

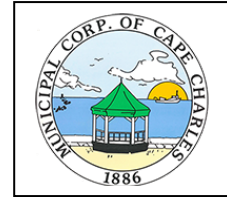
TOWN COUNCIL
Work Session –
Harbor Stakeholders Meeting
August 27, 2020
Cape Charles Civic Center
6:30 PM

1. Call to Order
 - A. Roll Call
 - B. Establish quorum
2. Moment of Silence and Pledge of Allegiance
3. Work Session Order of Business:
 - A. Open Discussion Regarding Potential Privatization of the Town Harbor
4. Adjournment

Town Manager Memorandum

August 27, 2020

RE: Town Harbor Management



Last February the Town Council asked for requests for proposals for private management of the Town Harbor. This was not a decision by the Council to move toward private management, rather it was just the Town's due diligence to see if there were any better options to current management; something that might improve the appearance, function and experience associated with the Town Harbor.

The Town received three proposals. These were from Oasis Marinas, F3 Marina, and Cape Charles Yacht Center. A proposal review committee was established comprised of the town manager, the mayor, vice-mayor, our project manager, and a representative of the Cape Charles Yacht Club (not affiliated with the Yacht Center). After careful consideration, the committee favored the Cape Charles Yacht Center, who took a unique approach to their proposal. The CCYC was able to capitalize on economies of scale provided by their existing operation. Of the three proposals, this seemed to have the best chance for success.

The Town Council considered the committee's recommendation and negotiations began with the Cape Charles Yacht Center to see if a potential agreement was possible. Those negotiations are still underway, and the Town Council has not made a final decision yet regarding this process. Before finalizing and formally considering any agreement, the Mayor and Town Council are requesting public comment, especially from harbor stakeholders. A public work session has been scheduled for August 27 at 6:30 pm at the Civic Center for this purpose.

Representatives from the Cape Charles Yacht Center will be present at this public discussion to help address comments/questions. If this process does move forward, the change in management is expected to occur on January 1, 2021.

February 24, 2020

Request for Proposals (RFP)
Town of Cape Charles
Marina Management Services

- I. Introduction.** The Town of Cape Charles, Virginia, is requesting proposals for management of the Town Harbor Marina with the objective of improving financial operating results.
- II. Overview.** The marina serves recreational, commercial and governmental vessels. This includes annual, seasonal and transient docking, sale of fuel and marine supplies, offload of commercial seafood catch, and public boat launch and recovery. The marina includes 95 slips, 4 T-Heads, 1,200 feet of side-to dock space, a pump out facility, a bath house and public restrooms. Marina operations are subject to the following conditions:
- a. Local Cooperation Agreement with the United States of America, particularly Harbor of Refuge; Exhibit A.
 - b. Free public use of the boat landing, per the Cooperative Agreement with the Virginia Department of Game and Inland Fisheries; Exhibit B.
 - c. A minimum of 32 floating dock spaces must be reserved for transient vessels, 14 on B Dock and 18 on C Dock, as a Boating Infrastructure Grant requirement.
 - d. Continued certification as a Virginia Clean Marina.
 - e. Public access from the western terminus of Marina Road through the asphalt parking lot to The Shanty restaurant, the boat landing and any future facility open to the public.
- III. Scope of Work.**
- A. Budget Development and Implementation.
 - 1. Prepare annual budget for submission to Town Manager and approval by Town Council. This will include proposed rates, fees, prices and discounts for Town property owners and commercial operators.
 - 2. Implement approved budget, including expense items such as personnel, utilities, facilities maintenance and repair, tools and equipment, fuel and other retail item purchases.
 - 3. Prepare mid-year forecast of operating results.
 - B. Financial Control and Reporting.
 - 1. Bill and collect all payments for goods and services, including related deposits.

2. Account for all transactions and cash through existing marina software and accounting system. Provide monthly detail reporting to Town Treasurer.
3. Propose changes to existing software and accounting system for efficiency and improvement in operations, financial control and reporting.

C. Operations.

1. Solicit and administer occupancy agreements and slip assignments. Monitor for unauthorized occupancy. Administer evictions and remove abandoned vessels in accordance with law.
2. Ensure boaters are provided with and sign rules and regulations, and provide certificates of liability insurance.
3. Implement standard operations procedures and facilities and equipment maintenance schedules.
4. Maintain emergency contact numbers and an Emergency Procedures Plan for staff. Ensure staff members are trained in safety and emergency procedures.
4. Provide a weekly report to the Town Manager highlighting significant operational issues and accomplishments, including repair and capital improvement projects.

D. Human Resources.

1. Hire, train and supervise all staff as employees of contractor.
2. Institute performance evaluation system tied to marina performance metrics.
3. Provide and ensure all staff are uniformed in proper apparel with Town Harbor logo.

E. Facilities.

1. Maintain marina to a high level of appearance and operational status.
2. Provide security monitoring for common areas and docks.
3. Conduct routine inspections of grounds, systems, buildings and docks.
4. Perform routine maintenance and repair of all facilities and equipment.
5. Purchase tools, equipment and materials required for operations, maintenance and repair.
6. Provide recommendations for long term facilities improvements.

F. Marketing.

1. Prepare, at least annually, a competitive market analysis that identifies the marinas, amenities, slip sizes, services and rates in the region. Develop a positioning strategy based on this analysis.
2. Develop an aggressive marketing strategy to increase occupancy and improve operating results, including branding and improved print and digital advertising.

IV. Instructions to Offerors.

A. Proposals must be submitted in accordance with the instructions and requirements contained in this RFP. Failure to do so may result in the proposal being considered non-responsive and it may be rejected.

B. Offerors must promptly notify the Town of any ambiguity, inconsistency, or error which may be discovered upon examination of this RFP.

C. For clarification or interpretation of this RFP contact Mr. Bob Panek, 757-331-3259 ext. 19, or bob.panek@capecharles.org.

D. Submit one original, signed by an authorized representative, and four copies of the proposal providing the following:

1. General business information.

- Length of time in the business, corporate experience, strengths in the industry, and business philosophy.
- Organizational structure of the firm and summary qualifications of key individuals to be assigned to the work, and office location of each. Full resumes may be attached as an appendix.
- Financial condition of the firm and availability of financial resources to perform all obligations of any resultant contract.
- Compliance by the firm with laws regarding prior contracts.
- Any lawsuits, related to your business, in which the firm has been a defendant.
- The three most relevant marinas for which the firm has provided similar services within the last five years. Include short descriptions of the work performed, contract value, dates of performance, operating results and client references.

2. Specific approach.

- Address the experience of your firm and the approach which would be taken in performing each of the major scope of work items, A – F, enumerated in section III, above. Include expected outcomes for each.
- Address the approach your firm would take to transition the marina from government to private management, including seasonal timing and current employees.
- Address proposed fee structure for performing the work. Is your firm open to an incentive arrangement for a portion of the fee, such as a percentage of the improvement in net operating income over a previous period?

E. The proposal must be submitted to the Town of Cape Charles, 2 Plum Street, Cape Charles, Virginia 23310, in a sealed envelope or container clearly labeled “**Request for Proposals, Marina Management Services**”. Deadline for submission is 2:00 PM., April 20, 2020.

F. The Town may request additional information, clarification, or presentations from any of the offerors after review of the proposals received.

G. The Town has the right to use any or all ideas presented in reply to this RFP, subject only to the limitations regarding proprietary/confidential data of the offeror.

H. The Town is not liable for any costs incurred by any offeror in connection with this RFP or any response by any offeror in connection to this RFP. The expenses incurred in the preparation, submission, and presentation of the proposal are the sole responsibility of the offeror and may not be charged to the Town.

V. Miscellaneous.

A. Ownership of all data, materials, and documentation originated and prepared for the Town pursuant to the RFP shall belong exclusively to the Town and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the offeror shall not be subject to public disclosure under the Freedom of Information Act, unless otherwise required by law or a court. **However, the offeror must invoke the protection of Section 2.2-4342(F) of the Code of Virginia, in writing, either before or at the time the data or other material is submitted.** The written notice must SPECIFICALLY identify the data or materials to be protected and state the reason why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary, or trade secrets, is NOT ACCEPTABLE and may result in rejection of the proposal.

B. No information regarding the proposal records or the contents of proposals will be released except in accordance with Section 2.2-4342 of the Code of Virginia. Once an award has been made, all proposals will be open to public inspection subject to the provisions set forth above.

- C. Any interpretation, correction or change of the RFP will be made by an addendum. Interpretations, corrections or changes of this RFP made in any other manner will not be binding and offerors must not rely upon such interpretations, corrections or changes. Addenda will be faxed or mailed to all who are listed as having received the RFP and will be posted on the Town website. Acknowledgement of receipt of all addenda issued and taken into consideration in the submittal of any proposal is required as part of the proposal package.
- D. No offeror shall confer on any public employee having official responsibility for a purchasing transaction any payment, loan, subscription, advance, deposit or money, service, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value.
- E. The Town may make investigations to determine the ability of the offeror to perform or supply the services as described in this RFP. The Town reserves the right to reject any proposal if the offeror fails to satisfy the Town that it is qualified to carry out the obligations of the proposed contract.
- F. The successful offeror must comply with the nondiscrimination provisions of Virginia Code Section 2.2-4311, which are incorporated herein by reference.
- G. The successful offeror must comply with the drug-free workplace provisions of Virginia Code Section 2.2-4312, which are incorporated herein by reference.
- H. It is the policy of the Town to maximize participation by minority and women owned business enterprises in contracting opportunities.
- I. The successful offeror shall comply with all applicable Town, State and Federal laws, codes, provisions, and regulations.
- J. Providers of any subcontract services shall be subject to the same conditions and requirements as the successful offeror in regards to law, code, or regulation compliance. The Town reserves the right of approval for any subcontract work, including costs thereof.
- K. Ethics in Public Contracting. The provisions, requirements, and prohibitions as contained in Sections 2.2-4367 through 2.2-4377, of the Virginia Code, pertaining to bidders, proposers, contractors, and subcontractors are applicable to this RFP.

- L. Conflict of Interests Act. The provisions, requirements, and prohibitions as contained in Sections 2.2-3100, et. seq., of the Virginia Code are applicable to this RFP.
- M. All firms doing business in the Town are required to be licensed in accordance with the Business, Professional and Occupational Licensing (BPOL) Tax ordinance. Questions concerning business licenses should be directed to the Town Treasurer at 757-331-3259, X23.

VI. Contract Terms and Conditions. Below are contract terms and conditions that the Town plans to include in any contract that may be awarded, but such terms and conditions may be changed, added to, deleted, or modified as may be agreed to between the Town and the contractor during negotiations. However, if an offeror has any objections to any of the terms or conditions set forth below or any changes or additions thereto that the offeror wants to discuss during negotiations, the offeror should set forth such objections, changes or additions in the proposal submitted in response to this RFP. Otherwise, submission of a proposal will obligate such offeror, if it is the successful offeror, to enter into a contract containing the same or substantially similar terms and conditions as contained below. Other terms and conditions, if necessary, will be negotiated with the successful offeror.

- A. Choice of Law and Venue: Any disputes that cannot be resolved between the Town and the Contractor must be resolved in the Courts of Northampton County, Virginia. The contract shall be governed by the laws of the Commonwealth of Virginia.
- B. Termination: It shall be the sole right of the Town to terminate the contract upon written notification to the Contractor.
- C. Modification: The contract shall not be amended, modified, or otherwise changed except by the written consent of the Contractor and the Town given in the same manner and form as the original signing of the Contract.
- D. Nondiscrimination: In accordance with Section 2.2-4311 of the Code of Virginia, during the performance of this contract the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in

conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

Notices, advertisements, and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

The Contractor shall include the provisions of the foregoing paragraphs in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.

- E. Right to Audit: Contractor's records shall be open to inspection and subject to audit and/or reproduction, during normal working hours, by the Town to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims submitted by Contractor of any of its payees pursuant to execution of the contract. Such records subject to examination shall also include, but not be limited to, those records necessary to evaluate and verify direct and indirect costs (including overhead allocations) as they may apply to costs associated with this contract.

For the purpose of such audits, inspections, examinations and evaluations, the Town shall have access to said records from the effective date of this contract, for the duration of the work, and until two (2) years after the date of final payment by the Town to Contractor pursuant to this contract.

The Town shall have access to Contractor's facilities, shall have access to all necessary records, and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article. The Town shall give Contractor reasonable advance notice of intended audits.

Contractor shall require all subcontractors, insurance agents, and materials suppliers (payees) to comply with the provisions of this article by insertion of the requirements hereof in a written contract agreement between Contractor and

payee. Failure to obtain such written contracts which include such provisions shall be reason to exclude some or all of the related payees' costs from amount payable to Contractor pursuant to this contract.

If an audit, inspection or examination in accordance with this section discloses overcharges (of any nature) by Contractor to the Town in excess of five percent (5%) of the total contract billings, the actual cost of the Town's audit shall be paid by the Contractor.

F. Insurance: The contractor shall purchase and maintain in force, at his own expense:

1. Workers' Compensation Insurance – Standard Virginia Worker's Compensation Policy.
2. Broad Form Comprehensive General Liability - \$1,000,000 Combined Single Limit coverage to include: Premises – Operations; Products/Completed Operations; Contractual; Independent Contractors; County and Contractor's Protective; Personal Injury (Libel, Slander, Defamation of Character, etc.).
3. Professional Liability Coverage (errors and omissions) - \$1,000,000 minimum.
4. Automobile liability insurance shall be written with a Comprehensive Form and include coverage for owned, hired, and non-owned vehicles the limit for any one accident or loss shall be \$1,000,000.

The insurance specified herein shall name the Town as additional insured with regard to work performed under any Contract. All policies shall provide that the Town is to receive written notice by certified mail, thirty (30) days in advance of cancellation or alteration of any policy. The Contractor shall provide the Town with copies of certificates of insurance coverage and proof of payment for all premiums.

G. Drug Free Workplace: In accordance with Section 2.2-4312 of the Code of Virginia, during the performance of this contract the contractor agrees to:

1. Provide a drug-free workplace for the contractor's employees.

2. Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition.
3. State in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace.
4. Include the provisions of the foregoing clauses for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this section, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of this contract.

- H. Faith-based Organizations: The Town does not discriminate against faith-based organizations in accordance with the Code of Virginia, Section 2.2-4343.1.
- I. Environmental Management: Contractor shall be responsible for complying with all applicable federal, state, and local environmental regulations, if any.
- J. Finance Charges: The Town will not pay any finance charges imposed on any invoices submitted by the contractor relative to this Contract.
- K. Assignment: Contractor may not assign his rights and obligations hereunder. The Town may, without Contractor's consent, assign its rights and obligations hereunder to a Public Service Authority, a Sanitary District or a Public Services Corporation created in accordance with Virginia law.
- L. Applicable to Successors and Assigns: The Town and Contractor agree that the rights and obligations under this Contract shall inure to and be binding on their respective successors and permitted assigns.
- M. Minority-Owned Business Enterprises and Women-Owned Business Enterprises (MBE/WBE): Contractor shall comply with the requirement to offer subcontracting opportunities to MBE/WBE firms per the attached supplement.

VII. Sham or Collusion. The proposal of any offeror or offerors who engage in collusion shall be rejected. Any offeror who submits more than one proposal in such a manner as to make it appear that the proposals submitted are on a competitive basis from different parties shall be considered a collusive offeror.

VIII. Debarment. By submitting their proposal, offerors certify that they are not now debarred by the United States, the Commonwealth of Virginia, or any town, city or county within the Commonwealth of Virginia, from submitting proposals on contracts for the services described in this RFP, nor are they an agent of any person or entity that is now so debarred.

IX. Rejection of Proposal. The Town reserves the right to reject any and all proposals, to waive any informality or irregularity in the proposals received, and to make the award to the offeror whose proposal is deemed to be in the best interest of the Town.



Cape Charles
YACHT CENTER

Cape Charles Yacht Center LLC
1011 Bayshore Road, Cape Charles, VA 23310
P: 757-331-3100 | E: info@ccyachtcenter.com | W: ccyachtcenter.com

Proposal
Marina Management, Town of Cape Charles

April 20, 2020

Town of Cape Charles
2 Plum Street
Cape Charles, Virginia 23310

April 20, 2020

Dear Town Councilors and Representatives,

Thank you for giving us the opportunity to present our proposal for managing the Cape Charles town marina. We're the owners and operators of the marina's neighbor, Cape Charles Yacht Center LLC. Given our close proximity, existing synergistic relationship, and successful operations, we believe we're a natural and ideal manager for the town's operations.

At Cape Charles Yacht Center, we're in the early stages of a phased expansion. Within 18 to 24 months, we plan to install a 500-ton mobile hoist, construct a 30,000-square foot shed, and hire more than 100 additional employees to service boats of all types — from recreational sailboats to commercial trawlers. Our expansion will attract more vessels to our local harbor, and we're excited to share the economic benefits of this additional marine traffic with the Town and local businesses.

Our core business is boat service, and the accompanying dockage is critical to our success. Currently we have a team of talented local employees who manage the day-to-day dock operations for Cape Charles Yacht Center. We are all enthusiastic about taking on the additional operations of the town dock and its facilities. We plan to run the town's docks with the same high standards we've incorporated into our own operations since acquiring the boatyard in 2019.

We hope this proposal demonstrates both our capabilities and our constructive vision for our partnership. Please contact us if you have any questions or ideas to share.

Best regards,



Nicole Jacques

Principal
Cape Charles Yacht Center
207-450-9943
nicole@ccyachtcenter.com



JB Turner

Principal
Cape Charles Yacht Center
207-691-6700
jb@ccyachtcenter.com

Principal
Cape Charles Yacht Center



Nicole Jacques is the owner and marketing strategist of Rhumbline Communications, a marine-focused marketing agency in mid-coast Maine. She specializes in launching new marine businesses into the international marketplace, as well as boosting market share for established companies. Her clients include shipyards, trade shows, manufacturers, suppliers, and nonprofit trade associations. In 2019 Nicole took on the challenge of marketing Cape Charles Yacht Center as a mid-Atlantic yachting hub when she acquired it with her partner, JB. A longtime proponent of vocational education, Nicole has a master's degree in writing, teaches college and continuing ed courses, and is the former marketing director of a post-secondary marine school.

Principal
Cape Charles Yacht Center



JB Turner is the president and general manager of Front Street Shipyard, a yacht construction and repair yard with a superyacht marina in Belfast, Maine. Along with four partners, JB founded Front Street Shipyard in 2011, beginning with nothing but flat land, deep water and a vision for a world-class shipyard. He quickly grew FSS into New England's most-capable superyacht facility. In 2019 JB and partner Nicole also acquired Cape Charles Yacht Center with the goal of expanding it into a superyacht yard similar to Front Street Shipyard. JB supports the industry as a board member of the Maine Built Boats Association and the U.S. Superyacht Association. He has served in an advisory capacity for multiple vocational education organizations.

About Cape Charles Yacht Center LLC

Cape Charles Yacht Center is an ideally located destination for regional and international vessels visiting Chesapeake Bay. The yard is an expanding, full-service shipyard for vessels of all sizes including superyachts, recreational boats, and commercial vessels. CCYC offers a modern marina with 30- and 50-amp single-phase, 100- and 480-amp three-phase power, as well as crew amenities like showers, laundry, and lounge areas. Ample outdoor storage space accommodates commercial and recreational vessels. A new, five-bay service facility was constructed in early 2020. There is also an office building and parts building on the shipyard's property.

Cape Charles Yacht Center has been in continuous operation since 2013. The current ownership company, Cape Charles Yacht Center LLC, began its management of the shipyard operations on March 1, 2019. Cape Charles Yacht Center LLC is a partnership owned 50% by Nicole Jacques and 50% by John Turner. CCYC is a fully solvent company with no history of bankruptcies or lawsuits.

Our Vision for the Cape Charles Harbor

Cape Charles is ideally situated just inside the mouth of Chesapeake Bay with a channel

that has an 18-foot draft. The harbor easily accommodates vessels up to 200 feet, and the Mid-Atlantic location and year-round temperate climate are ideal for all types of ship service and boat manufacturing.

Currently Cape Charles Yacht Center services commercial, government, and recreational vessels using a 75-ton mobile hoist. Demand for the hoist's services consistently come from businesses, individuals, the US Navy, and the US Coast Guard (with a neighboring property). CCYC often has additional requests for hauling that the 75-ton hoist is unable to accommodate. These oversized or overweight vessels generally travel hundreds of miles to New England, Florida, or overseas to find shipyards that can accommodate their vessels.

The principals of Cape Charles Yacht Center plan to install a 500MT mobile hoist and construct a 30,000-sq ft, 70-foot tall shed in the next 18-24 months. CCYC intends to collaborate and cooperate with fellow small businesses in the region that use the services of a marine hoist. Regional maritime businesses including the Virginia Pilots Association, Coastal Design & Construction, and Murtech Inc., will benefit immediately from the proximity of the hoist, which would improve the efficiency of their operations and provide additional transport options for their products.



This rendering shows the location of the existing 75-ton lift, plus the location of the new 560-metric-ton mobile hoist and the accompanying building that is planned for construction in 2021.

The increase in service opportunities from the addition of a 500MT hoist will facilitate significant growth in skilled job opportunities on the Eastern Shore. CCYC will add at least 20-50 skilled positions immediately once the marine hoist is in place, and more as additional work is generated.

With this expansion will come significantly more marine traffic to Cape Charles Yacht Center, with spillover traffic at the Cape Charles town dock. We expect significantly more transient vessels based on increased awareness of the harbor. We also foresee the need for more dockage for

vessels receiving in-water service work.

Ideally we'll be able to control the flow of boat traffic through the combined management of CCYC's docks and the neighboring town docks with the support of the Cape Charles Harbormaster.

Our ultimate goal is to position Cape Charles as the mid-Atlantic hub for recreational vessels of all of sizes, resulting in increased tourism, a flourishing economy, and a professional mecca for skilled craftspeople.

Organizations with which Cape Charles Yacht Center has executed contracts successfully include the US Navy, commercial companies, and research organizations. We have been in full compliance with local, state and federal laws for all contracts. References are available. The following case studies are samples of fulfilled contracts between CCYC and outside organizations:



A 65-foot US Navy patrol boat arrived at CCYC in February. The vessel was hauled and tented. The CCYC yard crew and subcontracted workers sandblasted the bottom down to the metal using a 2.0 to 4.0 profile. To prevent oxidation, the CCYC team applied primer specified by the US Navy on the same day, carefully following the product mil spec. The bottom was finished with three coats of the customer-specified bottom paint. The entire job was executed per contract and within budget.



The 65-foot US Mail and freight service vessel COURTNEY THOMAS has consistently hauled out at CCYC for maintenance since the yard's inception. In 2019 the vessel spent three months hauled out for major repairs including replacement of cutlass bearings and shafts, an ultrasonic inspection and corrosion assessment of the metal hull, engineroom barrier coatings, bottom paint, and maintenance tasks.



The 50-foot aluminum power vessel PHILIP N PARKER is a scientific research vessel operating out of the Chincoteague Bay Field Station. Last year CCYC hauled the vessel to make massive repairs to her bottom. After sandblasting, the bottom plating was revealed to be so pitted and deteriorated that CCYC removed an entire 2-ft by 20-ft section and welded on new plating. Following the installation of a form-fitted patch, CCYC applied barrier coats and bottom paint.

CCYC's Proposed Approach

Cape Charles Yacht Center will assume management of the Cape Charles town docks with the same high level of customer service, commitment and care that the CCYC team currently provides its own customers.

Budget Development & Implementation

CCYC will develop and submit to the Town of Cape Charles an annual budget for operations. Our goal is to provide local and transient boaters with reasonably priced dockage that includes robust amenities along with fuel and convenience items. Our budget will reflect the quality we expect to offer our customers, as well as the efficiency we intend to incorporate into the management of the town docks.

While we won't submit a formal budget until we have the opportunity to do a full assessment of the existing operations, we can make some initial proposed recommendations to the existing 2020 budget. These recommendations include expenses Cape Charles Yacht Center intends to assume, as well as the fee structure we propose in exchange for the management of the docks.

Budget highlights:

- CCYC will bring the town dockage rates up to equal that of CCYC's to eliminate competition
- CCYC will assume all employee salaries and benefit costs
- CCYC will assume all office supply costs

- CCYC will leverage its existing vendor relationships to secure goods at lower costs

Fee structure:

- 15% of gross fuel sales
- 30% of gross dockage & wharfage sales
- 15% of gross electricity
- 30% of gross lease storage
- 30% of gross retail sales

The initial fee structure will be in effect up until gross sales exceed those of the prior year. The percentages of gross revenue from each profit center payable to Cape Charles Yacht Center will increase respectively for all sales beyond its prior year as follows:

- 20% of gross fuel sales
- 50% of gross dockage & wharfage sales
- 20% of gross electricity
- 50% of gross lease storage
- 40% of gross retail sales

For example: assuming the 2019 dockage sales were \$215,000; CCYC begins operating the town docks in 2020 and the annual dockage fees total \$240,000. The fee payable to CCYC by the town would be as follows:

$(FY2019 \times 30\%) + ((FY2020 \text{ gross} - FY2019 \text{ gross}) \times 50\%) = \text{Dockage Operational Fee}$

$(\$215,000 \times .3) + ((\$240,000 - \$215,000) \times .5) = \$77,000$

Note: If the current fiscal year revenues don't exceed the prior year's, this formula will not be applicable.

Please see the following 2020 sample budget:

Fund: 510	HARBOR FUND	FY 19 Budget	FY 20 Requested	FY 20 Proposed	Difference	Notes
Acct Type:						
510-3150-1000	Harbor Fuel Sales	\$393,000.00	\$402,342.97	\$412,650.00	2.56%	
510-3150-1100	Miscellaneous Sales-Snacks, Drinks, Ice,	\$12,500.00	\$12,750.00	\$13,125.00	2.94%	
510-3150-1200	Miscellaneous Sales-Boating Supplies	\$3,125.00	\$4,000.00	\$4,000.00	0.00%	
510-3150-1300	Miscellaneous Sales-RTIC	\$3,300.00	\$3,300.00	\$3,465.00	5.00%	
510-3150-1500	Lube & Oil Sales	\$2,250.00	\$2,295.00	\$2,362.50	2.94%	
510-3150-2000	Dockage Fees	\$215,000.00	\$228,000.00	\$236,500.00	3.73%	
510-3150-2100	Harbor Electric Sales & Pump Out	\$12,000.00	\$16,000.00	\$16,000.00	0.00%	
510-3150-2200	Lease/Storage Revenue	\$7,000.00	\$12,000.00	\$12,000.00	0.00%	
510-3150-3000	Wharfage Fees	\$12,800.00	\$12,000.00	\$12,000.00	0.00%	
510-3400-1000	Lease - Restaurant Base Amount	\$6,000.00	\$6,000.00	\$6,000.00	0.00%	
510-3650-1000	Credit 1%/Debit\$0.25 Card Fee Rev	\$500.00	\$510.00	\$510.00	0.00%	
510-3670-1000	Discount Eamed - Harbor (Sales & Use Tax,	\$10.00	\$10.20	\$10.20	0.00%	
510-3800-2000	VA Port Authority Grant	\$227,500.00	\$375,000.00	\$375,000.00	0.00%	
510-3800-3000	Grant - Federal Boating Infrastructure BIG	\$33,000.00	\$0.00	\$0.00	#DIV/0!	
510-3800-3500	Grant Virginia Dept of Health - Pumpout Costs	\$750.00	\$765.00	\$765.00	0.00%	
510-3900-6000	Appropriation From Fund Balance	\$858,901.75	\$8,000.00	\$8,000.00	0.00%	
New account	Transfer from General Fund		\$352,872.07	\$352,872.07	0.00%	
	TOTAL HARBOR REVENUE	\$1,787,636.75	\$1,435,845.24	\$1,455,259.77	2.6%	

Acct Type:
Dept Desc: 4713

510-4713-1000	Regular Salaries & Wages-Harbor	\$116,030.36	\$119,742.00	\$0.00	-100.0%	CCYC will carry all employee expenses
510-4713-1100	Regular Salaries & Wages OT Harbor	\$1,500.00	\$1,500.00	\$0.00	-100.0%	
510-4713-1400	Seasonal Wages Harbor	\$36,600.00	\$35,000.00	\$0.00	-100.0%	
510-4713-1500	Seasonal Wages OT	\$1,976.40	\$1,890.00	\$0.00	-100.0%	
510-4713-1800	Allocated Wages	\$10,466.66	\$10,962.00	\$10,962.00	0.0%	3% Treasurer, 10% Accountant, 5% Town Manager
510-4713-2000	FICA Expense	\$11,942.17	\$12,097.10	\$0.00	-100.0%	
510-4713-2100	SUI Expense	\$162.24	\$140.63	\$0.00	-100.0%	
510-4713-2200	Retirement-ER VRS & ICMA-RC Contribution	\$3,752.50	\$3,872.54	\$0.00	-100.0%	
510-4713-2210	Life Insurance	\$820.66	\$846.92	\$0.00	-100.0%	
510-4713-2220	Disability Insurance, LTD & STD	\$510.81	\$525.24	\$0.00	-100.0%	
510-4713-2230	Worker's Comp	\$7,498.27	\$6,935.19	\$0.00	-100.0%	
510-4713-2300	Health Insurance	\$14,962.32	\$14,760.00	\$0.00	-100.0%	
510-4713-2310	Dental Insurance	\$582.24	\$582.24	\$0.00	-100.0%	
510-4713-2345	Employee/Volunteer Testing	\$75.00	\$180.00	\$0.00	-100.0%	
510-4713-2800	Allocated Benefits	\$3,069.13	\$3,119.00	\$3,119.00	0.0%	3% Treasurer, 10% Accountant, 5% Town Manager
510-4713-3020	Maint Svc Contracts - Annual	\$3,300.00	\$3,300.00	\$3,300.00	0.0%	
510-4713-3025	Repair Maint & Inspect Contracted Svcs	\$710.00	\$724.20	\$724.20	0.0%	
510-4713-3040	Grounds Maintenance	\$3,400.00	\$3,000.00	\$3,000.00	0.0%	
510-4713-3430	IT, Software, Scan & Website Services	\$2,800.00	\$2,856.00	\$2,856.00	0.0%	
510-4713-3500	Advertising Services	\$4,200.00	\$6,500.00	\$0.00	-100.0%	CCYC will assume all marketing expenses
510-4713-3740	Merchant Service Charges	\$12,750.00	\$12,750.00		-100.0%	
510-4713-5010	Electric Service	\$21,000.00	\$21,000.00	\$21,000.00	0.0%	
510-4713-5020	Propane & Fuel Oil Exp	\$800.00	\$800.00	\$800.00	0.0%	
510-4713-5030	Water Expense Harbor	\$750.00	\$750.00	\$750.00	0.0%	
510-4713-5035	Sewer Expense Harbor	\$1,400.00	\$1,400.00	\$1,400.00	0.0%	
510-4713-5040	Phone Service, Landline & Wireless	\$0.00	\$1,380.00	\$1,380.00	0.0%	
510-4713-5110	Lease, Office Equipment	\$950.00	\$950.00	\$0.00	-100.0%	
510-4713-5200	Travel-Mileage, Parking & Tolls	\$100.00	\$100.00	\$0.00	-100.0%	
510-4713-5210	Travel-Lodging & Meals	\$50.00	\$0.00	\$0.00	#DIV/0!	
510-4713-5220	Conference	\$0.00	\$0.00	\$0.00	#DIV/0!	
510-4713-5230	Education	\$600.00	\$600.00	\$0.00	-100.0%	
510-4713-5250	Dues & Memberships	\$350.00	\$0.00	\$0.00	#DIV/0!	
510-4713-5300	Insurance, Property & General Liability	\$19,454.32	\$23,692.11	\$23,692.11	0.0%	
510-4713-6000	Office Supplies	\$3,800.00	\$4,000.00	\$0.00	-100.0%	CCYC will assume office expenses
510-4713-6025	Janitorial & Kitchen Supplies	\$1,200.00	\$1,400.00	\$0.00	-100.0%	
510-4713-6050	Uniforms Expense	\$1,200.00	\$1,200.00	\$0.00	-100.0%	
510-4713-6075	Hand Tools, & Small Equipment	\$1,250.00	\$1,250.00	\$1,250.00	0.0%	
510-4713-6080	Safety Equipment	\$700.00	\$1,500.00	\$1,500.00	0.0%	
510-4713-6100	Program & Event Supplies & Awards	\$0.00	\$4,800.00	\$0.00	-100.0%	
510-4713-6150	Comptr, Software & Electronics < \$5,000	\$1,600.00	\$8,000.00	\$0.00	-100.0%	
510-4713-6175	Vehicles & Powered Equipment Fuel	\$1,000.00	\$1,500.00	\$1,500.00	0.0%	
510-4713-6200	Vehicle & Powered Equip. Supplies & Svcs	\$7,000.00	\$8,000.00	\$8,000.00	0.0%	
510-4713-6225	Repair & Maintenance Supplies Harbor	\$24,571.92	\$32,368.00	\$32,368.00	0.0%	
510-4713-6230	Repair & Maint Spplies Reimbursable-Pump	\$1,000.00	\$1,000.00	\$1,000.00	0.0%	
510-4713-6400	COGS - Fuel for Resale	\$318,750.00	\$320,000.00	\$334,687.50	4.6%	
510-4713-6410	COGS - Lube & Oil for Resale	\$1,500.00	\$1,600.00	\$1,300.00	-18.8%	
510-4713-6420	COGS - Boating Supplies for Resale	\$1,300.00	\$1,800.00	\$1,000.00	-44.4%	
510-4713-6430	COGS - Maps/Charts for Resale	\$1,200.00	\$1,000.00	\$500.00	-50.0%	
510-4713-6440	COGS - Clothing for Resale	\$5,000.00	\$5,000.00	\$4,000.00	-20.0%	
510-4713-6450	COGS - Food & Drink for Resale	\$1,500.00	\$1,500.00	\$1,500.00	0.0%	
510-4713-6460	COGS - Ice for Resale	\$2,100.00	\$2,100.00	\$2,100.00	0.0%	
510-4713-6470	COGS - Coolers and Drinkware	\$3,000.00	\$2,500.00	\$2,000.00	-20.0%	
510-4713-6800	Debt Service - Principal Payment HRB	\$75,220.77	\$73,442.64	\$73,442.64	0.0%	
510-4713-6850	Debt Service Interest - Harbor	\$39,180.98	\$29,429.43	\$29,429.43	0.0%	
510-4713-7010	Building, Equipment, Other CAPITAL BUDGET	\$0.00	\$8,000.00	\$8,000.00	0.0%	
510-4713-7060	Public Infrastructure - Breakwaters & Misc.	\$875,000.00	\$500,000.00	\$500,000.00	0.0%	
510-4713-7080	Computers, Software & Elec Equip.>\$5000	\$0.00	\$7,500.00	\$7,500.00	0.0%	
510-4713-7085	Public Infrastructure - Docks & Misc CAP BDGT	\$30,000.00	\$125,000.00	\$125,000.00	0.0%	
510-4713-7090	Equipment, Other CAPITAL BDGT	\$108,000.00	\$0.00	\$0.00	#DIV/0!	
New	CCYC fees for operation	\$0.00	\$0.00	\$163,193.80	#DIV/0!	
TOTAL HARBOR EXPENDITURES		\$1,787,636.75	\$1,435,845.24	\$1,372,254.68	-4.4%	
Total Harbor Revenue less Expenditures		\$0.00	\$0.00	\$83,005.09		

We intend to explore additional profit centers including consumer fees for launching and hauling with the town ramp. Any additional revenue streams we add into the Cape Charles town budget will be assigned a fee structure based on gross and net revenue expectations. CCYC will give the Town of Cape Charles the opportunity to review and approve these

revenue streams in advance.

Financial Control and Reporting

Cape Charles Yacht Center will manage all financial information, bank accounts, and bookkeeping for the Cape Charles town docks. All transactions related to the town will be

managed separately from the finances of Cape Charles Yacht Center.

CCYC uses an industry-accepted software program called PierVantage. We will create and manage an account on behalf of the Town of Cape Charles with PierVantage or a comparable industry resource.

We believe in complete financial transparency and we hire talented financial controllers to maintain our books. In addition to providing monthly financial statements to the town, CCYC will make its Maine-based CFO (Tuesdi Woodworth) and its certified public accountant (Glenn Goodwin) accessible to Cape Charles' town treasurer and councilors at any time.

Operations

Cape Charles Yacht Center will operate the town docks in much the same manner as it operates the neighboring property. Our employees provide professional customer service and our facility is well maintained and presentable at all times.

Customers should expect a consistent and positive experience upon arrival in the Cape Charles Harbor. We'll prepare a "welcome packet" to distribute to visitors, which includes information about the facility (e.g. wi-fi password,

bathroom codes, staff contact information) as well as information about the Cape Charles region and its local businesses.

All customers sign a service contract upon arrival in the harbor. This contract includes rules and regulations of the facility as well as dockage and electricity rates.

Any visitor to the town docks will also have access to all of the facilities and amenities at Cape Charles Yacht Center including laundry, wi-fi, showers, etc.

Human Resources

The Cape Charles town dock and Cape Charles Yacht Center will share employees. The Town will benefit from having the experience, availability and capacity of an entire boat yard team at its disposal, eliminating the seasonal strain of short-handedness.

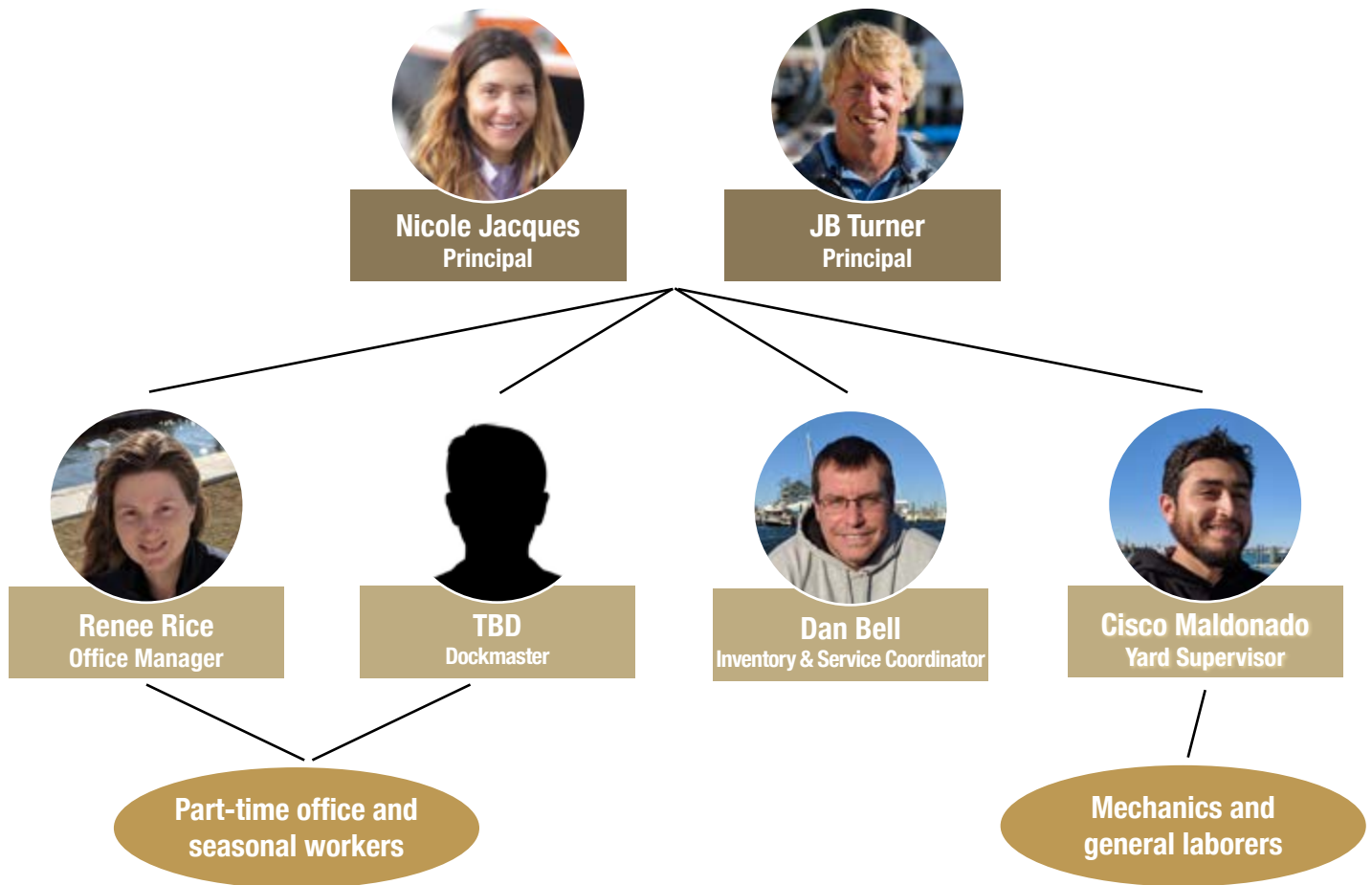
(Please see CCYC's organizational chart on the following page.)

Currently the CCYC dockage is managed by the office staff. Should we contract with the Town of Cape Charles to manage its marina, we will hire a full-time, year-round dockmaster to control both docks.



Organizational Chart

As of April 2020



Renee Rice, Dan Bell, and Cisco Maldonado will be the primary contacts for customers, town officials, and the harbormaster. Should we be awarded the town contract, we intend to add a full-time dockmaster position to manage both the CCYC and the town's docks. All our full-time employees work 8:00 a.m. to 5:00 p.m. on site at Cape Charles Yacht Center.

Renee Rice has worked for Cape Charles Yacht Center since 2017. Bringing a lot of local knowledge of the lower Eastern Shore of Virginia from her time at the Chamber of Commerce, Renee employs her excellent organization skills and years of customer service experience at Cape Charles Yacht Center to ensure a seamless experience for all our boaters.

Dan Bell joined CCYC's team in 2020. A well-

known local, Dan previously worked in law enforcement for the Northampton County Sheriff's department as well as the Exmore and Cape Charles Police Departments. He's even assisted with water rescues for stranded boaters. Dan also was a commercial fisherman for 10 years who's spent significant work and personal time on both of the peninsula's shores.

Cisco Maldonado has been part of Cape Charles Yacht Center since its inception. After starting with the boatyard as a general laborer, Cisco quickly developed special skills with boats' systems. His talents in diagnosing and repairing boats of all types has flourished through his hands-on training. Cisco grew up here on the Eastern Shore and has been a familiar face to our customers for years.

The dockmaster will be supported by seasonal, part-time employees during boating season. These summertime dockhands will assist transient boaters upon arrival and departure, support fuel operations and retail sales, and monitor VHF and phones — particularly on weekends and holidays.

We would invite applications for the position of dockmaster from the existing staff at the Cape Charles Town Docks.

Facilities

We expect the Town facilities to be well-maintained, safe, and inviting for boaters. Our goal is to impress upon Cape Charles newcomers that boaters' resources in the region are plentiful and of a high caliber.

We will make requests to the Town for repair and maintenance support regularly, and we expect a timely response and disbursement of needed funds to address those service requirements.

The dockmaster — with support from CCYC staff — will source the services and materials for all repairs and maintenance. Whenever possible, CCYC will offer its general labor to support the Town Dock's maintenance needs.

Annually we will make broader recommendations for enhancements to the facility and include line items for these recommendations in our proposed budgets. We hope the Town will use some of its new revenue to support these enhancements and continue improving the harbor as a whole.

Marketing and Branding

Cape Charles Yacht Center LLC will assume all marketing activities and costs for the Cape Charles town docks. We will develop and execute a significantly more aggressive marketing campaign than has been in place in the past.

Since Cape Charles Yacht Center already has an existing national marketing campaign, we intend

to leverage it on behalf of the Cape Charles town dock. Our plan is to develop a broader, farther-reaching marketing campaign that promotes the entire Cape Charles harbor as a destination for both regional and international vessels.

Currently the Cape Charles Yacht Center marketing campaign includes extensive digital exposure through Google and Facebook advertising, digital publications, re-targeting campaigns and geo-targeted social media campaigns in boater-heavy regions like southern Florida, Chesapeake Bay, Charleston, Hatteras, and Cape May.

Traditional and print media opportunities include regional mid-Atlantic boating publications as well as captain-focused publications like *The Triton* and annual yachting guides. We also take advantage of occasional sponsorships for yacht clubs and fishing tournaments.

By combining the marketing efforts of Cape Charles' two major marinas, we'll be able to use advertising efforts to focus on the features and benefits of the region instead of marketing one marina against the other. (*See a mock-up of a sample ad on the following page.*) The logos and contact information for each marina will be equally represented in advertising.

We'll develop a new, more compelling website for capecharlesharbor.com. The front page of Cape Charles Harbor will include more dynamic content, information and links for local businesses, and SEO programming to boost online searchability.

The entire marketing campaign will be executed by Rhumblin Communications (rhumblin.com), a marine industry advertising agency owned by a principal of Cape Charles Yacht Center, Nicole Jacques. Rhumblin Communications specializes exclusively in promoting boat yards, marine trade nonprofits, maritime events, and retail outlets. The Cape Charles town docks will be awarded unprecedented marketing support from a niche professional.

VISIT THE MID-ATLANTIC YACHTING HUB

Cape Charles, Virginia

HARBOR AMENITIES



DOCKAGE RESERVATIONS



Cape Charles
YACHT CENTER

ccyachtcenter.com

Make Cape Charles on Virginia's Eastern Shore your getaway destination. Take advantage of its deep water access and protection from the elements just inside the mouth of Chesapeake Bay. Walk or take a golf cart to downtown Cape Charles for dining, shops, and art galleries. Everything you and your crew need is close by.

Cape Charles
VIRGINIA
capecharlesharbor.com

CCYC's Proposed Implementation

Cape Charles Yacht Center would like to assume the operations for the town dock on January 1, 2021.

To make the management changeover as smooth as possible, we would like to begin a transition period as of September 1, 2020, during which time we'll begin to oversee the existing operations and plan the budget for the following year.

During and after the transition, we would like to have regular, informal meetings with Cape Charles town representatives to address concerns and challenges as they arise. Additionally, we'd like to arrange for formal mid-year and end-of-year meetings to assess the success of the arrangement and determine if changes need to be made to the contract for the subsequent year.

Long-Term Expectations

Cape Charles Yacht Center LLC is entering into this agreement with the expectation that it will be long-term and beneficial to both the company and the Town. With this in mind, we'd like to propose a path forward to a multi-year contract.

We'll work closely with Cape Charles town representatives to establish a finalized agreement for the first year. Prior to the start of a second year, we'll renegotiate any aspects of the contract with which either party is unhappy.

During the first three years of CCYC's marina management, we'll continue to base the contract fees on a percentage of gross sales that increases when those sales exceed that of the year before (see page 5).

At the end of three years, CCYC would like the option to negotiate a long-term net lease of the town docks. We'll expect the landlord's lease terms to equate with the approximate value of the contract for the three years prior.

Moving Forward

We welcome the opportunity to continue discussions about our proposal with any or all members of the Cape Charles Town Council. We consider this to be a starting point for negotiations. A thorough discussion will likely lead to considerable alterations before we establish a final management contract.

Together we can make Cape Charles Harbor a professionally run, attractive destination to boaters worldwide.



Cape Charles
YACHT CENTER

Please Contact Us to Discuss Our Ideas:



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Thank you!