

## **SUMMARY OF THE TOWN'S PLAN APPROVED AT THE BOC MEETING ON DECEMBER 21, 2021**

The plan is to continue to operate the property as a fishing pier, restaurant, and retail establishment by leasing it to business providers once the necessary repairs and improvements are completed. The expectation is the property can be repaired, maintained, and operated without an increase in property taxes or special assessments by spreading the repairs out over the next four years.

Once the Town owns the property, both the building and pier will be closed to the public until all safety issues are addressed, and a full engineering assessment of the pier will be undertaken at an estimated cost of \$50,000 to enable BOC decisions before the end of FY21/22. If this assessment indicates significantly higher repair costs than estimated in the due diligence report, the BOC will need to reassess whether tearing down the pier and planning for reconstruction or another use of the pier property is more cost effective than repairing the existing structure.

Options for covering the pier repair costs include off-street paid parking revenues, grant money, and use of BPART funds. Revenues are estimated to fall short of debt service and insurance expenses in FY22/23 by \$90,000 which could be covered by the BPART fund. Starting in FY23/24, off-street paid parking and building lease revenues are projected to be sufficient to cover debt service, insurance, and routine maintenance costs.

The financial plan is based on the following key assumptions:

1. The cost to bring the building to a leasable standard was assumed to be \$50,000.
2. The tenant will be responsible for renovating the building to meet their requirements.
3. Pier repairs are assumed to cost \$900,000 spread over the next four years: \$150,000 in FY22/23 and \$250,000 in each of the following three years.
4. The repair cost estimates assume the full engineering assessment does not find significant issues beyond those specified in the due diligence report.
5. Annual insurance costs are estimated at \$5,000 including flood insurance on the building along with fire and vandalism coverage for the pier.
6. No insurance coverage was included for the pier structure in the event of a storm destroying it.
7. Annual maintenance costs after repairs are estimated at \$5,000.
8. The cost of public restroom facilities was not included. A waterless restroom at an annual cost of \$5,000 was noted as a possible near-term (or temporary) solution.
9. Annual parking revenue from the pier property is assumed to be as much as \$143,000 per year based on 70% utilization of 80 spaces for 183 days from April through September at a cost of \$20/day with Town share of 70%.
10. Annual parking revenue from three off-street parking lots (pier lot and two lots in the 800 block) is estimated as much as \$215,000 based on 183 days with 70% utilization at \$20/day and 70% Town share.
11. The pier building lease is assumed to bring in a minimum of \$50,000 per year starting in FY 23/24.
12. No lease revenue for the pier structure was included.