

V. MARKET REVIEW

The market review conducted for this feasibility study is a general review rather than a complete market analysis. The reason for this approach is that the existing boat berths in the Marina will essentially be replaced in the West Basin and the East Basin. Table V-1 shows the existing and proposed berths in each of the Marina's sub-basins.

TABLE V-1  
SAN FRANCISCO MARINA  
EXISTING AND PROPOSED BOAT BERTHS BY SIZE

Berth Length in Feet	EXISTING				PROPOSED			
	West Basin	Outer West	East Basin	Totals	West Basin	Outer West 1)	East Basin	Totals
20	21	1	19	41	28	1	25	54
25	36	35	153	224	36	35	154	225
30	41	32	103	176	32	32	101	165
35	23	0	68	91	24	0	61	85
40	72	1	0	73	78	1	0	79
45	20	5	0	25	33	5	0	38
50	17	0	0	17	15	0	0	15
60	25	0	0	25	20	0	0	20
80	0	0	0	0	9	0	0	9
90	10	0	0	10	0	0	0	0
110	4	0	0	4	4	0	0	4
Totals	269	74	343	686	279	74	341	694

1) No redevelopment is planned in Outer West at this time.

Sources: City and County of San Francisco, Moffatt & Nichol Engineers

It may be noted that the renovation program will add only 8 berths to the Marina, and is essentially aimed at keeping the same berth length distribution.

Based upon this replacement concept, for the proposed capital improvement program the market review is focused on the question of the strength of the existing market for boat berths in San Francisco and how this existing market strength would be impacted by the renovation program at the Marina. For example, the improvement program may require increases in berth rates in order to achieve financial feasibility. In that event, a question which arises is would this rate increase lower berth occupancy at the Marina. The emphasis of the market assessment is on boat berths since on average approximately 92 percent of the Marina's operating income is generated by permanent berth and mooring charges.

The approach used for this market review included; a survey of competitive marinas to determine current boat berth occupancies, rates, waiting lists and other pertinent market conditions, and a review of the current Marina waiting list.

Table V-2 presents an inventory of the three major San Francisco marinas. The only vacancies reported were at Pier 39, with approximately 28 vacant berths. The overall occupancy of 98 percent in these marinas show an excellent market capture for San Francisco marinas.

<u>Marina</u>	<u>Berth Inventory</u>	<u>Percent Occupancy</u>	<u>Average Monthly Rental Rate Per Linear Foot</u>	<u>Number on Wait List</u>
San Francisco Municipal Marina	686	100%	\$5.24	321
Pier 39	310	91%	\$7.63	0
South Beach Marina	<u>683</u>	100%	\$7.06	<u>300</u>
Totals	1,679	98%		621

*Source: City and County of San Francisco,  
Williams-Kuebelbeck & Associates Telephone Survey*

In addition to high occupancies, Pier 39 and South Beach Marina, with average berth rates of \$7.63 and \$7.06 per linear foot per month respectively, have rental rates well in excess of most recently reported average rates for public marinas (\$5.06) and private marinas (\$5.52) throughout the San Francisco Bay Area. Historically, San Francisco Municipal Marina has charged relatively low berth rates.

The survey found that in the East Bay and on the San Francisco Peninsula occupancy rates were significantly lower than in San Francisco. The phenomenon is a function of the early 1990's recession and significant additions to the marina inventory in the late 1980's.

The survey indicated that San Francisco Marina had not raised their berth rental rates over the last few years. In 1994 San Francisco Marina enacted a 30 percent increase in rates. In 1993 Pier 39 increased their rates by about 6 percent. South Beach Marina has not raised its rates since opening in the late 1980's. South Beach Marina reports no plans to raise rates until at least after 2000 and Pier 39 would not divulge their plans.

**TABLE V-3  
SAN FRANCISCO MARINA BERTH WAITING LIST  
VS. PROPOSED IMPROVEMENT PROGRAM**

Berth Length in feet	Number Currently on Waiting List	Number in Proposed Improvement Program	Wait List as Percentage of Inventory Under Proposed Improvement Program
20	3	54	6%
25	29	225	13%
30	71	165	43%
35	69	85	81%
40	92	79	116%
45	21	38	55%
50	13	15	87%
60	19	20	95%
80	3	9	33%
90	0	0	0
100	1	0	(+)
110	<u>0</u>	<u>4</u>	<u>(-)</u>
	321	694	46%

*Source: City and County of San Francisco, William-Kuebelbeck & Associates, Inc.*

Table V-3 presents the current San Francisco Marina berth waiting list and compares this list to the proposed improvement program. Boat owners must pay \$50 which keeps them on the wait list for five years. Some of the 321 boat owners on the current waiting list have been waiting for over ten years for a berth at the marina. The majority of people on the waiting list have boats which prefer berthing in berths from 30 to 50 feet in length (83 percent of those on the waiting list). The table shows the wait list totals compared with the number of berths which will be available upon completion of the proposed improvement program. This comparison shows particular demand, as exhibited by the wait list, for 35, 40, 45, 50 and 60 foot berths.

In conclusion, the current and foreseeable demand for boat berths in San Francisco marinas, and the San Francisco Marina in particular, is strong. No new plans for competitive marinas are being seriously considered at this time. Although berth rental rate increases are always market sensitive, particularly in public marinas, there is ample justification for increases in berth rates at the Marina after the proposed improvements are provided. In fact, South Beach Marina's average monthly berth rates per linear foot are currently approximately 35 percent higher than rates at the Marina (\$7.06 compared with \$5.24 or \$1.82 higher).