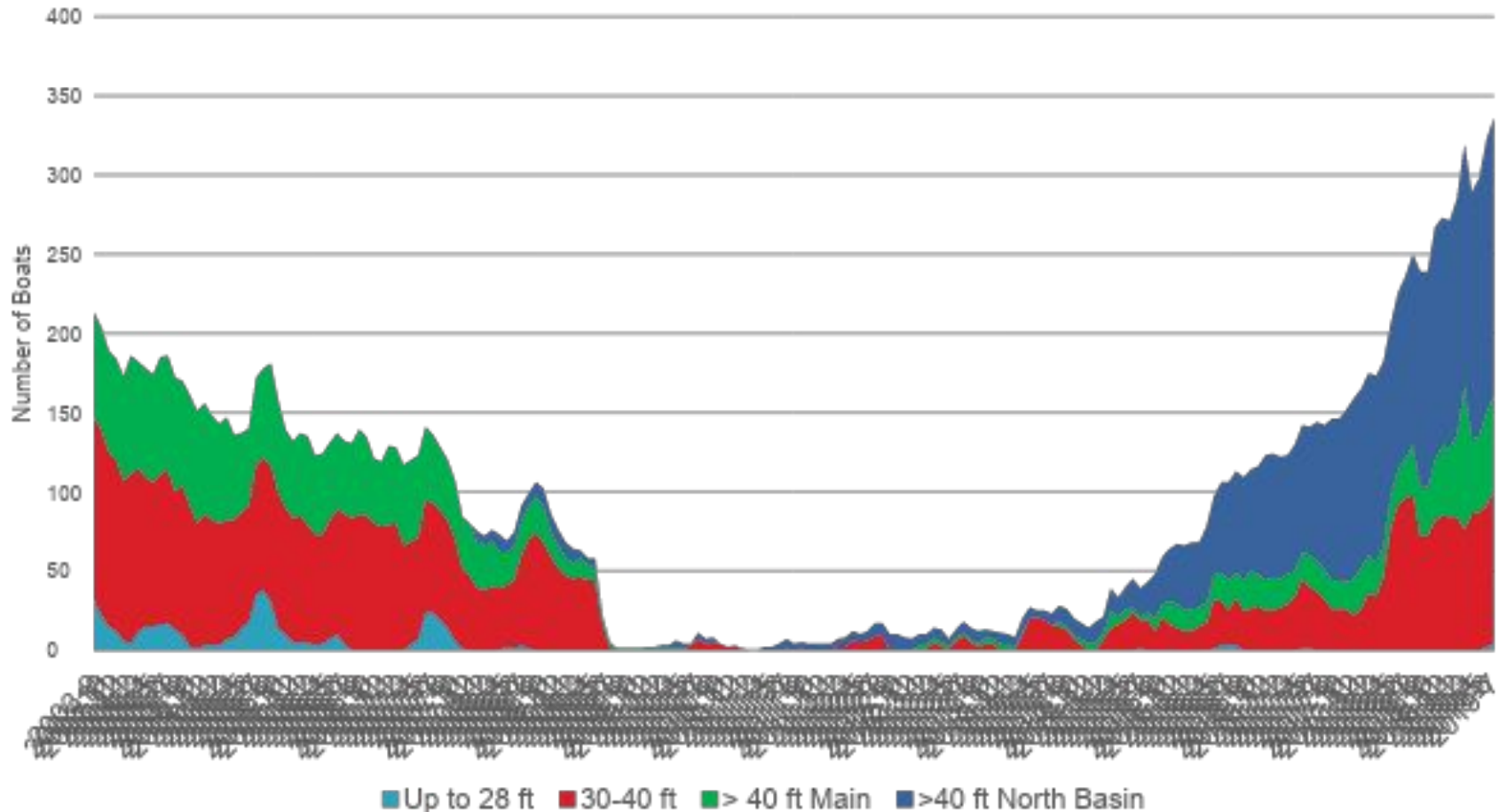
Source: Port of Everett



Occupancy was impacted by the recession starting in 2007 up to 2014. Smallest slips didn't recover - annualized occupancy now at 65% to 70%. Larger slips improved - all above 95% occupancy now. Construction of 14th Street Marina and dry storage also impacted occupancy rates.

Port of Everett Waitlist Trends

Source: Port of Everett



Waitlists are an indicator of demand. In 2003, there were ~200 individuals on the Port's waitlist. The waitlist was at its lowest point from 2009 to 2014 but increased steadily reaching ~350 in 2019.

John Wayne Marina

Source: Port of Port Angeles



- In 1975 actor John Wayne donated to the Port approximately 25 acres of mostly tidelands at Pitship Point on Sequim Bay.
 - He frequently sailed his yacht, The Wild Goose, in the Pacific Northwest and liked the area so much that he bought property in Sequim including an additional 100+ acres along Sequim Bay that is still owned by the Wayne family.
- The Port agreed that the marina would be known as “John Wayne Marina”. Constructed in early 1980s, it has ~300 slips.

Port of Port Angeles

Source: Port of Port Angeles

JOHN WAYNE MARINA



PAST – PRESENT – FUTURE

Request for Information – Marina Management

Final Version Issued on March 12, 2019

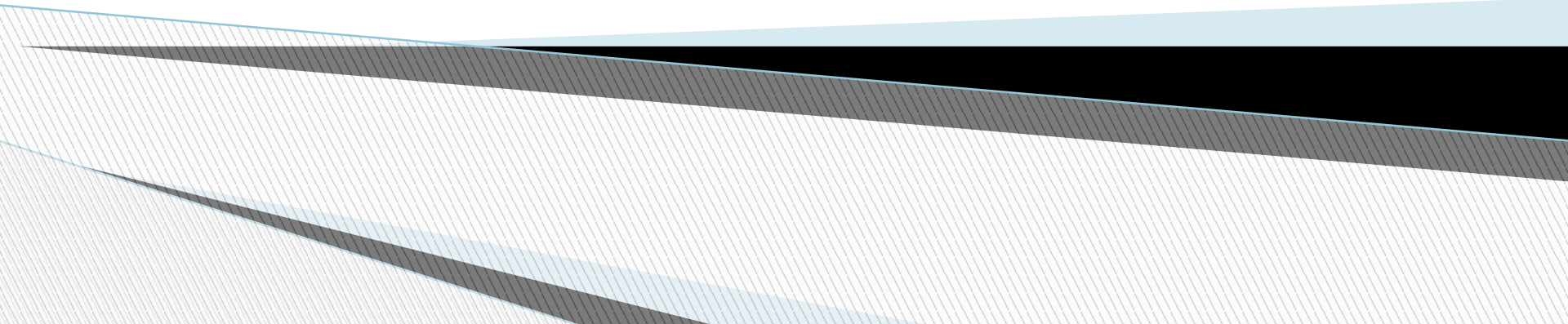
Response Presentations due 9am December 10, 2019

- JWM operations do not cover anticipated future capital reinvestments.
 - Est is \$16 million in 2018\$
- JWM is recreational marina
 - Limited economic impacts in jobs, wages, supply chain spending and business taxes.
- Port looking at other ownership management options that could provide:
 - better financial return and
 - could fund the future replacement
- Over the next 15-20 years the marina will require significant capital investments.
- Port decided to explore alternative ownership and/or management models.

Port received inquiry about sale from private party in 2017

Trend for some public marinas?

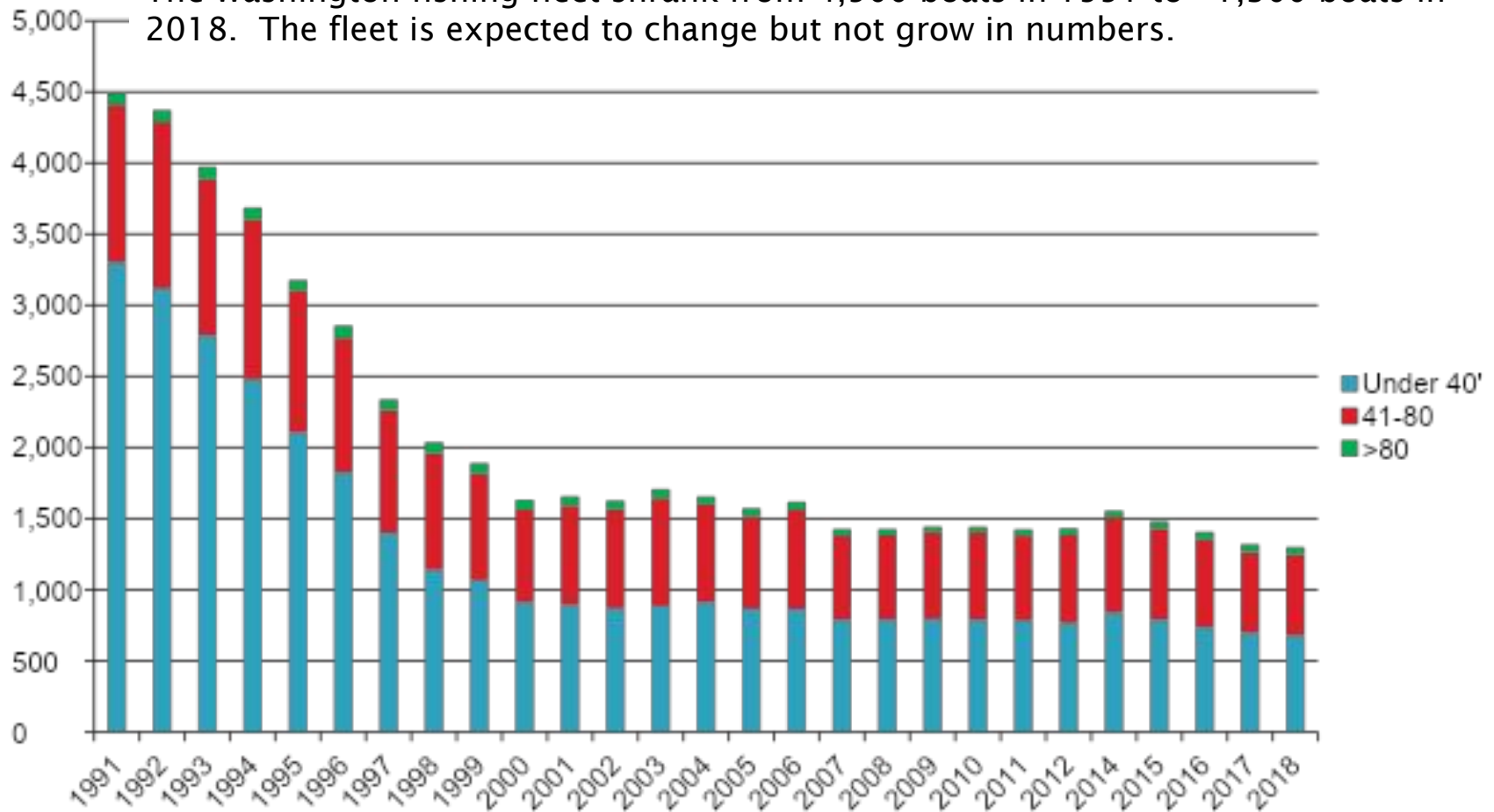
Commercial Marinas



Washington Fishing Boats

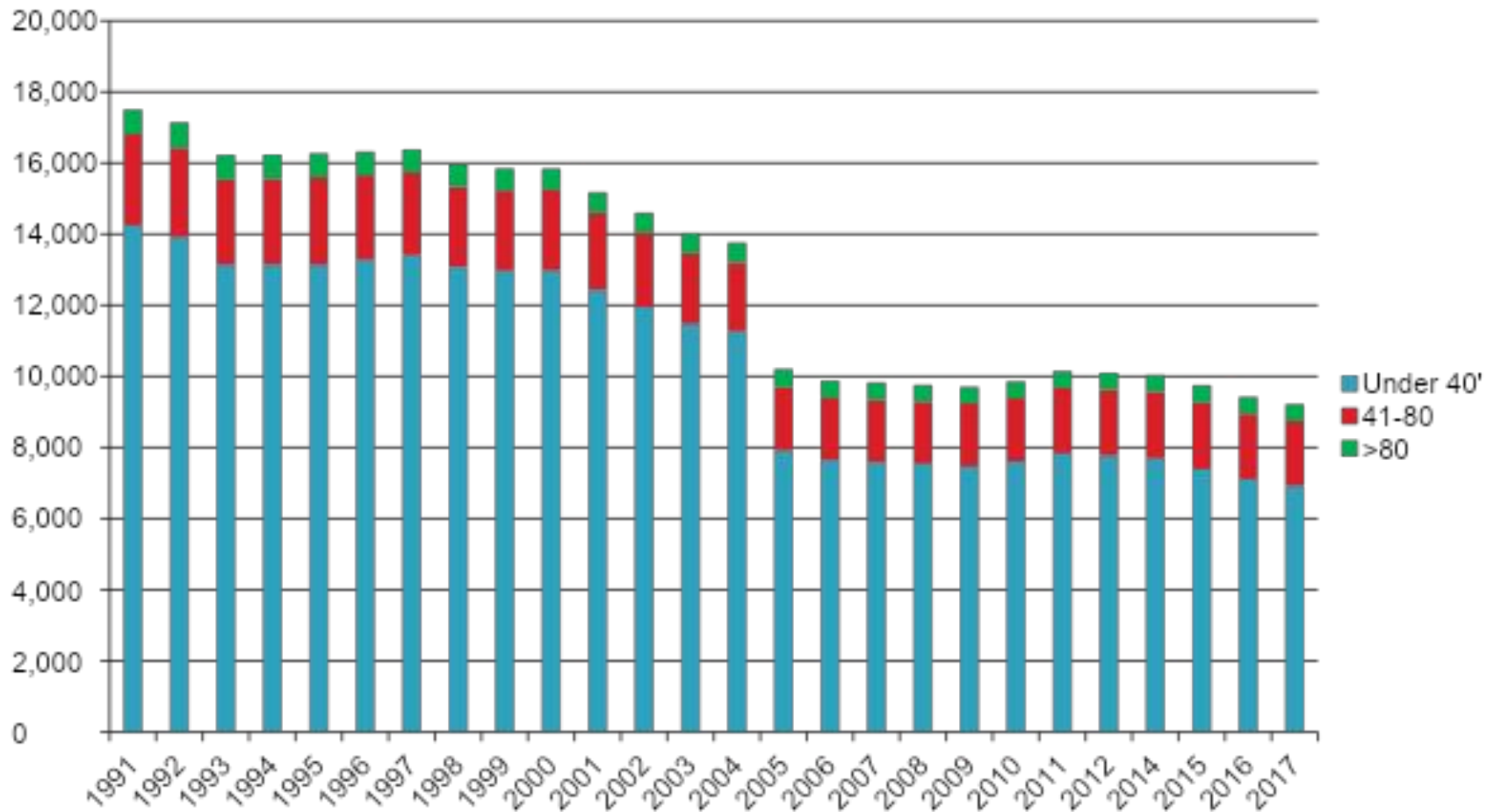
Source: WDFW

The Washington fishing fleet shrank from 4,500 boats in 1991 to ~1,300 boats in 2018. The fleet is expected to change but not grow in numbers.



Alaska Fishing Boats

Source: Commercial Fisheries Entry Commission



The Alaskan fishing fleet shrank significantly in 2005 from 16,000 boats to around 10,000 boats. In 2018, the fleet was ~9,200 boats. The fleet is expected to change but not grow in numbers.

Fishermen's Terminal Long-term Strategic Plan

Source: Port of Seattle



Scope:

- Develop vision and long term strategic plan for Fishermen's Terminal (FT) that leverages maritime and fishing activities and industries.

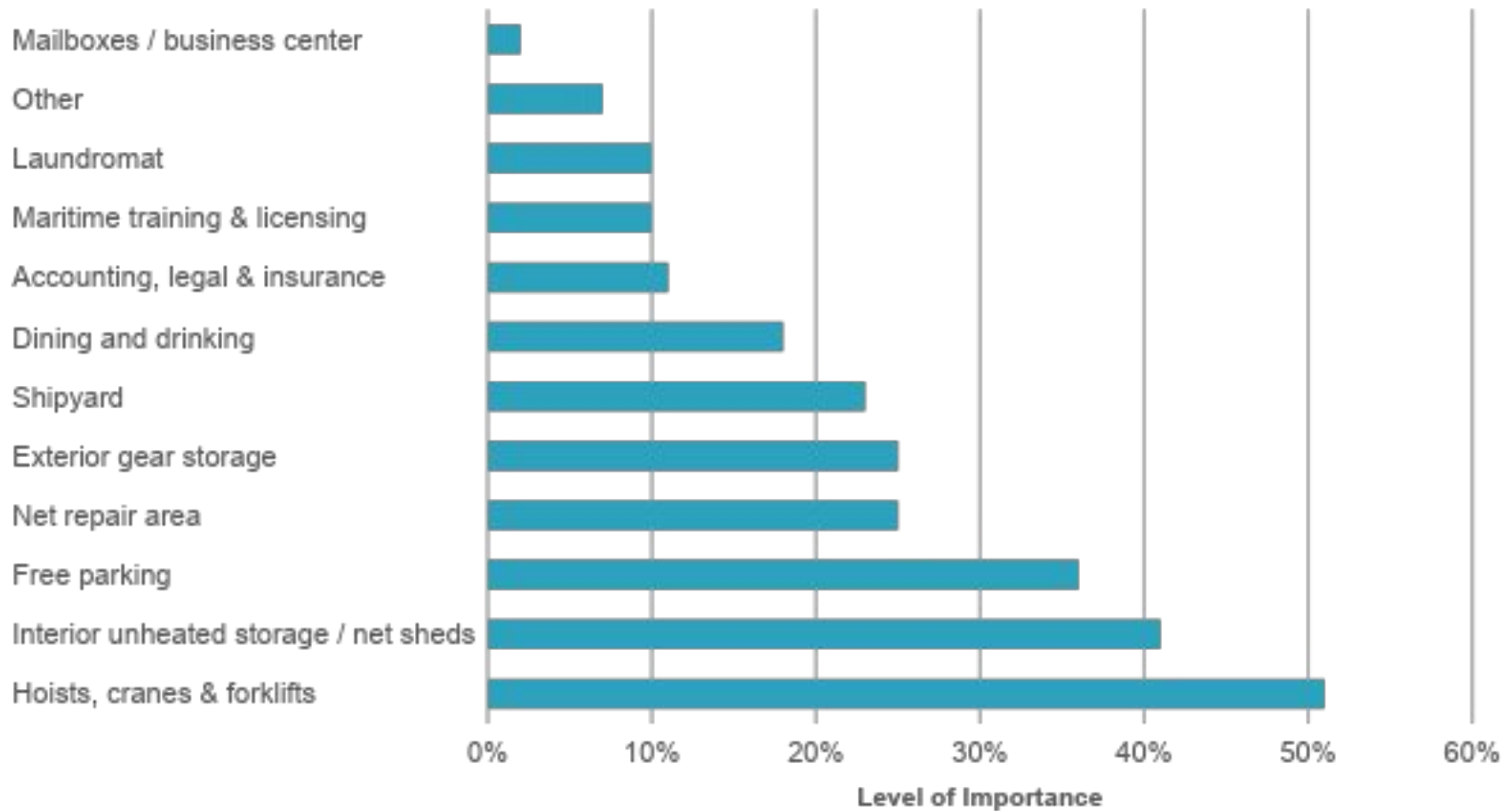


Goals:

- Continue to grow the economic value of the fishing and maritime cluster including the number of local jobs and business revenue.
- Improve overall financial returns that allow us to fulfill our commitment to the industry and taxpayers.
- Prioritize uses that support the commercial fishing industry, with a focus on anchoring the North Pacific Fishing fleet.
- Prioritize development that maximizes utilization of facility assets.
- Recognize and enhance Fishermen's Terminal as an living community landmark.

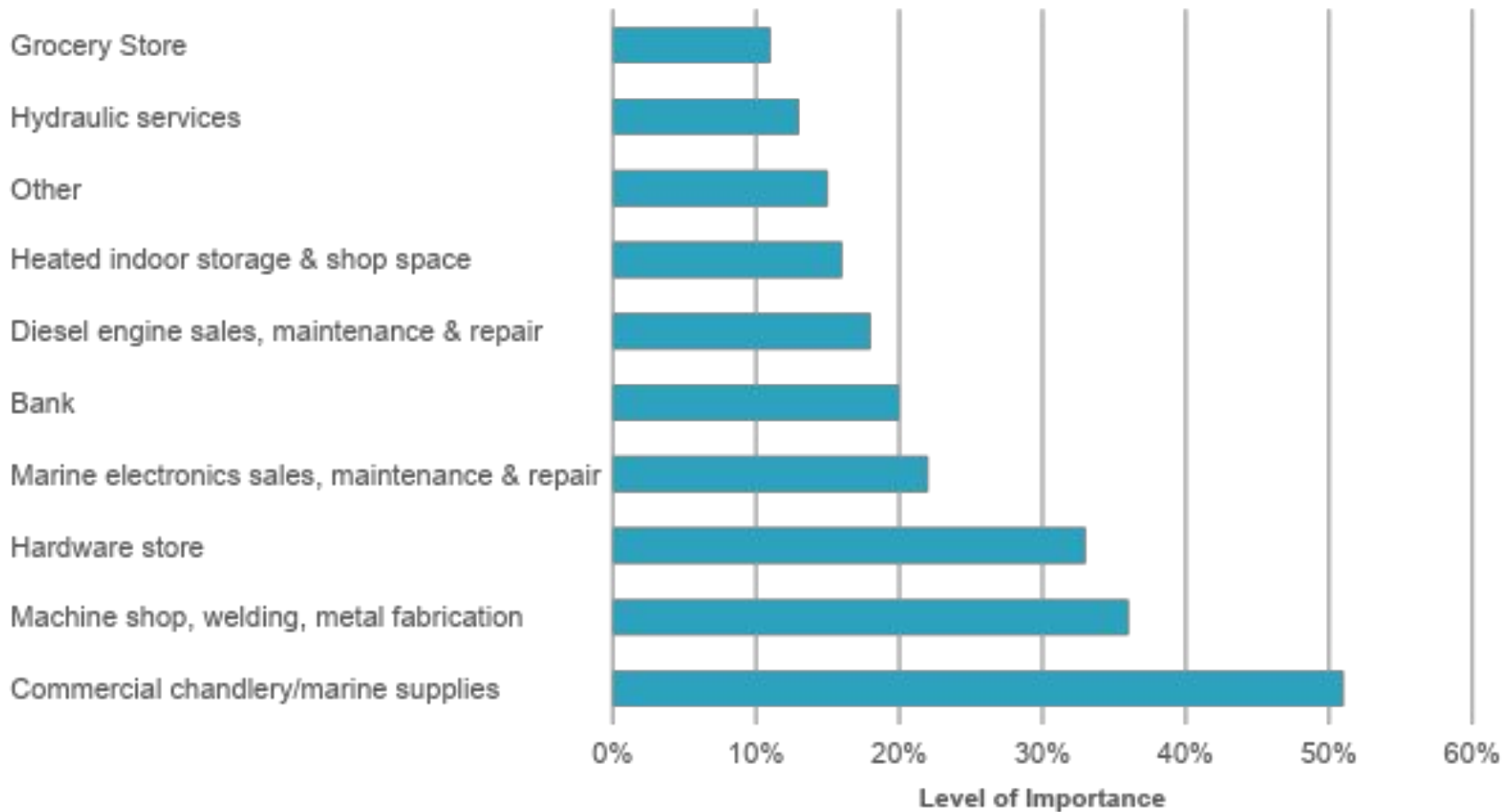
Vision: Develop a living community landmark that supports the Maritime industry

Which services that are currently located at Fishermen's Terminal are most important to your business?



Source: Port of Seattle Fishermen's Terminal Plan

Which services that are not currently located at Fishermen's Terminal would have the greatest positive impact for your business?



Source: Port of Seattle Fishermen's Terminal Plan

Port of Port Townsend

- “Many of our facilities, like those across the nation, were built during the “golden age” of infrastructure construction and subsequent economic growth between the 1930s and early 1960s.
- “The challenge is easily stated, but difficult to remedy: **We lack enough resources to restore, replace or repair aging infrastructure.**”
- Port will focus on six goals:
 - building net operating revenues through a combination of growing revenues and reducing expenses;
 - leasing all vacant spaces in each of the port facilities;
 - create and adhere to a leasing policy for all port properties;
 - develop and execute a long-term solution to the stormwater issue; and
 - cultivate, nurture and improve relationships with community partners.

Port of Astoria East Basin



- The East Basin Marina has significant problems:
 - The causeway that stretches from shore to moorage was closed to vehicular traffic several years ago due to structural problems. In late 2018, the Port closed the causeway to pedestrian access because of safety warnings from the State Bridge engineer.
 - The water depth in the basin limits the potential for moorage to slips at the outer end of the basin.
 - Sea-lions have taken over a large portion of the East Basin and efforts to deter them have been ineffective.
- The Port has insufficient funds to make the required improvements.
 - Port was considering a proposed public-private option for redevelopment with Fishermen's Wharf - Astoria LLC.

Questions

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