

Final Business Plan

BAR HARBOR FERRY PROPERTY

Prepared for:

TOWN OF BAR HARBOR



June 6, 2018

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1. INTRODUCTION

Bermello Ajamil & Partners, Inc. (“B&A”) was retained by the Town of Bar Harbor (“Town”) to develop a business plan for the Bar Harbor Ferry Terminal Property (“Ferry Property”). The purpose of this business plan is to allow the Town to make financially responsible decisions with regard to the acquisition, development and future use and operation of this strategic waterfront asset. B&A is pleased to submit this business plan, the contents of which address the scope of work approved by the Bar Harbor Town Council in agreement with the general direction provided by the Bar Harbor Ferry Terminal Property Advisory Committee (“Advisory Committee”) in their November 14, 2017 report to the Bar Harbor Town Council, which report identified the following goals for the Ferry Property:

- Improve residents' and visitors' enjoyment of Agamont Park on cruise ship days
- Ease vehicular traffic and parking by buses, taxis, etc. on cruise ship days
- Create public access to the water at the Ferry Property
- Improve the cruise ship passenger experience
- Cause the least amount of harm environmentally
- Make the project financially viable
- Provide additional parking
- Explore whether Bay Ferries can be compatible with these uses and potentially financially beneficial. If the business plan or Bay Ferries' needs preclude a multi-use marine facility with optional tender boat landings from cruise ships, the committee prioritizes marine uses, including a transportation hub at the property, over Bay Ferries.
- Consolidate cruise ship buses, taxis, etc. at the Ferry Property as part of implementation of the multi-use marine and transportation facility

In preparing this business plan B&A has made every effort to take into account the goals of the Advisory Committee as identified above. Because financial viability is among these goals, B&A has evaluated each mix of uses proposed within a financial framework that considers both costs and potential revenue streams during the assumed initial 20-year life of the Ferry Property (2019-2038), which serves as the study period for this business plan. Any use(s) explicitly excluded in one or more of the development scenarios presented in this business plan is discussed separately along with reasons for its exclusion.

This business plan includes information provided by several sources, including in-person and telephone interviews as well as numerous online resources and documents. It is accompanied by a separate technical file, which includes B&A's comprehensive financial assessment of the different potential uses of the project site during the 20-year study period. All analyses included in this business plan assume acquisition of the Ferry Property by the Town by the end of 2018 at a cost of \$3.5 million.

2. EXECUTIVE SUMMARY

Market Assessment

In order to determine market demand and other competitive dynamics related to the different uses proposed by the Advisory Committee specific to the Ferry Property, B&A has evaluated each of the following distinct market segments:

- Cruise (limited to tender operations from anchorage)
- Recreational/Commercial Marina
- International Ferry
- Parking
- Transportation

The results of these market evaluations are summarized below.

Cruise

Cruise is a booming industry, both globally and specific to the Canada & New England (“CNE”) region. Bar Harbor is a marquee port of call for all cruise lines currently operating in the CNE region with each of the three major global cruise companies – Carnival Corporation (“Carnival”), Royal Caribbean Cruises, Ltd (“RCCL”), and Norwegian Cruise Line Holdings (“NCLH”) calling Bar Harbor on more than 70% of their CNE sailings. The CNE market will continue to grow robustly for the foreseeable future in terms of both annual calls and annual passenger volumes. Future growth will be more evenly distributed across a six month, May-October season, with September and October continuing to represent the peak months. Sundays, Fridays, Mondays and eventually Thursdays will continue to be the peak days for vessel calls and passenger activity in Bar Harbor due to CNE itinerary patterns and sailing times/distances between Bar Harbor and the region’s major homeports. For purposes of this business plan, cruise ship visits specific to Bar Harbor have been held constant at 2019 levels; as a result, future capture rates for Bar Harbor are projected to decline sharply on an annual, though not necessarily linear basis in keeping with the Town’s currently imposed constraints, which are expected to continue indefinitely. In the event that the Ferry Property is developed to include cruise tendering infrastructure, it may occur that the owner of the site (i.e. the Town) receives multiple competing offers from cruise lines to secure exclusive/preferred use, subject to a wide array of terms and conditions

Recreational/Commercial Marina

The current Bar Harbor marina market consists of 83% pleasure craft, 15% fishing boats and 2% “other”. Marinas in Bar Harbor are dependent upon area seasonal and out-of-town transient daily renters of slips. Demand for slips at the Ferry Property will be limited to a 90-day peak Summer window with only marginal utilization outside of this window. Achievable rates at the Ferry Property will be enhanced by providing amenities such as full services, fuel, modern pedestal, dock hand staff, etc. but will still not compete with rates found at resort facilities. The viability of a marina at the Ferry Property is dependent upon the relative capital costs of developing the slips and associated marine/upland infrastructure.

International Ferry

Bay Ferries Limited (“BFL”) is the only currently known viable operator. BFL has expressed interest in operating a daily service between Bar Harbor and Nova Scotia, beginning as soon as 2019, and has developed a tentative operating plan specific to the Ferry Property. BFL has expressed both a willingness and a capacity to invest up to \$3 million in the Ferry Property in exchange for access to the Bar Harbor market. BFL is funded in part by the provincial government of Nova Scotia, meaning funding is likely available consistent with the willingness and capacity expressed.

Parking

Parking is in high demand in Bar Harbor during most of the peak tourism season (mid-June – mid-October). Satellite parking at the Ferry Property is one of the principal uses envisioned for the Ferry Property by the Advisory

Committee. For parking to be successful at the Ferry Property, regular and reliable transit service connecting the Ferry Property to the Town center is critical. Any parking model implemented at the Ferry Property must be fully integrated within a broader Town-wide parking plan and any charges for parking at the Ferry Property must not exceed two-thirds of charges assessed for parking within the Town center. Deeply discounted or free parking will need to be made available to employees of downtown businesses if they are required to park at the Ferry Property. Signage and web-based information are critical to raise awareness among visitors at peak times that a secondary parking option exists at the Ferry Property

Transportation

The Ferry Property has strong potential to serve as a multimodal transportation hub. Generally, full integration into the broader Mount Desert Island transportation network is critical to the success of the Ferry Property as a transportation hub. Key demand drivers for transportation related to the Ferry Property include the following:

- Anticipated visitor volumes during the coming 20 years (overall and peak)
- Parking (i.e. the Town's overall parking plan and policy, including pricing strategies and multi-modal connections)
- Acadia National Park Transportation Plan (expected to be released in final form by the end of 2018)
- Introduction of new and/or additional marine transportation options (i.e. expanded local ferry service(s))

Other key factors impacting the value and suitability of the Ferry Property as a multi-modal transportation hub include:

- Re-introduction of an international ferry service at the site
- Extent of motorcoach staging, dispatching, loading and unloading that occurs at the Ferry Property

Site Concepts

The Bar Harbor Ferry Property consists of approximately 4.5 acres of land and a partially improved over-water area with water access rights covering a significant amount of submerged land. The site is located within Town limits at 121 Eden Street and is bound as follows:

- to the southwest by Eden Street (aka Maine State Highway 3, or Route 3)
- to the northwest by the Bar Harbor Regency Hotel
- to the southeast by the Atlantic Oceanside Hotel and Event Center
- to the northeast by Frenchman Bay

The Ferry Property provides waterfront access and deep water berthing capability and is also a significant real estate asset, strategically located along the main highway leading to the Town center. Given these characteristics, the Ferry Property is unique and irreplaceable in the sense that financial, regulatory and other potential challenges make this an extremely difficult site to replicate anywhere else in the greater Bar Harbor area. A nearly infinite number of potential development scenarios could be envisioned for the Ferry Property. Based on the recommendations of the Advisory Committee and the results of the different market analyses conducted, B&A has developed three overarching site alternatives and a total of six concepts for the Ferry Property, each of which directly addresses and seeks to achieve the stated goals of the Advisory Committee as summarized in Tables ES1 and ES2. Each concept explored for the Ferry Property loosely expresses a different programmatic theme based on its comparative mix of marine and non-marine uses. B&A is not recommending one alternative or concept over another, so each should be evaluated independently on its own merits by the Town and by the public based on the information presented. Since uses of the property can and likely will change over time, it is important to assume and anticipate a certain degree of flexibility related to future activity at the site. Project phasing, while not elaborated for purposes of this business plan, is an important consideration when evaluating how best to utilize the site in order to minimize costs and preserve flexibility to accommodate changing market conditions and public needs over time.

Table ES1: Comparison of Site Concepts by Program Element

Source: B&A

Element(s)	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Marine						
Recreational/commercial marina	X	X	X	X	X	X
Public boat ramp	X	X	X	X	X	X
Cruise tender docks			X	X	X	X
International ferry					X	X
Local ferry	X	X	X	X		
Upland						
Marina services/support facility	X	X	X	X	X	X
Parking						
• Marine uses parking	X	X	X	X	X	X
• Municipal parking	X	X	X	X	X	X
Motorcoach staging/dispatching /loading area	X	X	X	X	X	X
International ferry terminal/CBP					X	X
Transportation hub/transit link to Town center	X	X	X	X	X	X

Table ES2: Marina Slip & Parking Space Summary by Concept

Source: B&A

Amenity	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Marina Slips						
Seasonal local user	8	32	8	28	8	21
Transient	4	16	4	14	4	11
TOTAL	12	48	12	42	12	32
Parking Spaces						
Marine use	31	43	31	41	141	147
Municipal/public	219	207	219	209	109	103
Municipal/public flex	50	50	50	50	50	50
TOTAL (municipal/public)	269	257	269	259	159	153

Financial Analysis

The primary purpose of this business plan is to allow the Town to make financially responsible decisions with regard to the acquisition, development and future use and operation of the Ferry Property. To achieve this, B&A developed a detailed profit and loss (“P&L”) forecast for each site concept for the 20-year study period (2019-2038). Both an annual “snapshot” P&L forecast and a cumulative 20-year P&L forecast were developed. For Concepts B2, B3, C1 and C2, since cruise tendering is included among the mix of uses, and since it is currently unknown precisely what level of cruise activity will ultimately occur at the Ferry Property, three separate cruise activity scenarios have been modeled to establish low, medium and high parameters. These scenarios are based on levels of cruise activity at the Ferry Property consistent with the percentage of 2019 cruise activity attributable to each of Bar Harbor’s three largest cruise companies (Carnival, RCCL and NCLH) as follows:

- 20% of 2019 activity (NCLH) = 28 calls; ~52,000 PAX per year
- 34% of 2019 activity (RCCL) = 29 calls; ~89,000 PAX per year
- 40% of 2019 activity (Carnival) = 60 calls; ~105,000 PAX per year

Separately from this business plan, the Town of Bar Harbor is considering implementation of a parking management plan and fee (metering) system in the Town center. Should this plan move forward it is expected to generate approximately \$500,000 per year in parking revenue, at least \$100,000 of which would be transferred to the Ferry Property P&L annually, beginning in the year 2021. B&A was asked by the Ferry Property business plan project team to assume 18 consecutive years of \$100,000 in parking revenue transfer as part of the baseline P&L forecast developed for each concept (total of \$1.8 million). B&A was also asked to model a \$300,000 per year parking transfer (18 consecutive years, total of \$5.4 million) in order to illustrate the difference between the two scenarios and the impact the larger transfer might have on the 20-year P&L for each concept.

In total, 14 different P&L forecasts were developed for the Ferry Property for the period 2019-2038. Tables ES3 and ES4 summarize the cumulative overall 20-year results. Table ES3 reflects 18 years of \$100,000 in parking revenue. Table ES4 reflects 18 years of \$300,000 in parking revenue transfer.

Table ES3: Cumulative 20-Year P&L Forecast Summaries – All Concepts – \$1 .8 million Parking Transfer

Source: B&A

Alternative A	A1	A2
Revenue Range	\$20.4 M	\$26.2 M
Expenses Range (including Capital)	\$37.9 M	\$40.8 M
Δ	\$(17.5 M)	\$(13.6 M)
Alternative B	B2	B3
Revenue Range	\$29.0 M - \$37.6 M	\$33.9 M - \$42.4 M
Expenses Range (including Capital)	\$38.6 M	\$41.8 M
Δ	\$(9.6 M) - \$(1.1 M)	\$(8.0 M) - \$567,435
Alternative C	C1	C2
Revenue Range	\$34.0 M - \$42.5 M	\$37.4 M - \$46.0 M
Expenses Range (including Capital)	\$40.6 M	\$42.1 M
Δ	\$(6.6 M) - \$2.0 M	\$(4.7 M) - \$3.8 M

Note: Summaries involve rounding

Table ES4: Cumulative 20-Year P&L Forecast Summaries – All Concepts – \$5.6 million Parking Transfer

Source: B&A

Alternative A	A1	A2
Revenue Range	\$24.0 M	\$29.8 M
Expenses Range (including Capital)	\$37.9 M	\$40.8 M
Δ	\$(13.9M)	\$(11.0 M)
Alternative B	B2	B3
Revenue Range	\$32.6 M - \$41.2 M	\$37.5 M - \$46.0 M
Expenses Range (including Capital)	\$38.6 M	\$41.8 M
Δ	\$(6.0 M) - \$2.5 M	\$(4.4 M) - \$4.2 M
Alternative C	C1	C2
Revenue Range	\$37.6 M - \$46.1 M	\$41.0 M - \$49.6 M
Expenses Range (including Capital)	\$40.6 M	\$42.1 M
Δ	\$(3.0 M) - \$5.6 M	\$(1.1 M) - \$7.4 M

Note: Summaries involve rounding

Strategies

The Town will need to pursue third-party funding to close the gaps between revenue required to achieve the Town’s/Advisory Committee’s goals for the Ferry Property and potential revenue generated by the property. Most such funding would need to come from State and Federal grants, many of which are extremely competitive in nature and have specific project requirements and selection criteria. Which grant(s) the Ferry Property is eligible for will depend on what the ultimate development program looks like and which mix of uses moves forward to execution. It is important to identify potential funding sources early and continuously so that exact requirements, criteria and application processes involved can be factored into detailed planning and design for the site.

The Maine Department of Transportation (MaineDOT) manages and/or administers a number of grant programs funded by the Federal government, with potential relevance to the Ferry Property; these include:

- Shore & Harbor Planning Grants
- Coastal Community Grants
- Municipal Partnership Initiative
- Small Harbor Improvement Program
- Pumpout Grant Program

The Federal government also manages and/or administers a number of competitive and non-competitive grant programs that could be potential future sources of funding for the Ferry Property. Most Federal funds are awarded in partnership with and administered by state agencies (i.e. MaineDOT) and all of them encourage, if not require, a local match; relevant Federal grant programs include:

- Boating Infrastructure Grants
- Projects Along Designated Scenic Highways
- Bicycle and Pedestrian Program Funding

The Town should consider a phased approach to certain aspects of site development, such as the recreational/commercial marina, so that capital costs can be distributed over time and so that the site can be developed incrementally as market conditions dictate. Phasing the development of different uses within a framework of a flexible overall future vision will also help to position the Town to be more competitive for multiple

rounds of external funding since different phases may emphasize different uses and therefore be eligible for different types and levels of funding.

At least two potential users of the Ferry Property (BFL, cruise industry) have expressed interest in contributing to the costs of developing the site under certain conditions. The Town must consider if, when and how to accommodate these users so as to leverage their potential investments to make the Ferry Property more competitive for grants and other third-party funds to support non-revenue producing uses.

Conclusions

The purpose of this business plan is to allow the Town to make financially responsible decisions with regard to the acquisition, development and future use and operation of the Ferry Property. Based on the recommendations of the Advisory Committee, the results of the different market analyses conducted and B&A’s financial analysis of the site, it is clear that each different mix of uses envisioned for the Ferry Property results in a different potential conclusion as to what the best course of action is going forward. Table ES5 provides a qualitative assessment of the relative merits of each concept evaluated in this business plan as a framework for thinking about which mix of uses best meets the project goals and satisfies the multiple stakeholders involved.

Table ES5: Qualitative Evaluation of Concepts against Project Goals

Source: B&A

Goal	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Improve residents' and visitors' enjoyment of Agamont Park on cruise ship days	Yellow	Yellow	Green	Green	Green	Green
Ease vehicular traffic and parking by buses, taxis, etc. on cruise ship days	Green	Green	Green	Green	Green	Green
Create public access to the water at the Ferry Property	Green	Green	Green	Green	Yellow	Yellow
Improve the cruise ship passenger experience	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Cause the least amount of harm environmentally	Evaluated later phase					
Make the project financially viable	Red	Red	Yellow	Yellow	Yellow	Green
Provide additional parking	Green	Green	Green	Green	Yellow	Yellow
Explore whether Bay Ferries can be compatible with these uses and potentially financially beneficial	Red	Red	Red	Red	Yellow	Yellow
Consolidate cruise ship buses, taxis, etc. at the Ferry Property as part of implementation of the multi-use marine and transportation facility	Green	Green	Green	Green	Green	Green

From a purely financial perspective, those concepts which result in the most positive net income to the Town over 20 years are clearly preferred. That said, there are non-financial factors to consider and the Advisory Committee's goals for the Ferry Property include numerous civic and community-focused aspects. This business plan thoroughly explores and models numerous potential opportunities and challenges associated with the Ferry Property during the period from 2019-2038; however, the property will exist in perpetuity, meaning the role it plays and potential benefits it brings to the Bar Harbor community beyond the next 20 years is a real consideration and a major factor in the Town's decision whether or not to acquire it. Given the intense and ongoing public debate surrounding this site, the comments B&A has received to date and the process which has led to this point, perhaps the only conclusion that matters is that the Ferry Property seems to be seen as a valuable asset by nearly all stakeholders, even if for very different reasons. What the Town does with the site if purchased remains an open question to some extent. This business plan sheds light on the pros and cons of different potential paths forward, but ultimately it is the Town and people of Bar Harbor that must determine whether the long-term benefits outweigh the costs.

3. MARKET ANALYSIS

Overview

In order to determine market demand and other competitive dynamics related to the different uses proposed by the Advisory Committee specific to the Ferry Property, B&A has evaluated each of the following distinct market segments:

- Cruise (limited to tender operations from anchorage)
- Recreational/Commercial Marina
- International Ferry
- Parking
- Transportation

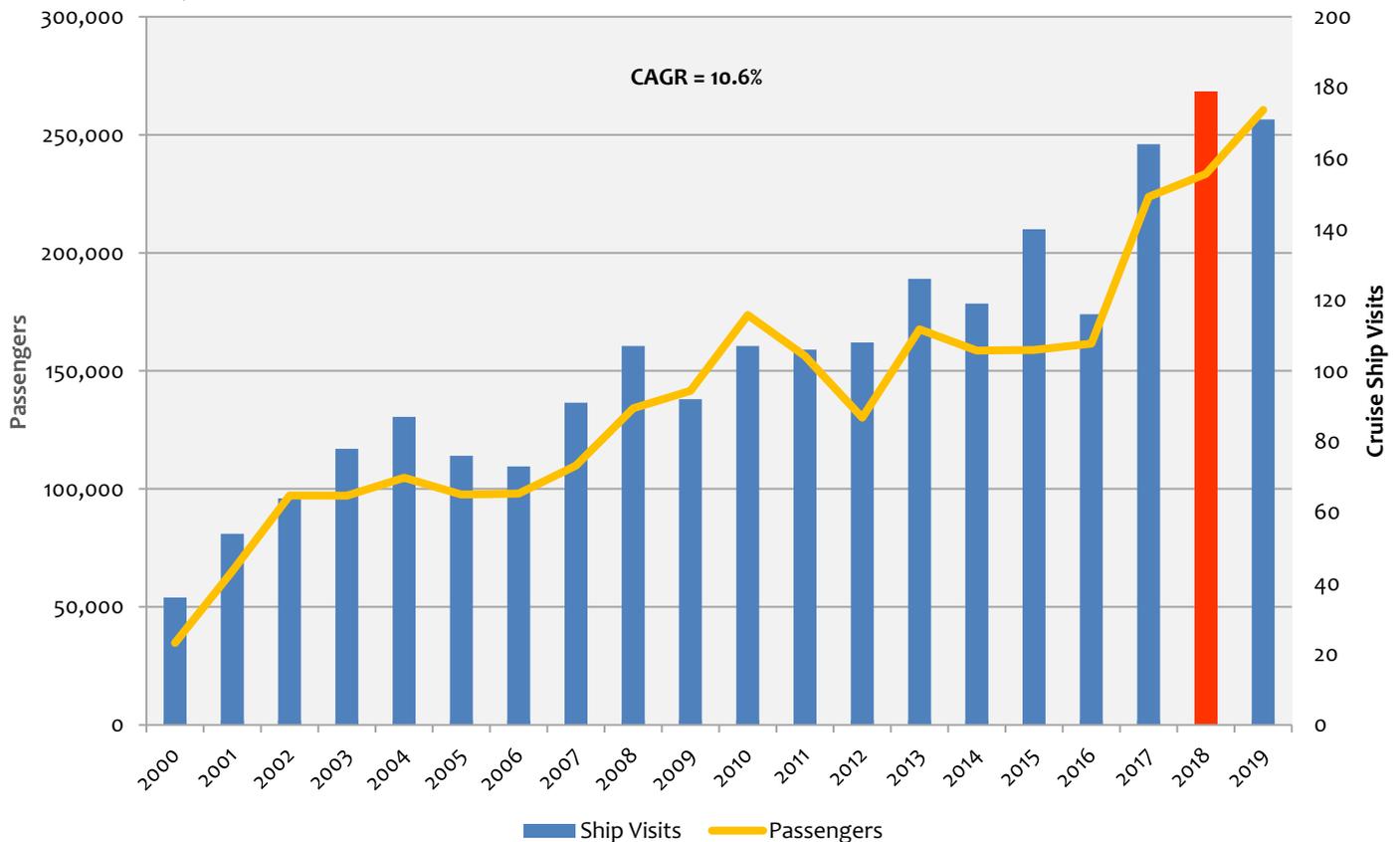
The results of these market evaluations are discussed below.

Cruise

Cruise is a key line of business and a major factor in the business plan for the proposed Ferry Property. Cruise activity in Bar Harbor has fluctuated to some extent on an annual basis during the past two decades but the 20-year trend has been unquestionably upward as shown in Figure 1 below. Growth in both the number of calls and the number of passengers, particularly since 2016, has been robust and reflects a broader global industry trend and continuing future scenario of rapid expansion of capacity in different cruise markets around the world in the form of more and larger vessel deployments.

Figure 1: Bar Harbor Cruise Activity, 2000-2019(e)

Source: Town of Bar Harbor; B&A



According to Cruise Industry News, the North American market is expected to grow at an average annual rate of 4.5% through 2026. In an unconstrained environment it is reasonable to assume that cruise activity in Bar Harbor

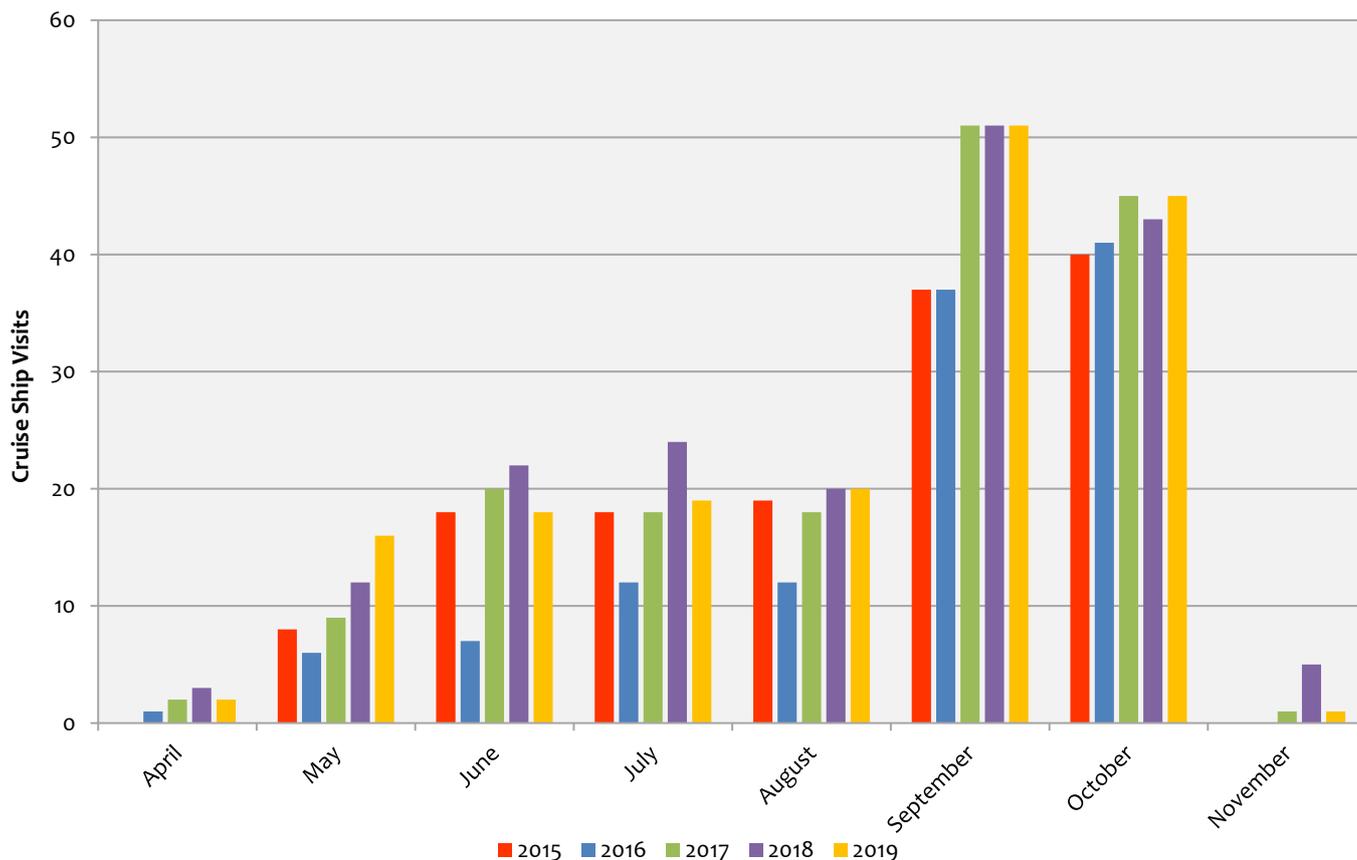
would grow at a comparable rate, resulting in more than 350,000 annual cruise passenger visits by 2026 and potentially significantly more than that in the outer years of the study period (2019-2038).

For purposes of this business plan, given the Town’s per-day passenger restrictions already in place and the fact that the Advisory Committee has identified growth in cruise ship passengers as an undesirable outcome of this project, B&A has assumed that overall future annual cruise ship visits and associated passenger volumes in Bar Harbor will remain flat vis-à-vis 2019, which is the most current schedule available. In reality, the mix and size of ships and the number of calls and passengers delivered by different individual cruise lines will likely diverge over time vs. the baseline year even within a no-growth context since the broader market is constantly evolving to absorb new capacity and satisfy consumer demand. However, all financial analyses included in this business plan related to cruise activity are based on 2019 baseline information with no cruise ship call or passenger growth assumptions made.

Bar Harbor is a marquee port within the Canada & New England (“CNE”) cruise region, which accounted for 1.2% of global cruise passengers in 2017. CNE is a six-month market whose cruise season traditionally has begun in mid-April and ended no later than mid-November. The CNE market currently peaks during the fall foliage season (September-October) due to the region’s famously vibrant Autumn colors. Figure 2 below illustrates the monthly distribution of cruise activity specific to Bar Harbor for the five-year period beginning in 2015 and ending in 2019. Cruise ship visits for 2018 and 2019 have been estimated based on the Town’s cruise schedules available as of February, 2018.

Figure 2: Bar Harbor Cruise Activity – Monthly Distribution, 2015-2019(e)

Source: B&A



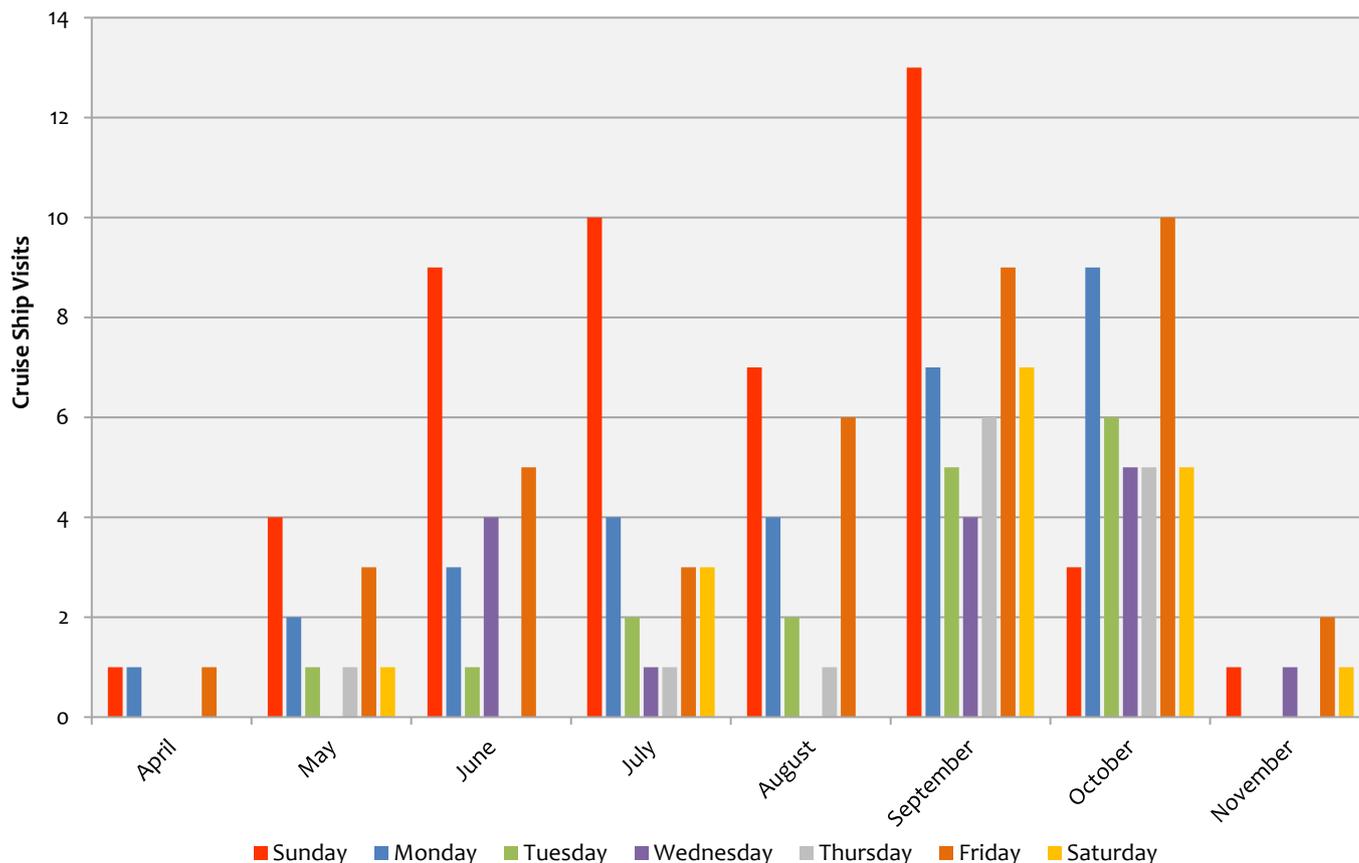
As shown above, Bar Harbor has seen growth over time in the number of cruise ship visits during most months of its six-month season, though this growth has not been linear. In recent years a number of cruise brands have expanded their CNE offerings to include additional Summer sailings. Some have even begun combining CNE and Bermuda itineraries for a limited number of sailings due to the relative proximity and complementary characters of the two markets. If this trend continues in the future it is likely that CNE will continue to see additional cruise ship visits in the summer months, thereby

shifting the monthly distribution of cruise ship visits slightly such that cruise activity is more balanced across the full six-month season. Fall will continue to represent the peak season both for the CNE region and for Bar Harbor for the foreseeable future, but the region is poised to grow during the summer months as well as cruise lines bring new capacity online and look to deploy this new capacity in a variety of markets around the world, including CNE.

In addition to understanding current and potential future monthly distribution patterns for CNE and for Bar Harbor related to cruise activity it is very important to understand daily distribution patterns since the intensity of activity on peak days is and will continue to be the principal driver of cruise-related vehicle (i.e. motorcoaches) and pedestrian (i.e. cruise passengers) traffic for the Town. In 2018, Sunday is expected to be the most active day for cruise ship visits to Bar Harbor with 26.7% of all calls occurring on a Sunday. Sunday is expected to be by far the busiest day for cruise traffic during the months of May, June, July, August and September and it will be the second busiest day during the months of April and November. Only in October is Sunday not expected to be the busiest or second busiest day. Of the 46 multi-ship days scheduled in 2018, 18 (39.1%) will fall on a Sunday, including the season’s only four-ship day (September 16, 2018). Friday is expected to be the second most active day for cruise ship visits overall in 2018 with 21.7% of all calls occurring on a Friday. Friday will be the busiest single day in both October and November. A total of 9 multi-ship days will fall on a Friday in 2018, including 5 three-ship days. The only other day that is expected to receive a significant share of cruise ship visits during 2018 is Monday, with 16.7% of total 2018 cruise ship visits expected to occur on a Monday, including seven (15.2%) of the season’s 46 multi-ship days. Figure 3 below illustrates the daily distribution of ship visits that is expected for Bar Harbor during the 2018 cruise season.

Figure 3: Bar Harbor Cruise Activity – Daily Distribution, 2018(e)

Source: B&A



The reason that Sunday, Friday and Monday see the most cruise ship visits to Bar Harbor is that the ships making the majority of these calls homeport primarily in either Boston (i.e. Holland America Line) or New York/New Jersey (i.e. Royal Caribbean International, Norwegian Cruise Line, Princess Cruises). Table 1 below illustrates the distribution of cruise ship visits and passenger volumes by homeport and by individual vessel for 2018 both for the CNE region overall and for Bar Harbor in particular.

Table 1: CNE and Bar Harbor Cruise Ship Visits and Passenger Volumes by Vessel by Homeport, 2018

Vessel	New York			New Jersey			Boston			Baltimore			Montreal			Quebec			Halifax			Other			CNE	BH	%BH	
	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH	CNE	BH	%BH				
Adventure of the Seas				7	7	100.0%									1	1	100.0%						8	8	100.0%			
AIDAvita												3	3	100.0%									3	3	100.0%			
AIDAdiva												2	2	100.0%									2	2	100.0%			
America Constellation							12	12	100.0%														12	12	100.0%			
Anthem of the Seas				5	5	100.0%																	5	5	100.0%			
Aurora																				1	1	100.0%	1	1	100.0%			
Crystal Symphony	3	3	100.0%									3	0	0.0%									6	3	50.0%			
Fram																	3	2	66.7%				3	2	66.7%			
Grande Mariner							5	1	20.0%														5	1	20.0%			
Grandeur of the Seas									8	8	100.0%												8	8	100.0%			
Hebridean Sky																	3	1	33.3%				3	1	33.3%			
Independence																						24	18	75.0%	24	18	75.0%	
Insignia	9	9	100.0%																				9	9	100.0%			
Maasdam							8	8	100.0%			8	8	100.0%									16	16	100.0%			
Marina												1	1	100.0%									1	1	100.0%			
Norwegian Dawn							3	1	33.3%						3	2	66.7%						6	3	50.0%			
Norwegian Escape	3	3	100.0%																				3	3	100.0%			
Norwegian Gem	6	6	100.0%												2	1	50.0%						8	7	87.5%			
Pearl Mist																						5	5	100.0%	5	5	100.0%	
Regal Princess	4	4	100.0%																				4	4	100.0%			
Rotterdam							4	4	100.0%			5	5	100.0%									9	9	100.0%			
Royal Princess	2	0	0.0%												2	2	100.0%						4	2	50.0%			
Seabourn Quest							2	2	100.0%			4	4	100.0%									6	6	100.0%			
Serenade of the Seas							4	4	100.0%														4	4	100.0%			
Seven Seas Navigator	3	3	100.0%									3	3	100.0%									6	6	100.0%			
Silver Spirit	2	2	100.0%									2	2	100.0%									4	4	100.0%			
Silver Wind	1	1	100.0%									2	0	0.0%									3	1	33.3%			
Star Pride	1	1	100.0%				1	1	100.0%			2	2	100.0%									4	4	100.0%			
Summit				5	5	100.0%																	5	5	100.0%			
Veendam							8	8	100.0%			8	8	100.0%									16	16	100.0%			
Victory II																	8	7	87.5%				8	7	87.5%			
Zuiderdam	2	2	100.0%												2	2	100.0%						4	4	100.0%			
Disney Magic	1	0	0.0%												1	0	0.0%						2	-	0.0%			
Queen Mary 2	10	0	0.0%																				10	-	0.0%			
Victory I																	2	0	0.0%				2	-	0.0%			
CTMA Vacancier											15	0	0.0%										15	-	0.0%			
Grande Caribe							2	0	0.0%														2	-	0.0%			
Amadea											1	0	0.0%										1	-	0.0%			
Viking Sea	1	0	0.0%									2	0	0.0%									3	-	0.0%			
Marco Polo																						1	0	0.0%	1	-	0.0%	
Hamburg												2	0	0.0%									2	-	0.0%			
Viking Star												1	0	0.0%									1	-	0.0%			
Carnival Horizon																						1	0	0.0%	1	-	0.0%	
Asuka 2																						2	0	0.0%	2	-	0.0%	
Artania																						1	0	0.0%	1	-	0.0%	
Norwegian Bliss																						1	0	0.0%	1	-	0.0%	
Arcadia																						1	0	0.0%	1	-	0.0%	
Mein Schiff 6				5	0	0.0%																	5	-	0.0%			
Black Watch																						1	0	0.0%	1	-	0.0%	
Saga Sapphire																						1	0	0.0%	1	-	0.0%	
Norwegian Jade																							1	0	0.0%	1	-	0.0%
Calls	48	34	70.8%	22	17	77.3%	49	41	83.7%	8	8	100.0%	64	38	59.4%	11	8	72.7%	16	10	62.5%	40	24	60.0%	258	180	69.8%	

Given the distance and sailing time between Bar Harbor and these “downstream” homeports and the fact that Saturday is generally the preferred day of departure and arrival for roundtrip itineraries the majority of Bar Harbor calls naturally fall on Sundays and Fridays for Boston-based itineraries and Mondays (or potentially Thursdays) for New York/New Jersey-based itineraries. For example, if the ms Veendam departs Boston on a Saturday for Montreal, then Bar Harbor is most likely the first port of call, and this call falls on the following day (Sunday). Similarly, on the southbound return trip, Bar Harbor is most likely the final port of call prior to the ms Veendam returning to Boston, meaning the call in Bar Harbor typically occurs on a Friday. Since New York/New Jersey is approximately one additional day’s sailing time south of Boston, Bar Harbor calls for New York/New Jersey-based itineraries would naturally fall on a Monday for northbound itineraries, which is currently the standard pattern, or potentially Thursdays if Bar Harbor were called during the southbound return trip to New York/New Jersey (not part of the current standard pattern). Table 2 summarizes the distribution of 2018 CNE and Bar Harbor passenger volumes by cruise line.

Table 2: CNE and Bar Harbor Cruise Passenger Volumes by Cruise Line, 2018

	Calls	CNE PAX	BH PAX	%BH	Ave PAX/Ship
Carnival	63	134,724	94,510	70.2%	1,500
RCCL	30	92,672	80,002	86.3%	2,667
NCLH	29	62,058	46,586	75.1%	1,606
ACL	35	5,490	4,890	89.1%	140
Other	23	34,484	8,712	25.3%	379
TOTAL	180	329,428	234,700	71.2%	1,304

As shown in the two tables above, in 2018 Bar Harbor is expected to capture 69.8% of total regional cruise ship traffic and 71.2% of total regional cruise passenger volume. Looking at individual cruise line capture rates, while Carnival Corporation (“Carnival”) brands collectively account for the greatest number of passengers both for CNE as a whole and for Bar Harbor specifically, American Cruise Line (“ACL”) and Royal Caribbean Cruises Ltd (“RCCL”) both call Bar Harbor more than 85% of the time they are in the region, making Bar Harbor a critical port of call in their respective CNE deployment networks. Due to the small size of its vessels, ACL primarily calls the Town Pier “alongside” while all RCCL passengers tender exclusively to Harbor Place.

Looking to the future, as previously discussed, the CNE region is expected to grow at a rate that is at least in keeping with the North American market overall, and could conceivably surpass 500,000 cruise passengers in less than a decade, approaching one million cruise passengers within 20 years. However, for purposes of this business plan, cruise ship visits specific to Bar Harbor have been held constant at 2019 levels. As a result, future capture rates for Bar Harbor are projected to decline sharply on an annual, though not necessarily linear basis in keeping with the Town’s currently imposed constraints, which are expected to continue indefinitely. The future monthly distribution of cruise ship visits is likely to change somewhat as more vessels begin to call Bar Harbor outside of the current September-October peak. B&A assumes that the daily distribution will remain relatively consistent with current patterns since the major homeports for the region are unlikely to change in the foreseeable future.

At least one cruise line has expressed possible interest in investing in waterside and/or landside infrastructure at the Ferry Property to support cruise tender operations. The detailed terms of such investment would be subject to negotiation, but it is expected that any such investment would be contingent upon exclusive or at minimum preferred use of the Ferry Property for cruise tendering by the cruise line making the investment. In other words, the Ferry Property would likely become a single-line facility for cruise tendering purposes, with no competing cruise line being allowed to use the facility without explicit permission from the primary cruise line. The industry fully understands at this point that a permanent pier is no longer among the options being evaluated for the site and that a mix of other uses, including public access to the waterfront, would need to coexist with cruise tender operations based on the report delivered to the Town Council by the Advisory Committee in November, 2017. Under this scenario cruise tendering would be one of many activities occurring at the Ferry Property, and would likely only occur on days when the cruise line that makes the investment in the site has one or more ship(s) in port, unless otherwise orchestrated by the Town.

In the event that the Ferry Property is developed to include cruise tendering infrastructure, it may occur that the owner of the site (i.e. the Town) receives multiple competing offers from cruise lines to secure exclusive/preferred use, subject to a wide array of terms and conditions. Should this occur then operator selection factors would likely include the following, among others:

- Value (i.e. dollar amount committed to develop and operate the site during the life of the agreement and fees payable to the Town)
- Projected number of annual calls
- Projected number of annual passengers
- Average number of passengers per call

Potential revenue associated with cruise tendering activity at the Ferry Property as described above is further elaborated in the Financial Analysis section of this report.

Recreational/Commercial Marina

The development of a marina at the Ferry Property is predicated on both demand for slips and the supply of facilities both in Bar Harbor and the surrounding primary market area. The following graph shows the number of vessels registered in the State of Maine between 2005 and 2016. As shown in Figure 4 below, the number of registered boats in Maine was virtually the same in 2016 as in 2005.

Figure 4: State of Maine Registered Boats, 2005-2016

Source: State of Maine

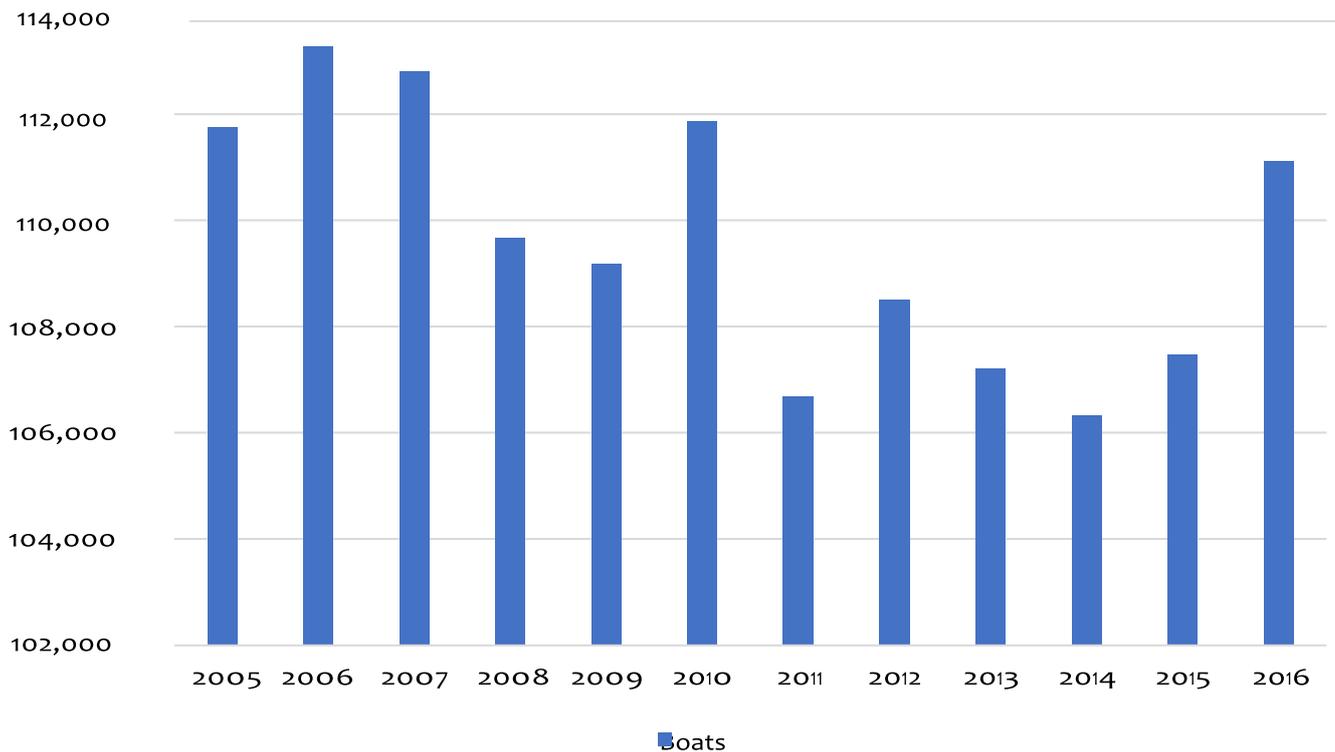


Table 3 below indicates the boat registrations by length of vessel in feet in Hancock County in 2012 and 2017. While there is a strong transient market during the seasonal Summer and Fall months, these vessels represent those which dock in the area year-round.

Table 3: Registered Boats in Hancock County by Length in Feet, 2012 and 2017

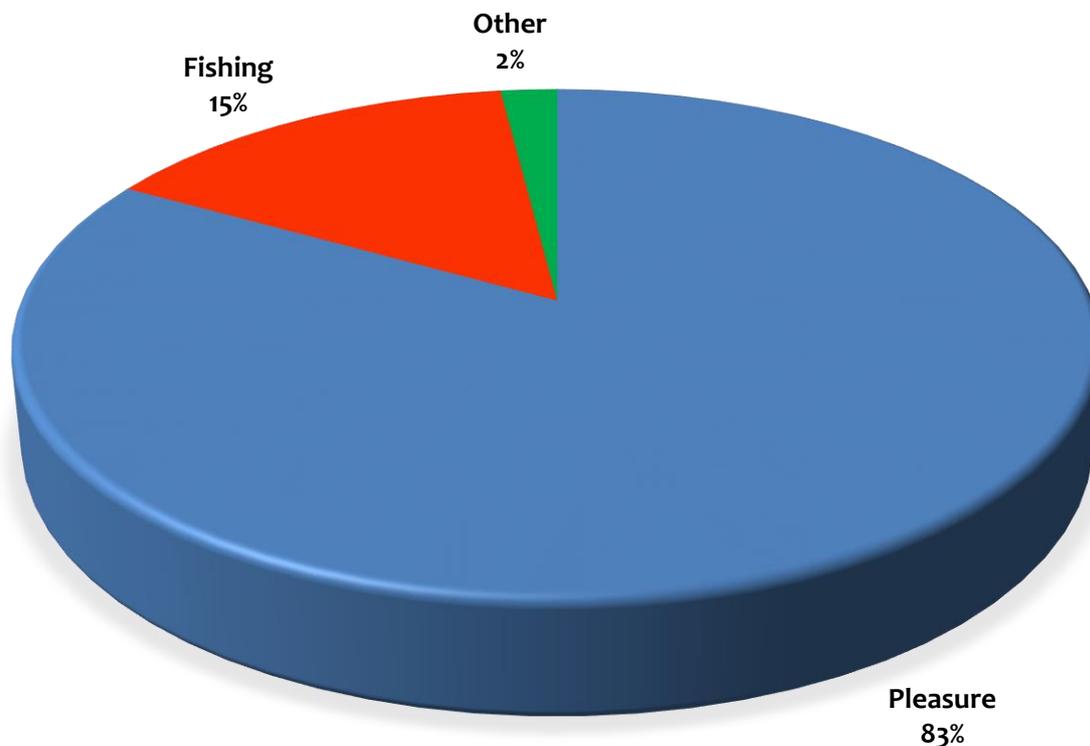
Source: State of Maine

< 30'		30-49'		>50'		Total	
2012	2017	2012	2017	2012	2017	2012	2017
7,031	6,932	370	372	3	4	7,404	7,308

As Figure 4 on the prior page indicates, there was practically no change in boat registrations in Hancock County over the past 5 years. As it relates to length, there are less than 400 registered vessels over 30’ which are the most likely size of vessels to be found in water or boat yards given difficulty trailering these boats. Importantly, as the graph below indicates approximately 98% of 7,300 vessels registered in Hancock County are pleasure or fishing boats which will be docked in marinas, private docks, or in the case of smaller boats, trailered.

Figure 5: Registered Boats Hancock County by Type of Registration; 2016

Source: State of Maine



Overall, the boat registration data above indicate that there is little demand for new year-round slips in the Bar Harbor market. Any demand for slips is principally going to be driven by peak period seasonal transient demand. Table 4 below provides additional information related to the Bar Harbor area marina market.

Table 4: Comparison of Currently Active Marinas in and around Bar Harbor, ME (2018)

Source: Lambert Advisory

Name of Marina and Location	Public/ Private	When Operational	Total Slips	Transient Slips	Range of Slip Sizes	Seasonal Rates Range	Daily Rates Range	Moorings	Moorings Rate
Dsyart's Great Harbor Marina 11 Apple Lane, Southwest Harbor 04662	Private	Year-round/ Seasonal May 1 to October 15	150	50	≤ 20'-100'+ (200' Max)	\$120- \$190/foot	\$3.35- \$4.80/foot	0	N/A
Northeast Harbor Marina 40/41 Harbor Dr., Northeast Harbor 04662	Public	Seasonal May 15 to Oct. 15	60	20	≤ 49'-60'+ (160' Max)		\$2.85- \$3.85/foot	60	\$25-\$55/day
Front Street Marina 101 Front Street, Belfast, ME 04915	Private	Seasonal May 15 to Oct. 15	48	15	≤ 20'-200'	\$100- \$130+/foot, 80' & over	\$2.75- \$4.00/foot	Yes	\$30-Daily \$175-Weekly \$575-Monthly \$1,500-Season
Bucksport Municipal Marina 88 Mian Street, Bucksport, ME 04416	Public	Seasonal May 15 to Oct. 15	45	15	≤ 20'-40'+ (280' Max)	\$46-\$58/foot	\$1.50- \$1.75/foot		
Billings Diesel & Marine 72 Moose Island Road, Stongington, ME 04681	Private- Repair, Boat Building &Marina	Year-round	45	45	Slips <20 to 75'		\$2.00/foot as of 2012	11	\$30/day as of 2012
Belfast City Landing 131 Church Street, Belfast, ME 04915	Public	Seasonal May 15 to Oct. 15	25	25	≤ 20'-60'+ (200' Max)		\$2.25- \$3.25/foot	12	
Up Harbor Marine, Columbia Ave., Bernard/Tremont, ME 04612		Seasonal May 15 to Oct. 15	20	3			\$1.50/foot	0	N/A

The principal takeaways from the review of existing supply of marina slips in the market include the following:

- Marinas in the market can accommodate boats from 20'+ up to 200'+ with boats of 100 feet or more along linear docks
- In four (4) of the six (6) marinas identified, seasonal slips (rented the entire season) typically comprise 66% of total slips, with remaining slips held for transient (daily rate) boaters
- Seasonal slip rates generally range from \$46+ to \$58 per foot for smaller boats and as high as \$100 to \$190 per foot for larger boats greater than 40' over the entire season; these are very strong rates by national standards although these rates are achieved only during the very narrow seasonal period
- Transient (daily) rates range from as low as \$1.50 to as high as \$4.80 per foot per day or fraction thereof which are likewise very strong rates by national standards but are only achieved during a very narrow seasonal window as well
- Occupancy rates generally range from 0 to 30+ percent in the winter off-season ramping up in May and June to 50%, 75%-85% in July, 100% in August and then scaling back down to 50 to 65 percent by September and October
- Four of the six marinas surveyed also offer moorings, most of which are rented on a daily basis, ranging from \$25 to \$55 per day and accommodate principally sail boats
- In addition to marinas, several boat yards in the market offer indoor/outdoor boat storage, typically accommodating 100+ boats; some of these boat yards also offer moorings, with rates similar to those offered at marinas
- Some Yacht Clubs in the market also offer moorings for non-member transient use
- Many cities, town and villages in the market also offer a municipal or town pier or dock, however these docks typically cannot accommodate more than 8-10 transient boats at any given time

There are several conclusions which can be drawn from the data on supply and demand conditions in the broader Bar Harbor market as relate to future demand for pleasure boat marina slips at the Ferry Property.

Generally speaking, while there appears to be demand for slips at the Ferry Property, the opportunity to develop such slips will be tempered by the fact that the in-water marina will only be utilized to any significant extent during a 90-day peak Summer window. The viability of developing the marina will therefore be dependent upon the relative capital costs of developing the slips and associated maritime/upland infrastructure being supported by utilization during that narrow seasonal period each year. Other key conclusions are as follow:

- Marinas in Bar Harbor are dependent upon area seasonal and out-of-town transient daily renters of slips
- There are only +/- 90 days with peak occupancies which in turn drive the high slip rental rates in the area
- Achievable rates at the Ferry Property will be enhanced by providing amenities such as full services, fuel, modern pedestal, dock hand staff, etc. but will still not compete with rates found within resort facilities

Table 5 below illustrates the optimum mix of slips by length under each site concept developed as part of this business plan. These are driven by the mix of vessels registered in the market as determined by interviews related to the mix of transient vessels in the market.

Table 5: Potential Slip Mix for Alternatives A, B and C

Source: Lambert Advisory

Slip Length	Concept A Slips	Concept B Slips	Concept C Slips
45'	24	22	16
55'	12	10	8
65'	10	8	6
80'	2	2	2
Sum	48	42	32

In summary, the greater Bar Harbor market can absorb a significant number of new slips to serve peak season demand but utilization of these slips would be highly concentrated within a 90-day period.

In terms of rates, a marina at the Ferry Property should be able to achieve rates of \$90-\$120 per foot per season, which would account for approximately two-thirds of demand and \$2.25-\$3.00 per foot per transient daily user, which would account for one-third of occupied slips. Revenues and expenses associated with the Ferry Property, including potential recreational/commercial marina opportunities, are discussed further in the Financial Analysis section of this business plan.

International Ferry

The Ferry Property has a long history not only as a marine asset, but as an international ferry terminal. It came about as a result of a competitive bid that the Town participated in during the 1950's when the Canadian government announced its intent to develop a maritime transportation ferry station between the Province of Nova Scotia and the United States. The current site and location were chosen by the Town's leadership at the time and the Town acquired the property in 1953 with the Maine Port Authority subsequently investing \$1 million in its development.

Initially, the ferry service was operated by a Crown Corporation of the Canadian government. In 1980 the Canadian government decided to divest itself from the ferry operation and engaged Bay Ferries Limited ("BFL") to operate the vessel between Bar Harbor and Yarmouth. In 2006, BFL expanded its route to service Portland, ME in addition to Bar Harbor and Yarmouth. The latter operation ceased in 2010, since which time the Bar Harbor Ferry Property has sat vacant. Key dates in the history of the Ferry Property are as follows:

- 1949 – Canadian authorities announce that Canada and the Province of Nova Scotia will co-invest in a new ferry terminal in Yarmouth with service to a port in Maine
- 1953 – Maine Legislature agrees to fund \$1 million for the terminal to be owned by the Maine Port Authority (MPA) and leased to CNR. Town votes to transfer property to MPA
- 1955 – Bluenose is christened; Yarmouth-Bar Harbor ferry service begins the following year
- 1969 – Yarmouth-Portland ferry service begins
- 1980 – Original Bluenose is replaced with the Jutlandica (later rechristened the Bluenose); BFL takes over operations
- 1998 – The Cat high-speed catamaran service is introduced
- 2010 – Yarmouth-Bar Harbor ferry service ends

Among the most obvious potential future uses of the Ferry Property is as a future international ferry terminal. Given its history and original use, it could likely accommodate a revived ferry operation in relatively short order, though improvements and modifications would be required to support this, particularly with regard to the existing marine and U.S. Customs and Border Protection ("CBP") infrastructure and facilities.

Two potential international ferry operators have been identified for this site in the near-term. BFL is the only entity identified by name by the Advisory Committee in their report to the Town Council. Because of this, for purposes of this business plan, B&A has used operating, cost and revenue assumptions specific to BFL for modeling purposes. Should the Town wish to explore a different potential operator if and when a decision is made to move forward with a development scenario that includes international ferry operations, the operator chosen will be entirely at the Town's discretion.

What follows is a description of BFL's proposed operation for the Bar Harbor Ferry Property and a summary of projected volumes during the 20-year study period. All information included in this section has been compiled in direct consultation with BFL. It is assumed that the operations and physical infrastructure requirements of any alternative international ferry operator would be substantially similar in nature, except as noted.

As of 2018, BFL is in year three of a 10-year agreement with the Canadian Province of Nova Scotia, which agreement expires in 2025. B&A is not privy to the exact terms of this agreement. Currently, BFL manages a “quick turnaround” ferry operation between Yarmouth, Nova Scotia and Portland, ME using a high speed catamaran Ro-PAX vessel known as the “Cat”. A photograph of the Cat is shown in Figure 6 below.

Figure 6: BFL’s High Speed Catamaran Ro-PAX Vessel, aka “The Cat”

Source: <http://www.cbc.ca>



Key dimensions/capacities for the Cat are as follows:

- LOA = 106.5 m (349.4 ft)
- Beam = 23.8 m (78.1 ft)
- Draft = 3.7 m (12.1 ft)
- PAX capacity = 804
- Vehicle Capacity: Cars = 230; Trucks = “342 lane meters + 63 cars”

Should the opportunity arise to operate out of the Ferry Property in Bar Harbor, the Cat is the vessel that BFL expects to use. The likely vessel described by the second potential international ferry operator would be slightly smaller, but would still use a stern ramp for passenger and vehicle embarkation and disembarkation and would be roughly comparable in its key dimensions/capacities, meaning the infrastructure required to support both operators would be roughly the same.

BFL has clearly stated that only passengers and passenger vehicles would be handled (i.e. no cargo or cargo vehicles) in Bar Harbor. The other potential operator would seek to handle a limited number of commercial vehicles (i.e. trucks) as well. It is expected that BFL’s ferry operations as described below would occur seven days per week from Memorial Day through Labor Day and 5-6 days per week in May, September and October. The other potential operator would operate a more limited schedule – 3 days per week – initially, expanding to daily operations over time as dictated by the market.

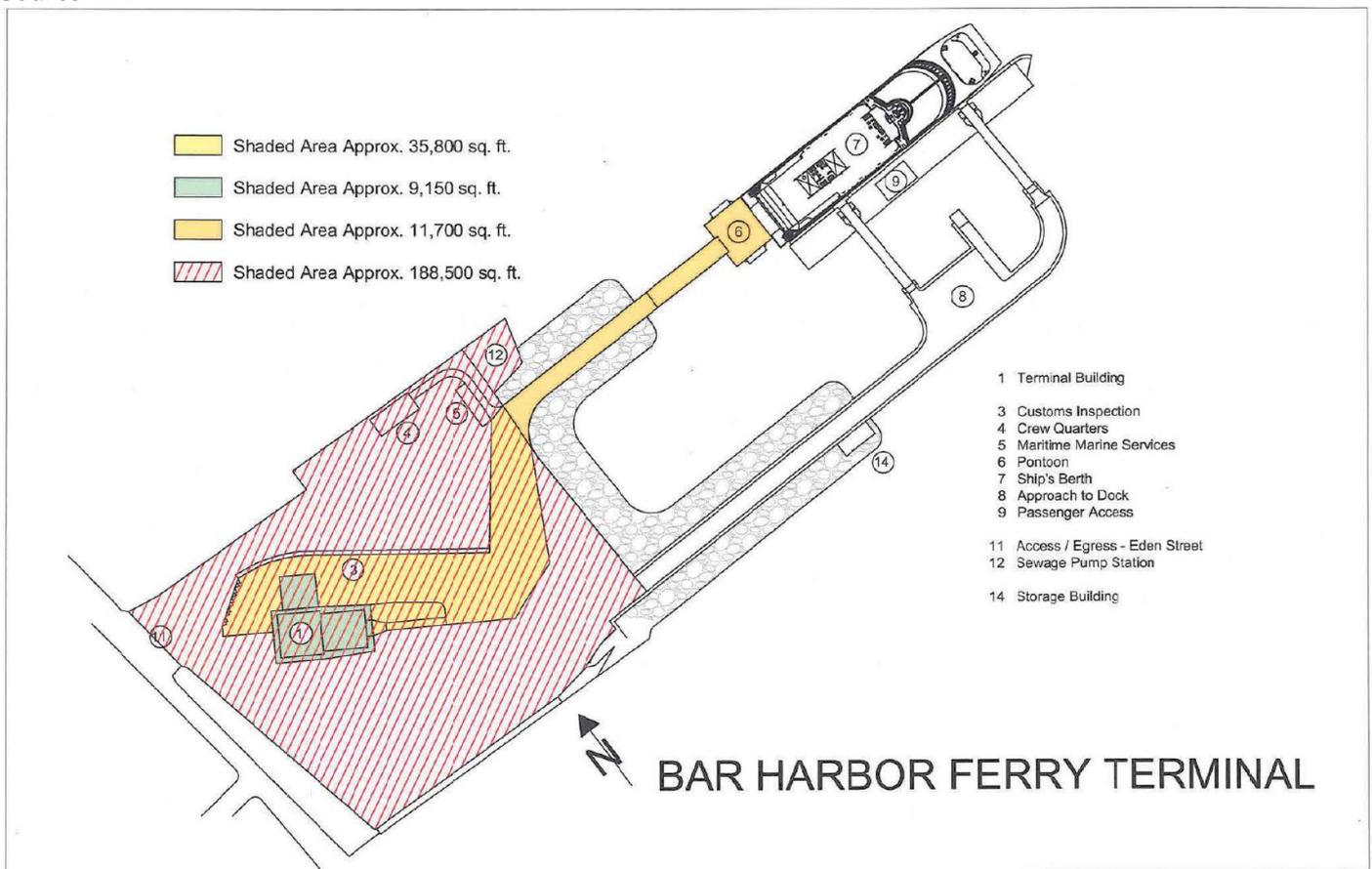
In order to accommodate other uses at the Ferry Property as identified by the Advisory Committee, both potential operators would operate on a “slow turnaround” basis, which requires a total of approximately three hours. For BFL, a typical operating day would adhere to the following general schedule:

- 08:30 EST = depart Yarmouth, Nova Scotia
- 12:00 EST = arrive Bar Harbor and commence disembarkation
- 13:00 EST = complete disembarkation and inbound CBP clearance; open facility to outbound passengers and vehicles
- 15:00 EST = depart Bar Harbor, ME
- 18:30 EST = arrive Yarmouth, Nova Scotia

The slow turnaround operation described above would take approximately three times as long as a “quick turnaround” operation, such as BFL’s current operation in Portland, ME. However, by eliminating simultaneous embarkation/disembarkation and the passenger and vehicle queuing that go with it, a “slow turnaround” would substantially reduce the physical area required to support international ferry service, thereby freeing up significant square footage at the Ferry Property for other uses. Figure 7 below illustrates BFL’s proposed site utilization (i.e. areas highlighted in orange and green). It is assumed that any alternative operator to BFL would require a roughly similar footprint.

Figure 7: BFL’s Proposed Bar Harbor Ferry Property Site Utilization

Source: BFL



As shown in Figure 7, whereas past ferry operations at the Ferry Property have effectively used the full footprint of the site, proposed future operations would use only about a third of the available land. BFL would also require between 50 and 100 parking spaces for its customers and a limited number of staff. With this parking added to the operational space, BFL’s proposed operations would require approximately 50% of the total footprint of the Ferry Property on peak days. Square footage requirements within the facility would be driven mainly by the requirements of CBP. Additional space requirements (i.e. ticketing/sales, office, storage) would be relatively modest and are estimated at approximately 3,000 total square feet. In the event that the existing building is demolished to accommodate other uses at the site BFL believes the ferry-related footprint at the site could possibly be further reduced (i.e. restricted to a narrow strip down the northwestern property line, generally

aligning with the stern ramp operation of the proposed ferry). Such demolition would be contingent upon a pre-clearance operation in Nova Scotia, however, since an international ferry service requires a CBP facility in Bar Harbor to operate. Given the age of the Ferry Property infrastructure BFL estimates that approximately \$3 million in upfront investments would be required to bring the property up to usable condition. BFL’s proposed operations would not depend on the site’s existing marine infrastructure with the exception of pontoon guides, meaning the remaining marine infrastructure would need to be demolished. BFL would not be willing to cover the costs of such demolition since it is not relevant to their proposed operation. The \$3 million estimate also does not include any costs associated with measures that might be necessary to protect other users of the Ferry Property’s marine infrastructure from water movements which occur during docking and undocking of the Cat. BFL would expect the Town to pay for any such wave attenuation or other protective measures. The \$3 million estimate does include an allowance for upgrades to the existing terminal building, assuming it remains in place, but does not include additional costs associated with upgrades to the building necessary to satisfy the requirements of CBP. However, while the amount of this additional CBP-specific investment has not yet been quantified, BFL has stated that they would assume responsibility for any CBP-related upgrades required to support their Bar Harbor operations.

Assuming the Town purchases the Ferry Property and accepts a formal proposal from BFL to operate as described above by the end of 2018, it is estimated that BFL would be able to make the necessary marine and facility improvements in time to initiate operations by the beginning of the 2019 season (approximately Memorial Day through Columbus Day). BFL understands that no upfront costs associated directly with their operations at the Bar Harbor Ferry Property would be borne by the Town, and they fully expect all initial capital investments related directly to BFL’s operations to be made directly by either BFL or the government of the Province of Nova Scotia prior to initiation of ferry operations at the site. It is unknown whether the other potential operator identified would be willing to make similar up-front investments or what the source of funds for such investments would be.

Once operational, BFL would assume responsibility for maintenance of waterside facilities and day-to-day maintenance of shoreside facilities tied to ferry operations. BFL’s expectation is that the Town would be responsible for major maintenance associated with shoreside facilities. A more detailed breakdown of expected capital, operating and maintenance costs related to international ferry operations is provided in the Financial Analysis section below.

Figure 8: International Ferry Volume Projections for Bar Harbor, 2019-2038

Source: BFL

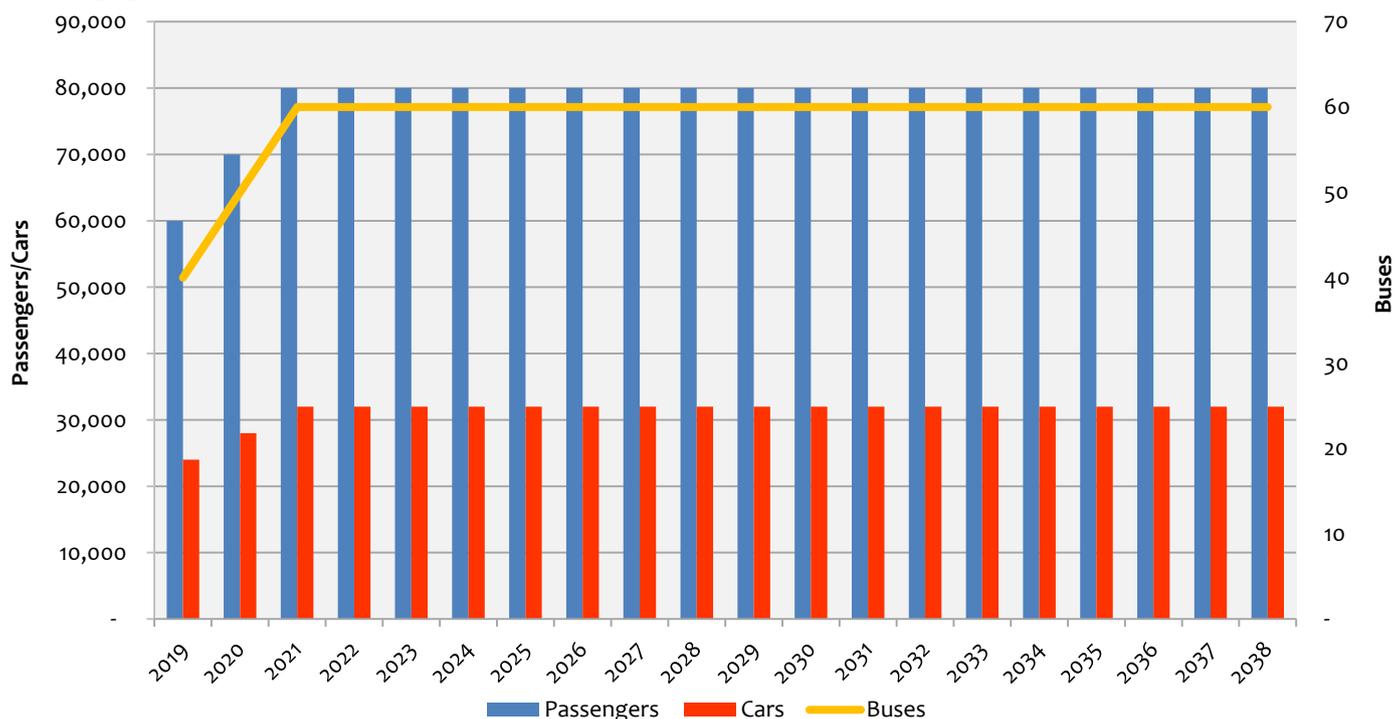


Figure 8 above summarizes what BFL believes to be reasonable assumptions for annual volumes at the Ferry Property for the 20-year study period. Essentially, after a two-year ramp up period, BFL expects international ferry traffic to level off for the duration of the 20-year study period. Revenue assumptions and potential commitments associated with the proposed ferry operation are tied to these volume assumptions and are also discussed separately in the Financial Analysis section.

Parking

The potential of the Ferry Property to serve as a parking facility is complicated and depends on a number of different factors. Some level of parking at the site is a requirement. At minimum, sufficient parking spaces must be developed and allocated on site to support the marine uses proposed under each concept explored in the following section, with allocation assumptions as follow:

- 1 parking space for every 3 marina slips
- 1 parking space for every 300 sq ft of building
- 10 parking spaces for the public boat ramp
- 100 parking spaces to support international ferry service (concepts C1 and C2 only)

Beyond these marine use support spaces, however, the Advisory Committee also identified the need to “provide additional parking” as an explicit goal of the site’s development and efforts to provide additional parking in and around Bar Harbor have been ongoing for several years. Separately from this business plan, the Town is considering implementation of a parking management plan and fee (metering) system in the Town center. Should this plan move forward it is expected to generate approximately \$500,000 per year in parking revenue, at least \$100,000 of which would likely be transferred to the Ferry Property P&L annually, beginning in the year 2021. B&A did not conduct a new parking market assessment specific to the Ferry Property as part of this business plan. However, B&A did work with Lambert Advisory to evaluate and integrate the findings and recommendations of the Parking Solutions Task Force (“PSTF”) as put forward in their May 3, 2017 final report to the Town Council, which report is itself based in large part on the parking assessment conducted by Desman Associates in partnership with B&A back in 2016. Lambert Advisory also conducted a series of fresh interviews to gather any new information that may have come into play since the PSTF final report was delivered last year.

Generally speaking, Lambert Advisory was unable to identify any localized demand for parking at the Ferry Property by businesses or residents within a half mile radius of the site. Any seasonal daytime demand for parking at the Ferry Property continues to be driven by downtown peak demand when more than 85% of parking spaces are occupied in the core area of the Town. The principal challenge related to the Ferry Property’s potential as a parking facility is that it is located more than a mile from the Town center, which is too far for most people to walk. Any public parking facility at the Ferry Property therefore depends on a regular transit connection to the Town center, consistent with findings and recommendations from prior studies/efforts. Without regular circulator transit, the Ferry Property will fail as a parking solution even as relates to employee parking.

Conversely, with regular well operated transit, while employee parking would need to be offered for free or at a steep discount, parking for visitors would likely be able to incur a charge of as much as two-thirds of any downtown core parking charge, assuming metered parking is implemented within the Town center at some point in the future. For example, if an eventual charge for parking in the Town center is established at \$2.00 per hour, a charge of \$1.25 per hour would be tolerated at the Ferry Property as long as the transit service between the Ferry Property and the Town center is frequent. At peak utilization times (greater than 85% occupancy of downtown spaces), two-thirds is enough of a discount with regular circulator transit to encourage visitors to park at the Ferry Property as opposed to continuing to drive in loops waiting for an open space within the Town center. It is important to note that in the absence of metering or some other form of paid parking within the Town center, i.e. if parking in downtown Bar Harbor continues to be free for all, then neither visitors nor employees will tolerate a charge for remote parking at the Ferry Property. A town-wide, managed approach to parking (such as the plan currently under consideration) which includes a tiered fee structure that is aligned to relative proximity and ease of access to the Town center must therefore be implemented for public parking at the Ferry Property to be successful. Deep

discounts would still be required for monthly permits and for employees within the core area of the Town if there is a desire to encourage employees to park remotely as well.

Under all circumstance where the Ferry Property is utilized for parking, signage and web-based information are critical to raise awareness among visitors at peak times that a secondary parking option with a regular, reliable all-weather transit connection to the Town center exists at the Ferry Property. Lack of such awareness will undercut any goal of effectively utilizing the Ferry Property as a viable visitor remote parking option. Revenue assumptions associated with satellite/overflow parking at the Ferry Property are discussed separately in the Financial Analysis section of this business plan.

Transportation

Among the potential uses identified by the Advisory Committee for the Ferry Property is a transportation hub. Future growth in visitations to Acadia National Park and to Bar Harbor proper is all but certain even if cruise visitations stagnate or decline. If the Ferry Property is integrated into a broader parking strategy such that on-site parking along with other modal options (i.e. buses, bicycles, local ferries) are all readily available and easily accessible at the Ferry Property then its attractiveness as a transportation hub from a user perspective could be substantial. If it is not so integrated, then its attractiveness and potential success as a transportation hub is doubtful because its role in the overall transportation network of the area would be unclear and its connections to other sites and attractions limited.

The Ferry Property is not necessarily envisioned to be a major destination in and of itself meaning its value ultimately lies in its ability to connect people to other modes of transportation and/or to activities that begin and end at the site (i.e. cruise tendering, a recreational/commercial marina and/or international ferry service).

While the type and intensity of uses that occur at the site will dictate its exact role in the transportation network of Bar Harbor and of Mount Desert Island overall, in actuality, regardless of the mix of uses that ultimately occurs at the Ferry Property, transportation to and from the site will necessarily be an important consideration in its development due to the site's dependence on a single access point to one of the Town's most important and heavily traveled transportation arteries (i.e. Eden Street, aka Maine State Highway 3, or Route 3).

This business plan does not include a formal traffic study or detailed analysis of potential transportation operations and/or impacts associated with different development alternatives at the Ferry Property. Rather, this business plan seeks to understand and explore potential demand for transportation services – including local marine as well as landside transportation services – that might be offered at the Ferry Property in order to define the physical requirements and potential costs and revenues associated with providing such services. Given this focus, both marine (i.e. local ferries) and landside (i.e. buses and bicycles) transportation connections are being evaluated as primary uses of the upland portion of the Ferry Property site, not as resultant impacts of other uses which may or may not be compatible with the concept of a transportation hub.

B&A acknowledges and agrees that a separate, detailed traffic/transportation study would need to be conducted for the Ferry Property prior to any particular development alternative moving forward in order to fully understand the impacts of such development on the local transportation network.

Key demand drivers for transportation related to the Ferry Property include the following:

- Anticipated visitor volumes during the coming 20 years (overall and peak)
- Parking (i.e. the Town's overall parking plan and policy, including pricing strategies and intermodal connections)
- Acadia National Park Transportation Plan (expected to be released in final form by the end of 2018)
- Introduction of new and/or additional marine transportation options (i.e. expanded local ferry service(s))

Future Visitor Volumes

It is unlikely if not impossible that future visitor traffic in and around Bar Harbor will be less than current visitor traffic, meaning growth of some magnitude is almost certain. Using even a conservative number (i.e. 1.0% per year) yields 20-year growth of 20.0% vs. 2018. According to the U.S. Travel Association (“USTA”), domestic leisure travel within the United States is expected to grow at a rate of 1.8% annually through 2020. Using this same number for Bar Harbor and carrying it forward for the full 20 years of the business plan study period results in overall growth in the number of visitors to Bar Harbor of nearly 43%, which growth does not even include international visitors. In this context, it is clear that the Town should plan for growth and that the local transportation network will need to evolve to handle such growth in the years ahead. Projecting future demand for transportation services is beyond the scope of this business planning effort and no attempt is made in this business plan to do so. However, understanding and accepting that growth in overall activity within and around Bar Harbor is inevitable is an important first step toward evaluating what if any potential role the Ferry Property can or should play in meeting the Town’s future transportation needs.

Acadia National Park

According to the National Park Service, in 2017 Acadia National Park received just over 3.5 million visitations. This represents a 6.2% increase from 2016. As this business plan was being produced a draft transportation plan and environmental impact statement (“EIS”) for Acadia National Park was released. While assessment of the potential impacts to the Mount Desert Island and broader regional transportation network of the Acadia National Park transportation plan is outside the scope and goals of this business plan, the draft plan and EIS will help to shed light on potential future demand for transportation services specific to Acadia National Park and what if any role the Ferry Property can or should play in helping to meet this demand.

Marine Transportation

In terms of marine transportation, there are currently two competing local ferry services operating between Bar Harbor and Winter Harbor (Schoodic Peninsula). These ferry services are entirely separate from the international ferry service proposed by BFL as discussed above. One of the existing services is operated by Downeast Windjammer Cruise Lines (“Windjammer”) as a for-profit marine transportation service with the other being operated by Frenchman Bay Research Boating (“FBRB”) as a non-profit marine transportation service that combines “baseline environmental monitoring research” with its passenger ferry operation. Both services operate 5-6 days per week from June through mid-October and arrive/depart Bar Harbor and Winter Harbor, respectively, every two to two and a half hours each day of operation. Both operators allow and actively encourage passengers to bring bicycles onboard their vessels. Windjammer currently docks their vessel in Bar Harbor at the Bar Harbor Inn Pier located in the Town center. FBRB currently docks their vessel in Bar Harbor at the College of the Atlantic. The key dimensions/capacities of each operator’s vessel are roughly comparable as follows:

- LOA = ~50 ft
- Beam = ~15 ft
- Draft = ~4 ft
- PAX capacity = ~50

Given these dimensions, both operators’ vessels would be relatively easy to accommodate at the Ferry Property using a floating dock structure.

Neither operator has provided a detailed future demand projection for the services they currently offer as of the writing of this business plan. However, demand is expected to grow over time with the overall number of visitors to the area and both operators seem optimistic about the future. Visitors (as opposed to residents) currently make up more than half of the respective services’ users with residents – including both permanent and seasonal residents – accounting for the difference. Going forward, since the number of visitors to the area is likely to grow at a far faster rate than the number of residents it is likely that future demand will be increasingly driven by visitor traffic. A photo of the vessel currently used by each operator is shown in Figures 9 and 10 below.

Figure 9: Windjammer Bar Harbor-Winter Harbor Ferry Vessel

Source: Trip Advisor



Figure 10: FBRB Bar Harbor-Winter Harbor Ferry Vessel

Source: www.experiencemaritimemaine.org



With regard to the Ferry Property, one potential advantage of having one or more local ferry operator(s) at the site is that these services provide local/regional marine transportation alternatives to supplement landside transportation services, thereby potentially reducing overall vehicle trips while enhancing the Ferry Property's role in the broader transportation network of the area. The Winter Harbor service itself does not alleviate much local traffic, but other potential services to other Mount Desert Island locations might. In order for local ferry operations to be viable at this site from a market perspective, both convenient landside transportation connections (i.e. regular shuttle service, bicycle rentals/storage, etc.) and some amount of on-site parking would be required. Given the dimensions of the local ferry vessels currently used and likely to be used in the future, the infrastructure required to accommodate their operations is minimal.

Revenue assumptions and potential commitments associated with the local ferry operations described above are discussed separately in the Financial Analysis section of this business plan.

Market Assessment Conclusions

Cruise

- Cruise is a booming industry, both globally and specific to the Canada & New England (CNE) region
- Bar Harbor is a marquee port of call for all cruise lines currently operating in the CNE region with each of the three major global cruise companies (Carnival, RCCL and NCLH) calling Bar Harbor on more than 70% of their CNE sailings
- The CNE market will continue to grow robustly for the foreseeable future in terms of both annual calls and annual passenger volumes
- Future growth will be more evenly distributed across a six month, May-October season, with September and October continuing to represent the peak months
- Sundays, Fridays, Mondays and eventually Thursdays will continue to be the peak days for vessel calls and passenger activity in Bar Harbor due to CNE itinerary patterns and sailing times/distances between Bar Harbor and the region's major homeports
- B&A has documented the future growth potential of the cruise industry within the CNE region to help the Town make informed decisions with regard to the Ferry Property; however, B&A has NOT accounted for any future growth in its financial models per the clearly expressed preferences of the Advisory Committee

Recreational/Commercial Marina

- The current Bar Harbor marina market consists of 83% pleasure craft, 15% fishing boats and 2% "other"
- Marinas in Bar Harbor are dependent upon area seasonal and out-of-town transient daily renters of slips
- Demand for slips at the Ferry Property will be limited to a 90-day peak Summer window with only marginal utilization outside of this window
- Achievable rates at the Ferry Property will be enhanced by providing amenities such as full services, fuel, modern pedestal, dock hand staff, etc. but will still not compete with rates found within resort facilities
- The viability of a marina at the Ferry Property is dependent upon the relative capital costs of developing the slips and associated marine/upland infrastructure

International Ferry

- While a second potential operator has expressed interest in the Ferry Property, Bay Ferries Limited (BFL) is the only currently known viable operator
- BFL has expressed interest in operating a daily service between Bar Harbor and Nova Scotia, beginning as soon as 2019, and has developed a tentative operating plan specific to the Ferry Property
- BFL has expressed both a willingness and a capacity to invest up to \$3 million in the Ferry Property in exchange for access to the Bar Harbor market

- BFL is funded in part by the provincial government of Nova Scotia, meaning funding is likely available consistent with the willingness and capacity expressed

Parking

- Parking is in high demand in Bar Harbor during most of the peak tourism season (mid-June – mid-October)
- Satellite parking at the Ferry Property is one of the principal uses envisioned for the Ferry Property by the Advisory Committee
- For parking to be successful at the Ferry Property, regular and reliable transit service connecting the Ferry Property to the Town center is critical
- Any parking model implemented at the Ferry Property must be fully integrated within a broader Town-wide parking plan and any charges for parking at the Ferry Property must not exceed two-thirds of charges assessed for parking within the Town center
- Deeply discounted or free parking will need to be made available to employees of downtown businesses if they are required to park at the Ferry Property
- Signage and web-based information are critical to raise awareness among visitors at peak times that a secondary parking option exists at the Ferry Property

Transportation

- The Ferry Property has strong potential to serve as a multimodal transportation hub
- Generally, full integration into the broader Mount Desert Island transportation network is critical to the success of the Ferry Property as a transportation hub
- Key demand drivers for transportation related to the Ferry Property include the following:
 - Anticipated visitor volumes during the coming 20 years (overall and peak)
 - Parking (i.e. the Town's overall parking plan and policy, including pricing strategies and multi-modal connections)
 - Acadia National Park Transportation Plan (expected to be released in final form by the end of 2018)
 - Introduction of new and/or additional marine transportation options (i.e. expanded local ferry service(s))
- Other key factors impacting the value and suitability of the Ferry Property as a multi-modal transportation hub include:
 - Re-introduction of an international ferry service at the site
 - Assumptions made related to the extent of motorcoach staging, dispatching, loading and unloading that occurs at the Ferry Property
- As for parking, to be successful as a transportation hub, the Ferry Property must include regular and reliable transit service connecting the site to the Town center

4. SITE CONCEPTS

Overview

The Bar Harbor Ferry Property consists of approximately 4.5 acres of land and a partially improved over-water area with water access rights covering a significant amount of submerged land. The site is located within Town limits at 121 Eden Street and is bound as follows:

- to the southwest by Eden Street (aka Maine State Highway 3, or Route 3)
- to the northwest by the Bar Harbor Regency Hotel
- to the southeast by the Atlantic Oceanside Hotel and Event Center
- to the northeast by Frenchman Bay

Figure 11: Aerial Image of Bar Harbor Ferry Property, 2017

Source: Google Earth



The Ferry Property provides waterfront access and deep water berthing capability and is also a significant real estate asset, strategically located along the main highway leading to the Town center. Given these characteristics, the Ferry Property is unique and irreplaceable in the sense that financial, regulatory and other potential challenges make this an extremely difficult site to replicate anywhere else in the greater Bar Harbor area.

Based on the recommendations of the Advisory Committee and the results of the different market analyses conducted for this business plan as presented above, B&A has developed three overarching site alternatives and a total of six concepts for the Ferry Property, each of which loosely expresses a different programmatic theme based on its comparative mix of marine and non-marine uses. Alternatives have been organized programmatically as follows:

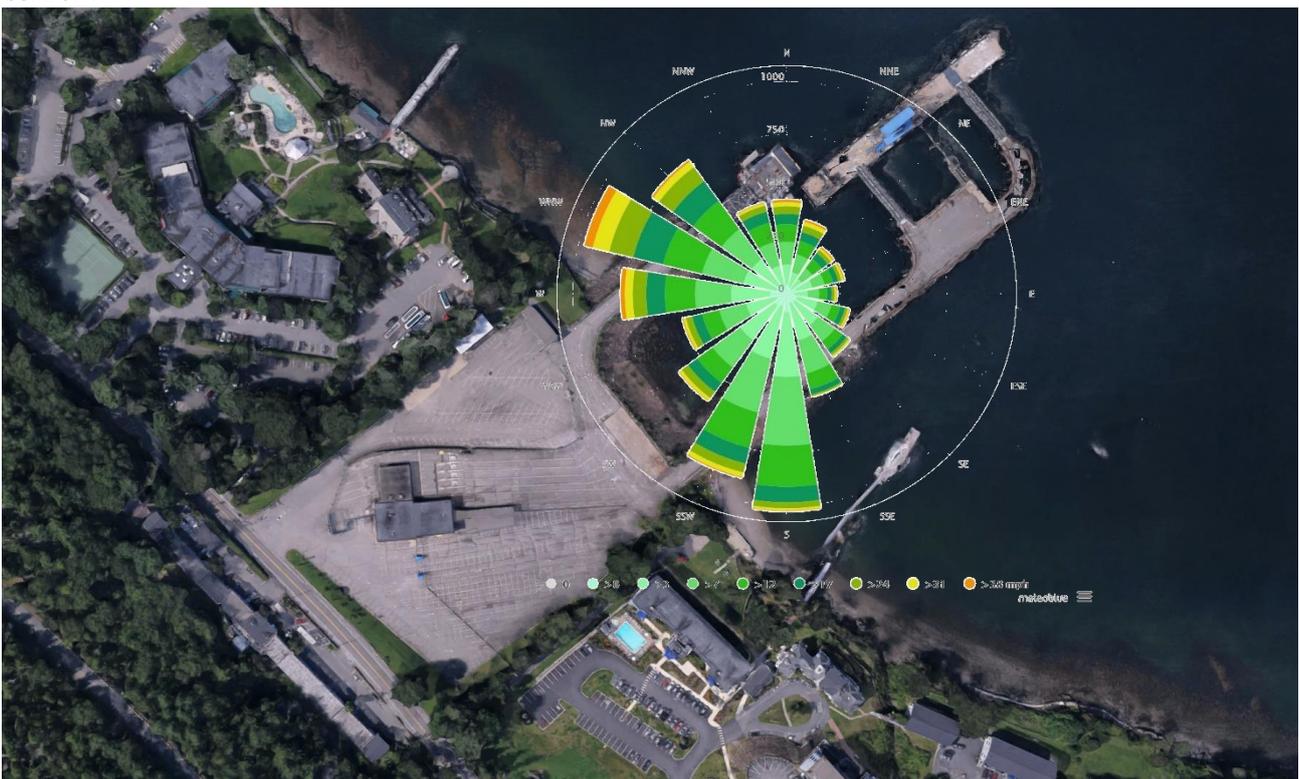
- Alternative A – Marina; no cruise tendering or international ferry
- Alternative B – Marina + cruise tendering; no international ferry
- Alternative C – Marina + cruise tendering + international ferry

Each alternative includes a fully built out concept (Concepts A2, B3, and C2) that covers the entire submerged footprint of the site as well as a scaled back concept (Concepts A1, B2 and C1) that occupies a smaller submerged footprint. The rationale for exploring both is to understand the potential cost vs. revenue tradeoffs of developing a larger footprint vs. a smaller footprint. Developing marine infrastructure across the entire submerged footprint may be desirable in terms of maximizing the marine use opportunities at the site, but it may not be the most economical approach to developing the Ferry Property since it triggers additional costs, including the need to construct and maintain a wave attenuation system to absorb wave energy in order to protect the small craft docking at the Ferry Property.

As shown in Figure 12, the prevailing winds and wave action at the Ferry Property occur from the South and Southwest. The Ferry Property is naturally protected on these two sides by upland areas and Bar Island offers some degree of protection to the Southeast as well. Any wave attenuation would therefore likely need to be focused on the exposed East and potentially also Northeast edges of the site. All concepts presented below attempt to take this information into account with wave attenuation areas highlighted in red. This business plan does not include any level of engineering or design of the site, however, so all concepts have been developed with these factors in mind but additional technical studies would absolutely be required to determine exact positioning of wave attenuators, among numerous other items. The expenses and revenues associated with each concept presented in this section are discussed in detail in the Financial Analysis section of this business plan.

Figure 12: Wind Rose, Bar Harbor/Frenchman Bay

Source: B&A



The purpose of the conceptual site plans presented below is twofold. First, they are instrumental in identifying spatial and other constraints of the site as relate to the potential mix and integration of the different uses being considered under each concept, particularly on peak activity days. Second, they identify a range of development and operating and maintenance (“O&M”) cost parameters for the site that are used to inform the financial analysis discussed in the next section. These conceptual site plans are not intended to serve as suggested or recommended development alternatives and no such recommendations are included in this business plan. As already mentioned, this business plan also does not include any level of technical design of the Ferry Property. While B&A has done its best to make all drawings in this section to scale in order to show accurate spatial relationships and logical potential locations of different uses, it is not B&A’s intent to dictate or recommend precisely where each use

should ultimately go or how it should ultimately look. All drawings and site visuals included in this section are therefore presented for cost estimation and discussion purposes only, and only within the context of the specific goals of this business plan.

The overall objectives for all concepts explored in this section are as follows:

Marine

- Ensure public access to the water
- Generate revenue
- Preserve the entire footprint of existing submerged lands (if feasible)

Upland

- Support marine goals
- Provide satellite/overflow parking for the Town center
- Relieve cruise-related congestion in Town center by consolidating some or all motorcoach staging/dispatching/loading activity at the Ferry Property
- Provide a transportation hub/transit link to the Town center

Table 6 below summarizes the program elements of each concept.

Table 6: Comparison of Site Concepts by Program Element

Source: B&A

Element(s)	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Marine						
Recreational/commercial marina	X	X	X	X	X	X
Public boat ramp	X	X	X	X	X	X
Cruise tender docks			X	X	X	X
International ferry					X	X
Local ferry	X	X	X	X		
Upland						
Marina services/support facility	X	X	X	X	X	X
Parking						
• Marine uses parking	X	X	X	X	X	X
• Municipal parking	X	X	X	X	X	X
Motorcoach staging/dispatching /loading area	X	X	X	X	X	X
International ferry terminal/CBP					X	X
Transportation hub/transit link to Town center	X	X	X	X	X	X

The following pages elaborate on each site concept developed.

Alternative A

Alternative A includes two concepts (A1, A2) and the following programmatic elements:

- Marina
- Boat ramp
- Local ferry
- Parking
- Marina support facility/visitor center
- Bus staging/loading/unloading
- No cruise tendering
- No international ferry

On the marine side, Alternative A focuses exclusively on the development of recreational and commercial marina slips plus a local ferry operation. The upland portion of the site seeks to support the marine uses and also accommodate up to 100% of cruise-related motorcoach staging, dispatching, loading and unloading activity while also providing municipal satellite parking. A transportation hub is also envisioned under this alternative in order to connect the Ferry Property to other area points of interest, namely the Town center, Acadia National Park and the Schoodic Peninsula (via local ferry service). Figure 13 presents a potential programmatic layout for this overall alternative. Figures 14 and 15 present slightly more detailed layouts in order to illustrate the difference between a full build out of the marine elements of this alternative (Concept A2) vs. a scaled back version (Concept A1). Upland programming would be identical for both Concept A1 and Concept A2.

Figure 13: Alternative A Overall Program Elements and Conceptual Layout

Source: B&A

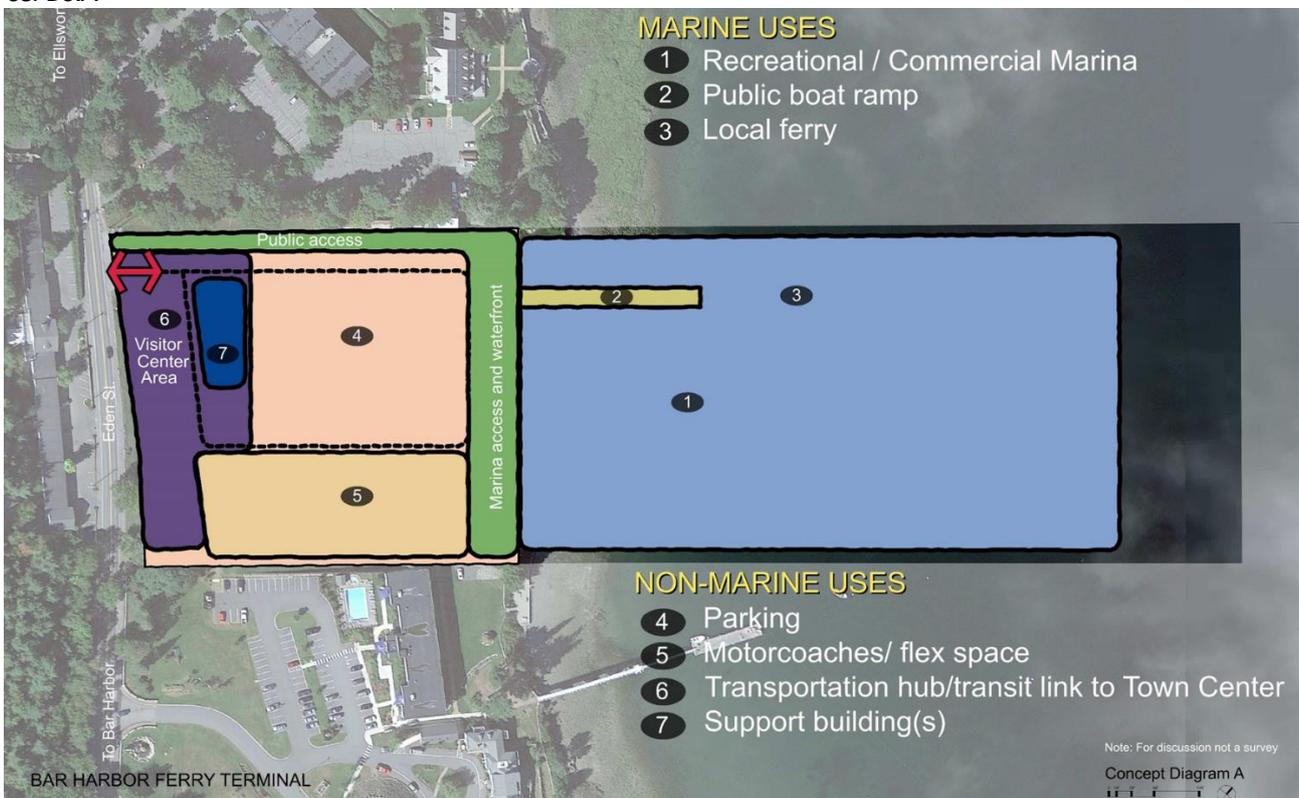


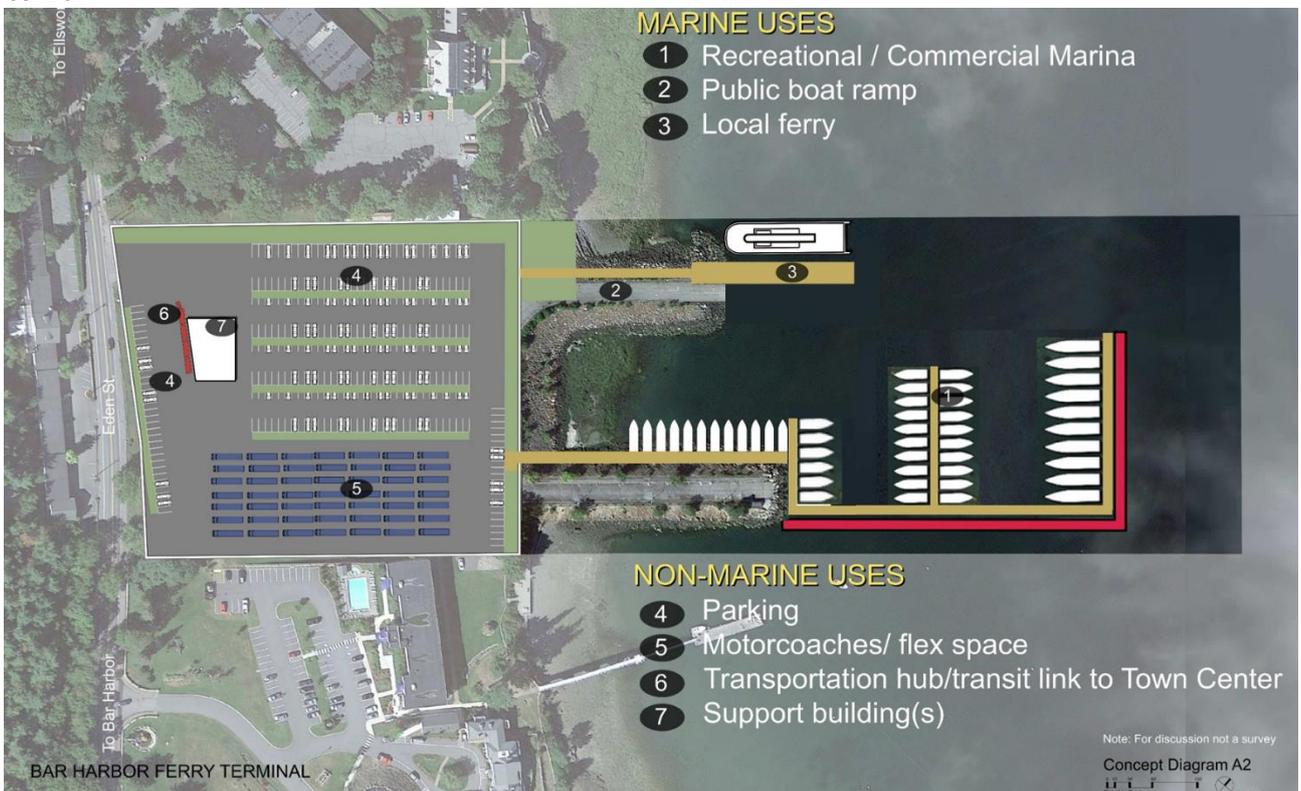
Figure 14: Concept A1 Program Elements and Conceptual Layout

Source: B&A



Figure 15: Concept A2 Program Elements and Conceptual Layout

Source: B&A



B&A estimates that Alternative A would have the capability to accommodate the intended mix of uses as follows:

- **Marine**

Maximum potential days in use 214

Peak days in use 90

Total number of power/sail boat slips (~67% seasonal local user; ~33% transient)

- Concept A1 12
 - 12 45 foot slips
 - Seasonal = 28% occupancy during 7 month season
 - Transient = 56% occupancy during 7 month season
- Concept A2 Up to 48
 - 24 45 ft slips
 - 12 55 ft slips
 - 10 65 ft slips
 - 2 80 ft slips
 - Seasonal = 28% occupancy during 7 month season
 - Transient = 56% occupancy during 7 month season

Other marine amenities

- Public boat ramp
- Local ferry dock
- Water access for launching hand-carried craft
- Marine fueling
- Wave attenuation (Concept A2 only)

- **Upland**

Maximum potential days in use 365

Peak days in use 120

Total number of parking spaces

- Concept A1 31 marine use;
219 municipal/public use*
- Concept A2 43 marine use;
207 municipal/public use*

* Note: parking space estimates do not include additional spaces that would be available within the motorcoach staging/dispatching/loading “flex” area when that area is not in use (i.e. non-cruise ship days)

Motorcoach capacity

- Active loading/waiting 16/16 (32 total)
- Staging for dispatch 50

Other upland amenities

- Transportation hub/transit link
- Marina services facility (~5,000 sq ft)
 - Bathrooms, showers, laundry, etc.
 - Office space
 - Ticketing/concessions

Alternative B

Alternative B includes two concepts (B2, B3) and the following programmatic elements:

- Marina
- Boat ramp
- Local ferry
- Parking
- Bus staging/loading/unloading
- Cruise tendering
- No international ferry

On the marine side, Alternative B seeks to combine a cruise tendering facility consistent with the cruise market analysis presented in the previous section of this business plan with a recreational/commercial marina and local ferry operation. Levels of cruise activity at the Ferry Property under Alternative B are envisioned to fall within one of the following scenarios based on the percentage of 2019 cruise activity attributable to each of Bar Harbor's three largest cruise companies (Carnival, RCCL and NCLH) respectively:

- 20% of 2019 activity (NCLH) = 28 calls; ~52,000 PAX per year
- 34% of 2019 activity (RCCL) = 29 calls; ~89,000 PAX per year
- 40% of 2019 activity (Carnival) = 60 calls; ~105,000 PAX per year

On the upland portion of the site, the goal of both Concept B2 and Concept B3 is to fully support the cruise tendering and other marine activity occurring at the site while also seeking to accommodate up to 100% of cruise-related motorcoach staging, dispatching, loading and unloading activity while also providing municipal satellite parking. A transportation hub is also envisioned under this alternative in order to connect the Ferry Property to other area points of interest, namely the Town Center, Acadia National Park and the Schoodic Peninsula (via local ferry).

Figure 16 presents a potential programmatic layout for this overall alternative. Figures 17-18 present slightly more detailed layouts in order to illustrate the difference between a full build out of the marine elements of this alternative (Concept B3) vs. a scaled back version that includes a smaller marina (Concept B2). A third concept under this alternative (Concept B1) featuring a cruise tendering operation with no marina was explored but ultimately eliminated since it did not meet the overall goals of the Advisory Committee.

Upland programming for Concepts B2 and B3 is substantially similar to that of Concepts A1 and A2 with only minor configuration changes assumed.

Figure 16: Alternative B Overall Program Elements and Conceptual Layout

Source: B&A

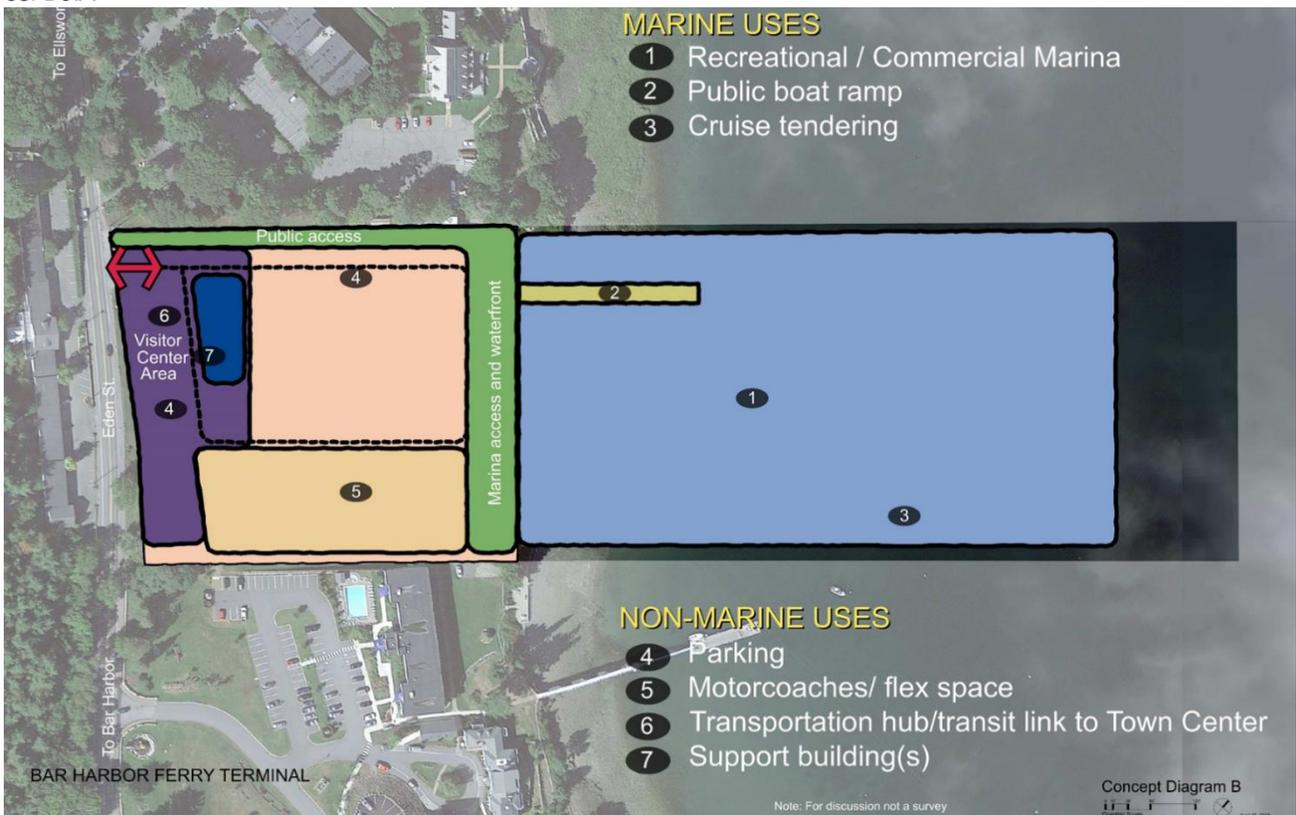


Figure 17: Concept B2 Program Elements and Conceptual Layout

Source: B&A

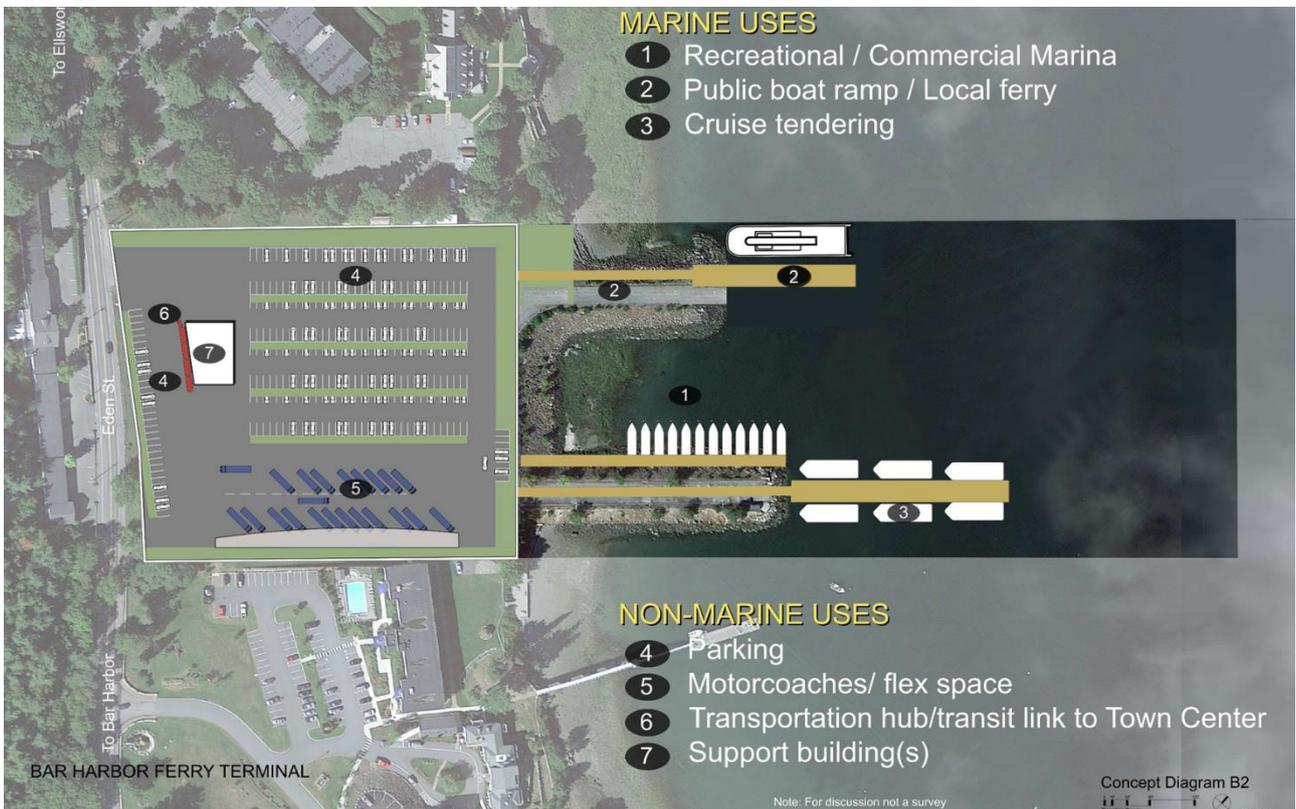
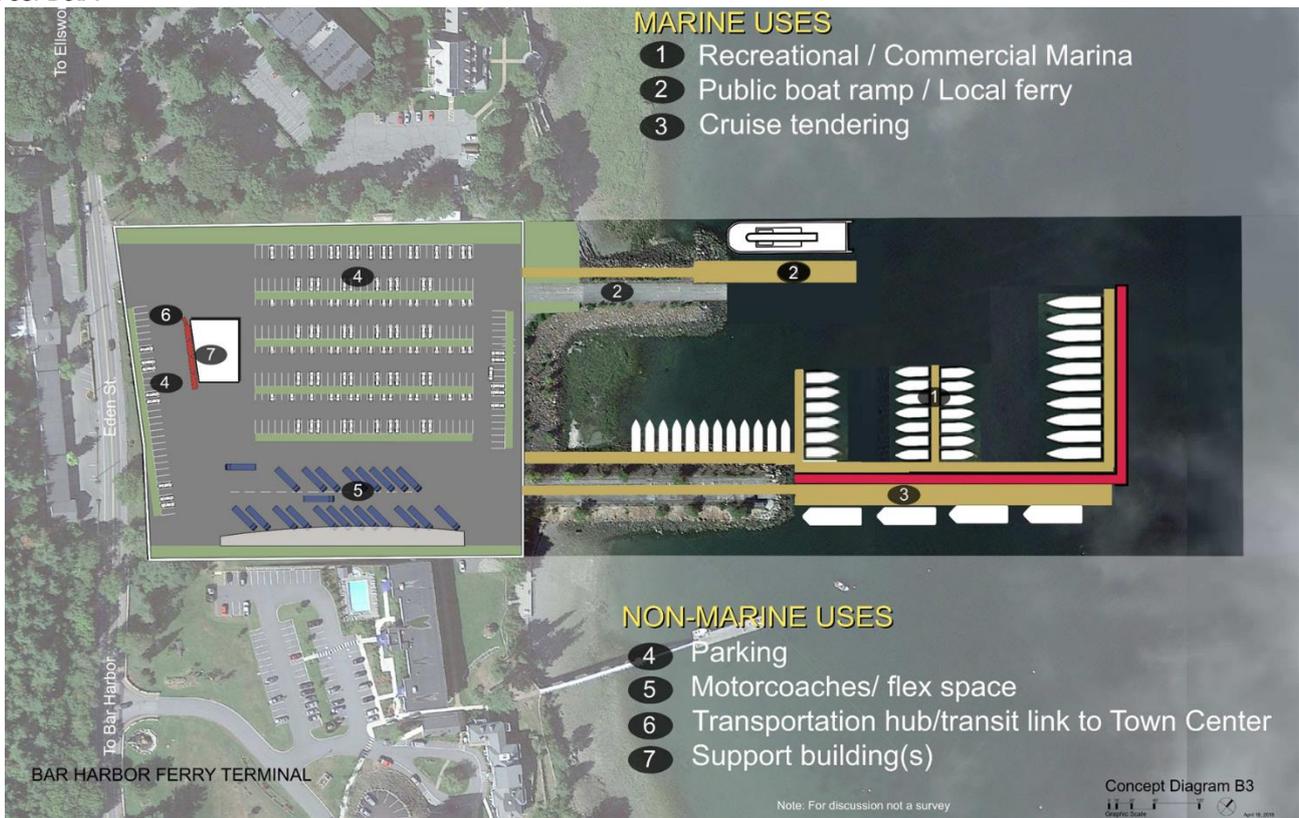


Figure 18: Concept B3 Program Elements and Conceptual Layout

Source: B&A



B&A estimates that Alternative B would have the capability to accommodate the intended mix of uses as follows:

- **Marine**

Maximum potential days in use	214
Peak days in use	120
Total number of power/sail boat slips (~67% seasonal local user; ~33% transient)	
○ Concept B2	12
▪ 12 45 foot slips	
▪ Seasonal = 28% occupancy during 7 month season	
▪ Transient = 56% occupancy during 7 month season	
○ Concept B3	Up to 42
▪ 22 45 ft slips	
▪ 10 55 ft slips	
▪ 18 65 ft slips	
▪ 2 80 ft slips	
▪ Seasonal = 28% occupancy during 7 month season	
▪ Transient = 56% occupancy during 7 month season	
Days in use (CRUISE)	
○ Total PAX per year (CRUISE)	52,000-105,000
○ Peak PAX per day (CRUISE)	3,500(Summer); 5,500 (Fall)
Other marine amenities	
○ Public boat ramp	

- Local ferry dock
- Water access for launching hand-carried craft
- Marine fueling
- Wave attenuation (Concept B3 only)

• **Upland**

Maximum potential days in use	365
Peak days in use	120
Total number of parking spaces	
○ Concept B2	31 marine use; 219 municipal/public use*
○ Concept B3	41 marine use; 209 municipal/public use*

* Note: parking space estimates do not include additional spaces that would be available within the motorcoach staging/dispatching/loading “flex” area when that area is not in use (i.e. non-cruise ship days)

Motorcoach capacity

- Active loading/waiting 16/16 (32 total)
- Staging for dispatch 50

Other upland amenities

- Transportation hub/transit link
- Marina services facility (~5,000 sq ft)
 - Bathrooms, showers, laundry, etc.
 - Office space
 - Ticketing/concessions

Alternative C

Alternative C includes two concepts (C1, C2) and the following programmatic elements:

- Marina
- Boat ramp
- No local ferry
- Parking
- Bus staging/loading/unloading
- Cruise tendering
- International ferry

On the marine side, Alternative C seeks to combine the elements of Alternative B with an international ferry operation, consistent with the market analyses presented in the previous section. As with Alternative B, levels of cruise activity at the Ferry Property under Alternative C are envisioned to fall within one of the following scenarios based on the percentage of 2019 cruise activity attributable to each of Bar Harbor’s three largest cruise companies (Carnival, RCCL and NCLH) respectively:

- 20% of 2019 activity (NCLH) = 28 calls; ~52,000 PAX per year
- 34% of 2019 activity (RCCL) = 29 calls; ~89,000 PAX per year
- 40% of 2019 activity (Carnival) = 60 calls; ~105,000 PAX per year

On the upland portion of the site, the goal of Alternative C is to fully support marine activity at the site while also seeking to accommodate up to 100% of cruise-related motorcoach staging, dispatching, loading and unloading

activity and as much municipal satellite parking as possible. Due to the footprint required by an international ferry service as well as the number of cars associated with the operation (both in terms of overnight parking and in terms of staging and loading), Concepts C1 and C2 would necessarily sacrifice a number of marina slips and parking spaces in order to accommodate the proposed ferry operations. As with Alternatives A and B, a transportation hub is also envisioned under Alternative C in order to connect the Ferry Property to other area points of interest. A local ferry operation is not included in either Concept C1 or C2.

Figure 19 presents a potential programmatic layout for this overall alternative. Figures 20-21 present slightly more detailed concepts in order to illustrate the difference between a full build out of the marine elements of this alternative (Concept C2) vs. a scaled back version (Concept C1).

Figure 19: Alternative C Overall Program Elements and Conceptual Layout

Source: B&A

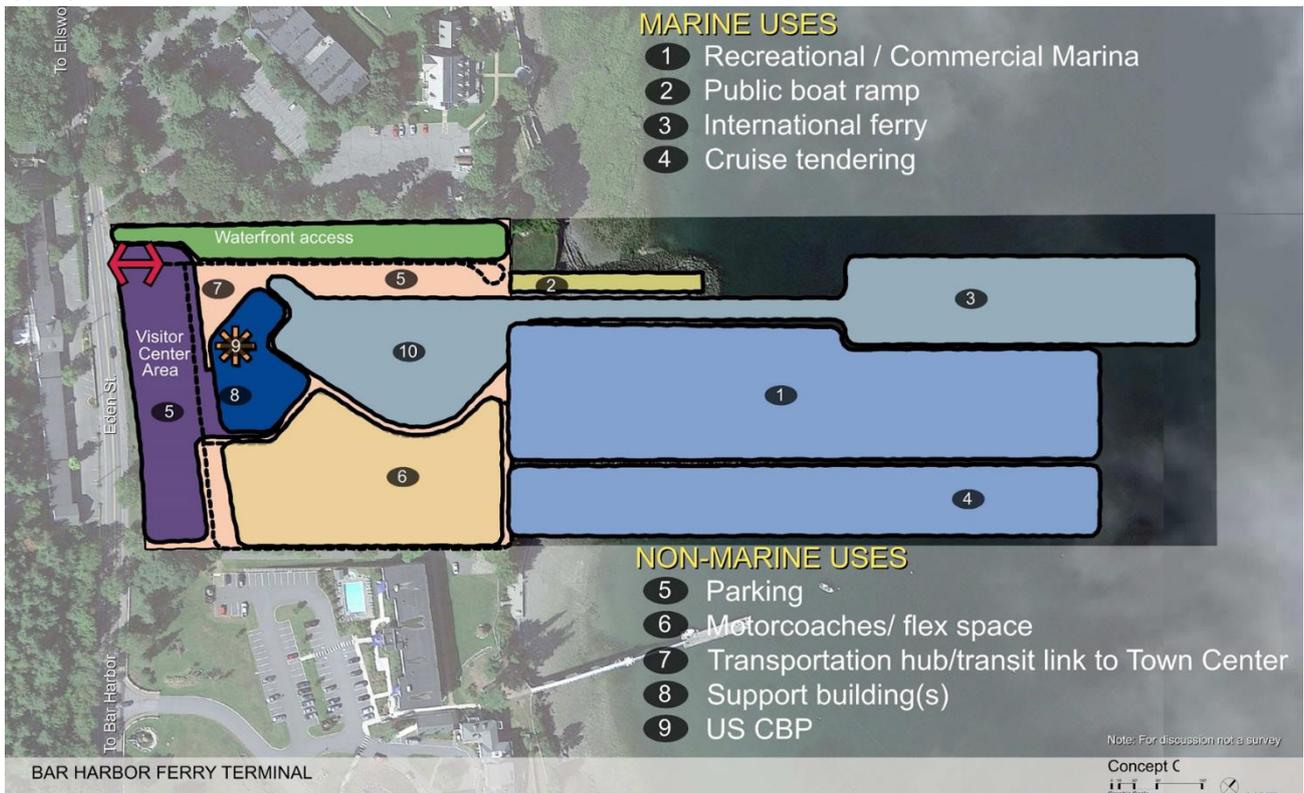


Figure 20: Concept C1 Program Elements and Conceptual Layout

Source: B&A

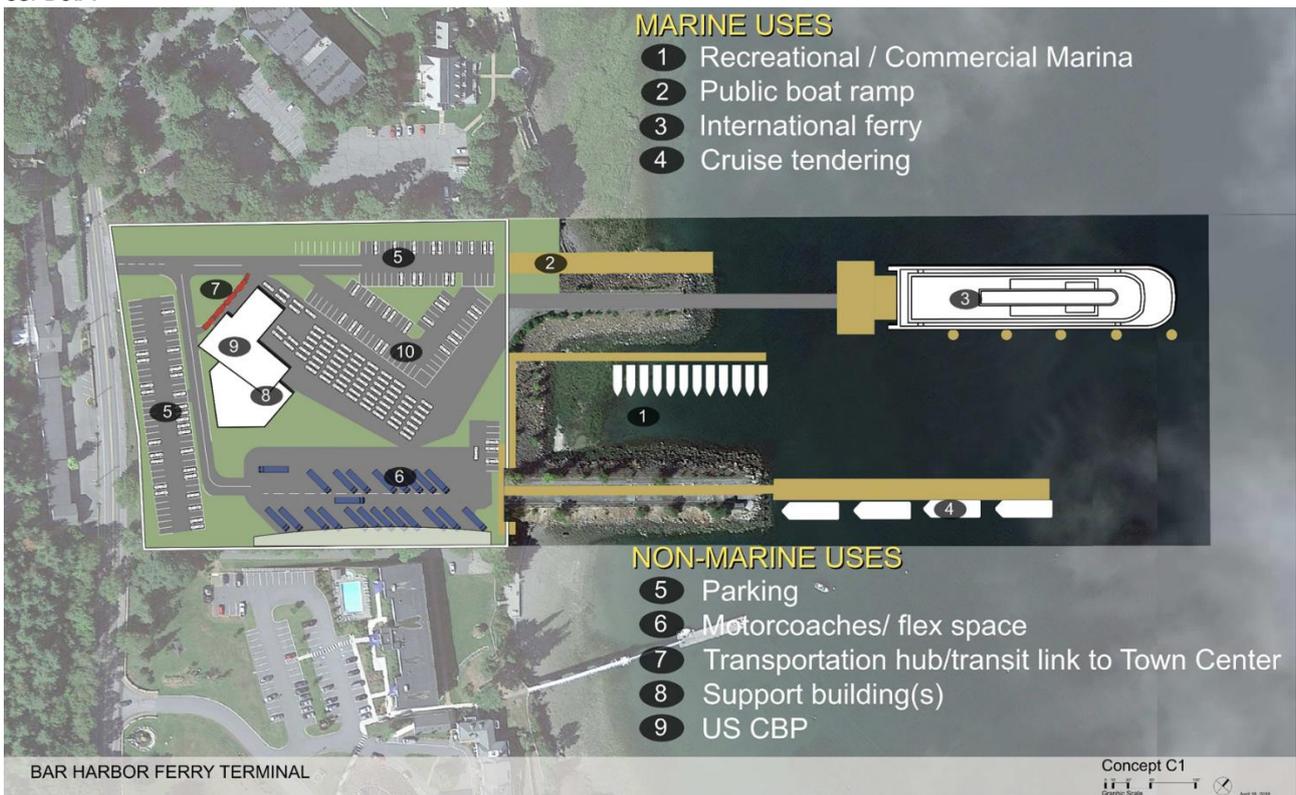
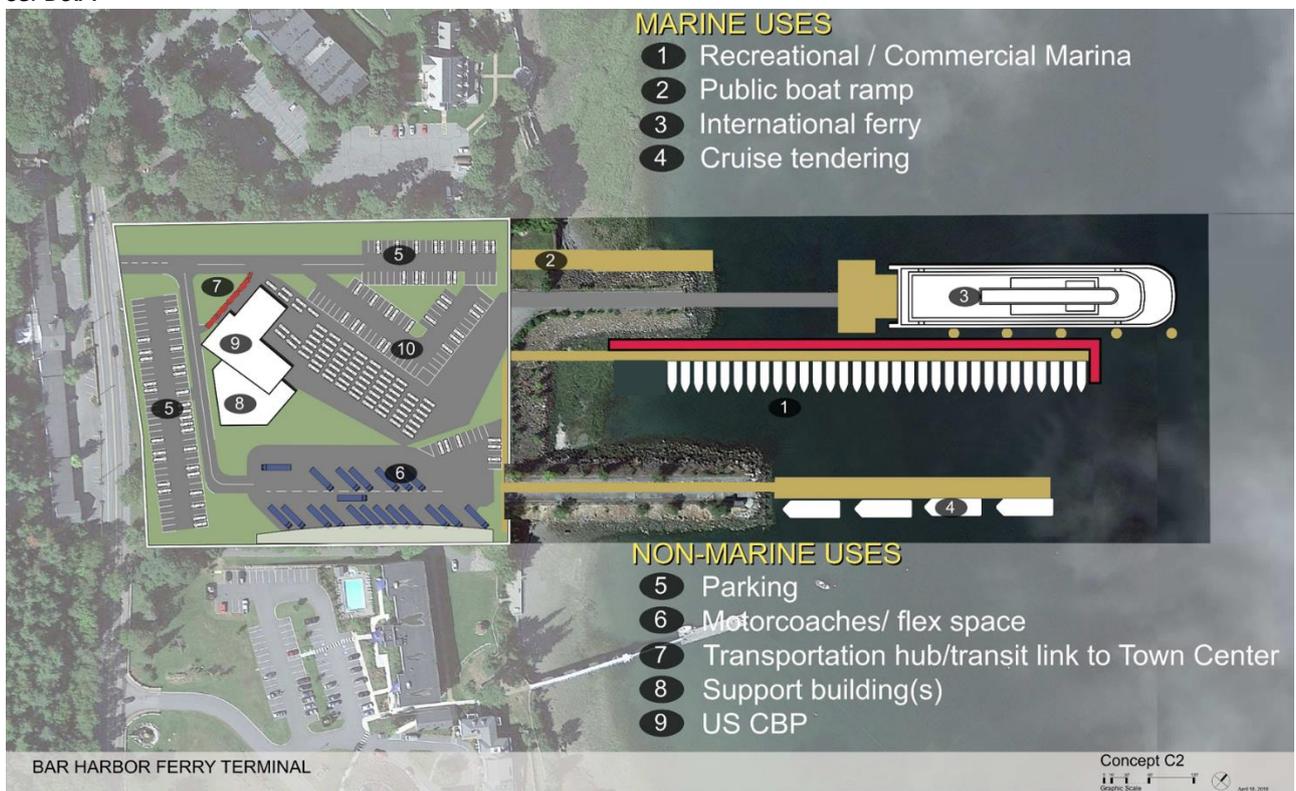


Figure 21: Concept C2 Program Elements and Conceptual Layout

Source: B&A



B&A estimates that Alternative C would have the capability to accommodate the intended mix of uses as follows:

- **Marine**

Maximum potential days in use	214
Peak days in use	150
Total number of power/sail boat slips (~67% seasonal local user; ~33% transient)	
○ Concept C1	12
▪ 12 45 foot slips	
▪ Seasonal = 28% occupancy during 7 month season	
▪ Transient = 56% occupancy during 7 month season	
○ Concept C2	Up to 32
▪ 16 45 ft slips	
▪ 8 55 ft slips	
▪ 6 65 ft slips	
▪ 2 80 ft slips	
▪ Seasonal = 28% occupancy during 7 month season	
▪ Transient = 56% occupancy during 7 month season	
Days in use (CRUISE)	28-60
○ Total PAX per year (CRUISE)	52,000-105,000
○ Peak PAX per day (CRUISE)	3,500(Summer); 5,500 (Fall)
International ferry days in use	150
○ Total PAX/cars per year (FERRY)	80,000/32,000
○ Average PAX/cars per day (FERRY)	500/200
Other marine amenities	
○ Public boat ramp	
○ Local ferry dock	
○ Water access for launching hand-carried craft	
○ Marine fueling	
○ Wave attenuation (Concept C2 only)	

- **Upland**

Maximum potential days in use	365
Peak days in use	150
Total number of parking spaces	
○ Concept C1	141 marine use; 109 municipal/public use*
○ Concept C2	147 marine use; 103 municipal/public use*

* Note: parking space estimates do not include additional spaces that would be available within the motorcoach staging/dispatching/loading “flex” area when that area is not in use (i.e. non-cruise ship days)

Motorcoach capacity	
○ Active loading/waiting	16/16 (32 total)

- Staging for dispatch

50

Other upland amenities

- CBP facility (~5,000 sq ft)
- Transportation hub/transit link
- Marina services facility (~3,000 sq ft)
 - Bathrooms, showers, laundry, etc.
 - Office space
 - Ticketing/concessions

Other Concepts (Not Considered)

Alternative D: Cruise Pier

This option, while optimal from a cruise market capture and revenue to the Town perspective, has not been considered for obvious reasons, namely because it was not included in the Advisory Committee's recommendations to the Town Council.

Assumptions

As previously stated, detailed design of the Ferry Property is outside the scope of this business plan. However, certain assumptions can and must be made related to the envisioned mix of uses and amenities for all of the concepts presented above in order to calculate near-term as well as long-term development, operating and maintenance costs.

One such assumption is that the site will need to preserve some degree of flexibility in order to accommodate changing uses over time as well as changes in operations that impact the footprint allocated to a given use at a given time. For example, all concepts presented in this business plan envision the motorcoach staging, dispatching, loading and unloading area being designed as a flex space so that it can be used as surplus parking or even potentially as public space (festivals, farmers markets, etc.) during times when demand for motorcoaches is limited, such as during days when there are no cruise ships in port.

Another important assumption relates to project phasing. The Ferry Property is a new and as yet untested site. While the various market analyses conducted as part of this study indicate that there is interest in an additional tender location in Bar Harbor as well as latent demand for additional marina slips and a potentially viable international ferry operation, actual demand for one or more of these uses may not peak in the initial years following the Town's acquisition of the property. The site will need to be marketed to some extent to support both the marine and upland uses envisioned. Satellite parking, in particular, has not been tested in Bar Harbor so it may take time to achieve traction and generate a critical mass of users.

Because of this, in order to reduce financial risk to the Town, both marine and the upland uses at the Ferry Property will likely need to start relatively small and scale up over time in proportion to demand. A full build out of the marina described in Concept A, for example, may not make sense immediately. Similarly, parking will almost certainly only be at-grade surface parking initially, with vertical elements (i.e. a parking deck or garage) only following if and when demand dictates that additional capacity is required and can be paid for. Revenue is also a key consideration of project phasing. If there is an immediate opportunity to secure a multi-year revenue stream by making the Ferry Property available for cruise tendering, for example, then prioritizing that opportunity as a means to help pay for future infrastructure associated with lower revenue uses could make sense from a development phasing perspective.

For purposes of financial modeling, B&A has assumed that the Ferry Property will not achieve stabilization in terms of its mix of uses, users, operations and revenue generation until 2024, which would be year six under Town ownership, assuming the Town acquires the property by the end of 2018 (making 2019 year 1).

Site Concepts Summary

- The Ferry Property is unique and irreplaceable in the sense that financial, regulatory and other potential challenges make this an extremely difficult site to replicate anywhere else in the greater Bar Harbor area
- A nearly infinite number of potential development scenarios could be envisioned for the Ferry Property
- Based on the recommendations of the Advisory Committee B&A worked in close collaboration with the project team to identify and develop three overarching site alternatives and a total of six concepts that directly address and seek to achieve the stated goals of the Advisory Committee; these are presented in Table 7 below

Table 7: Marina Slip & Parking Space Summary by Concept

Source: B&A

Amenity	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Marina Slips						
Seasonal local user	8	32	8	28	8	21
Transient	4	16	4	14	4	11
TOTAL	12	48	12	42	12	32
Parking Spaces						
Marine use	31	43	31	41	141	147
Municipal/public	219	207	219	209	109	103
Municipal/public flex	50	50	50	50	50	50
TOTAL (municipal/public)	269	257	269	259	159	153

- Each alternative explored for the Ferry Property loosely expresses a different programmatic theme based on its comparative mix of marine and non-marine uses
- B&A is not recommending one alternative or concept over another, so each should be evaluated independently on its own merits by the Town and by the public based on the information presented here and in the Financial Analysis section that follows
- Since uses of the property can and likely will change over time, it is important to assume and anticipate a certain degree of flexibility related to future activity at the site
- Project phasing, while not elaborated for purposes of this business plan, is an important consideration when evaluating how best to utilize the site in order to minimize costs and preserve flexibility to accommodate changing market conditions and public needs over time

5. FINANCIAL ANALYSIS

Overview

As stated in the introduction, the primary purpose of this business plan is to allow the Town to make financially responsible decisions with regard to the acquisition, development and future use and operation of the Ferry Property. In order to achieve this purpose, it is necessary to understand current and, to the extent possible, anticipate future revenues and expenses associated with each potential use of the site. Each of the conceptual site plans discussed in the previous section was developed based on a different combination of desired potential uses as outlined by the Advisory Committee. What follows is a financial assessment of each of these concepts broken down into the following components:

- Total Revenue
- Total Expenses
- Net Operating Income (Total Revenue – Total Expenses)
- Investment (Cash)
- Debt Service (Bonded Capital)
- Net Cash Flow (Net Operating Income – Investment)
- Net Income (Net Cash Flow – Debt Service)

Each of these components has been compiled separately for each concept presented in this business plan in order to develop a stand-alone profit and loss (P&L) forecast for each concept. For all concepts, both an annual “snapshot” P&L forecast and a cumulative 20-year P&L forecast are presented. The year 2024 is used as the annual “snapshot” P&L forecast year for each concept since that is the first year in which B&A estimates the Ferry Property will be stable from a mix of uses/users and P&L perspective. The 20-year study period is 2019-2038. For Concepts B2, B3, C1 and C2, since cruise tendering is included among the mix of uses, and since it is currently unknown precisely what level of cruise activity will ultimately occur at the Ferry Property, three separate cruise activity scenarios have been modeled to establish low, medium and high parameters. As stated in the previous section, these scenarios are based on levels of cruise activity at the Ferry Property consistent with the percentage of 2019 cruise activity attributable to each of Bar Harbor’s three largest cruise companies (Carnival, RCCL and NCLH) respectively.

- 20% of 2019 activity (NCLH) = 28 calls; ~52,000 PAX per year
- 34% of 2019 activity (RCCL) = 29 calls; ~89,000 PAX per year
- 40% of 2019 activity (Carnival) = 60 calls; ~105,000 PAX per year

In total, 14 different P&L forecasts have been developed for the Ferry Property for the period 2019-2038.

Assumptions

Numerous volume (demand) operational, revenue and expense assumptions have been made in order to develop the 14 P&L forecasts presented below. Key volume and operational assumptions for each concept have already been explained in the previous sections of this business plan (Market Assessment, Site Concepts). Key revenue and expense assumptions are as follows:

Revenue Assumptions

In general, the following assumptions apply to revenue items in the P&L forecast for each concept:

- 2020 is the baseline year for fee setting and also the first year in which revenue accrues to the Ferry Property (except for international ferry revenue, which accrues beginning in 2019)
- Annual escalation of fees is 2.0% for all years
- Pay-for parking is implemented in the Town center and \$100,000 in parking revenue is transferred to the Ferry Property each year for 18 consecutive years, beginning in 2021

- Pay-for parking is implemented at the Ferry Property beginning in 2024
- A \$3 million up-front capital contribution is made by BFL in 2019 (Concepts C1 and C2 only)
- \$58,025 of material can be salvaged from the site (included as revenue item in all P&L forecasts)
- All other 2020 operating revenue is calculated using rates as presented in Table 8 below

Table 8: 2020 Baseline Revenue Assumptions		
Source: B&A		
Tariffs	2020	Notes
Existing Bar Harbor Marine Fees (Cruise)		
Port Fee	\$4.55	escalated 2.0% per year from 2018
Dockage A (Town Pier Only)	\$1,040.40	per call (n/a to Ferry Property)
Dockage B (Town Pier Only)	\$2.08	per passenger (n/a to Ferry Property)
OPL Wharfage	\$4.68	assumed OPL wharfage in 2020 (benchmark only)
Potential New Fees at Ferry Property		
Cruise Tenders		
Town Wharfage (Exclusive Use, Ferry Property Only)	\$7.00	per PAX (applicable only to cruise passengers of vessels tendering to the Ferry Property, assumes preferential assignment by agreement)
Town Wharfage (Non-Exclusive Use, Ferry Property Only)	\$4.50	per PAX (applicable only to cruise passengers of vessels tendering to Ferry Property, assumes random assignment by Harbor Master)
Infrastructure Fee	\$2.00	per PAX (applicable to 100% of cruise passengers)
International Ferry		
Dock Rent (12 months)	\$5,750.00	per month
Ferry Passenger Wharfage	\$2.00	per passenger on/off
Ferry Passenger Vehicle Wharfage	\$3.00	per passenger on/off
Ferry Bus Wharfage	\$20.00	per bus on/off
Local Ferry		
Dock Rent (6 Months Only)	\$2,040.00	per month
Recreational/Commercial Marina		
Transient Slip Rent	\$2.55	per slip foot per 24 hours
Seasonal Slip Rent	\$107.10	per slip foot per season
Water/Sewer	\$ -	cost recovery assumed
Power (Electricity)	\$ -	cost recovery assumed
Marine Fueling	\$625.00	per slip per year (average)
Other		
Parking	\$1.00	per hour (beginning in 2024)
Parking	\$8.00	per day (beginning in 2024)
Commercial Rent (Seasonal Kiosks/Vendors)	\$2.04	per sq ft per month
Motorcoach Access/Tour Operator Licenses	\$1,020.00	per year per operator
Rental Rate (Per Use) for Events	\$500.00	per event day

Expense Assumptions

The following assumptions apply to expense items in all 14 P&L forecasts presented

Table 9: Cost Factors	
Source: B&A	
Benefits and Overhead on Labor	40.00%
Mark-up on Subs	20.00%
Annual Tariff Increases	2.00%
Annual Cost Escalation	2.00%
Term (Years)	20
Financing Cost	3.50%

The following 2020 baseline expense assumptions apply to individual P&L forecasts as noted on an annual basis:

- **Alternative A (2020 Baseline)**
 - Personnel
 - 1 FT Property Manager at ~\$75,000 per year + 40% benefits and overhead
 - ½ FT Parking Manager at ~\$35,000 per year + 40% benefits and overhead
 - A1 = 1 PT Dock Hand at \$15,000 per year + 40% benefits and overhead
 - A2 = 2 PT Dock Hands at \$15,000 per year + 40% benefits and overhead
 - Non-personnel
 - Administrative and FFE = equipment, supplies, signage, insurance, telecommunications, and training (includes parking equipment beginning 2024)
 - Security = ~\$4,500 (3 contract staff + equipment and supplies)
 - Maintenance = ~\$85,000 (5 contract staff + equipment and supplies)
 - Parking shuttles = ~\$477,000
 - Utilities = ~\$24,000
 - Water & Sewer = ~\$15,000
 - Electricity = ~\$9,000

- **Alternative B (2020 Baseline)**
 - Personnel
 - 1 FT Property Manager at ~\$75,000 per year + 40% benefits and overhead
 - ½ FT Parking Manager at ~\$35,000 per year + 40% benefits and overhead
 - B2 = 1 PT Dock Hand at \$15,000 per year + 40% benefits and overhead
 - B3 = 2 PT Dock Hands at \$15,000 per year + 40% benefits and overhead
 - Non-personnel
 - Administrative and FFE = equipment, supplies, signage, insurance, telecommunications, and training (includes parking equipment beginning 2024)
 - Security = ~\$4,500 (3 contract staff + equipment and supplies)
 - Maintenance = ~\$85,000 (5 contract staff + equipment and supplies)
 - Parking shuttles = ~\$477,000
 - Utilities = ~\$24,000
 - Water & Sewer = ~\$15,000
 - Electricity = ~\$9,000

- **Alternative C (2020 Baseline)**
 - Personnel
 - 1 FT Property Manager at ~\$75,000 per year + 40% benefits and overhead
 - ½ FT Parking Manager at ~\$35,000 per year + 40% benefits and overhead
 - C1 = 1 PT Dock Hand at \$15,000 per year + 40% benefits and overhead
 - C2 = 2 PT Dock Hands at \$15,000 per year + 40% benefits and overhead

- Non-personnel
 - Administrative and FFE = equipment, supplies, signage, insurance, telecommunications, and training (includes parking equipment beginning 2024)
 - Security = ~\$4,500 (3 contract staff + equipment and supplies)
 - Maintenance = ~\$85,000 (5 contract staff + equipment and supplies)
- Parking shuttles = ~\$477,000
- Utilities = ~\$35,000
 - Water & Sewer = ~\$26,000
 - Electricity = ~\$9,000

In terms of capital expenses, B&A worked with Brewer, ME based CES, Inc. to develop a comprehensive set of estimates for the following capital expenses, the details of which are included in Annexes C, D and E:

- Site demolition (Marine + Upland)
- Site development (individual estimates provided for all concepts)
- Ongoing (20-year) operating and maintenance expenses (O&M)

Last but not least, a key capital assumption of this business plan is that Federal Transit Administration (“FTA”) grant funds will be available in two separate rounds to cover 85% of the estimated \$4.2 million cost of acquiring six shuttle buses to operate the envisioned transit service between the Ferry Property and the Town center, resulting in acquisition costs to the Town of just \$630,000 (15%) over 20 years.

P&L Forecasts

What follows is a summary of the individual annual (2024) “snapshot” P&L forecasts developed for the Ferry Property for this business plan. These annual “snapshots” for each concept are compared to the Advisory Committee’s original estimates as a point of reference in order to highlight differences. 20-year capital expenses are also summarized for each alternative and compared against the Advisory Committee’s original estimate. At the end of this section, cumulative 20-year P&L forecasts for each concept are presented and compared assuming: a) \$1.8 million in parking revenue transferred from the proposed Town center parking management system over 18 years (\$100,000 per year for 18 years, beginning in 2021); and b) \$5.6 million in parking revenue transferred from the same source over 18 years (\$300,000 per year for 18 years, beginning in 2021).

Alternative A

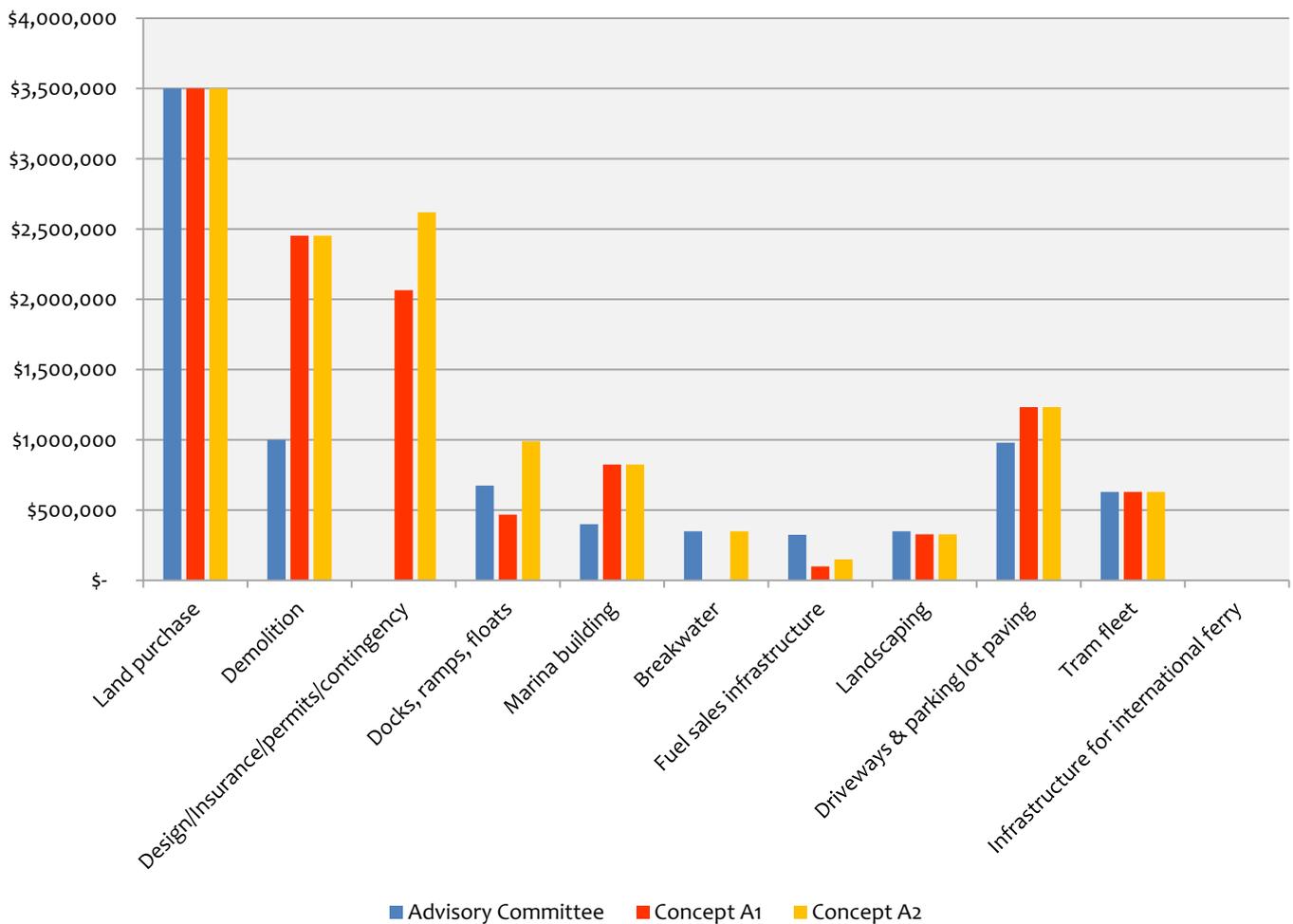
Table 10: Concept A1 and A2 2024 Annual P&L Snapshot

Source: B&A

	Advisory Committee	Concept A1		Concept A2	
		2024	Δ	2024	Δ
Total Revenue	\$1,150,500	\$1,006,648	(\$143,852)	\$1,280,536	\$130,036
Total Expenses	\$734,200	\$974,125	\$239,925	\$997,684	\$263,484
Net Operating Income	\$416,300	\$32,523	(\$383,777)	\$282,852	(\$133,448)
Investment (cash)	\$ -	\$47,741	\$47,741	\$64,453	\$64,453
Debt Service	\$571,376	\$809,901	\$238,525	\$912,573	\$341,197
Net Cash Flow	\$416,300	(\$15,218)	(\$431,518)	\$218,399	(\$197,901)
Net Income (EBITDA) after Debt Service	(\$155,076)	(\$825,119)	(\$670,043)	(\$694,174)	(\$539,098)

Figure 22: Alternative A Capital Expenses vs. Advisory Committee Estimate

Source: B&A



Alternative B

Table 11: Concept B2 2024 Annual P&L Snapshot

Source: B&A

	Advisory Committee	Concept B2 (20%)		Concept B2 (34%)		Concept B2 (40%)	
		2024	Δ	2024	Δ	2024	Δ
Total Revenue	\$1,150,500	\$1,416,515	\$266,015	\$1,698,586	\$548,086	\$1,821,052	\$670,552
Total Expenses	\$734,200	\$974,125	\$239,925	\$974,125	\$239,925	\$974,125	\$239,925
Net Operating Income	\$416,300	\$442,390	\$26,090	\$724,461	\$308,161	\$846,926	\$430,626
Investment (cash)	\$ -	\$54,116	\$54,116	\$54,116	\$54,116	\$54,116	\$54,116
Debt Service	\$571,376	\$837,295	\$265,919	\$837,295	\$265,919	\$837,295	\$265,919
Net Cash Flow	\$416,300	\$388,274	(\$28,026)	\$670,345	\$254,045	\$792,810	\$376,510
Net Income (EBITDA) after Debt Service	(\$155,076)	(\$449,022)	(\$293,946)	(\$166,950)	(\$11,874)	(\$44,485)	\$110,591

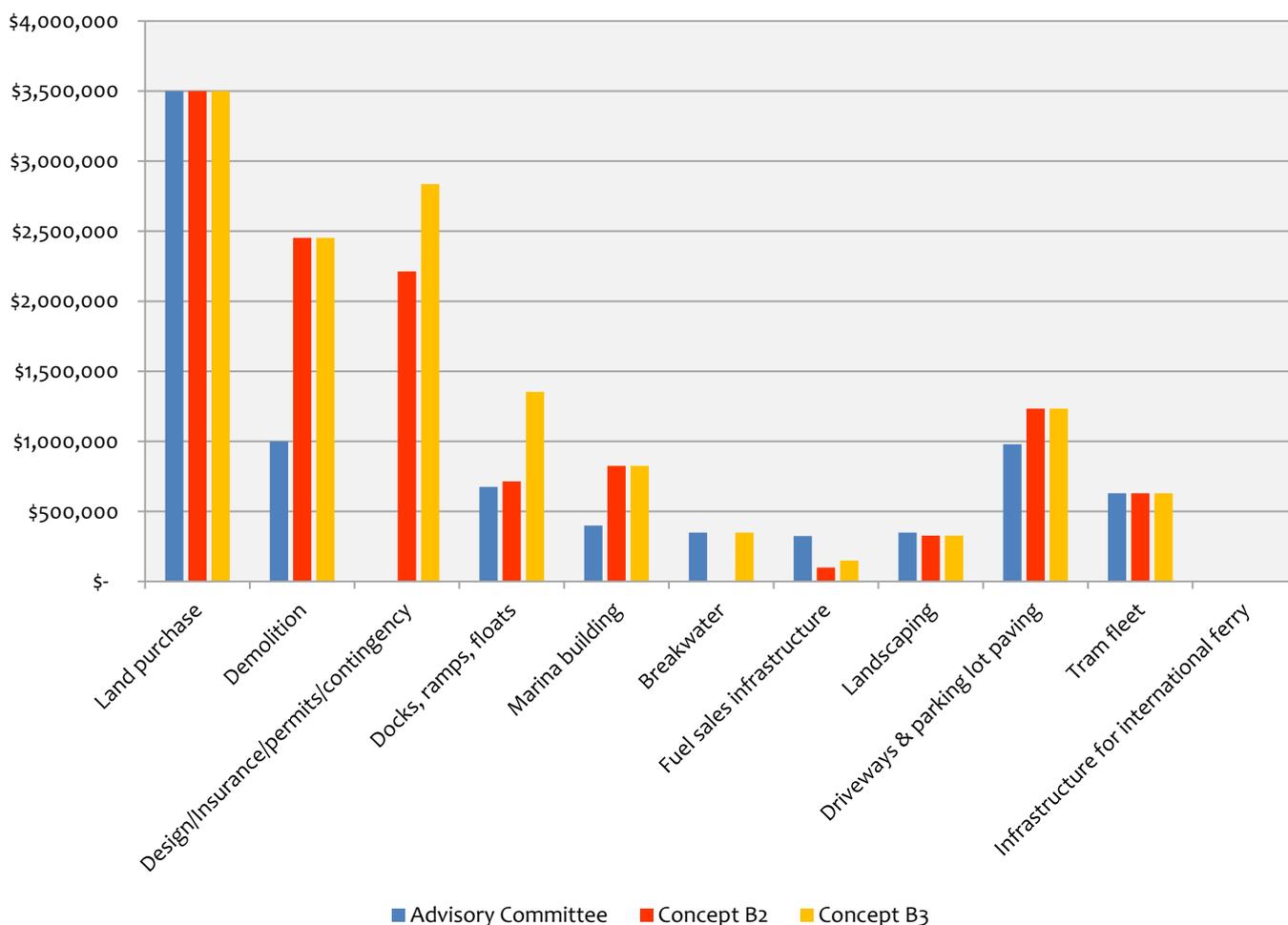
Table 12: Concept B3 2024 Annual P&L Snapshot

Source: B&A

	Advisory Committee	Concept B3 (20%)		Concept B3 (34%)		Concept B3 (40%)	
		2024	Δ	2024	Δ	2024	Δ
Total Revenue	\$1,150,500	\$1,645,385	\$494,885	\$1,927,456	\$776,956	\$2,049,921	\$899,421
Total Expenses	\$734,200	\$997,684	\$263,484	\$997,684	\$263,484	\$997,684	\$263,484
Net Operating Income	\$416,300	\$647,701	\$231,401	\$929,772	\$513,472	\$1,052,237	\$635,937
Investment (cash)	\$ -	\$72,767	\$72,767	\$72,767	\$72,767	\$72,767	\$72,767
Debt Service	\$571,376	\$952,996	\$381,620	\$952,996	\$381,620	\$952,996	\$381,620
Net Cash Flow	\$416,300	\$574,934	\$158,634	\$857,006	\$440,706	\$979,471	\$563,171
Net Income (EBITDA) after Debt Service	(\$155,076)	(\$378,062)	(\$222,986)	(\$95,990)	\$59,086	\$26,475	\$181,551

Figure 23: Alternative B Capital Expenses vs. Advisory Committee Estimate

Source: B&A



Alternative C

Table 13: Concept C1 2024 Annual P&L Snapshot

Source: B&A

	Advisory Committee	Concept C1 (20%)		Concept C1 (34%)		Concept C1 (40%)	
		2024	Δ	2024	Δ	2024	Δ
Total Revenue	\$1,150,500	\$1,632,703	\$482,203	\$1,914,775	\$764,275	\$2,037,240	\$886,740
Total Expenses	\$734,200	\$985,654	\$251,454	\$985,654	\$251,454	\$985,654	\$251,454
Net Operating Income	\$416,300	\$647,050	\$230,750	\$929,121	\$512,821	\$1,051,586	\$635,286
Investment (cash)	\$ -	\$92,846	\$92,846	\$92,846	\$92,846	\$92,846	\$92,846
Debt Service	\$571,376	\$881,663	\$310,287	\$881,663	\$310,287	\$881,663	\$310,287
Net Cash Flow	\$416,300	\$554,204	\$137,904	\$836,276	\$419,976	\$958,741	\$542,441
Net Income (EBITDA) after Debt Service	(\$155,076)	(\$327,459)	(\$172,383)	(\$45,387)	\$109,689	\$77,078	\$232,154

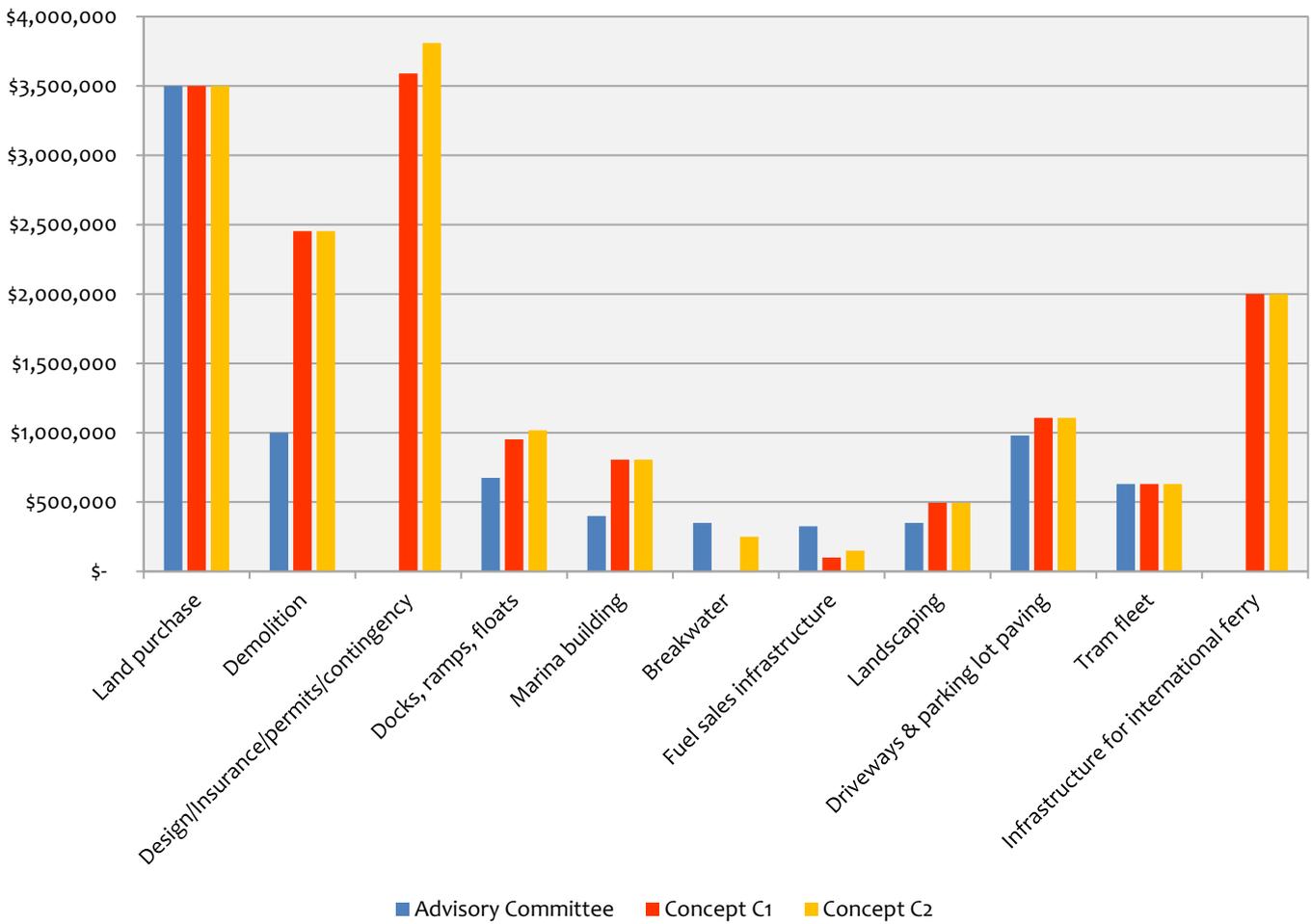
Table 14: Concept C2 2024 Annual P&L Snapshot

Source: B&A

	Advisory Committee	Concept C2 (20%)		Concept C2 (34%)		Concept C2 (40%)	
		2024	Δ	2024	Δ	2024	Δ
Total Revenue	\$1,150,500	\$1,793,588	\$643,088	\$2,075,659	\$925,159	\$2,198,125	\$1,047,625
Total Expenses	\$734,200	\$1,009,213	\$275,013	\$1,009,213	\$275,013	\$1,009,213	\$275,013
Net Operating Income	\$416,300	\$784,375	\$368,075	\$1,066,447	\$650,147	\$1,188,912	\$772,612
Investment (cash)	\$ -	\$104,135	\$104,135	\$104,135	\$104,135	\$104,135	\$104,135
Debt Service	\$571,376	\$922,286	\$350,910	\$922,286	\$350,910	\$922,286	\$350,910
Net Cash Flow	\$416,300	\$680,240	\$263,940	\$962,311	\$546,011	\$1,084,776	\$668,476
Net Income (EBITDA) after Debt Service	(\$155,076)	(\$242,046)	(\$86,970)	\$40,025	\$195,101	\$162,491	\$317,567

Figure 24: Alternative C Capital Expenses vs. Advisory Committee Estimate

Source: B&A



All Alternatives (A, B & C)

Table 15: Cumulative 20-Year P&L Forecast Summaries – All Concepts – \$1.8 million Parking Transfer

Source: B&A

Alternative A	A1	A2
Revenue Range	\$20.4 M	\$26.2 M
Expenses Range (including Capital)	\$37.9 M	\$40.8 M
Δ	\$(17.5 M)	\$(13.6 M)
Alternative B	B2	B3
Revenue Range	\$29.0 M - \$37.6 M	\$33.9 M - \$42.4 M
Expenses Range (including Capital)	\$38.6 M	\$41.8 M
Δ	\$(9.6 M) - \$(1.1 M)	\$(8.0 M) - \$567,435
Alternative C	C1	C2
Revenue Range	\$34.0 M - \$42.5 M	\$37.4 M - \$46.0 M
Expenses Range (including Capital)	\$40.6 M	\$42.1 M
Δ	\$(6.6 M) - \$2.0 M	\$(4.7 M) - \$3.8 M

Note: Summaries involve rounding

Table 16: Cumulative 20-Year P&L Forecast Summaries – All Concepts – \$5.6 million Parking Transfer

Source: B&A

Alternative A	A1	A2
Revenue Range	\$24.0 M	\$29.8 M
Expenses Range (including Capital)	\$37.9 M	\$40.8 M
Δ	\$(13.9M)	\$(11.0 M)
Alternative B	B2	B3
Revenue Range	\$32.6 M - \$41.2 M	\$37.5 M - \$46.0 M
Expenses Range (including Capital)	\$38.6 M	\$41.8 M
Δ	\$(6.0 M) - \$2.5 M	\$(4.4 M) - \$4.2 M
Alternative C	C1	C2
Revenue Range	\$37.6 M - \$46.1 M	\$41.0 M - \$49.6 M
Expenses Range (including Capital)	\$40.6 M	\$42.1 M
Δ	\$(3.0 M) - \$5.6 M	\$(1.1 M) - \$7.4 M

Note: Summaries involve rounding

6. STRATEGIES

Funding Strategies

B&A has identified the following funding opportunities that the Town of Bar Harbor can potentially pursue as a means of closing the gaps between revenue required to achieve the Town's goals for the Ferry Property and potential revenue generated by the property as identified above in the Financial Analysis section of this business plan. Many of these opportunities are extremely competitive in nature and have specific project requirements and selection criteria that may or may not preclude the Ferry Property from being eligible, depending on what the ultimate Ferry Property development looks like and which mix of uses moves forward to execution.

At this stage in the process the goal is to identify potential additional funding sources so that a more thorough review of the exact requirements, criteria and application processes involved can be conducted prior to any detailed planning and design work occurring at the site. Such advance planning is critical in order to make sure that the Ferry Property is developed following a process and incorporating key requirements that allow it to qualify for those funding programs that end up being most directly relevant and for which the site is likely to be most competitive.

State Funds

The Maine Department of Transportation ("MaineDOT") manages and/or administers a number of grant programs, many of which are funded by the Federal government, with potential relevance to the Ferry Property. These include but are not necessarily limited to the following:

- Shore & Harbor Planning Grants
- Coastal Community Grants
- Municipal Partnership Initiative
- Small Harbor Improvement Program
- Pumpout Grant Program

The following section elaborates on each of these programs.

Shore & Harbor Planning Grants

Shore & Harbor Planning (Technical Assistance) Grants promote sound waterfront planning and harbor management, balanced development of shore and harbor areas, advance planning for waterfront infrastructure improvements and access to the shore. Funds may be used for development of plans for waterfront, harbor and mooring areas, development of regulatory and non-regulatory approaches to waterfront conservation and improvement, development of planning studies for public and working access, development of plans and designs for harbor improvements, and development of management plans for municipal waterfront facilities. These grants are administered by the Maine Coastal Program, a division of the Maine Department of Marine Resources ("MDMR"). Funding from the Shore & Harbor Planning Grant program can be used for municipal/regional projects in Maine's Coastal Zone that fall under one of the following categories:

- Harbor Planning (especially to implement recommendations consistent with comprehensive plans), including:
 - Development of Harbor Management Plans;
 - Creation of Harbor Ordinances; and
 - Preparation of Mooring Plans, with attendant data bases and mapping support, data collection, mapping, data base development, and analysis activities needed to support harbor planning activities, harbor traffic control and safety planning
- Planning and Design Projects for Harbor Improvements
 - Integration of public access with waterfront development to preserve unique natural, cultural, and village assets that contribute to sustainable development and tourism infrastructure
 - Planning and design of facilities and improvements for public and working access

- Dredging studies (non-Federal, and for Federal match)
- Support for research and demonstration of new materials and techniques for ramps, piers and wharfs, floats, and moorings
- Development of plans or strategies to address the impact of coastal storms and flooding on waterfront infrastructure
- Planning and design of improvements to existing and aging infrastructure so that it may better serve the waterfront community into the future
- Municipal Facilities Management Plans
 - Management and business plans for operations of municipal fishing piers, marinas, and water access sites and facilities
 - Development of related rules and ordinances
 - Creation of model or standardized lease arrangements for municipal use
- Working Waterfront Planning and Improvement Projects
 - Project planning and development support for projects seeking funding from the Working Waterfront Access Protection Program
- Right of Way Rediscovery Projects
 - Research to help communities find and assert public rights-of-way to the shore
 - Funding provided under this category can be used for deed and legal research and property surveys.
- Harbor Dredging-related Research Projects
 - Research to help communities identify and quantify the socio-economic value of federally-designated, shallow-draft harbors maintained by the Army Corps of Engineers (ACOE)
 - Socio-economic research that documents these values can assist a coastal community in working with the ACOE and Maine's congressional delegation to secure federal funding for ACOE maintenance dredging of small, shallow-draft harbors

All of the following Maine communities received grants during the most recent round of awards (FY2016) under this program:

- City of Bath: Guilford Lot Cooperative Fishing Pier
- Town of Brunswick: Brunswick Public Mooring Field Opportunities
- City of Calais: Municipal Pier Expansion
- Town of Cranberry Isles: Islesford Town Dock Engineering and Design on Little Cranberry Island
- Town of Cumberland: Payson Pier Replacement Project
- Town of Frenchboro: Frenchboro Waterfront Management Plan
- Town of Ogunquit: Replacement of Existing Pedestrian Bridge
- City of Portland: East End Beach Non-Motorized Boating Facility
- Town of Sedgwick: Benjamin River Harbor Design and Engineering
- Town of Wells: Who Owns the Beach? An Access and Ownership Research Project

Coastal Community Grants

The Department of Agriculture Conservation and Forestry (“DACF”) periodically if not annually awards Coastal Community Grants to support the coastal economy by providing planning assistance for projects that will prevent flood damage to municipal infrastructure, restore fisheries habitat, protect natural-resource-based tourism and increase the climate resiliency of coastal downtowns. The grants are made possible by the Maine Coastal Program, Department of Marine Resources, which provides funding through Maine's federal coastal zone management award from the National Oceanographic and Atmospheric Administration (NOAA). Each project involves regional or local-level partnerships and each grantee must provide a minimum of 25% in matching funds or services.

Since 2012, this program has awarded nearly \$1.5 million in funds to support 62 projects throughout coastal Maine. The most recent round of awards included the following recipients:

- Town of Boothbay Harbor (\$12,400): West Harbor Pond Water Quality Restoration Project
- Town of Cape Elizabeth (\$20,500): Cape Elizabeth Culvert and Habitat Impact Assessment
- Town of Harpswell (\$20,000): Preparation for Coastal Flooding in Harpswell: A Plan for Basin Point Road and its Wetlands
- Southern Maine Regional Planning Commission (\$15,000): York River Watershed Analysis
- City of South Portland (\$54,805): Trout Brook Culvert Improvements Project
- Town of Machias (\$45,094): Machias Waterfront Resilience and Renewal

Municipal Partnership Initiative (“MPI”)

The MPI program was conceived and developed in early 2011. It is a creative method to develop, fund, and build projects of municipal interest on the state infrastructure system with DOT as a partner. The intended purpose of the MPI is to be a demand response program, which can rapidly react to Municipal requests, such as responding to changing local transportation needs on State and State-Aid highways, developing economic opportunities, and safety concerns on or adjacent to these highways.

The program is designed to promote partnerships between MaineDOT and municipalities, public utilities, private businesses and other entities by leveraging additional resources on a voluntary basis to match limited state resources. It will make improvements to State and State-Aid highways often utilizing more flexible project delivery methods when the nature of the highway and project allow. In order to be eligible for MPI grant funds, each project must meet the following criteria:

- *Professional Engineer Certified*
Unless waived by MaineDOT’s Chief Engineer, all projects must be designed by an engineer licensed in Maine and once constructed, the engineer of record must certify that the project was constructed in accordance with the plans and specifications
- *10-Year Useful Life*
Unless waived by MaineDOT’s Chief Engineer, the work must have a minimum 10-Year useful life
- *Deliverability*
Usually construction will be administered by the municipality; when this is the case the municipality must demonstrate to MaineDOT that they have the ability or can obtain the ability to administer the project. Construction must commence within twelve (12) months and construction must be certified complete in twenty four (24) months from the time a Cooperative Agreement is signed. If timelines are not met MaineDOT may reallocate funding to other eligible projects in other communities
- *Public Involvement*
The municipality is responsible to lead the public involvement process consistent with all laws, including Maine’s Sensible Transportation Policy Act. The value and extent of documented community support will be considered a project benefit
- *Betterment to the State Transportation System*
The work covered must be betterment to the state transportation system above and beyond the requirement of any law or permit condition. For instance, investments must be improvements above and beyond mitigation for a traffic movement permit or above and beyond the legal requirements of a highway opening permit
- *Multiple Party Agreements*
The municipality and all involved parties must be willing to enter into an agreement whereby the MPI grant amount is capped based on project estimates prior to construction. This agreement will also list future maintenance responsibilities

- *Right-of-Way Acquisition*

MPI grants will only reimburse for the right of way required for the transportation betterment. Most projects are expected to be within existing right of way, however, the municipality may be asked to secure any needed property rights in accordance with all applicable State and Federal Law

It is MaineDOT's stated intention that this program remain "simple, flexible, and fast moving" and that it responds "to municipal interests, leverage economic opportunities, and improve safety whenever possible while ensuring the public gets good value for their tax dollars".

In terms of process, when a municipality indicates interest in making an eligible improvement or adding to the scope of an existing MaineDOT Project, the request is forwarded to the DOT Regional Office for action. Shortly thereafter, the Region Engineer meets with the municipal official to scope out the project. The scoping, approval, agreement, and development processes will be as lean and simple as possible so that a Cooperative Agreement can be signed within two months if all goes well. These projects will not go through the normal planning process.

MaineDOT continuously accepts project applications and eligible projects are selected on a first come first serve basis based on the following selection criteria:

- *Safety*

The improvement will impact a direct safety need such as infrastructure improvements that address an area with a high crash history or potential for hazardous conditions

- *Economic Development & Job Creation*

Preference will be given to projects that allow for job growth and facilitate economic development

- *Degree of Betterment*

Projects that provide a greater infrastructure benefit than others such as reducing maintenance costs, ride quality, or increasing mobility will be given a higher priority

- *Percentage of Local Match*

The greater the percentage of non-state funding, the greater the likelihood the project will be selected

- *Record of Requests*

The proposed project is something that the municipality has requested MaineDOT to improve over a number of years but State transportation resources have not been sufficient to make the improvement

- *Customer Benefit*

Preference will be given to projects based on the amount and degree of benefit that travelers will realize from the benefit

- *Prior MPI Awards*

MaineDOT will seek to fund eligible projects in all interested municipalities prior to issuing multiple grants to the same one

Unless waived by the Commissioner, the state funding contribution for a project will be capped at \$500,000 and generally have a state share of 50% or less. State funding for the MPI is limited by available state funding, which is impacted by revenue projections, Legislative budget deliberations, bid prices, and the severity of winter weather. Usually MaineDOT budgets \$4-5 million per year for the MPI. Funding shares will be negotiated on a case by case basis, depending on the extent of regional or statewide benefits. Consideration will be given to the impact a project has on eliminating the need for current and future projects and maintenance needs. Municipalities may also propose shifting long-term maintenance responsibilities as part of their share.

Small Harbor Improvement Program (“SHIP”)

SHIP promotes economic development, public access, improved commercial fishing opportunities and works to preserve, and create, infrastructure at facilities in tidewater and coastal municipalities. The SHIP program assists municipalities in improving or creating facilities, such as public wharves, piers, landings and boat ramps. There is a required 50% local share under this program. The SHIP program can provide up to \$250,000 in assistance towards eligible projects. The goal of this program is to promote economic development, and improve public marine infrastructure and public access. MaineDOT urges communities to contact them early in the project planning process with project ideas/needs to begin the process for potential inclusion in upcoming budgets. MaineDOT will schedule site visits as needed once a letter of intent has been filed. Once a letter of intent project has been deemed eligible, the community will be able to submit an application.

Pumpout Grant Program

Since 1999, the Maine Department of Environmental Protection (“DEP”) has managed the Maine Pumpout Grant Program funded by the United States Fish and Wildlife Service with funding from the Clean Vessel Act Grant Program (“CVA”). Funds for the CVA Program are provided annually from the Sport Fish Restoration and Boating Trust Fund and are derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest on the fund. Maine applies for grant funding every year through a nationally competitive process.

Maine’s Pumpout Grant Program provides a 75% grant for the installation, operation and maintenance of boat holding tank pumpout equipment to marinas, boatyards, and municipalities, through a non-competitive program. Maine has developed a detailed plan to ensure that pumpouts are installed where they are needed. In addition, grant funding is used to produce educational materials for the boating public.

Since 1999, Maine has received over \$4 million in CVA funds and has passed over \$3.3 million directly to Maine towns and businesses, resulting in a 380% increase in the number of pumpouts available to boaters on the coast and lakes.

Federal Funds

The Federal government manages and/or administers a number of competitive and non-competitive grant programs that could be potential future sources of funding for the Ferry Property. Most of these funds are awarded in partnership with and administered by state agencies (i.e. MaineDOT) and all of them encourage, if not require, a local match. Relevant Federal grant programs include but are likely not limited to the following:

- Boating Infrastructure Grants
- Projects Along Designated Scenic Highways
- Bicycle and Pedestrian Program Funding

The following section elaborates on each of these programs.

Boating Infrastructure Grant (“BIG”) Program

The BIG program is managed by the U.S. Fish and Wildlife Service’s Wildlife & Sport Fish Restoration office (“WSFR”). Under this program, WSFR provides grant funds to the states, the District of Columbia and insular areas to construct, renovate, and maintain tie-up facilities with features for transient boaters in vessels 26 feet or more in length, and to produce and distribute information and educational materials about the program. MaineDOT sends out an announcement each year, typically in the Summer, related to BIG program funding opportunities. Both public and private facilities are eligible to receive funding under the BIG program.

The BIG program includes two funding tiers:

- Tier 1 (non-competitive)
- Tier 2 (nationally competitive)

Under Tier 1 the state of Maine may receive funding for eligible projects up to \$200,000 annually, though the actual amount awarded each year varies widely (2018 Tier 1 funding for Maine = \$36,992).

Tier 2 funds are made available through a nationally competitive process. Within the last two years, three Maine projects have received Tier 2 BIG grants. A private marina at 58 Fore Street in Portland, ME received a \$1.5 million Tier 2 BIG grant. The private funding match was \$5.3 million. This marina includes 13 acres of submerged land and will feature 220 slips, 42 of which will be for transient boats 26 feet or longer in order to comply with BIG program requirements. This project was one of 18 to earn a Tier 2 BIG grant, but received the largest grant awarded. Spring Point Marina, in South Portland, received over \$800,000 with a local match of nearly \$900,000 to construct 916 linear feet of berthing space dedicated specifically to eligible transient boaters and provide 15 new power pedestals providing shore power and potable water for up to thirty transient vessels. And, in Rockland, ME, Yachting Solutions received more than \$1 million (local match = \$737,941) to expand the Yachting Solutions Boat Basin, providing 2,200 linear feet of new dockage at the facility, which will be dedicated solely to eligible transient vessels. Also included are the installation of 100 amp and 480V 3-phase power, in-slip fueling, and the conversion of an existing upland gazebo structure into a well-appointed transient boater's lounge.

Tier 2 proposals received are reviewed, evaluated and ranked by a national panel with the final decision for funding made by the Director of the U.S. Fish and Wildlife Service. The ranking criteria, eligibility requirements and program regulations are listed in 50 CFR 86 and are summarized as follows:

Table 17: BIG Program Grant Application – Ranking Criteria <i>Source: ecf.gov</i>	
Criterion	Points
(a) Need, Access, and Cost Efficiency	20 total possible points
(1) Will the proposed boating infrastructure meet a need for more or improved facilities?	0-10
(2) Will eligible users receive benefits from the proposed boating infrastructure that justify the cost of the project?	0-7
(3) Will the proposed boating infrastructure accommodate boater access to significant destinations and services that support transient boater travel?	0-3
(b) Match and Partnerships	10 total possible points
(1) Will the proposed project include private, local, or State funds greater than the required minimum match?	0-7
(2) Will the proposed project include contributions by private or public partners that contribute to the project objectives?	0-3
(c) Innovation	6 total possible points
(1) Will the proposed project include physical components, technology, or techniques that improve eligible-user access?	0-3

(2) Will the proposed project include innovative physical components, technology, or techniques that improve the BIG-funded project?	0-2
(3) Has the facility where the project is located demonstrated a commitment to environmental compliance, sustainability, and stewardship and has an agency or organization officially recognized the facility for its commitment?	0-1
Total Possible Points	36

BIG program eligible boating infrastructure may include the following:

- Boat slips, piers, mooring buoys, floating docks, dinghy docks, day docks, and other structures for boats to tie-up and gain access to the shore or services
- Fuel stations, restrooms, showers, utilities, and other amenities for transient-boater convenience
- Lighting, communications, buoys, beacons, signals, markers, signs, and other means to support safe boating and give information to aid boaters
- Breakwaters, sea walls, and other physical improvements to allow an area to offer a harbor of safe refuge (A harbor of safe refuge is an area that gives eligible vessels protection from storms. To be a harbor of safe refuge, the facility must offer a place to secure eligible vessels and offer access to provisions and communication for eligible users)
- Equipment and structures for collecting, disposing of, or recycling liquid or solid waste from eligible vessels or for eligible users

Operational and design features required to receive BIG program funds include:

- Be open to eligible users and operated and maintained for its intended purpose for its useful life
- Clearly designate eligible uses and inform the public of restrictions
- Offer security, safety, and service for eligible users and vessels
- Be accessible by eligible vessels on navigable waters
- Allow public access as described at §86.92
- Have docking or mooring sites with water access at least 6 feet deep at the lowest tide or fluctuation
- Have an operational pumpout station if:
 - Eligible vessels stay overnight; and
 - Available pumpout service is not located within 2 nautical miles; or
 - State or local laws require one on site

Note: Pumpout requirement waived if grant application demonstrates inability to install a pumpout

Match requirements include:

- Applicant or another non-Federal partner must pay at least 25 percent of eligible and allowable BIG-funded facility costs
- Match may be cash contributed during the funding period or in-kind contributions of personal property, structures, and services including volunteer labor, contributed during the period of performance
- Match must be:
 - Necessary and reasonable to achieve project objectives
 - An eligible activity or cost
 - From a non-Federal source, unless it is shown that a Federal statute authorizes the specific Federal source for use as match
 - Consistent with 2 CFR 200.29 and 200.306, and any other applicable sections of 2 CFR part 200. This includes any regulations or policies that replace or supplement 2 CFR part 200.
- Match must not include:
 - An interest in land or water

- The value of any structure completed before the beginning of the period of performance, unless the Service approves the activity as a pre-award cost
- Costs or in-kind contributions that have been or will be counted as satisfying the cost-sharing or match requirement of another Federal grant, a Federal cooperative agreement, or a Federal contract, unless authorized by Federal statute
- Any funds received from another Federal source, unless authorized by Federal statute

The state agency designated to participate in the BIG program – MaineDOT in the case of Maine – may partner with local governments, private marinas and others to fund eligible projects. Funds for the BIG program are provided annually from the Sport Fish Restoration and Boating Trust Fund. The amount provided is 4% of the funds (split between the BIG and CVA programs) in the Sport Fish Restoration and Boating Trust Fund after deducting amounts for WSFR administration, the Multistate Conservation Grant Program, the Sport Fishing and Boating Partnership Council and fisheries commissions. The funds deposited into the Sport Fish Restoration and Boating Trust Fund are derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest on the fund.

Projects along Designated Scenic Byways

The National Scenic Byways Program (“NSBP”) which is managed within the Federal Highway Administration of the U.S. Department of Transportation recognizes roads having outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities. NSBP funding supports projects that manage and protect the intrinsic qualities, interpret the qualities for visitors, and improve visitor facilities along designated byways. The NSBP provides funding to States and Indian tribes to implement projects on highways designated as National Scenic Byways; All-American Roads; America's Byways®; State scenic byways; or Indian tribe scenic byways; and to plan, design, and develop a State or Indian tribe scenic byway program.

Route 3, including Eden Street as it passes the Ferry Property, is designated as an All-American Road as shown in Figure 25.

Funded by contract authority, funds are not transferable. Funds are subject to the overall Federal-aid highway obligation limitation. Funds are to be allocated by the Secretary of Transportation to States and Indian tribes. The Federal share payable is 80%, except that, in the case of any scenic byway project along a public road that provides access to or within Federal or Indian land, a Federal land management agency may use funds authorized for use by the agency as the non-Federal share.

The following is a list of eligible project types:

- An activity related to the planning, design, or development of a State or Indian tribe scenic byway program
- Development and implementation of a corridor management plan to maintain the scenic, historical, recreational, cultural, natural, and archaeological characteristics of a byway corridor while providing for accommodation of increased tourism and development of related amenities
- Safety improvements to a State scenic byway, Indian tribe scenic byway, National Scenic Byway, All-American Road, or one of America's Byways to the extent that the improvements are necessary to accommodate increased traffic and changes in the types of vehicles using the highway as a result of the designation as a State scenic byway, Indian tribe scenic byway, National Scenic Byway, All-American Road, or one of America's Byways
- Construction along a scenic byway of a facility for pedestrians and bicyclists, rest area, turnout, highway shoulder improvement, overlook, or interpretive facility
- An improvement to a scenic byway that will enhance access to an area for the purpose of recreation, including water-related recreation
- Protection of scenic, historical, recreational, cultural, natural, and archaeological resources in an area adjacent to a scenic byway

- Development and provision of tourist information to the public, including interpretive information about a scenic byway
- Development and implementation of a scenic byway marketing program

Figure 25: Acadia All-American Road Designated Area

Source: exploremaine.org



The following project selection criteria are used to consider and evaluate projects for funding under from the NSBP:

- *Livability*
Priority is given to eligible projects that can demonstrate a value-added livability component in addition to its relationship to the byway and the byway traveler
- *Greatest Strategic Benefits*
Funding is targeted toward projects that provide the greatest long-term strategic benefits. NSBP focuses on projects with demonstrated benefits for the byway traveler and invites the application of large-scale, high-cost planning, safety, and infrastructure improvements to roadway facilities
- *State, Indian Tribe and Byway Priorities*
The priority ranking of projects by the host state is a key factor in selecting projects for funding
- *Project Benefits*
A project should benefit the byway traveler, whether it will help manage the intrinsic qualities that support the byway's designation, shape the byway's story, interpret the story for visitors, or improve visitor facilities along the byway
- *Projects Meeting Critical Needs*
NSBP encourages states and Indian tribes to give priority consideration to projects meeting critical needs on National Scenic Byways and All-American Roads relative to needs on State or Indian tribe scenic byways
- *Funding Expenditures*
States, Indian tribes, and byways showing greater progress toward the completion of prior approved projects are considered better candidates for project selection
- *Ready to Implement*
Projects that can be obligated and begin soon after authorization to proceed are given preference.
- *Leveraging of Private or Other Public Funding*
Commitment of other funding sources to complement requested byway funding to enable more projects to be funded

Bicycle and Pedestrian Program Funding

This program, administered by MaineDOT and funded by the Federal Highway Administration assists with funding sidewalks, pedestrian crossing improvements, off-road transportation-related trails, downtown transportation improvements, projects that address safety and/or ADA compliance concerns, etc. The goal of this program is to improve transportation and safety, encourage healthful activities, and promote economic development, while improving the livability and vitality of local communities.

MaineDOT annually allocates the Bicycle and Pedestrian Program about \$2.3 million in federal funds for this statewide program. Each project has a 20% local match requirement with a maximum Federal allocation of \$400,000 per project. MaineDOT is currently accepting applications for projects that can be designed with a construction date in 2020.

Funding opportunities are available to help expand transportation choices and enhance the transportation experience through eligible activities related to surface transportation. Projects must relate to surface transportation and must qualify under one or more of the eligible categories outlined under the FAST Act. The FAST Act is the primary source of funding for bicycle and pedestrian stand-alone projects in the United States and

in Maine. Successful projects must demonstrate that they will provide improved access or improve safety conditions.

Eligible projects are defined as follows by the Federal Highway Administration:

- Transportation Alternatives (as defined in section 101 [former 23 U.S.C. 101(a)(29)])
The term “transportation alternatives” means any of the following activities when carried out as part of any program or project authorized or funded under this title, or as an independent program or project related to surface transportation:
 - Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)
 - Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs
 - Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users
 - Construction of turnouts, overlooks, and viewing areas
 - Community improvement activities, which include but are not limited to
 - Inventory, control, or removal of outdoor advertising
 - Historic preservation and rehabilitation of historic transportation facilities
 - Vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control
 - Archaeological activities relating to impacts from implementation of a transportation project eligible under title 23
- Any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to:
 - Address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff, including activities described in sections 23 U.S.C. 133(b)(3) [as amended under the FAST Act], 328(a), and 329 of title 23
 - Reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats (Former 23 U.S.C. 213(b)(2)-(4))
- The recreational trails program under 23 U.S.C. 206 of title 23. See the Recreational Trails Program section
- The safe routes to school program eligible projects and activities listed at section 1404(f) of the SAFETEA-LU: ◦Infrastructure-related projects
- Planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways

The application process for funds under this program are as follows:

- *Complete Application*
To be considered for future funding, an eligible applicant must complete MaineDOT’s current Bicycle and Pedestrian Program Funding Application. The application must be completed in its entirety and include detailing and specific information. To maximize the likelihood of your project being selected for funding and to ensure that you have provided all of the required information, MaineDOT encourages communities to utilize the most current Application Scoring Form as a guide when completing the application
- *Secure Local Match*
Before a community can submit their application to MaineDOT for consideration, they MUST secure their non-federal matching funds (a minimum of 20% of the total project cost). Local guidelines and

requirements will determine the process a community will follow to secure the required non-federal match. Documentation indicating that the non-federal match has been secured must be provided as part of the community's application materials

- *Submit the Application and Supporting Materials*
MaineDOT's Bicycle and Pedestrian Program has an open and rolling application process. However, to be considered for the next annual funding period, completed applications must be submitted by no later than August 15. One electronic version must be completed and submitted via email followed by a printed version containing original signatures submitted by US Mail
- *Decision*
In September of each year, the MaineDOT Bicycle and Pedestrian Program reviews and scores all eligible and completed applications for projects that were received prior to August 15. These applications will have been signed and include all the required information including documentation that the non-federal match has been secured. Projects will be selected for funding based upon the application's overall points awarded with those applications with the highest scores having the highest priority. Projects in the prioritized list will be selected until the available funding has been exhausted
- *Announcement*
Projects selected for future funding will be announced in January of each year once MaineDOT releases its updated 3-Year Work Plan. Recipients will receive notification by US Mail that includes the assigned Project Manager and their contact information as well as additional pertinent information
- *Second Chance*
Applications that are not selected for funding may be selected at a future point in time. Communities whose applications are not selected for future funding will be notified by US Mail sometime in January once MaineDOT's Work Plan is released. The notification will include the completed scoring rubric so the community will know which sections of the application were stronger and which ones needed more information. These communities will have the opportunity to meet face-to-face with the MaineDOT Program Manager to discuss their application and the application's scoring results. Non-funded communities can then update and resubmit their application once they have provided additional information to address those sections of the application where points were not awarded. These applications will be considered during the next round of funding.

Formula Grants for Rural Areas (Transit)

The Formula Grants for Rural Areas program, administered by the Federal Transit Administration within the U.S. Department of Transportation, provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations of less than 50,000. The program also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program. Eligible recipients include states and federally recognized Indian Tribes. Sub-recipients can include state or local government authorities, nonprofit organizations, and operators of public transportation or intercity bus service. Eligible activities include planning, capital, operating, job access and reverse commute projects, and the acquisition of public transportation services. As with other Federal grant programs, there is a local match requirement for this program. The Federal share is 80% for capital projects, 50% for operating assistance, and 80% for Americans with Disabilities Act (ADA) non-fixed route paratransit service. Falling under 49 U.S.C. Section 5311, funds for this program are available to states during the fiscal year of apportionment plus two additional years (total of three years). Funds are apportioned to States based on a formula that includes land area, population, revenue vehicle miles, and low-income individuals in rural areas.

Other Funds

It was initially thought that private-sector funds in the form of a philanthropical donation might be among the potential sources of funds that could be used to support the development of the Ferry Property. As of the writing

of this business plan, to B&A’s knowledge, no formal offer has been made to the Town in this regard. As discussed in the Financial Analysis section above, the most likely sources of third-party funds to support the development of the Ferry Property apart from State and/or Federal grants are the cruise industry and BFL, assuming one or both of these entities are included as users in the final development program for the site.

Other Strategies

In order to achieve the long-term goals of the Ferry Property project as stated by the Advisory Committee in their November 14, 2017 report, the Town of Bar Harbor will need to develop strategic relationships with numerous entities both as a means to sustain revenue streams over time and as a means to ensure that the mix of uses at the Ferry Property site can continue to adapt over time as local, regional, national and international markets and demand cycles change and evolve.

As mentioned previously in the Site Concepts section of this business plan, it is vital that the Town preserve some degree of flexibility at the Ferry Property even as it seeks to fully utilize the site for both revenue and non-revenue producing purposes. It is also worth considering a phased approach to certain aspects of site development, such as the recreational/commercial marina, so that capital costs can be distributed over time and so that the site can be developed incrementally as market conditions dictate. Phasing the development of different uses within a framework of a flexible overall future vision will also help to position the Town to be more competitive for multiple rounds of external funding since different phases may emphasize different uses and therefore be eligible for different types and levels of funding (see above).

Last but not least, since at least two potential users of the Ferry Property (BFL, cruise industry) have expressed interest in contributing to the costs of developing the site under certain conditions, the Town must consider if, when and how to accommodate these users so as to leverage their potential investments to make the Ferry Property more competitive for grants and other third-party funds to support non-revenue producing uses. Example phases, timeframes and corresponding audiences that the Town will need to engage include but are not necessarily limited to those identified in Table 18 below.

Table 18: Strategic Relationships by Phase, Timeframe & Audience

Source: B&A

Phase	Timeframe (Years)	Audience(s)
Site Development	<ul style="list-style-type: none"> Initial development 1-5 Full build out/stabilization 6-20 	<ul style="list-style-type: none"> State & Federal funding agencies (MaineDOT/USDOT, etc.) State & Federal elected officials Regulatory agencies Potential investors Local developer community
Activity Development	<ul style="list-style-type: none"> Initial operations 1-3 Potential expansion 4-5 Full utilization 6-20 	<ul style="list-style-type: none"> Potential tenants Potential operators Key partners (Harbor Master, etc.) Labor Public
Business Development	<ul style="list-style-type: none"> Continuous 1-20 	<ul style="list-style-type: none"> Cruise lines Ferry operator(s) Recreational/commercial marina users Public

7. CONCLUSION

As stated in the Introduction, the purpose of this business plan is to allow the Town to make financially responsible decisions with regard to the acquisition, development and future use and operation of the Ferry Property. The Ferry Property provides waterfront access and deep water berthing capability and is also a significant real estate asset, strategically located along the main highway leading to the Town center. Given these characteristics, the Ferry Property is unique and irreplaceable in the sense that financial, regulatory and other potential challenges make this an extremely difficult site to replicate anywhere else in the greater Bar Harbor area. Based on the recommendations of the Advisory Committee, the results of the different market analyses conducted for this business plan as presented above, and B&A's financial analysis of the site, it is clear that each different mix of uses envisioned for the Ferry Property results in a different potential conclusion as to what the best course of action is going forward. B&A was not retained to opine as to which mix of uses is most appropriate or a better fit for the Town. That said, Table 19 below provides a qualitative assessment of the relative merits of each concept evaluated in this business plan as a framework for thinking about which mix of uses best meets the different goals and satisfies the multiple stakeholders involved.

Table 19: Qualitative Evaluation of Concepts against Project Goals

Source: B&A

Goal	Concept A1	Concept A2	Concept B2	Concept B3	Concept C1	Concept C2
Improve residents' and visitors' enjoyment of Agamont Park on cruise ship days	Yellow	Yellow	Green	Green	Green	Green
Ease vehicular traffic and parking by buses, taxis, etc. on cruise ship days	Green	Green	Green	Green	Green	Green
Create public access to the water at the Ferry Property	Green	Green	Green	Green	Yellow	Yellow
Improve the cruise ship passenger experience	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Cause the least amount of harm environmentally	Evaluated later phase					
Make the project financially viable	Red	Red	Yellow	Yellow	Yellow	Green
Provide additional parking	Green	Green	Green	Green	Yellow	Yellow
Explore whether Bay Ferries can be compatible with these uses and potentially financially beneficial	Red	Red	Red	Red	Yellow	Yellow
Consolidate cruise ship buses, taxis, etc. at the Ferry Property as part of implementation of the multi-use marine and transportation facility	Green	Green	Green	Green	Green	Green

From a purely financial perspective, those concepts which result in the most positive net income to the Town over 20 years are clearly preferred. However, B&A fully understands and appreciates that there are non-financial factors to consider and that the Advisory Committee's goals for the Ferry Property include numerous civic and community-focused aspects. It is also important to note that, while this business plan has thoroughly explored and modeled numerous potential opportunities and challenges associated with the Ferry Property during the period from 2019-2038, the property itself will exist in perpetuity, meaning the role it plays and potential benefits it brings to the Bar Harbor community beyond the next 20 years is a real consideration and a major factor in the Town's decision whether or not to acquire it.

In light of the intense and ongoing public debate surrounding this site, the comments B&A has received to date and the process which has led to this point, perhaps the only conclusion that matters is that the Ferry Property seems to be seen as a valuable asset by nearly all stakeholders involved, even if for very different reasons. What exactly to do with the site if purchased remains an open question to some extent. This business plan sheds light on the pros and cons of different potential paths forward, but ultimately it is the Town and people of Bar Harbor that must determine whether the long-term benefits outweigh the costs.

ANNEX A: GLOSSARY OF TERMS

Air Draft

The maximum height of a vessel above the waterline.

Apron

Area immediately adjacent to the vessel berth where lines, provisioning, gangway and other operations occur.

Available Passenger Cruise Days (“APCD”)

The formula cruise lines typically use to assess and compare cruise itineraries from a financial perspective.

Anchorage

Location where a vessel may anchor. In destinations where docks are not present to accommodate vessel operations, anchorages are used and passengers are shuttled to/from the cruise vessel to a landside location using a small boat (tender). Anchorages are generally only used in ports-of-call.

B2B

This is a marketing term meaning Business to Business.

B2C

This is a marketing term meaning Business to Consumer.

Beam

The width of the cruise vessel at its widest part.

Bed (Berth) Nights

A typical cruise industry form of capacity measurement representing the number of lower berths (a bed on a cruise vessel, with the aggregate total generally determining the vessel’s nominal passenger capacity) multiplied by nights of operation in a region.

Berth

- (1) A bed, generally attached to the deck and/or bulkhead onboard a vessel.
- (2) An anchorage or dock space for a vessel in port.

Bunkers

Marine fuel used for propulsion.

Cabotage Laws

Legislation and/or regulation relating to the ability of foreign-flagged vessels to transport goods and passengers between domestic ports. Cabotage Laws are often put into place to protect domestic cruise vessel industries.

Capacity (Lower Berth)

The number of beds of standard height on a cruise vessel. The number of lower berths determines the vessel’s nominal passenger capacity. *Maximum Passenger Capacity* refers to the total number of passengers that can be accommodated on the cruise vessel in lower berths and other flexible berths (also referred to as *upper berths*).

Concessionaire

For this report, the entity to which the concession to operate Port Gaženica’s cruise and international ferry services and perform associated responsibilities is granted. This term is used interchangeably with Terminal Operator throughout this report.

Conventional Cruises (“Cruises”)

Leisure-oriented voyages on deep-water, ocean-going cruise vessels of two or more nights often to a variety of destinations, or port-of-calls. Conventional cruises are offered either by regional or international operators marketing to a variety of consumer sectors and nationalities.

Cruise Brand

Term referring to individual cruise vessel operating companies (e.g. Royal Caribbean International, Celebrity Cruises, Azamara Club Cruises) to distinguish them from their corporate holding companies (e.g. Royal Caribbean Cruises Ltd). Cruise brand and cruise line are sometimes used interchangeably. However, for purposes of this report, cruise brand refers specifically to each individual company that operates a fleet of same-brand cruise vessels (e.g. Celebrity) while cruise line refers more generally to the corporate holding company (e.g. RCCL). See Cruise Line.

Cruise Line

For purposes of this report, cruise line is used to describe a corporate holding company with one or more cruise brand(s) operating under its corporate umbrella. Carnival Corporation and Plc (Carnival), for example, is a cruise line parent company that owns and operates 10 distinct global cruise brands, namely Carnival Cruise Line, Princess Cruises, Costa Crociere, AIDA Cruises, Holland America Line, P&O Cruises, P&O Cruises Australia, Cunard Line, Seabourn Cruise Line and Carnival Asia.

Cruises-to-Nowhere (Homeport Cruises without Destination)

Generally geared toward a local consumer market (within a one-hour drive) with the mainstay of the cruise experience being focused around on-board gaming, food and entertainment.

Deadweight Tonnage

Refers to the actual weight of cargo, fuel and stores required to bring the vessel down to her load-line marks.

Displacement Tonnage

The amount of water displaced by the vessel or the actual weight of the vessel. This measure is not often used to describe cruise vessels, but it is meaningful in describing military vessels and the structural capacity of port and terminal facilities. It is typically applied to a vessel in normal operating state (i.e. with fuel and stores on board).

Dockage

Fees levied by a port or destination for the right to dock a vessel.

Draft

The depth of water required by a vessel to float; the measurement in meters (or feet) of the extent to which the vessel projects below the surface of the water.

Emission Control Area (“ECA”)

Geographic boundaries established through treaties to provide for decreased NO_x and SO_x emissions in select zones such as North America and Europe.

Ferry

Term usually applied to a vessel transporting passengers and/or vehicles from point to point. The key difference between these operations and conventional cruises is that ferry operations have as their primary business focus offering transportation services, not a travel and leisure experience.

Gross Tonnage (“GT”)

A measure of a vessel’s enclosed volume. This term has emerged as the standard measure of communicating a vessel’s size. A mega-vessel generally refers to a vessel of 70,000 GT or larger.

Ground Transportation Area (“GTA”)

Zone in which vehicles, including buses, taxis and private cars are organized and accessed as part of cruise terminal/destination embarkation and disembarkation activities.

Homeport

A marine facility and destination city that serves as the base of operations from which the cruise begins and/or terminates.

Itinerary

Sailing routes and ports visited on a given cruise. Two itinerary types are generally observed. *Open-jaw (OJ) itineraries* refer to those deployments where the cruise begins at one homeport and ends at another. *Roundtrip (RT) or Closed-jaw itineraries*—the more common type observed—begin and end from the same homeport.

In Bond

Baggage that transits directly to and from the port and airport and has a customs approval allowing for a single inspection. It is secured baggage.

Interporting

The practice of allowing cruise passengers to embark and debark in multiple ports throughout an itinerary pattern. This is to some degree similar to a ferry on a longer routing.

Length Overall (LOA)

Total length of a cruise vessel in meters (or feet), including any incidental structure that may extend this dimension.

Liquefied Natural Gas (LNG)

Liquefied Natural Gas is a fuel that is seeing use in the marine industry. Ferry operators and small cruise vessels have built vessels with this fuel source. Carnival Corporation is in the process of designing four new builds with LNG fuel as their main source of propulsion.

Mixed-Use Facility

Refers to a facility or complex with more than one type of real estate or operational use. Mixed-use facilities generally: (1) are contiguous in nature; (2) are developed within a broader master plan constructed at one time or in phases; and (3) provide for a symbiotic relationship to occur among all uses such that the sum of the mixed-use facility from a real estate or operational perspective is greater than its parts. Mixed-use maritime facilities often include cruise, ferry, marina, commercial, residential, recreational and other upland transportation facilities.

Neo-Panamax

Vessels classified as Neo-Panamax are of the maximum dimensions that will fit through the newest set of locks in operation by the Panama Canal (427 m/1,401 ft long by 55 m/180 ft wide by 18.3 m/60 ft in depth).

New Passenger Port Gaženica (“Port Gaženica”)

Refers to the port area in Zadar governed by the Zadar Port Authority which is the subject matter of this Terminal Concession Tender.

Panamax

Vessels classified as Panamax are of the maximum dimensions that will fit through the original locks of the Panama Canal (304 m long by 33.5 m wide by 25.9 m deep). Thus a Panamax vessel will usually have dimension of close to 294 m/965 ft long by 32.3 m/106 ft wide by 12.04 m/39.5 ft in depth. See Beam.

Passenger Tax (Head Tax)

Port charge assessed against each passenger aboard a standard cruise vessel. Generally the principal income stream to ports and destinations for accommodating cruise activities.

Peak (or Peaking)

Period of greatest intensity of use or volume. Zadar’s peak days for cruise activity, for example, are Tuesday and Friday since those are the days that, on average, see the greatest number of cruise ship calls and/or passenger debarkations during the course of a given cruise season.

Penetration Rate

Percentage of the total population of a given region that takes a cruise in a given year. For example, in 2016, North America had a penetration rate for cruise of 2.3% (13.34 million cruisers/579 million total population).

Port Authority (“PA”)

Governmental or quasi-governmental public authority for a special-purpose district usually formed by a legislative body (or bodies) to oversee and/or operate ports and other maritime, aviation, road and/or rail transportation infrastructure.

Port-of-call (“POC”)

One of several destinations visited as part of a cruise itinerary. The focus of the port-of-call is on tourism activities adjacent to the cruise arrival area and the transportation of passengers to regional points of interest.

Post-Panamax

Size standard that exceeds the largest vessel dimension capable of transiting the original Panama Canal locks (304 m long by 33.5 m wide by 25.9 m in depth). Generally based on the beam and LOA of the vessel. See Beam.

Private Island

Island destinations primarily located in the Caribbean and Central America that are owned and/or developed for exclusive or semi-exclusive use by a single cruise company (cruise line) and its proprietary brands.

Revenue Passenger

This generally refers to homeport passengers or in some very limited cases port-of-call passengers (e.g. Vancouver, where all passengers are charged on/off the vessel), whereby passenger counts reflect the Port’s passenger wharfage or tariff rate charging policy. For homeport calls the actual number of passengers is doubled to show that the cruise operator is charged by the port for the passenger embarking debarking the vessel at a set fee.

Ro-Ro

Maritime term for roll-on/roll-off cargo such as passenger vehicles, semi-trailer trucks, trailers, buses, railcars, tanks, etc. that are driven on and off the ship under their own power or using a platform vehicle, such as a truck and trailer or self-propelled modular transporter.

Seaway Max

Refers to vessels which are the maximum size that can fit through the canal locks of the St. Lawrence Seaway, linking the inland Great Lakes of North America with the Atlantic Ocean.

Super-Post Panamax

Generally refers to the largest cruise vessels in existence today. This is also a general term for the largest cargo vessels in existence today. These vessels are defined not only by their dimensions, but also their carrying capacity of more than 3,000+ passengers and GT approaching and exceeding 150,000.

Terminal

Building where cruise passengers embark and/or disembark in a homeport destination.

Terminal Operator (“TO”)

Entity with primary responsibility for managing marine terminal and related operations on a daily basis, usually under contract to a public port authority or other public or quasi-public ownership interest. This term is used interchangeably with Concessionaire throughout this report.

Transit Passenger

By literal definition, the status of cruise passengers at a port-of-call.

Use Ratio (Utilization Percentage)

The ratio of days that a berth is actually occupied to available berth days (total calls/total available berth days). For example, in a year-round market, a single berth is theoretically available for a total of 365 days. If that berth receives 52 calls (one vessel sailing weekly roundtrip itineraries year-round) then its use ratio is .142, or 14.2% (52/365).

ANNEX B: PROJECT ELEMENTS

The table below presents elements for development at the Ferry Property as identified by the Bar Harbor Community Advisory Committee.

Marina/Dock/Tendering Facility/Ramp			
	Waterside		
		Infrastructure	<ul style="list-style-type: none"> • ADA accessible pier w/ gangways to: <ul style="list-style-type: none"> ○ Tendering docks (minimum 2 floats; maximum 3) ○ Recreational docking space ○ Commercial dock space (ferry/tour boats/water taxis & commercial fishing) • Breakwater • All-tides launching ramp • Beach access for launching hand carry boats • Moorings • Lighting • Winch
		Amenities	<ul style="list-style-type: none"> • Fuel • Water • Electricity • Wi-Fi • Security Cameras
	Shoreside		
		Infrastructure	<ul style="list-style-type: none"> • Existing building rebuilt to house a dock manager's office • Existing building rebuilt to house showers, bathrooms, lounge w/ Wi-Fi, and boat storage for kayaks, paddle boards, and sculls • Office space for Customs, Homeland Security & Harbor Master • Fuel tanks/pumps • Water for docks • Electrical substation for docks
		Amenities	<ul style="list-style-type: none"> • Paths, benches, beautiful landscaping • Bathrooms, showers, W-Fi lounge • Parking near this location for resident permit holders who use the facilities at these buildings and the boat ramp
Transportation Hub			
	Shoreside		
		Infrastructure	<ul style="list-style-type: none"> • Low-floor transit buses • Covered waiting areas • Signage • Traffic flow patterns • Bus staging/parking

			<ul style="list-style-type: none"> • Lighting
		Amenities	<ul style="list-style-type: none"> • Access to information & education center • Bathrooms
Information/Education Center			
	Shoreside		
		Infrastructure	<ul style="list-style-type: none"> • Building • Electricity • Water • Internet
		Amenities	<ul style="list-style-type: none"> • Bathrooms • Information • Educational experience
Parking Facility			
	Shoreside		
		Infrastructure	<ul style="list-style-type: none"> • Parking lot • Parking garage • Payment system • Lighting
		Amenities	<ul style="list-style-type: none"> • Parking • Tram connections • Green space

Maintaining Class A port-of entry status, which requires the maintenance of a physical plant that has been approved by CBP (as is the case at the existing Ferry Terminal) was identified as an additional key requirement by the Advisory Committee. However, subsequent conversations with CBP indicate that in the absence of a full-service cruise pier (i.e. if all cruise passengers continue to tender) or international ferry service, such a facility would not be utilized. Because of this, maintaining Class A port-of-entry status is only a requirement for Concept C as presented in this business plan.

ANNEX C: 20-YEAR P&L SUMMARY BY CONCEPT

Amenity	Concept A1	Concept A2	Concept B2 (20%)	Concept B2 (34%)	Concept B2 (40%)	Concept B3 (20%)	Concept B3 (34%)	Concept B3 (40%)	Concept C1 (20%)	Concept C1 (34%)	Concept C1 (40%)	Concept C2 (20%)	Concept C2 (34%)	Concept C2 (40%)
Marina slips														
Seasonal local user	8	32	8	8	8	28	28	28	8	8	8	21	21	21
Transient	4	16	4	4	4	14	14	14	4	4	4	11	11	11
TOTAL	12	48	12	12	12	42	42	42	12	12	12	32	32	32
Parking spaces														
Marine use	31	43	31	31	31	41	41	41	141	141	141	147	147	147
Municipal/public	219	207	219	219	219	209	209	209	109	109	109	103	103	103
Municipal/public flex	50	50	50	50	50	50	50	50	50	50	50	50	50	50
TOTAL (municipal/public)	269	257	269	269	269	259	259	259	159	159	159	153	153	153
Financial performance (20-year)														
Total Revenue	\$20,415,517	\$26,203,368	\$29,027,044	\$34,979,076	\$37,563,230	\$33,863,541	\$39,815,574	\$42,399,728	\$34,005,459	\$39,957,492	\$42,541,646	\$37,400,309	\$43,352,342	\$45,936,496
Cruise % total revenue			67.7%	73.1%	74.9%	58.3%	64.4%	66.53%	58.8%	64.8%	66.9%	53.5%	59.8%	62.0%
Total Expenses	\$20,739,792	\$21,236,917	\$20,739,792	\$20,739,792	\$20,739,792	\$21,236,917	\$21,236,917	\$21,236,917	\$20,993,497	\$20,993,497	\$20,993,497	\$21,490,622	\$21,490,622	\$21,490,622
Net operating income	(\$324,276)	\$4,966,451	\$8,287,252	\$14,239,284	\$16,823,438	\$12,626,624	\$18,578,657	\$21,162,811	\$13,011,962	\$18,963,994	\$21,548,148	\$15,909,687	\$21,861,720	\$24,445,874
Capital (investment + debt)	\$17,205,408	\$19,611,496	\$17,887,818	\$17,887,818	\$17,887,818	\$20,595,376	\$20,595,376	\$20,595,376	\$19,592,403	\$19,592,403	\$19,592,403	\$20,643,094	\$20,643,094	\$20,643,094
EBITDA (\$1.8m parking)	(\$17,529,683)	(\$14,645,045)	(\$9,600,566)	(\$3,648,534)	(\$1,064,380)	(\$7,968,752)	(\$2,016,719)	\$567,435	(\$6,580,441)	(\$628,408)	\$1,955,746	(\$4,733,407)	\$1,218,625	\$3,802,779
EBITDA (\$5.4m parking)	(\$13,929,683)	(\$11,045,045)	(\$6,000,566)	(\$48,534)	\$2,535,620	(\$4,368,752)	\$1,583,281	\$4,167,435	(\$2,980,441)	\$2,971,592	\$5,555,746	(\$1,133,407)	\$4,818,625	\$7,402,779

ANNEX D: CAPITAL EXPENSE ESTIMATES – SITE DEMOLITION

Source: CES, Inc.

SE-Existing Pier Demo	Quantity	Unit Cost	Total Cost	Notes				
General:								
Mobilization	10%	10%	\$86,665					
Bonds and Insurance (3%)	3%	3%	\$25,999					
Barge Mounted Demo:								
Concrete decking	1,307 cu/yds	\$150 cu/yd	\$196,050	Steel rebar reinforced				
Pilings	120 ea	\$1000 ea.	\$120,000	Pilings are wood covered, assume steel core				
Misc. Wood	2 Tons	\$1000 Ton	\$2,000	shed, etc				
Misc. Steel	20 Tons	\$1500 Ton	\$30,000	Steel frames, hoists, etc.				
a. Light Poles	8 ea.	\$250 ea	\$2,000	Steel posts and lights (20')				
b. Fencing	1000 lf	\$25 lf	\$25,000	Chain link and posts				
c. Gurad Rail (steel Fab)	900 lf	\$200 lf	\$180,000	custom steel guard rail outside fence				
d. Misc. Steel structures	LS	LS	\$10,000	Sheds, sheet metal, etc.				
Transfer to Shore and Disp.								
Concrete decking	1,307 cu/yds	\$100 cu/yd	\$130,700	Steel rebar reinforced				
Pilings	120 ea.	\$250 ea.	\$30,000	Pilings are wood covered, assume steel core				
Misc. Wood	2 Tons	\$250 Ton	\$500	shed, etc				
Misc. Steel	20 Tons	\$750 Ton	\$15,000	Steel frames, hoists, etc.				
a. Light Poles	8 ea.	\$50 ea.	\$400	Steel posts and lights (20')				
b. Fencing	1000 lf	\$10 lf	\$10,000	Chain link and posts				
c. Gurad Rail	900 lf	\$100 lf	\$90,000	custom steel guard rail outside fence				
d. Misc. Steel structures	LS	LS	\$5,000	Sheds, sheet metal, etc.				
Permitting								
	LS	LS	\$20,000					
			\$866,650	Construction less mob./ins.				
			\$979,314	Construction inc. mob./ins.				
Contingency	20%		\$195,863					
TOTAL			\$1,175,177					

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

NW -Existing Pier Demo	Quantity	Unit Cost	Total Cost	Notes					
General:									
Mobilization	10%	10%	\$60,918						
Bonds and Insurance (3%)		3%	\$18,275						
Debris Booms	1500 LF	\$20.00 lf	\$30,000	Around entire work area (SE and NW)					
Barge Mounted Demo:									
Concrete decking	1,050 cu/yds	\$150 cu/yd	\$157,500	Steel rebar reinforced					
Pilings	60 ea.	\$1000 ea.	\$60,000	Pilings are wood covered, assume steel core					
Wood and Steel Building	30,750 cu/ft	1.50 cu/ft	\$46,125	Existing Ferry Service building, two stories					
Misc. Wood	15 Tons	\$1000 Ton	\$15,000	old stair loading system, etc					
Misc. Steel	50 Tons	\$1500 Ton	\$75,000	Steel Frames, hoists, etc					
a. Light Poles	4 ea	\$250 ea.	\$1,000	steel poles and lights (20')					
b. Fencing	800 lf	\$25 lf	\$20,000	Chain Link and posts					
c. Guard Rail	100 lf	\$150 lf	\$15,000	Typical Roadway guards					
d. Misc. Steel structures	LS	LS	\$10,000	Sheds, sheet steel, etc.					
e. Steel Fenders	9 ea	\$1,000 ea	\$9,000	Remove for repurposing					
Transfer to Shore and Disp.									
Concrete decking	1,050 cu/yds	\$100 cu/yd	\$105,000	Steel rebar reinforced					
Pilings	60 ea.	\$250 ea.	\$15,000	Pilings are wood covered, assume steel core					
Wood and Steel Building	LS	LS	\$20,000	Existing Ferry Service building, two stories					
Misc. Wood	15 Tons	\$250 Tons.	\$3,750	old stair loading system, etc					
Misc. Steel	50 Tons	\$750 Tons.	\$37,500	Steel Frames, hoists, etc					
a. Light Poles	4 ea	\$50 ea.	\$200	steel poles and lights (20')					
b. Fencing	800 lf	\$10 lf.	\$8,000	Chain Link and posts					
c. Guard Rail	100 lf	\$125 lf.	\$12,500	Typical Roadway guards					
d. Misc. Steel structures	LS	LS	\$10,000	Sheds, sheet steel, etc.					
e. Steel Fenders	9 ea	\$500 ea.	\$4,500	Remove for repurposing					
Old Support Structures									
Concrete Blocks (2)	24 cu/yds	\$1000 cu/yd	\$24,000	Concrete block on steel piles					
Steel pilings	10 ea.	\$1,500 ea.	\$15,000	exposed steel piles (18")					
Permitting									
			\$20,000						
			\$609,180	Construction less mob/ins.					
			\$688,373	Construction Inc. mob/ins.					
Contingency		20%	\$137,674						
TOTAL			\$826,047						

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Site Demolition	Quantity	Unit Cost	Total Cost	Notes
Site Buildings:				
Main Terminal	90,000 cu/ft	\$0.65 cu/ft	\$58,500	Brick Structure, one story, on slab
Terminal Canopy	2,300 sf	\$1.50 cu/ft	\$3,450	Metal Frame and Posts
Maint. Building #1	30,000 cu/ft	\$0.75 cu/ft	\$22,500	Brick Structure, 1.5 stories, full foundation
Maint. Building #2	24,000 cu/ft	\$0.65 cu/ft	\$15,600	Wood Structure, one story, on slab
Concrete Pads:				
Pad #1	75 cu/yds	\$190 cu/yd	\$14,250	assume 6" slab with rebar
Pad #2	80 cu/yds	\$190 cu/yd	\$15,200	assume 6" slab with rebar
Concrete Retain. Wall	600 lf	\$5.00 lf	\$3,000	Concrete segments, dry laid
Security Fencing	1,600 lf	\$4.00 lf	\$6,400	includes poles, chain link fence and barbwire
Paved Parking/Travel Areas	19,125 sq/yds	\$8.85 sq/yd	\$169,256	Excavate existing pavement and disposal
Light Poles and Lights	15 ea.	\$500 ea.	\$7,500	Remove and dispose
Site underground elec	LS	\$7,500	\$7,500	remove and dispose as needed
Misc.	LS	\$10,000	\$10,000	Gates, plastics, stantions, metals and small concrete
			\$333,156	
Mobilization	10%		\$33,315	
Bonds and Insurance	3%		\$9,995	
			\$376,466	
Contingency		20%	\$75,293	
TOTAL			\$451,759	

ANNEX E: CAPITAL EXPENSE ESTIMATES – SITE DEVELOPMENT

Source: CES, Inc.

Concept A-1	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept A-1			
Mobilization	10%		\$340,616	
Bonds and Insurance	3%		\$102,185	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
sewer service (gravity)	350 lf	\$100 lf	\$35,000	6" HDPE, from new support building
water service	100 lf	\$90 lf	\$9,000	1" Service line off existing. To new Support Bldg.
Underground utilities	100 lf	\$250 lf	\$25,000	New service to support bldg.
paved parking/travel	18,960 sq/yds	40 sq/yd	\$758,400	18" gravel, fabric and 3" pavement
Landscaped areas	2,320 sq/yds	\$75.00 sq/yd	\$174,000	landscaping, paths, walkways, plantings, Lighting
Support Building	5,000 sf	\$165.00 sf	\$825,000	One Story, Slab/Frost wall, Public Facilities
Pump Station	LS	\$50,000	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25	\$100,000	Concrete slip form curbing
Stormwater	LS	\$35,000	\$35,000	Catch basins and 15" HDPE Stormdrain
Marine fueling facilities	LS	\$100,000	\$100,000	2-2500 gal above ground with dispensers on pier
Bus Shed	LS	\$375,000	\$375,000	Pole Shed type construction
Rec/Com Marina				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	3,000 sf	\$45 sf	\$135,000	12' wide, including moorings and supports
Pier (#2)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Public Boat Ramp/Local Ferry				
Ramp Construction	LS	\$125,000	\$125,000	Regrade existing solid fill pier, paving, conc. Ramps
Float System	4000 sf	\$45 sf	\$180,000	20' wide, including moorings and supports, headwall
			\$3,406,159	Construction less mob./ins.
			\$3,848,960	Construction inc. mob./ins.
Permitting	LS	LS	\$15,000	Permit-by Rule/Tier 3 for permanent piers
			\$3,863,960	
Contingency	20%		\$772,792	
Total			\$4,636,752	

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Concept A-2	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept A-2			
Mobilization	10%		\$432,816	
Bonds and Insurance	3%		\$129,845	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
sewer service (gravity)	350 lf	\$100 lf	\$35,000	6" HDPE, from new support building
water service	100 lf	\$90 lf	\$9,000	1" Service line off existing. To new Support Bldg.
Underground utilities	100 lf	\$250 lf	\$25,000	New service to support bldg.
paved parking/travel	18,960 sq/yds	40 sq/yd	\$758,400	18" gravel, fabric and 3" pavement
Landscaped areas	2,320 sq/yds	\$75.00 sq/yd	\$174,000	landscaping, paths, walkways, plantings, Lighting
Support Building	5,000 sf	\$165.00 sf	\$825,000	One Story, Slab/Frost wall, Public Facilities
Pump Station	LS	\$50,000	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25	\$100,000	Concrete slip form curbing
Stormwater	LS	\$35,000	\$35,000	Catch basins and 15" HDPE Stormdrain
Marine Fuelin Facilities	LS	\$150,000	\$150,000	2-5000 gal above ground with dispensers on pier
Bus Shed	LS	\$375,000	\$375,000	Pole shed type construction
Rec/Com Marina				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	12,600 sf	\$45 sf	\$567,000	12' wide, including moorings and supports
Pier (#2)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Float System (#2)	2000 sf	\$45 sf	\$90,000	8' wide including moorings and supports
Wave Attenuators	700 lf	\$500 lf	\$350,000	Floating system
Public Boat Ramp/Local Ferry				
Ramp Construction	LS	\$125,000	\$125,000	Regrade existing solid fill pier, paving, conc. Ramps
Float System	4000 sf	\$45 sf	\$180,000	20' wide, including moorings and supports, headwall
			\$4,328,159	Construction less mob./ins.
			\$4,890,820	Construction inc. mob/ins.
Permitting	LS	LS	\$15,000	Permit-by Rule/Tier 3 for permanent piers
			\$4,905,820	
Contingency	20%		\$981,160	
Total			\$5,886,980	

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Concept B-2	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept B-2			
Mobilization	10%		\$365,216	
Bonds and Insurance	3%		\$109,565	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
sewer service (gravity)	350 lf	\$100 lf	\$35,000	6" HDPE, from new support building
water service	100 lf	\$90 lf	\$9,000	1" Service line off existing. To new Support Bldg.
Underground utilities	100 lf	\$250 lf	\$25,000	New service to support bldg.
paved parking/travel	18,960 sq/yds	40 sq/yd	\$758,400	18" gravel, fabric and 3" pavement
Landscaped areas	2,320 sq/yds	\$75.00 sq/yd	\$174,000	landscaping, paths, walkways, plantings, Lighting
Support Building	5,000 sf	\$165.00 sf	\$825,000	One Story, Slab/Frost wall, Public Facilities
Pump Station	LS	\$50,000	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25	\$100,000	Concrete slip form curbing
Stormwater	LS	\$35,000	\$35,000	Catch basins and 15" HDPE Stormdrain
Marine Fueling System	LS	\$100,000	\$100,000	2-2500 gal above ground with dispensers on pier
Bus Shed	LS	\$375,000	\$375,000	Pole shed type construction
Rec/Com Marina				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	6000 sf	\$45 sf	\$270,000	20' wide, including moorings and supports
Pier (#1)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Ramp (#2)	60 LF	\$50 LF	\$3,000	4' wide, Aluminum
Float System (#2)	2400 sf	\$45 sf	\$108,000	12" wide, including moorings and supports
Public Boat Ramp/Local Ferry				
Ramp Construction	LS	\$125,000	\$125,000	Regrade existing solid fill pier, paving, conc. Ramps
Float System	4000 sf	\$45 sf	\$180,000	20' wide, including moorings and supports, headwall
			\$3,652,159	Construction less mob./ins.
			\$4,126,940	Construction inc. mob./ins.
Permitting	LS	LS	\$15,000	Permit-by Rule/Tier 3 for permanent piers
			\$4,141,940	
Contingency	20%		\$828,388	
Total			\$4,970,328	

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Concept B-3	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept B-3			
Mobilization	10%		\$469,116	
Bonds and Insurance	3%		\$140,735	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
sewer service (gravity)	350 lf	\$100 lf	\$35,000	6" HDPE, from new support building
water service	100 lf	\$90 lf	\$9,000	1" Service line off existing. To new Support Bldg.
Underground utilities	100 lf	\$250 lf	\$25,000	New service to support bldg.
paved parking/travel	18,960 sq/yds	40 sq/yd	\$758,400	18" gravel, fabric and 3" pavement
Landscaped areas	2,320 sq/yds	\$75.00 sq/yd	\$174,000	landscaping, paths, walkways, plantings, Lighting
Support Building	5,000 sf	\$165.00 sf	\$825,000	One Story, Slab/Frost wall, Public Facilities
Pump Station	LS	\$50,000	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25	\$100,000	Concrete slip form curbing
Stormwater	LS	\$35,000	\$35,000	Catch basins and 15" HDPE Stormdrain
Marine Fueling System	LS	\$150,000	\$150,000	2-5000 gal above ground with dispensers on pier
Bus Shed	LS	\$375,000	\$375,000	Pole shed type construction
Rec/Com Marina/Cruise Tend				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	12,600 sf	\$45 sf	\$567,000	12' wide, including moorings and supports
Pier (#2)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Float System (#2)	2000 sf	\$45 sf	\$90,000	8' wide including moorings and supports
Wave Attenuators	700 lf	\$500 lf	\$350,000	Floating system
Ramp (#3)	60 lf	\$50 lf	\$3,000	Ramp to Cruise Tendering
Foat System (#3)	8000 sf	\$45 lf	\$360,000	Cruise Tendering, 20' wide, inc. moorings and supports
Public Boat Ramp/Local Ferry				
Ramp Construction	LS	\$125,000	\$125,000	Regrade existing solid fill pier, paving, conc. Ramps
Float System	4000 sf	\$45 sf	\$180,000	20' wide, including moorings and supports, headwall
			\$4,691,159	Construction less mob./ins.
			\$5,301,010	Construction inc. mob/ins.
Permitting	LS	LS	\$15,000	Permit-by Rule/Tier 3 for permanent piers
			\$5,316,010	
Contingency	20%		\$1,063,202	
Total			\$6,379,212	

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Concept C-1	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept C-1			
Mobilization	10%		\$591,221	
Bonds and Insurance	3%		\$177,366	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
paved parking/travel	15,807 sq/yard	40 sq/yard	\$632,280	18" gravel, fabric, 3" pavement
Landscaped areas	5,473sq/yard	\$75.00 sq/yard	\$410,475	Landscaping, Paths, Walkways, Plantings, Lighting
Support Building (Renov.)	6000 sf	\$65.50 sf	\$393,000	general renovations of existing building
Bus Shed	7,500 sf	\$50.00 sf	\$375,000	Pole shed type construction
Support Building (Addition)	2,500sf	\$165.00 sf	\$412,500	One Story, Slab/frost wall, public facilities
Pump Station	LS	LS	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25 lf	\$100,000	Concrete slip form curbing
Stormwater	LS	LS	\$35,000	Catch Basins, 15" HDPE Stormdrain
Marine Fuelin System	LS	\$100,000	\$100,000	2-2500 gal above ground with dispensers on pier
Rec/Com Marina/Cruise tend.				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	3000 sf	\$45 sf	\$286,200	12' wide, including moorings and supports
Pier (#1)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Ramp (#2)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#2)	8000 sf	\$45 sf	\$360,000	Cruise Tendering, 20 wide, inc. moorings and supports
Pier (#2)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Public Boat Ramp				
Ramp Construction (new)	LS	\$250,000	\$250,000	New Public Boat Ramp in new location
International Ferry Docking	LS	\$2,000,000	\$2,000,000	Scope of construction estimated
			\$5,912,214	Construction less mob./ins.
			\$6,680,801	Construction inc. mob./ins.
Permitting	LS	LS	\$30,000	Tier 3 for project
			\$6,710,801	
Contingency	20%		\$1,342,160	
Total			\$8,052,961	

BAR HARBOR FERRY PROPERTY BUSINESS PLAN

Concept C-2	Quantity	Unit Cost	Total Cost	Notes
Site Improvements	Concept C-2			
Mobilization	10%		\$627,701	
Bonds and Insurance	3%		\$188,310	
Site Demolition	LS	LS	\$451,759	(See Site Demolition Sheet)
paved parking/travel	15,807 sq/yd	40 sq/yd	\$632,280	18" gravel, fabric, 3" pavement
Landscaped areas	5,473sq/yd	\$75.00 sq/yd	\$410,475	Landscaping, Paths, Walkways, Plantings, Lighting
Support Building (Renov.)	6000 sf	\$65.50 sf	\$393,000	general renovations of existing building
Bus Shed	7,500 sf	\$50.00 sf	\$375,000	Pole shed type construction
Support Building (Addition)	2,500 sf	\$165.00 sf	\$412,500	One Story, Slab/frost wall, public facilities
Pump Station	LS	LS	\$50,000	Upgrade existing pump station
Curbing	4000 lf	\$25 lf	\$100,000	Concrete slip form curbing
Stormwater	LS	LS	\$35,000	Catch Basins, 15" HDPE Stormdrain
Marine Fueling System	LS	\$150,000	\$150,000	2-5000 gal above ground with dispensers on pier
Rec/Com Marina/Cruise tend.				
Ramp (#1)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#1)	7800 sf	\$45 sf	\$351,000	12' wide, including moorings and supports
Pier (#1)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
Ramp (#2)	60 lf	\$50 lf	\$3,000	4' wide, Aluminum
Float System (#2)	8000 sf	\$45 sf	\$360,000	Cruise Tendering, 20 wide, inc. moorings and supports
Pier (#2)	50 lf	\$500 lf	\$25,000	8' foot wide, wood and timber pilings
wave attenuator	500 lf	\$500 lf	\$250,000	floating system
Public Boat Ramp				
Ramp Construction (new)	LS	\$250,000	\$250,000	New Public Boat Ramp in new location
International Ferry Docking	LS	\$2,000,000	\$2,000,000	Scope of construction estimated
			\$6,277,014	Construction less mob./ins.
			\$7,093,025	Construction inc. mob./ins.
Permitting	LS	LS	\$30,000	Tier 3 for project
			\$7,123,025	
Contingency	20%		\$1,424,605	
Total			\$8,547,630	

ANNEX F: CAPITAL EXPENSE ESTIMATES – 20-YEAR OPERATING AND MAINTENANCE EXPENSES (O&M)

Source: CES, Inc.

CONCEPT	piers, Ramps, Floats	Wave Attenuators	Public Boat Ramp	Paved Parking	Sewer System	Landscape, Walkways	Stormdrain System	Fuel System	Buildings/Structures	TOTAL		
A1	\$5,580	0	\$1,250	\$2,500	\$1,500	\$17,400	\$1,500	\$2,000	\$12,375	\$44,105		
A2	\$18,270	\$1,750	\$1,250	\$2,500	\$1,500	\$17,400	\$1,500	\$3,000	\$12,375	\$59,545		
B1	\$14,960	0	\$1,250	\$2,500	\$1,500	\$17,400	\$1,500	\$2,000	\$12,375	\$53,485		
B2	\$11,470	0	\$1,250	\$2,500	\$1,500	\$17,400	\$1,500	\$2,000	\$12,375	\$49,995		
B3	\$25,950	\$1,750	\$1,250	\$2,500	\$1,500	\$17,400	\$1,500	\$3,000	\$12,375	\$67,225		
C1	\$13,484	0	\$1,250	\$2,500	\$1,500	\$41,047	\$1,500	\$2,000	\$17,708	\$80,989		
C2	\$14,780	\$1,750	\$1,250	\$2,500	\$1,500	\$41,047	\$1,500	\$3,000	\$17,708	\$85,035		

