

Contractor: City of Oak Harbor  
Project: Oak Harbor Marina Dredging Project  
Contract No.: RM-CA-2023-429

**GRANT AGREEMENT  
RURAL COUNTY ECONOMIC DEVELOPMENT FUNDS**

**THIS GRANT AGREEMENT** is made and entered into pursuant to Chapter 39.34 of the Revised Code of Washington, by and between Island County, Washington, a political subdivision of the State of Washington, acting by and through its Board of County Commissioners, (the "County") and the City of Oak Harbor, a municipal corporation organized under the laws of the State of Washington, and wholly situated in Island County, Washington, (the "City"), on the date shown below.

**RECITALS**

- A. The County is eligible for and receives sales and use taxes for rural counties authorized in RCW 82.14.370 and imposed in Island County Code Chapter 3.02C. Such tax is authorized for the purpose of financing public facilities serving economic development purposes in rural areas.
- B. On February 20, 2018, the Island County Board of County Commissioners adopted Resolution C-19-18 Authorizing the Island County Rural County Economic Development Infrastructure Investment Program and Policies (the "Program") attached hereto as Exhibit A and incorporated by this reference as if fully set forth herein. .
- C. The Island County Board of County Commissioners at its March 26, 2024 meeting approved the award of Rural County Economic Development Funds ("Awarded Funds") to assist the Oak Harbor Marina Dredging Project in financing the costs of a public facility improvement project known as the City of Oak Harbor Marina Dredging Project (the "Project"). The Project is more particularly described in the City's Application for Rural County Economic Development Funds ("Application") submitted on May 15, 2023, attached hereto as Exhibit B, and incorporated by this reference as if fully set forth herein. This Grant Agreement sets forth the terms and conditions applicable to the Awarded Funds.
- D. The County approves Awarded Funds in the amount of One Million Dollars (\$1,000,000.00) for the Project, subject to availability of funds in the Rural County Economic Development Fund Account.
- E. The City has the appropriate statutory authority pursuant to Chapter 35A.11 RCW, and is ready, willing, and able to complete the Project described herein, and the parties are entering into this Agreement to carry out such purpose.
- F. Entry into this Agreement is authorized under Chapter 39.34 of the Revised Code of Washington, the Interlocal Cooperation Act.

## AGREEMENT

For and in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Purpose. The purpose of this Agreement is to allow the County to provide partial funding assistance to the City for costs of the Project. The Project is more particularly described in the Application.
2. Project Time / Budget. Work on the Project shall be substantially complete no later than June 1, 2026. For purposes of RCW 39.34.030(3)(d), the City will establish and maintain a Project construction budget. The City will be responsible for acquiring, holding, and disposing of Project property. Unless otherwise agreed by the parties by subsequent written instrument, the County shall not own any real or personal property acquired with the funds distributed to the City hereunder.
3. Design/Project Management. The County shall have no responsibility for the design or management of the Project. The City shall have the sole authority to design and manage the Project, and to enter into partnerships, contracts, or other legal arrangements with potential investors and/or users thereof to assist in financing of the Project.
4. Allowable uses. The Awarded Funds shall be used by the City solely for Project costs considered permitted uses under RCW 82.14.370, Island County Code Chapter 3.02C.040(A), and eligible for reimbursement under the Program. City administrative costs are not eligible for reimbursement. The City hereby warrants and guarantees that the Project shall be completed for uses as described herein.
5. Financing. The Fund Award amount is One Million Dollars (\$1,000,000.00). The City shall provide a matching contribution of at least ten percent (10%) of Project costs eligible under the Program ("City Match"). Upon receipt of a request for reimbursement and documentation evidencing that the City has paid Project costs allowable under this Agreement, the County shall pay said reimbursement request within forty-five (45) days of receipt. The full City Match of One Hundred Thousand Dollars (\$100,000.00) shall apply to the first reimbursement request and shall be demonstrated to the satisfaction of the County prior to distribution of Awarded Funds.
6. Repayment Guarantee. If it is determined that any portion of the Awarded Funds was used for any purpose not authorized under this Agreement, the City hereby guarantees that it will repay to the County all such unauthorized funds, together with accrued interest at the same rate as if the unauthorized funds had been invested with the Washington State Local Government Investment Pool. Any repayments due to the County shall be paid by the City within forty-five (45) days of written request made by the County.
7. Documentation. The City shall maintain for a period of six (6) years records documenting that the Awarded Funds were used solely for the purposes contained herein. The City shall make Project records available for inspection or audit by the County or its duly authorized representatives.

8. Reporting. The City shall file a report with the Board of County Commissioners by January 31<sup>st</sup> of the year succeeding completion of the Project, for 5 years, reflecting the number of jobs and businesses created and retained as a result of the Project, along with other related information reasonably required by the County to measure the economic impact of its financial assistance ("Board Report").

The City shall also file a report with the County Auditor, with a copy to the County Administrator, by January 31 of each year thereafter when the City has been reimbursed in the prior year under Section 6 above ("Auditor Report"). The report must show the following:

- (a) List the name of the project;
- (b) Indicate where the project is listed in the City's economic development plan or the economic development section of the City's comprehensive plan;
- (c) List the Oak Harbor Marina Dredging Project's total expenditures for the project from rural county sales and use tax funds received from the County in previous year and in prior years, if applicable;
- (d) List the actual or estimated number of businesses created/retained by the Project; and
- (e) List the actual or estimated number of jobs created/retained by the Project.

9. Indemnification. The City shall be solely responsible for administration of the Project. The City shall at all times protect, indemnify and save harmless the County from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable counsel fees, and expenses) imposed upon or reasonably incurred by or asserted against the County on account of (i) any failure of the City to comply with any of the terms of this Agreement or (ii) any loss or damage to real or personal property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use or financing thereof or (iii) any use of the Project in violation of applicable law (including environmental laws); provided, the City has no obligation to indemnify the County for any claim or liability resulting from the County's negligence or willful misconduct. This paragraph shall survive the completion, expiration, and/or termination of this Agreement.

The City shall maintain, during the life of the Agreement, Industry Standard Occurrence Commercial General Liability, or an equivalent, in the amount of \$1,000,000.00 Per Occurrence and \$2,000,000.00 Aggregate, including Premises/Operations, Products/Completed Operations, Blanket Contractual Liability and Personal Injury Coverage, to protect the City from claims for damages for bodily injury, including wrongful death, as well as from claims of property damage which may arise from any operations under this contract whether such operations be by the City or by anyone directly employed by or contracting with the City.

The City shall maintain, during the life of this Agreement, Business Automobile Liability Insurance, or an equivalent, in the amount of \$1,000,000.00 Bodily Injury and Property Damage per combined single limit to protect the City from claims which may arise from the performance of this Contract, whether such operations are by the City or by anyone directly or indirectly

employed by the City.

In lieu of the insurance requirements set forth above, the City may provide proof of comparable coverages through membership in a local government insurance pool authorized pursuant to Chapter 48.62 RCW.

10. No Separate Legal Entity. It is not the intention that a separate legal entity be established to conduct this cooperative undertaking. For purposes of RCW 39.34.030(4)(a), the City's chief administrative officer shall administer the Project.

11. Modification of the Agreement. This Agreement may be modified only by the written consent of each party.

12. Term of Agreement and Termination. This Agreement shall become effective on full execution hereof and compliance with Section 13 and shall expire upon the payment in full to the City, if any, for any documented reimbursement request owed by the County pursuant to Section 6 of this Agreement.

13. Filing of Agreement. Under RCW 39.34.040, prior to its entry into force this Agreement must be either filed with the Island County Auditor or, alternatively, listed by subject on the City's Internet website.

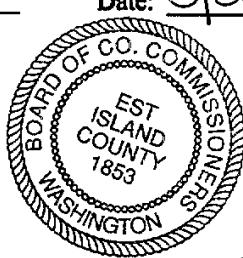
14. Survival. Sections 6, 7, 8, 9, and 10 of this Agreement shall survive the termination of this Agreement.

BOARD OF COUNTY COMMISSIONERS  
ISLAND COUNTY, WASHINGTON

By: Jill Johnson  
Jill Johnson, Chair

Date: 3/26/24

Attest:  
Jennifer Ross  
Clerk of the Board



Date: 1/02/2024

City of Oak Harbor

By: Ron Wright

Title MAJOR, RONNIE WRIGHT

Attest:

Julie Nester, City Clerk

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF ISLAND COUNTY, WASHINGTON

In The Matter Of Approving The Island County )  
Rural County Economic Development  
Infrastructure Investment Program And Policy )  
RESOLUTION C-19-18

**WHEREAS**, Island County is authorized to retain a portion of the state sales taxes collected (known as Rural County Economic Development funds) to improve the local economy by financing public infrastructure; and

**WHEREAS**, in 2002 Island County implemented a countywide program that would allow local governments to utilize Rural County Economic Development funds to help build needed infrastructure and public facilities that would enable economic growth and provide family wage jobs in Island County; and

**WHEREAS**, the Board of County Commissioners desires to update the program's policy and procedures as shown in Exhibit A Rural County Economic Development Infrastructure Investment Program; **NOW THEREFORE**,

**IT IS HEREBY APPROVED AND ORDERED** that the Island County Economic Development Infrastructure Investment Program, policy and procedures are hereby updated and adopted as shown in Exhibit A attached hereto.

ADOPTED on February, 20, 2018.

BOARD OF COUNTY COMMISSIONERS  
ISLAND COUNTY WASHINGTON

Attest:



Debbie Thompson  
Debbie Thompson, Clerk of the Board

Helen Price Johnson  
Helen Price Johnson, Chair

Richard M. Hannold  
Richard M. Hannold, Member

Jill Johnson  
Jill Johnson, Member

**EXHIBIT A**

**RURAL COUNTY ECONOMIC DEVELOPMENT  
INFRASTRUCTURE INVESTMENT PROGRAM**



RURAL COUNTY ECONOMIC DEVELOPMENT  
INFRASTRUCTURE INVESTMENT  
PROGRAM

Island County is authorized by RCW 82.14.370 to retain a portion of the state's share of sales and use taxes to finance public facilities. The goal of Island County's Rural County Economic Development Infrastructure Investment Program is to improve the economy of Island County by creating and retaining ongoing, private sector jobs. To achieve this, the Rural County Economic Development Infrastructure Investment Program offers grants to local governments with qualifying proposals to assist in financing the cost of public facilities that will assist businesses in creating and retaining jobs.

Local government agencies and port districts within Island County are eligible to apply for grant awards. Local governments include the county, cities, port districts, water and sewer districts and other districts that may implement projects consistent with the objectives of this program.

**Public facilities mean**

... means bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroads, electrical facilities, natural gas facilities, research, testing, training, and incubation facilities in innovation partnership zones designated under RCW 43.330.270, buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and port facilities in the state of Washington.

Public facility projects include acquisition, construction, repair, reconstruction, replacement, or rehabilitation or improvement to existing facilities.

**Program Objectives**

The objectives of the program are to assist in financing public facilities that will stimulate private capital investments which benefit the community and public-at-large and

- A. Increase the number of ongoing, family wage jobs available to local residents.
- B. Retain businesses and/or facilitate the expansion of existing businesses within Island County.
- C. Attract new businesses to Island County that create family wage jobs.
- D. Support a stable and diversified local economy.

### Project Selection

In selecting proposals for funding, Island County may give additional consideration to projects based upon

- Broad impact to Island County
- Local business and community support
- Leverage Rural County Economic Development funds to the greatest degree for maximum economic impact within Island County
- Immediacy of the resulting benefit to the community
- Readiness to proceed

Planning/feasibility only projects are not eligible for funding.

### Program Policies

- 1) Island County will only award funds to qualifying projects that:
  - a. Comply with all federal, state, county and other applicable local regulations.
  - b. Are "listed as an item in the officially adopted county overall economic development plan, or the economic development section of the county's comprehensive plan, or the comprehensive plan of a city or town located within the county for those counties planning under RCW 36.70A.040." *RCW 82.14.370(3)(a)*
  - c. Meet objectives of the Rural County Economic Development Fund program.
  - d. Are consistent with local and/or regional economic goals.
  - e. Are compatible with local comprehensive plans.
- 2) Awards will be allocated through an annual application process. The Board of Island County Commissioners may at its sole discretion reduce or partially fund requests based upon review of the applications and funds available. There is no obligation or commitment to award any funds in an application cycle. The Board also reserves the right to fund requests made outside of the annual application process.
- 3) Applications must be submitted using the Rural County Economic Development Fund Application form. Supplemental materials may be included in a submittal package. Applications that do not include job and wage information will be not be considered complete. In order to be considered, applications must be complete and submitted by the announced deadline.
- 4) Each project application should have a project description that identifies distinct project objectives directly related to the program objectives. Measurable milestones should be included.
- 5) Rural County Economic Development grants may be used to leverage other funding sources toward financing the total project. Funding awarded to any project shall be contingent on the project securing matching funds (if applicable) from additional sources (grants, loans, etc.) within the timeline proposed in the application.
- 6) A local match of at least ten percent (10%) or more of the total project costs is required. The local match can be provided by investing cash in the project, grants, loans, in-kind contribution, donations, private investment or other appropriate revenue source.

- 7) Project proposals must demonstrate a complete financial plan that will be used to successfully complete the project.
- 8) The applicant documents all permits required to complete the project and describe the anticipated timeframe for securing such permits.
- 9) Only design, A&E services, permits and construction costs will be reimbursed. Construction costs include project materials, payments to contractors for work performed, etc. Rural County Economic Development monies may not be spent on soft costs such as planning and feasibility studies or administrative costs. However, soft costs may be used as matching funds. In the rare occurrence of a project being cancelled, stopped or otherwise ended before completion, any reimbursements for design costs and A&E services must be repaid to the Rural County Economic Development Infrastructure Investment Program. Funds may not be used to reimburse work performed prior to the start date of the grant award agreement with Island County, unless otherwise approved.
- 10) Island County will not increase grant awards to pay for project overruns. Therefore, applicants should rationally anticipate contingency costs associated with the project.
- 11) Awards will be withdrawn if project construction is not initiated within 12 months of the award date. Applicants may reapply if funding is withdrawn.
- 12) Successful applicants will be required to enter into an Interlocal grant agreement and to submit annual project reports and data necessary for reporting to the State Auditor's Office.

#### Selection Process

Applications will be reviewed for completeness by county personnel. Projects meeting the minimum requirements will be presented to the Board of County Commissioners for consideration. Some, all or none of the applicants may be asked to make an oral presentation to the Board of County Commissioners at a public meeting. Representatives from the cities, town, and port districts with Island County and the Economic Development Council will be invited to attend presentations, and asked to provide written comments on each application presented within 2 weeks after presentations. Within 60 days of applicant presentations, the Board of County Commissioners will consider awards, if any. The Board of Island County Commissioners is the decision making authority for all Rural County Economic Development fund awards.

### Timeline

Prior to February 15 annually	County Commissioners review financial projections and sustainability of the Rural County Economic Development Program, and determine whether or not to call for applications.
No later than February 15	Eligible entities will be notified of an award cycle.
March 31	Deadline for submittal of applications
April	County personnel review applications for completeness and minimum program requirements.
May/June	Qualifying applicants make oral presentations at Commissioners' meeting. Written comments by cities, town, ports and EDC on each application presented are due 2 weeks after oral presentations.
Within 60 days of presentations	County Commissioners consider awards.

### **Program Administration**

- 1) The Island County Rural County Economic Development fund is administered by the General Services Administration (GSA) department under the supervision of the Board of Island County Commissioners.
- 2) Rural County Economic Development funds will be used to pay for administrative costs of managing the program.
- 3) GSA will
  - a. Administer the application process according to the policy and procedures.
  - b. Monitor the financial performance of the Rural County Economic Development Fund program and promptly inform the Board of Island County Commissioners of any matters requiring its attention.
  - c. Review reimbursement requests to ensure such costs are eligible for reimbursement under the terms of the grant award.
  - d. Prepare an annual Rural County Economic Development budget submittal as part of the overall county budget.
  - e. Prepare and submit to the Board of Island County Commissioners an annual program report. This report will include:
    - Rural County Economic Development fund financial performance.
    - Summary of activities financed during the reporting period.
    - Summary of data and statistics reported by each agency receiving Rural County Economic Development funds.

## Island County Rural County Economic Development Infrastructure Investment Program- 2023 Funding Application

Island County Board of Commissioners / Attn: County Administrator  
1 NE 7th Street, Coupeville, WA 98239 / (360) 679-7311 [www.islandcountywa.gov](http://www.islandcountywa.gov)

**SUBMISSION DEADLINE IS 4:30pm May 16, 2023.**

### Part 1: Applicant Information

**Organization Name**

City of Oak Harbor WA

**Address**

865 SE Barrington Dr, Oak Harbor, Washington 98277

**Primary Contact Name**

Blaine Oborn

**Phone**

(360) 479-4501

**Email**

[boborn@oakhabor.org](mailto:boborn@oakhabor.org)

### Part 2: Project Information

RCW 82.14.370 (3) defines "public facilities" as bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroad, electricity, natural gas, buildings, structures, telecommunications infrastructure, transportation infrastructure, commercial infrastructure, and port facilities in the state of Washington.

**Project Name**

Oak Harbor Marina Improvement Project

**Location**

Oak Harbor

**Description**

The first part of this request is for planning, permitting and dredging of the marina. The second part of this request is for new siding and roof at Mariners Haven Boatyard.

*Approved for dredging only.*

**Use of funds**

The bulk of these funds will be used for design, permitting and dredging of the Oak Harbor Marina. The remaining funds be used for contractor services to install new roof and siding at Mariners Haven Boatyard.

### Part 3: Required Resources

Total funding requested from Distressed/Rural County Sales and Use Tax to fund public facilities projects in Island County

**Total funding requested**

\$2,300,000.00

Amount primary sponsor/organization is contributing to this project	Sponsor Funded Amount
	\$3,200,000.00
<b>Other Funding Sources</b>	
	Total Project Cost
	\$5,500,000.00

#### Comments

The marina is an economic driver for the community with 600 – 700 individual guest boat reservations with 2 - 4 people on each boat, each year and a year round average occupancy rate of approximately 85%. The marina is an Enterprise Fund Department of the City and does not receive any taxpayer funds or support. The marina relies solely on its users and grants for financial support. It charges users a dredging surcharge, but that fee does not cover the full cost of dredging. It should be noted that the marina is an "aqualis" park that is used and enjoyed by the boating and non-boating general public.

In 2021, the marina generated \$2.1 million dollars in revenue and had \$1.9 million dollars in expenses. The estimated cost of dredging including design, planning and permitting is \$5,000,000. The marina does not have another way to generate the capital needed to fund the cost of dredging the marina. Because it is owned by the City and not a Port Authority, there is little, if any, county, and state grants or federal assistance opportunities available to fund this the dredging project.

As the County Commissioners are aware, the City is in the process of purchasing the Mariners Haven boatyard and believes that it will become a key economic driver for the City and marina. As part of the due diligence process, the building inspection identified that the siding and roof on the front building need to be replaced. The estimated cost of this is \$300,000 -\$500,000, depending on what is found when the existing siding and roof are removed.

## Part 4: Growth Management

Per RCW 82.13.370 (3)(a), the project must be listed as an item in the County's adopted overall economic development plan, or the economic development section of the County's comprehensive plan, or your city or town's comprehensive plan. Under which plan is the proposed project contained? (Please attach a resolution or ordinance documenting that the appropriate authority has included the project in one of the above plans).

Name of Plan	Copy of Resolution/Ordinance
City of Oak Harbor Comprehensive Plan, Capital Improvements Plan	<a href="#">5.02.23 Regular Meeting Minutes.pdf</a>

Project Location	Zoning
Oak Harbor Marina	Maritime

#### Compatibility

The functionality of the Marina and the need for improvements to it is embedded in each layer of the City's planning documents, including the Comprehensive Plan, the Capital Improvements Plan, the Marina Redevelopment Program, and the Marina Improvement Plan. One of the Comprehensive Plan's overarching goals focuses on the economic development and vitality of Oak Harbor, specifically the waterfront and downtown corridor, and increasing business traffic to this region. Increasing the depth of the marina ensures that vessels of all shapes, sizes and drafts are able to access the marina at all tides thus meeting these economic development goals. Residing and reroofing the front building at Mariners Haven ensures that once the purchase is completed that the building will provide a safe and efficient facility for boat repair and maintenance. Both of these projects will ensure that the marina remains a viable economic driver for the city with multiple jobs being maintained and created for many years to come.

## Part 5: Value Proposition

Supports Business(es)?

Yes

#### Supported Businesses

Business 1

Business Name

Oak Harbor Marina

Business 2

Business Name

**Business 3**

**Business Name**  
Fathom Marine

**Business 4**

**Business Name**  
Diesel Outboards Northwest

**Business 5**

**Business Name**  
Island Dive Service

**Business 6**

**Business Name**  
Cold Water Diving

**Business 7**

**Business Name**  
Saratoga Charters

**Business 8**

**Business Name**  
Humphrey Signs

**Business 9**

**Business Name**  
Island Life

**Business 10**

**Business Name**  
Oak Harbor Yacht Club

**Business 11**

**Business Name**  
Americas Boating Club of Deception Pass

**Business 12**

**Business Name**

Describe, in specific detail, how this project will create jobs and/or allow for the retention of current jobs.

#### Explain Jobs Impact

The proposed project most directly supports the City of Oak Harbor Marina. Indirect benefits are also thought to exist as well. Small businesses that support the boating public (e.g. certain kinds of boat maintenance or repair) are frequently located within or serve the Oak Harbor Marina. Ensuring that boats are able to moor, dock, enter and exit the marina as well as have a facility to have boats repaired and serviced are vital to these small business and also may create more jobs as bigger more complex boats are able to access the marina and be serviced and repaired.

Provide information on the following: (1) the average wage, including benefits, and the number of new jobs/FTEs; and (b) the average wage, including benefits, anticipated as the result of the project. Please be as specific as possible. *Generic information may not be scored. Do not include any construction-related jobs.*

Number of Jobs/FTEs	Retained	Created 1-3 Years	Created 4 Years
	6	1	1
Average Wage/FTE	Retained Wage	Created 1-3 Years Wage	Created 4 Years Wage
	\$82,256.00	\$84,723.00	\$87,265.00

How will this project improve local infrastructure capacity? How much additional capacity will be provided for future development? Please be specific in your answer.

#### Infrastructure Benefit

The dredging of the marina and residing and reroofing of the Mariners Haven building will improve the commercial infrastructure of the community by increasing the Marina's capacity as a business. The increase in revenue will spur future Marina improvements, which have the potential to create additional temporary, seasonal and full-time jobs.

Provide evidence of local commitment (both financial and community). How does this project stimulate private capital investments that benefit the community and public-at-large? Please be specific in your answer.

#### Community Benefit

Local commitment to this project is demonstrated first and foremost by the Oak Harbor City Council's support of the submittal of this application. The City's Marina Advisory Committee is supportive of the project as deepening the marina and reroofing and siding the building adds to the revenue generating capacity by ensuring that larger more complex boats can access the marina as well as have maintenance and repairs completed. As mentioned in the planning section, the Marina directly impacts the economic vitality of Oak Harbor's downtown corridor. Numerous planning efforts over the years have sought to strengthen the connection between these two areas of the community. The Marina is host to a variety of boating and water-oriented events (both large and small) that bring 600 – 700 individual guest boat reservations with 2 - 4 people on each boat, each year to Oak Harbor's waterfront and/or downtown each year. These visitors often need the goods and services provided by local businesses. Accordingly, there is a strong connection between the Marina's viability and that of neighboring businesses, even if those businesses are not necessarily marina related.

## Part 6: Project Timeline

Provide a timeline for the project. Please include specific deadlines for segments or phases of the project, including total project begin date and completion date.

Project Start Date	Project End Date
11/1/2022	1/31/2026

#### Project Phases

##### Efforts To Date

The City has hired Moffat & Nichols as the engineering consultant and the dredging project initial design and planning effort is underway. Bathymetric and topographic surveys have been completed and the data is being analyzed to identify where the marina needs to be dredged and how deep. Efforts are also underway to identify a timeline and plan for dredging that fits into the acceptable "fish window" and available dates. Once the initial effort has been completed the next step will be to apply for permits, determine what mitigation may be required, finalize dredge plans and create a construction bid packet. The estimated cost of the first phase of the dredging project is \$189,271 with all the planning phases costing in excess of \$500,000.

A Business Plan for the marina as well as a Marina Rate Study has also been completed. The Business Plan has identified the need for a deeper marina with larger slips that can accommodate larger modern boats. Based on the results of the rate study the marina is currently working on increasing rates to optimize the maximum amount of revenue possible from moorage and storage.

The City has negotiated a purchase price and completed a purchase and sale agreement for Mariners Haven as well as the fee simple property owned by the Claus Family corporation. The due diligence has begun with an appraisal, a business plan written, Environmental Phase I & II studies and a building inspection being completed. Escrow has been opened and the \$7,000 earnest money has been deposited. City staff has also identified a new boat hauling trailer to purchase (approx. \$200,000) that will work well with the existing low grade boat ramp. The next step in the due diligence process is to complete more environmental testing as required by DNR to transfer the leases to the City. The total amount spent on the Mariners Haven project thus far is \$62,205. It is anticipated that the City will spend an additional \$319,344 for the remaining due diligence, building repairs and new boat trailer.

## Part 7: Action Plan

### Action Plan Description

The following are the quantifiable measures for the dredge project:

#### Phase 1 Feasibility Plan

1. Project schedule with updates
2. Data review summary

3. Hydrographic survey of marina with combined bathymetric and topographic information

4. AutoCAD pdf chart of final products

5. Sedimentation analysis

6. Alternatives and preferred alternative with graphics

7. Planning level drawings/figures, volumes, areas and costs, constructability narrative, information to support design and permitting efforts

8. Draft and final dredging feasibility plan

9. City Council and/or Community presentations

#### Measurable Goals: Phase 2 Preliminary Engineering and Permitting

1. Preliminary engineering drafts

2. Permitting preparation and submission

3. Planning level drawings/figures, volumes, areas and costs, constructability narrative, information for engineering and permitting efforts

4. Draft dredging engineering plan

5. City Council and/or Community presentations

#### Measurable Goals: Phase 3 Final Engineering

1. Planning level drawings/figures, volumes, areas and costs, constructability narrative, information for final engineering efforts

2. Final dredging engineering plan

3. City Council and/or Community presentations

#### Measurable Goals: Phase 4: Construction Period Services, Dredging and Environmental Mitigation

1. Final project schedule with updates

2. Bid and award contract for dredging services

3. Completion of dredging marina

Expected Result: Oak Harbor Marina will be completely dredged and fully functional for another 10-15 years of operation with increased revenue through additional moorage as well as the ability to accommodate larger boats.

The quantifiable measures for the Mariners Haven Project are:

1. Completed Due diligence

2. Negotiated assumption of the DNR leases

3. Completed building repairs

4. Purchase of a new boat hauling trailer

Expected Results: The City will purchase the boatyard and return it to a full service boatyard that will increase marina revenue, create jobs and service boater needs.

## Part 8: Miscellaneous

### Other Information

The Oak Harbor Marina is a primary industry within the City. Dredging the marina has potential to increase revenues by \$200,000 to \$300,000 dollars within a year or two of completion. The marina will be able to rent slips currently not available as well as cater to larger boats in the near term. The marina has created numerous secondary industries and businesses directly in Oak Harbor as well as in the surrounding county. It is expected that this trend will continue and the multiplier effect the marina will have on the whole community after the project is complete is 3 to 5 times marina revenues, approximately \$10 million dollars annually.

Purchasing Mariners Haven will augment and support the marine service industries and businesses that are directly supported by the marina. Some of these marine service industries and businesses are divers, marine electrical and mechanical businesses and marine surveyors, as well as other businesses like the recently opened Outboards Northwest, a new diesel outboard motor company which decided to call Oak Harbor its home. Within Island County, there are hundreds of jobs associated directly and indirectly with the Oak Harbor Marina.

The Oak Harbor Yacht Club hosts regattas annually which bring sailboats from across the West Coast to Oak Harbor. The marina also welcomes hundreds of other guest boaters from around the world each year and is a destination stop for many avid boaters. The guests stay for days and weeks at a time, exploring and enjoying Oak Harbor and Whidbey Island. Oak Harbor Marina welcomes many mariners who boat to Oak Harbor, stay in the marina and visit Oak Harbor as well as other island cities as a planned part of their stay. Bringing visitors to Washington state, the marina is an economic driver not just for the region, but also helps the county and state economy. All of these activities at the marina generate revenue for the City of Oak Harbor and the surrounding communities in Island County.

### Supporting Documents

#### Document 1

##### Document Name

Dredge OHM M & N Dredging Proposal

##### Document Type

Project Plan

##### Upload



Dredge OHM M & N Dredging Proposal.pdf  
2 MB

**Document 2****Document Name**  
[Dredge OHM M & N Feasibility Plan SOW](#)**Document Type**  
Project Plan**Upload** [Dredge OHM M & N Feasibility Plan SOW.pdf](#)  
0.2 MB**Document 3****Document Name**  
[Dredge OHM Dredging Schedule](#)**Document Type**  
Project Plan**Upload** [Dredge OHM Dredging Schedule.pdf](#)  
0.3 MB**Document 4****Document Name**  
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[Mariners Haven Purchase and Sale Agreement for  
Mariners Haven](#)**Document Type**  
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3.6 MB**Document 6****Document Name**  
[Mariners Haven Building Inspection Report](#)**Document Type**  
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0.5 MB**Document 7****Document Name**  
[Mariners Haven Phase I ESA Boatyard Property](#)**Document Type**  
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1.4 MB**Document 8****Document Name**  
[Mariners Haven Phase II ESA Boatyard Property](#)**Document Type**  
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Document 10

Document Name  
Marina Improvement Plan

Document Type  
Project Plan

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Marina Improvement Plan.pdf  
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### Part 9: Applicant Certification

The applicant here certifies and affirms (1) that it does not now, nor will it during the performance of any contract arising from this application, unlawfully discriminate against any employee, applicant for employment, client, customer, or other person who might benefit from said contract, by reason of age, race, color, ethnicity, sex, religion, creed, place of birth, or degree of handicap; (2) that it will abide by all relevant local, state and federal laws and regulations; and (3) that it has read and understood the application instructions and restrictions in each part above and will comply with all provisions thereof.

Signature

Certification Date

5/15/2023

Printed Name  
Blaine Oborn

Title  
City Administrator

