



Dock Expansion Project Review & Membership Vote



Welcome & Purpose of Meeting

Jerry Kutz, Commodore, Darien Boat Club



Meeting Agenda

- **Project Overview**
 - Todd Scallen, House & Grounds Chairman
 - Why an Expansion?
 - Our Mission
 - Steps Required to Complete Project
 - Dock Expansion Project Overview
- **Financing of Project**
 - Tom Lochtefeld, Treasurer
- **Q&A w/ Members**
- **Membership Vote and Tally**
 - Jerry Kutz, Commodore



Why an Expansion of the Docks?

- Currently 238 families on the wait list for slips.
- 15 year wait list for the size slips we are proposing to expand/add:
 - 2001 members are now up on the list
 - It's 2016 people!
- Members are frustrated, we don't blame you, we feel your pain!



Our Mission

“It’s simple! Expand the docks to accommodate more boats, accelerating member wait times for slips and getting more families in boats and on the water!”

The Executive Board of the Darien Boat Club has voted unanimously to move forward with this project to benefit the membership.

An online survey to the membership also indicated that 75% (or the majority) of members voted “YES” to a dock expansion.

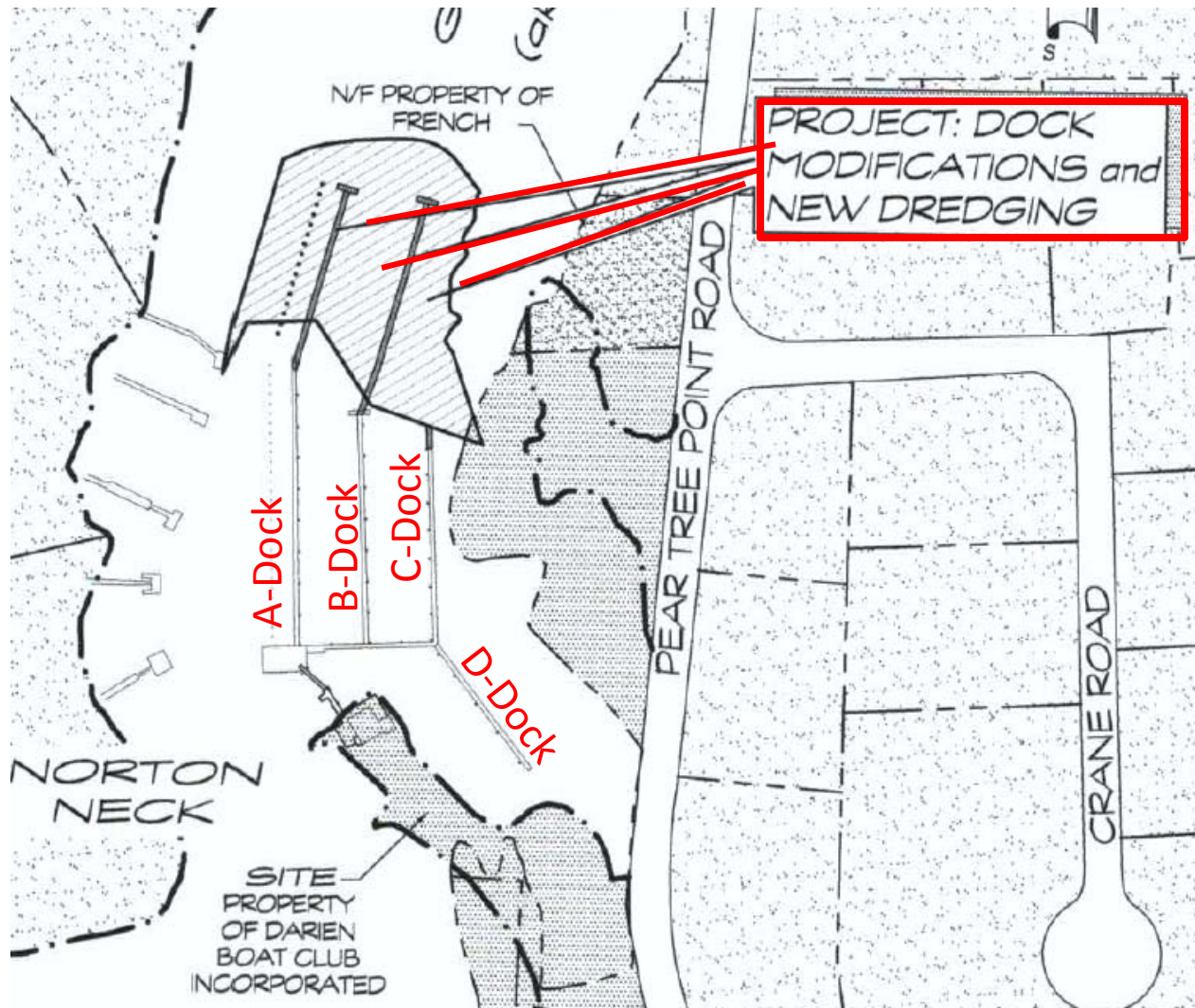


Steps Required

- 1) Army Corps of Engineer Approval – Completed
- 2) Membership Vote to Approve Project - Tonight
- 3) Submit Expansion Plan to CT DEEP for Approval (Connecticut Department of Energy & Environmental Protection)
- 4) Town of Darien Approvals
- 5) Begin Project



The Project: Birds Eye View



Additional Notes

- Based on the various agency approval windows, this project needs to be completed by Spring 2019
- Work would be done during the off-season so not to disrupt summer operations
- Even though the Army Corps of Engineers has approved the project/plan, there are no guarantees that DEEP will allow the same scope.
 - If the size of the expansion is reduced, the cost will be reduced.



Financing the Project

- Expansion to be fully funded by *only* those slip holders immediately benefitting from the expansion.
- There will be *no expense to current slip holders* not benefitting from the expansion or to non-slip holders.
- Expansion will require initial bank financing which would be paid down with future slip holder bonds and slip rental fees.



Financing the Project

- All future slip holders from the inception of the project would pay a fully refundable non-interest bearing bond which would (on average) be \$2k per slip holder until the project is paid off.
- All existing slip holders at the inception of the project would be exempt from having to pay any bonds as long as they remain an active member with one exception:
 - Any existing slip holders upgrading to one of the newly created slips that first year, would also be required to pay the bond.
 - If an existing slip holder does not upgrade the first year, but wants to upgrade in a subsequent year, then they would be exempt from paying the bond. This one exception will guarantee full bond funding the first year.



Financing the Project

- If slip holders who have paid a bond give up their slip, their bond would be refunded when the new slip holder puts up a replacement bond.
- If DEEP does not approve our full expansion plan presented tonight, a reduced expansion plan will be developed and the financing will be structured in the same fashion with all costs borne by bonds and slip revenues of future slip holders.



Project Costs / Revenues

- Assumptions:

– Professional Fees	\$15,000
– New Docks & Pilings	\$146,840
– Dredging	\$263,500
– Reserve	<u>\$100,000</u>
– Total	\$525,340

- Bank Debt of \$385,340. 10yr Term @4.625%
- Initial Bond Sales, \$140,000
- Average new slip fee, \$680
- Average new bond, \$2,000
- Turnover of four existing slips per year after the first year
- Slip inflation 2% per year



Project Cash Flows

(using current cost estimates with 25% reserve)

- With a 25% reserve for cost overages, it would be a 9yr payoff to the bank and an additional 2yr payoff to slip holders
- After the payoff period, the new slips would generate an additional \$50k+ per year in cash flow for the Club.

Year	Costs \$525,340		Revenue		Net (Cost)/ Benefit	Slip Holder Bonds
	Bank Loan	Interest	Slip Fees	Bond Fees		
1	385,340	17,822	47,600	140,000	29,778	140,000
2	355,562	16,445	48,552	8,000	40,107	148,000
3	315,455	14,590	49,523	8,000	42,933	156,000
4	272,521	12,604	50,514	8,000	45,909	164,000
5	226,612	10,481	51,524	8,000	49,043	172,000
6	177,569	8,213	52,554	8,000	52,342	180,000
7	125,227	5,792	53,605	8,000	55,814	188,000
8	69,414	3,210	54,677	8,000	59,467	196,000
9	9,947	460	55,771	8,000	63,311	142,636
10	-	-	56,886	8,000	64,886	77,749
11	-	-	58,024	8,000	66,024	11,725
12	-	-	59,185	8,000	67,185	-



Q&A, VOTE & TALLY

Q&A

Please raise any questions and/or concerns to the Board at this time.

Voting

Show of hands for those in favor and then against.

(Note – only Members can vote – spouses of members cannot vote)

Next Steps

If the 2/3 of members vote YES tonight, plans will be submitted to DEEP for approval.

(Updates will be provided to the Membership on an on-going basis.)

