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DEPARTMENT OF PARKS  
AND COMMUNITY SERVICES

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November 15, 1988

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PARKS  
RECREATION  
ZOO

Budget and Finance/Transportation and  
Community Development Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: Development of Miller Park

SUMMARY

The Market Potential for Commercial Development at Miller Park (Attachment I) and the subsequent Estimated Revenues From Commercial Land Leases at Miller Park (Attachment II) conclude that the Miller Park area has an excellent market potential for the development of several marine related facilities and services as conceptually approved in the Sacramento Boat Harbor Expansion and Miller Park Master Plan. This report recommends that Council, by resolution, approve this development concept and direct staff to call for Request for Qualifications (RFQ) and Request for Proposal (RFP) for selection of a developer.

BACKGROUND INFORMATION

Project History

Located in the 57 acre Miller Park, the City's only developed regional riverfront park, the Sacramento Boat Harbor was originally developed in 1958 under a franchise agreement and operated by a private concessionaire. In June 1977, the Department of Parks and Community Services assumed operation of the Harbor.

In May 1983, the City Council authorized development of the Sacramento Boat Harbor Expansion and Miller Park Master Plan. Adopted in 1984, the master plan project included a 282 berth expansion of the Harbor with on-shore support facilities designed in a park setting. This increased the total number of berths from 289 to 571, making the Sacramento Boat Harbor the largest marina on the Sacramento River. The Harbor also offers a public boat launch ramp and transient dock spaces to accommodate boaters interested in short-term docking.

The total expansion includes approximately 17 acres of park land. Support facilities include parking, a harbor master space, and commercial space to serve the needs of the people using the park. Other elements of the approved plan include expanded picnic areas, walking paths, landscaping and shade trees, improved park lighting, additional public restroom, fishing pier, and protection of the riverbank basin from erosion.

The plan is being implemented in phases:

Phase I	Excavation for new basin
Phase II	Construction and installation of berths
Phase III	Marina administration offices and parking
Phase IV	Harbor patron parking, lighting, landscaping and harbor flushing system
Phase V	Commercial development

Phases I and II are complete. It is anticipated that City Council authorization to solicit bids for Phases III and IV combined will be sought in late November.

#### Commercial Development

A commercial area analysis was conducted in 1986 by the consulting and engineering firm of Winzler and Kelly, and the real estate and development consulting firm of Keyser Marston Associates, Inc. This study focused on the peninsula separating the old (south) basin and the new (north) marina, and concluded that Miller Park can support a variety of marine-oriented food and retail services on the peninsula site. (See Exhibit A.)

Furthermore, preliminary private sector interest suggested that it would be mutually beneficial to the City and a developer if more land was available, enabling consideration of a total marine service development concept. The Winzler-Kelly study also concluded that a limitation of the Miller Park commercial development potential was the small degree of land available.

Expansion of the area under consideration for development and the subsequent potential to pursue a full service marina center at Sacramento Boat Harbor is consistent with the desire for Miller Park to be an anchor in the Sacramento riverfront development extending south from Old Sacramento through the docks area. Not only will boat patrons benefit from the expansion because it will provide full marine services all within the area, but also the casual visitor will benefit from the hub of marine-related recreational activity. A California State Department of Boating and Waterways marina traffic study concluded that the largest marina traffic generators are restaurant facilities, followed closely by general sightseeing or drive-through traffic. The study further concluded that the actual boating-related marina traffic is generally a small percentage of the total traffic; and the more varied the facilities, the smaller percentage of boating-related traffic. Accordingly, the casual visitors can be expected to benefit most from the proposed development of Miller Park. In addition, expansion of the development area will also increase the revenue to the overall project of the boat harbor expansion project.

In order to further enhance the marine-related development desirability of the site, the Department of Parks and Community Services is working on a cooperative agreement with the neighboring oil companies to aesthetically improve the area via landscaping of the corridors leading to Miller Park. Participation of the oil companies in these efforts is contingent on the area being developed for marine-related use.

Consequently, Economic Development Services, (EDS), a Sacramento based consulting firm, was contracted to recommend the optimal development mix of commercial land use at Miller Park. EDS's assessment was to include the 5+ acre parcel east of the railroad tracks opposite the basin. (See Exhibit B.) Current use of the five acre parcel includes a Parks Division corporation yard as well as the area which the City leased to the County of Sacramento, who in turn leased the space to the Volunteers of America (VOA) for use as a temporary public inebriate facility. Recommendations regarding relocation of the VOA facility are being presented in a concurrent report to City Council from the Sacramento Housing and Redevelopment Agency. Several sites are presently under consideration for relocation of the Parks Division Corporation yard.

Economic Development Services completed a Market Potential for Commercial Development at Miller Park study and a Supplemental Report on Estimated Revenue to the City of Sacramento from Commercial Land Leases at Miller Park. Copies of both of these studies are on file in the City Clerk's office.

Following is a summary of their findings and recommendations:

1. Market Potential for Commercial Development

- The Miller Park area has an excellent market potential for the development of several commercial activities including marine-related goods and services, a cafe restaurant/bar, a delicatessen/carry out, and miscellaneous convenience or speciality goods stores.
- A well-planned and regionally prominent marina center at Miller Park will be able to draw significant patronage from office and non-office workers, business visitors, conventioners, tourists, daytime/evening trade from metro area residents who come to the river to enjoy the atmosphere and recreational boaters.
- Office development is not recommended for this site because it is believed that office buildings at Miller Park would unsuccessfully compete with other sites downtown for tenants.
- Hotel development is not recommended for this site insofar as data on lodging trends in Sacramento shows that hotel occupancy rates have slipped to marginally profitable levels at many locations throughout the City. Miller Park likewise is given low ratings by the hotel industry as a site for lodging when it is compared to other attractive sites in downtown Sacramento and vicinity. Additionally, as one hotel development is already planned in the docks project, this use would not provide a unique service as part of the overall docks master plan.

- That the 2.5 acre node be occupied with landscaped parking and the harbormaster's office, plus commercial buildings to be constructed on pilings on the edge of the node for an informal cafe restaurant, a deli/carry-out, and several retail shops offering marine and related goods.
- That a combination boat rental, yacht club office, pay showers, and dressing rooms for marina tenants, guests, and the general public also has market potential on the node.
- That the 5.6 acre site across the railroad tracks from the new section of the marina be occupied by tenants who provide a full range of goods and services for the comprehensive needs of recreation boaters in the greater Sacramento River area - particularly boat repair, boat sales, and related mechanical services.

## 2. Assumptions Regarding Design and Operating Standards

- The site available for commercial development should be attractively designed and well-constructed by competent master developer experienced in marina development.
- That the City will give a developer their fullest cooperation in creating and maintaining a pleasant and safe environment. Enactment and enforcement of noise abatement standards may be necessary to ensure that the site is sufficiently attractive to visitors and patrons of restaurants and shops, particularly during evening hours and on weekends.
- Site plans should be flexible to accommodate future changes over the years in the nature of commercial tenants, yet these tenants must be compatible with the marina and park atmosphere of Miller Park.
- Sufficient parking must be readily available to commercial patrons within a short walking distance of the commercial tenants. The alternative modes of transportation provided by the State Steam Excursion Train and future Light Rail access will enhance the accessibility of the area and offset parking needs.
- The VOA be relocated outside of the Miller Park area. If this relocation assumption is not met, the market potential will be eliminated for all boat repair, restoration, and/or sales outlets at Miller Park, insofar as they cannot profitably co-exist with the VOA operation, and no other available parcels in Miller Park can meet the criteria for such marina services. The financial loss to the City in terms of revenue if the VOA is not moved is discussed later in this report.

## 3. Economic Benefits of Recommended Development

The economic benefits to the City of Sacramento from the recommended development of the node and the 5.6 acre site across the railroad tracks is summarized below:

<u>Estimated Revenue to City</u>	<u>1990</u>	<u>1993</u>	<u>10 year total</u>
Lease income (rent to City)	\$158,200	\$490,000	\$4,237,000
City share of sales tax	63,200	123,300	1,098,000
City share of property tax	7,081	13,790	79,430
Business operation tax	<u>2,544</u>	<u>4,932</u>	<u>43,920</u>
TOTAL:	\$231,025	\$632,022	\$5,458,350

The amount of revenue to the City from the proposed development of Miller Park will be dependent upon the terms of the lease. Revenue realized from the lease will be deposited in the Sacramento Boat Harbor Fund. Revenue realized from sales business licenses, possessory interest and utility user taxes will accrue to the General Fund.

These projections assume that the VOA facility will be relocated. If it is not, the impact on the proposed development will be twofold. The presence of the VOA would severely impact the successful development of the node. Without the regional identity and activity arising from the use of both sites, patronage of services on the node will be an estimated ten percent less than possible (\$545,000 less over 10 years). This loss, combined with the lost revenue from the 5+ acre VOA site, would result in a total potential loss to the City of \$1.8 million in the first 10-year period alone.

#### 4. Proposed Development Process

This report recommends a conceptual approval for development of food and retail marine services on the node in conjunction with boat sales and services on the 5+ acre parcel east of the railroad tracks. While EDS also assessed the feasibility of and recommended development of a full service restaurant on an additional site within Miller Park, staff is not pursuing this recommendation at this time, opting instead to focus on the node and the 5+ acre parcel. Although the preferred type of development is a master lease arrangement, individual site leases will also be considered.

To assure a high quality successful development of the site, a two-phased selection process will be used.

##### Phase I.

A Request for Qualifications (RFQ) and preliminary Request for Proposal (RFP) will be distributed nationally to potential developers. Interested parties will submit information on experience with similar projects, timeliness of performance of past projects, past public/private partnerships, financial capacity, experience of their staff and subcontractors in similar projects, and overall successfulness of past projects to demonstrate their qualifications. Potential developers shall also submit information on their proposed commercial mix and basic business terms.

A panel of representatives from various city departments will be assembled by the Department of Parks and Community Services to review submitted qualifications. Provided that those presenting qualifications show capabilities to develop a project of this size, and propose uses consistent with the master plan, then an indepth Request for Proposal (RFP) will be sent to those entities. This first phase should be completed by June 1989.

#### Phase II

A full Request for Proposal (RFP) will be distributed only to those developers who responded to and met the criteria of the RFQ. Review of proposals and selection of a developer for recommendation to the Council will be made by the panel assembled by the Department of Parks and Community Services. Proposal selection criteria will include proposed commercial mix, business terms, details of development concept and design considerations, performance schedule, firm's management and personnel structure, and capacity and availability to deliver services. This phase should be completed by September 1989, at which time staff will recommend a tentative developer to the City Council.

Staff will prepare the RFQ/RFP with the assistance of a consultant experienced in this type of development. The contract for RFQ and RFP preparation will not exceed \$20,000. The consultant will also assist in notification, review, and selection process if needed.

#### Timeline

With Council approval, the Request for Qualifications/Preliminary Request for Proposal will be issued in March 1989 with June 1989 as a deadline for submitting qualifications. A full Request for Proposals will be issued to those meeting RFQ criteria in July 1989.

Recommendation of a tentative developer to the City Council will occur in November 1989. This allows City Council 12 months to 18 months to identify an alternative site and relocate the VOA facility. The Department of Parks and Community Services will need to relocate the Parks Division corporation yard within this same time period.

#### FINANCIAL DATA

The cost of preparing and issuing the Request for Qualifications and preliminary Request for Proposals will be less than \$20,000. Funds are available in the 1988-89 Boat Harbor Fund for the consultant agreement. It is estimated that relocation of the Parks Division corporation yard will cost approximately \$574,000. Costs for moving the corporation yard will be reimbursed by the development revenue stream.

The amount of revenue to the City from the proposed development and lease is dependent upon the terms of the lease. Revenue realized from the lease will be deposited to the Boat Harbor Fund in order to offset costs of the boat harbor expansion and operations. This revenue is not expected to impact the Boat Harbor Fund until 1992-93. Revenue realized from sales, business operation tax, possessory interest, and utility user taxes will accrue to the General Fund.

November 15, 1988

RECOMMENDATION

It is recommended that the Transportation and Community Development and Budget and Finance Committees approve this report and forward the following recommendations to the full City Council, and that the City Council, by resolution:

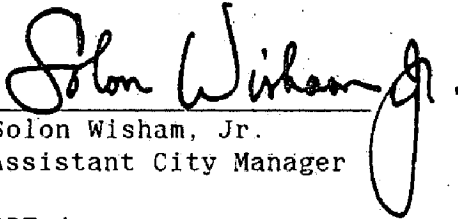
1. Approve the Miller Park development concept on the 2.5 acre node and on the 5.6 acre parcel east of the railroad tracks; and
2. Direct staff to issue an RFQ/RFP to call for qualifications and proposals relating to the development of Miller Park.

Respectfully submitted,



Robert P. Thomas, Director  
Parks and Community Services

Recommendation Approved:



Solon Wisham, Jr.  
Assistant City Manager

RPT:ja

November 29, 1988  
District No. 1

## **RESOLUTION No.**

**Adopted by The Sacramento City Council on date of**

**RESOLUTION APPROVING THE MILLER PARK DEVELOPMENT CONCEPT  
AND DIRECTING STAFF TO CALL FOR QUALIFICATIONS AND  
PROPOSALS RELATING TO THE DEVELOPMENT OF THE 2.5  
ACRE MILLER PARK NODE AND THE 5.6 ACRE PARCEL OF  
LAND EAST OF THE RAILROAD TRACKS**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

1. That the Miller Park development concept on the 2.5 acre node and the 5.6 acre parcel east of the railroad tracks is hereby approved.
2. That Parks and Community Services staff are hereby directed to call for qualifications and proposals relating to the development of Miller Park.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**



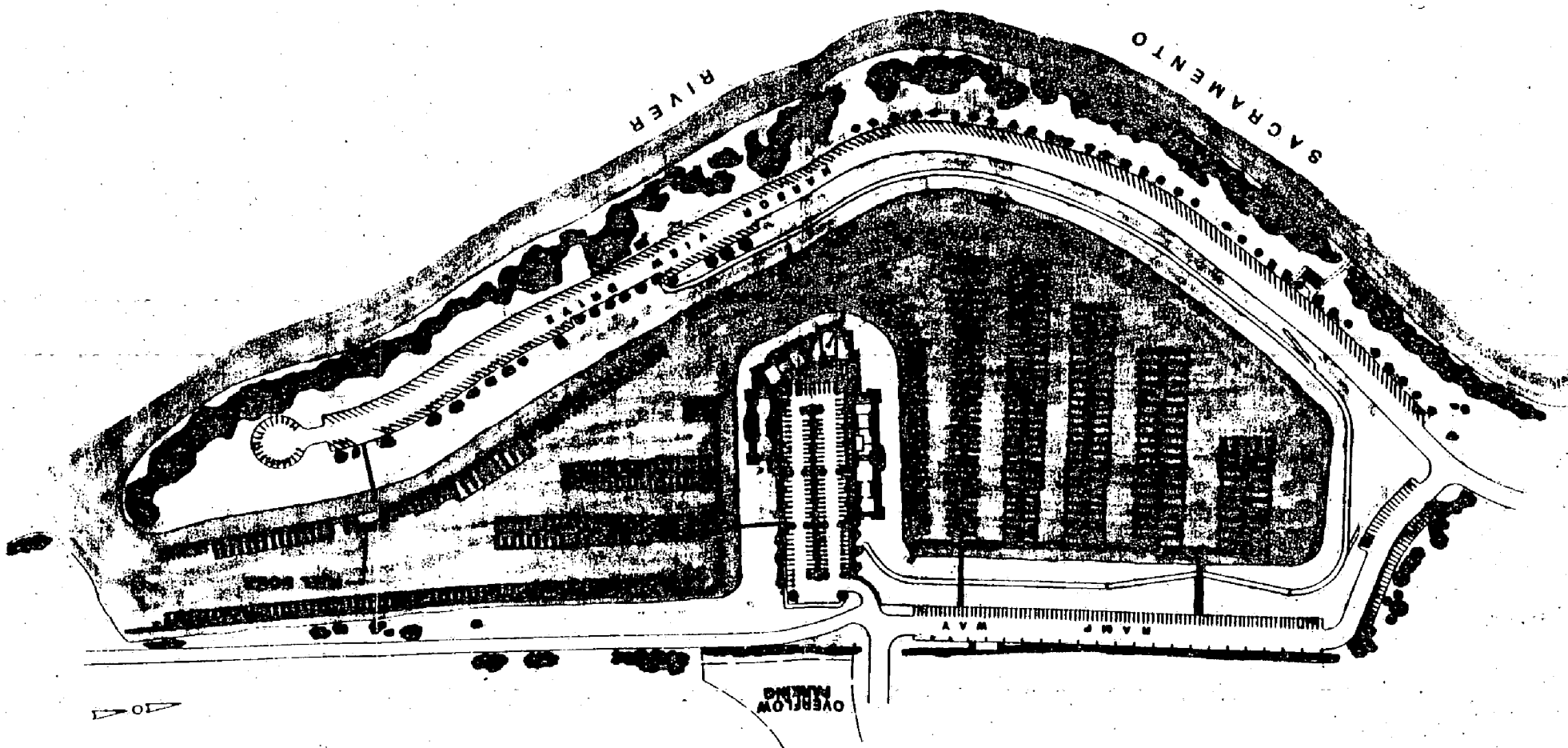
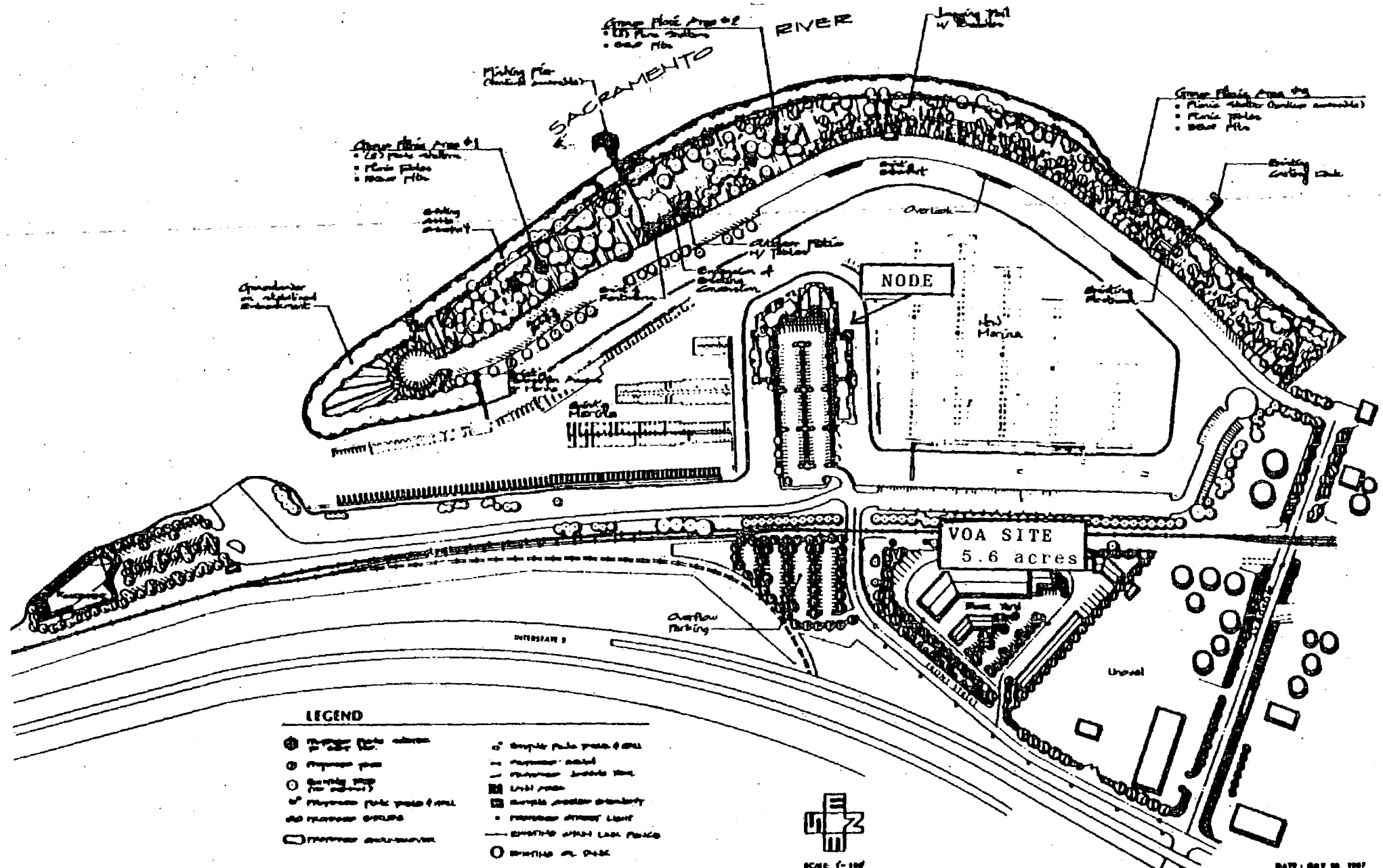


Exhibit A



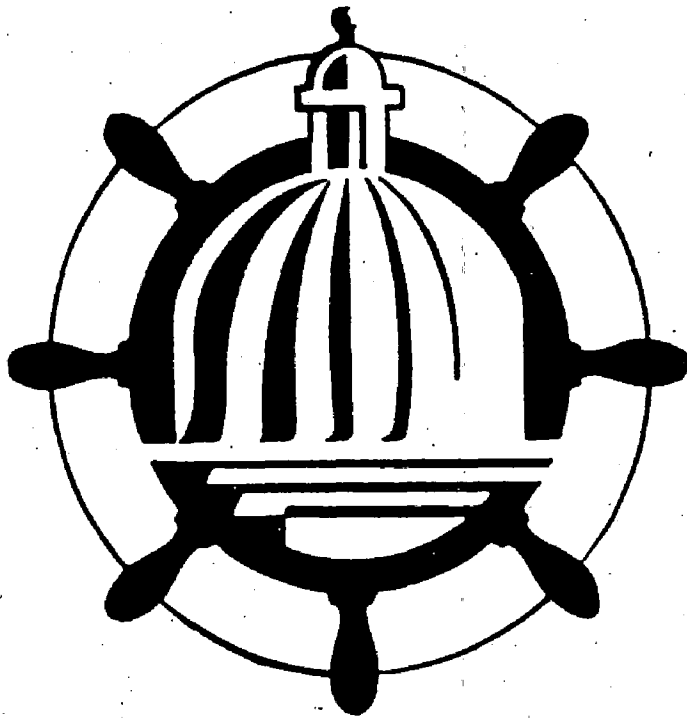
# MILLER PARK MASTER PLAN

DATE: MAY 10, 1967  
 DEPARTMENT OF PARKS & RECREATION SERVICES  
 CITY OF SACRAMENTO, CALIFORNIA

EXHIBIT B

**SUPPLEMENTAL REPORT**

**ESTIMATED REVENUES TO  
SACRAMENTO DEPARTMENT OF PARKS AND COMMUNITY SERVICES  
FROM COMMERCIAL LAND LEASES AT  
MILLER PARK**



**August, 1988**

**ESTIMATED REVENUES TO  
SACRAMENTO DEPARTMENT OF PARKS AND COMMUNITY SERVICES  
FROM COMMERCIAL LAND LEASES AT  
MILLER PARK**

*Prepared for:*

**Sacramento Department of Parks and Community Services  
1231 I Street, Suite 400  
Sacramento, CA  
95814**

*Prepared by:*

**Economic Development Services  
1024 F Street  
Sacramento, CA  
95814  
(916) 441-0323**

**August, 1988**

## INTRODUCTION

The Sacramento Department of Parks and Community Services contracted with EDS to forecast the financial benefits to the City and the Department from the leasing of the proposed commercial sites at Miller Park to a private developer. As indicated in EDS' previous report on the market potential for this development program:

"The principal finding of this study is that the Miller Park area has an excellent market potential for the development of several commercial activities including marine-related goods and services, a quality riverfront restaurant, a cafe restaurant/bar, a delicatessen/carry out, a package liquor store, and miscellaneous convenience or specialty goods stores."

The purposes of this Phase II report are (1) to determine the financial feasibility of the project and (2) to provide a strong background of research data as a tool for determining the expected lease revenues from master developers. This information will also be helpful in the City's negotiations with potential developers for arriving at a fair and equitable contract.

This Phase II report specifically forecasts 1990 and 1993 average annual revenues to the City of Sacramento from potential:

- \* leasing of the land in its existing condition to the master developer, as recommended in the Phase I market feasibility report,
- \* the City's share of sales and property tax receipts,
- \* City business license fees.

Utility tax revenues accruing to the City from the proposed project have not been included in this analysis, as the uses are not expected to be energy intensive.

## SUMMARY OF FINDINGS

Based on the analysis of market potential and financial feasibility of the proposed project the following revenues will accrue to the City of Sacramento:

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### SUMMARY TABLE

#### COMBINED REVENUES TO THE CITY OF SACRAMENTO FROM THE DEVELOPMENT OF MILLER PARK MARINA PROPERTY

<u>Site</u>	<u>(\$ - Thousands)</u>		
	<u>1990</u>	<u>1993</u>	<u>Total 1990 to 1999</u>
1	\$299	\$848	\$7,379
1-A	\$341	\$962	\$8,385
1 Without VOA	\$233	\$555	\$4,902
1-A Without VOA	\$275	\$669	\$5,908

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This summary shows that the total revenue for the decade from 1990 through 1999 are forecasted to approximate \$7.4 million for the program if it includes Site 1 for the quality restaurant near the existing boat launch. Revenues will total about \$8.4 million if the alternative Site 1-A, located at the end of the cul-de-sac on the peninsula is developed. These projections also assume that the Volunteers of America (VOA) facility currently located on a portion of the proposed project site is relocated. If the VOA facility is not relocated, there will be a potential loss to the the City of Sacramento of \$2.5 million over the 10-year period. Another assumption is that the City of Sacramento will give a high priority to maintaining an appropriate environment for the restaurants and other commercial activities at Miller Park and follows the other recommendations in the market feasibility report.

## DETAILED CALCULATIONS OF FINANCIAL PERFORMANCE

The attached pages detail the findings and calculations. An examination of Table I (pages 7-9) and Table II (page 10-15) reveals:

- \* Recommended minimum % of annual gross sales leasing terms at Miller Park for the first two years to different categories of tenants, as well as the projected % terms after years two and five (page 9).
- \* Comparable lease terms for other marina locations in California, as well as data from California Department of Boating and Waterways Guidelines and the previous assumptions of the 1986 financial analysis for Miller Park.
- \* A breakdown of the annual gross sales projections from EDS' recent study into the different commercial categories and the calculations of the leasing incomes from each of the categories, assuming Site 1 (page 10) and Site 1-A (page 12).

The lease income was calculated by multiplying the annual sales forecast for 1990 and 1993 by the projected percentages on page 9.

- \* Calculation of the city share of sales tax, property tax, and business license fees, assuming Site 1 (page 11) and Site 1-A (page 13).

The annual gross sales forecast is also the basis of the calculations for sales tax (1.0 %), property tax (.33%), and business license fees (.04%).

- \* the combined "TOTAL FINANCIAL PERFORMANCE", assuming Site 1 (page 11) and Site 1-A (page 13). This total is the sum of the four sources of revenues - land leases, sales tax, property tax, and business license fees.

## RECOMMENDED LEASE STRUCTURE

Table I presents data gathered by the survey of comparable land lease rates for waterfront development conducted for this study. EDS reviewed actual lease documents and prior studies from the following California waterfront development projects:

1. Port of Oakland & Oakland Village (1974)
2. San Diego Port District (Standard Lease Format)
3. City of Oakland - Typical Lease Provisions (1983)
4. City of San Leandro
5. Redwood City
6. City of Berkeley
7. Winzler & Kelley Reported Range (1986)
8. California Department of Boating and Waterways Guidelines (1976)

As Table I shows, the majority of these lease documents and surveys indicate that the typical waterfront commercial lease is structured as a minimum payment of 8 percent of raw land market value with an overage percentage based on the specific use. Table I shows the amount of overage percentage applied to various uses for the surveyed agencies.

EDS recommends that the City of Sacramento and the Department of Parks and Community Services enter into a lease with a master developer with the terms and conditions listed on the following page.



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**RECOMMENDED WATERFRONT LEASE TERMS & CONDITIONS**

**Lessee:** Master Developer of Leased Land

**Term:** 30 to 40 years, with minimum payments to be renegotiated every 5 years.

**Conditions:** "Triple Net" - The lessee and/or subtenants directly pays for all costs associated with taxes, maintenance, insurance and utilities.

**Minimum Annual Payment:** 8 percent of raw land value

**Overages:** The Master Developer should collect rentals from commercial lessees at Miller Park Marina. Additional funds should be paid to the City of Sacramento to the extent that these exceed the minimum land lease specified above. These overages should reflect the following percent of sale terms for the different types of tenants:

<u>Type of Tenant</u>	<u>% of Gross Annual Sales</u>		
	<u>Years 1 &amp; 2</u>	<u>Years 3 - 5</u>	<u>Year 5+</u>
Boat Service and Repair	2.0%	3.5%	5.0%
Restaurant			
Food	2.0%	3.5%	5.0%
Beverage	3.5%	5.0%	7.5%
Liquor Store	3.0%	4.0%	5.0%
Vending Machines (Any type)	20.0%	25.0%	25.0%
Merchandise - Retail (Marine-Related or Convenience)	4.0%	4.5%	5.0%
Boat Sales			
<del>New</del>	1.0%	2.0%	2.0%
Used	3.0%	5.0%	5.0%
Boat Rental (Possible Feature of Boat Sales)	7.0%	10.0%	15.0%
Deli/Convenience/Other	2.0%	3.0%	4.0%

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**SURVEY SUMMARY  
AND  
DETAILED FINANCIAL CALCULATIONS**

TABLE I  
 SURVEY OF  
 COMPARABLE LAND LEASE RATES  
 % OF ANNUAL GROSS SALES (or other as noted)

TYPE OF LEASE	PORT OF OAKLAND & OAKLAND VILLAGE (1974)	SAN DIEGO PORT DISTRICT (Standard Lease Format)	CA. DEPT. OF BOATING & WATERWAYS GUIDELINES (1976)	OAKLAND "Typical Lease Provisions" - 1983 Min. Lease Rates
<b>I. MASTER LEASE % ONLY:</b>				
A. Office, Retail, Restaurant				
B. Restaurant	15% of Subtenant Rentals (minimum of 8 % return on raw land market value)			
<b>II. SALES OR INCOME FROM SUBTENANTS:</b>				
A. Boat Service/Repairs			3-10%	
B. Restaurant	3.0% (7% of over \$1.8 Mil.)	3.0%	Food: 2.5-7.5% Beverage: 5-10%	2.0% (Year 1) 2.5% (Year 2) 3.0% (Year 3) 3.5% (Year 4)
C. Liquor Store		5.0%	N.A.	
D. Vending Machines		25.0%	25.0%	
E. Merchandise - Retail		10.0%	7-10.0%	4.0% (Year 1) 4.5% (Year 2) 5.0% (Year 3)
F. Boat Sales		5.0%	New: 2% Used: 5-15%	
G. Boat Rental (Possible Feature of Boat Sales)		10.0%	7-20%	
H. Deli/Convenience				

TABLE I  
 SURVEY OF  
 COMPARABLE LAND LEASE RATES  
 % OF ANNUAL GROSS SALES (or other as noted)

TYPE OF LEASE	SAN LEANDRO	REDWOOD CITY	BERKELEY	WINZLER & KELLEY
				REPORTED RANGE Dec. 1986
<b>I. MASTER LEASE % ONLY:</b>				
A. Office, Retail, Restaurant				
B. Restaurant				
<b>II. SALES OR INCOME FROM SUBTENANTS:</b>				
A. Boat Service/Repairs	3.5-4.0%			2.0-5.0%
B. Restaurant	2.7-4.2%	1.5% (2.5% over \$1.0 Million)	2.5-3.3%	2.5-4.0% (Food) 3.0-6.0% (Beverage)
C. Liquor Store				
D. Vending Machines				
E. Merchandise - Retail				1.0-3.0%
F. Boat Sales		1% (New)		0.5-2.0%
G. Boat Rental (Possible Feature of Boat Sales)				
H. Deli/Convenience				

TABLE I  
 SURVEY OF  
 COMPARABLE LAND LEASE RATES  
 % OF ANNUAL GROSS SALES (or other as noted)

TYPE OF LEASE	% OF ANNUAL GROSS SALES		
	EDS RECOMMENDED MINIMUM YEARS 1 & 2	EDS PROJECTION AFTER TWO YEARS	EDS PROJECTION AFTER FIVE YEARS
<b>I. MASTER LEASE % ONLY:</b>			
A. Office, Retail, Restaurant			
B. Restaurant			
<b>II. SALES OR INCOME FROM SUBTENANTS:</b>			
A. Boat Service/Repairs	2.0%	3.5% (Boat)	5.0% (Boat)
B. Restaurant	2.0% (Food)	3.5% (Food)	5.0% (Food)
	3.5% (Beverage)	5.0% (Beverage)	7.5% (Beverage)
C. Liquor Store	3.0% (Liquor)	4.0% (Liquor)	5.0% (Liquor)
D. Vending Machines	20.0%	25.0%	25.0%
E. Merchandise - Retail	4.0%	4.5%	5.0%
F. Boat Sales	1.0% (New)	2.0% (New)	2.0% (New)
	3.0% (Used)	5.0% (Used)	5.0% (Used)
G. Boat Rental (Possible Feature of Boat Sales)	7.0%	10.0%	15.0%
H. Deli/Convenience	2.0%	3.0%	4.0%

## MILLER PARK MARINA

TABLE II

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	RESTAURANT SITE 1		
	1990	1993	10 Year Total
<b>Annual Gross Sales Forecast:</b>			
Boat Service/Repairs	\$1,400	\$3,600	\$31,600
Restaurant (formal)			
Food	\$1,500	\$3,200	\$28,600
Beverage	\$600	\$1,100	\$10,000
Restaurant (on node)			
Food	\$1,000	\$2,300	\$20,400
Beverage	\$300	\$800	\$7,000
Liquor Store	\$400	\$420	\$4,160
Vending Machines	\$100	\$150	\$1,400
Merchandise - Retail	\$900	\$1,350	\$12,600
Boat Sales <sup>1</sup>			
New	\$1,000	\$2,100	\$18,800
Used	\$0	\$1,000	\$8,000
Boat Rental	\$100	\$200	\$1,800
Deli/Convenience	\$360	\$410	\$4,000
<b>Total Annual Gross Sales</b>	<b>\$7,660</b>	<b>\$16,630</b>	<b>\$148,360</b>
<b>Lease Income:</b>			
Boat Service/Repairs	\$28.0	\$126.0	\$1,064
Restaurant (formal)			
Food	\$30.0	\$112.0	\$956
Beverage	\$21.0	\$55.0	\$482
Restaurant (on node)			
Food	\$30.0	\$80.5	\$704
Beverage	\$6.0	\$40.0	\$332
Liquor Store	\$14.0	\$21.0	\$196
Vending Machines	\$20.0	\$37.5	\$340
Merchandise - Retail	\$36.0	\$60.8	\$558
Boat Sales			
New	\$10.0	\$42.0	\$356
Used	\$0.0	\$50.0	\$400
Boat Rental	\$7.0	\$20.0	\$174
Deli/Convenience	\$7.2	\$12.3	\$113
<b>Subtotal Net Lease Income</b>	<b>\$209.2</b>	<b>\$657.0</b>	<b>\$5,675</b>

## MILLER PARK MARINA

TABLE II

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	RESTAURANT SITE 1		
	1990	1993	10 Year Total
City Share of Sales Taxes:			
Boat Service/Repairs	\$14.0	\$36.0	\$316
Restaurant (formal)			
Food	\$15.0	\$32.0	\$286
Beverage	\$6.0	\$11.0	\$100
Restaurant (on node)			
Food	\$10.0	\$23.0	\$204
Beverage	\$3.0	\$8.0	\$70
Liquor Store	\$4.0	\$4.2	\$42
Vending Machines	\$1.0	\$1.5	\$14
Merchandise - Retail	\$9.0	\$13.5	\$126
Boat Sales			
New	\$10.0	\$21.0	\$188
Used	\$0.0	\$10.0	\$80
Boat Rental	\$1.0	\$2.0	\$18
Deli/Convenience	\$3.6	\$4.1	\$40
Subtotal City Share of Sales Tax	\$76.6	\$166.3	\$1,484
City Share of Property Tax:			
Total Sq. Footage	32,800	59,800	59,800
Construction Cost/Sq. Ft.	\$90.00	\$94.50	\$99.23
Property Value	\$2,952.0	\$5,651.1	\$5,933.7
Property Tax Increment	\$29.5	\$56.5	\$59.3
City Share	33%	33%	33%
Subtotal Property Tax Increase	\$9.7	\$18.6	\$169
Business License Fees:			
Gross Receipts	\$7,660	\$16,630	\$148,360
Business License Fee	0.04%	0.04%	0.04%
Subtotal Business License Fees	\$3.1	\$6.7	\$59
TOTAL: FINANCIAL PERFORMANCE	\$298.6	\$848.7	\$7,386

TABLE II

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	RESTAURANT SITE 1A		
	1990	1993	10 Year Total
<b>Annual Gross Sales Forecast:</b>			
Boat Service/Repairs	\$1,400	\$3,600	\$31,600
Restaurant (formal)			
Food	\$2,700	\$5,000	\$45,400
Beverage	\$900	\$1,700	\$15,400
Restaurant (on node)			
Food	\$1,000	\$2,300	\$20,400
Beverage	\$300	\$800	\$7,000
Liquor Store	\$400	\$420	\$4,160
Vending Machines	\$100	\$150	\$1,400
Merchandise - Retail	\$900	\$1,350	\$12,600
Boat Sales			
New	\$1,000	\$2,100	\$18,800
Used	\$0	\$1,000	\$8,000
Boat Rental	\$100	\$200	\$1,800
Deli/Convenience	\$360	\$410	\$4,000
<b>Total Annual Gross Sales</b>	<b>\$9,160</b>	<b>\$19,030</b>	<b>\$170,560</b>
<b>Lease Income:</b>			
Boat Service/Repairs	\$28.0	\$126.0	\$1,064
Restaurant (formal)			
Food	\$54.0	\$175.0	\$1,508
Beverage	\$31.5	\$85.0	\$743
Restaurant (on node)			
Food	\$20.0	\$80.5	\$684
Beverage	\$10.5	\$40.0	\$341
Liquor Store	\$12.0	\$16.8	\$158
Vending Machines	\$20.0	\$37.5	\$340
Merchandise - Retail	\$36.0	\$60.8	\$558
Boat Sales			
New	\$10.0	\$42.0	\$356
Used	\$0.0	\$50.0	\$400
Boat Rental	\$7.0	\$20.0	\$174
Deli/Convenience	\$7.2	\$12.3	\$113
<b>Subtotal Net Lease Income</b>	<b>\$236.2</b>	<b>\$745.9</b>	<b>\$6,439</b>



## MILLER PARK MARINA

TABLE II

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	RESTAURANT SITE 1A		
	1990	1993	10 Year Total
City Share of Sales Taxes:			
Boat Service/Repairs	\$14.0	\$36.0	\$316
Restaurant (formal)			
Food	\$27.0	\$50.0	\$454
Beverage	\$9.0	\$17.0	\$154
Restaurant (on node)			
Food	\$10.0	\$23.0	\$204
Beverage	\$3.0	\$8.0	\$70
Liquor Store	\$4.0	\$4.2	\$42
Vending Machines	\$1.0	\$1.5	\$14
Merchandise - Retail	\$9.0	\$13.5	\$126
Boat Sales			
New	\$10.0	\$21.0	\$188
Used	\$0.0	\$10.0	\$80
Boat Rental	\$1.0	\$2.0	\$18
Deli/Convenience	\$3.6	\$4.1	\$40
Subtotal City Share of Sales Tax	\$91.6	\$190.3	\$1,706
City Share of Property Tax:			
Total Sq. Footage	32,800	59,800	59,800
Construction Cost/Sq. Ft.	\$90.00	\$94.50	\$99.23
Property Value	\$2,952.0	\$5,651.1	\$5,933.7
Property Tax Increment	\$29.5	\$56.5	\$59.3
City Share	33%	33%	33%
Subtotal Property Tax Increase	\$9.7	\$18.6	\$169
Business License Fees:			
Gross Receipts	\$9,160	\$19,030	\$170,560
Business License Fee	0.04%	0.04%	0.04%
Subtotal Business License Fees	\$3.7	\$7.6	\$68
TOTAL: FINANCIAL PERFORMANCE	\$341.2	\$962.4	\$8,382

## MILLER PARK MARINA

TABLE I.I

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	WITHOUT VOA SITE		
	1990	1993	10 Year Total
<b>Annual Gross Sales Forecast:</b>			
Boat Service/Repairs	\$0	\$0	\$0
Restaurant (formal)			
Food	\$1,500	\$3,200	\$28,600
Beverage	\$600	\$1,100	\$10,000
Restaurant (on node)			
Food	\$1,000	\$2,300	\$20,400
Beverage	\$300	\$800	\$7,000
Liquor Store	\$400	\$420	\$4,160
Vending Machines	\$100	\$150	\$1,400
Merchandise - Retail	\$900	\$1,350	\$12,600
Boat Sales			
New	\$0	\$0	\$0
Used	\$0	\$0	\$0
Boat Rental	\$100	\$200	\$1,800
Deli/Convenience	\$360	\$410	\$4,000
<b>Total Annual Gross Sales</b>	<b>\$5,260</b>	<b>\$9,930</b>	<b>\$89,960</b>
<b>Lease Income:</b>			
Boat Service/Repairs	\$0.0	\$0.0	\$0
Restaurant (formal)			
Food	\$30.0	\$112.0	\$956
Beverage	\$21.0	\$55.0	\$482
Restaurant (on node)			
Food	\$30.0	\$80.5	\$704
Beverage	\$6.0	\$40.0	\$332
Liquor Store	\$14.0	\$21.0	\$196
Vending Machines	\$20.0	\$37.5	\$340
Merchandise - Retail	\$36.0	\$60.8	\$558
Boat Sales			
New	\$0.0	\$0.0	\$0
Used	\$0.0	\$0.0	\$0
Boat Rental	\$7.0	\$20.0	\$174
Deli/Convenience	\$7.2	\$12.3	\$113
<b>Subtotal Net Lease Income</b>	<b>\$171.2</b>	<b>\$439.1</b>	<b>\$3,855</b>

## MILLER PARK MARINA

TABLE II

CALCULATION OF  
ESTIMATED FINANCIAL PERFORMANCE  
MILLER PARK MARINA ALTERNATIVES

(IN \$ THOUSANDS)

ALTERNATIVE DEVELOPMENT SCENARIO:	WITHOUT VDA SITE		
	1990	1993	10 Year Total
City Share of Sales Taxes:			
Boat Service/Repairs	\$0.0	\$0.0	\$0
Restaurant (formal)			
Food	\$15.0	\$32.0	\$286
Beverage	\$6.0	\$11.0	\$100
Restaurant (on node)			
Food	\$10.0	\$23.0	\$204
Beverage	\$3.0	\$8.0	\$70
Liquor Store	\$4.0	\$4.2	\$42
Vending Machines	\$1.0	\$1.5	\$14
Merchandise - Retail	\$9.0	\$13.5	\$126
Boat Sales			
New	\$0.0	\$0.0	\$0
Used	\$0.0	\$0.0	\$0
Boat Rental	\$1.0	\$2.0	\$18
Deli/Convenience	\$3.6	\$4.1	\$40
Subtotal City Share of Sales Tax	\$52.6	\$99.3	\$900
City Share of Property Tax:			
Total Sq. Footage	23,200	39,100	59,800
Construction Cost/Sq. Ft.	\$90.00	\$94.50	\$99.23
Property Value	\$2,088.0	\$3,694.9	\$5,933.7
Property Tax Increment	\$20.9	\$36.9	\$59.3
City Share	33%	33%	33%
Subtotal Property Tax Increase	\$6.9	\$12.2	\$111
Business License Fees:			
Gross Receipts	\$5,260	\$9,930	\$89,960
Business License Fee	0.04%	0.04%	0.04%
Subtotal Business License Fees	\$2.1	\$4.0	\$36
TOTAL: FINANCIAL PERFORMANCE	\$232.8	\$554.5	\$4,902