Conneaut Port Authority Recreational Boating Analysis and Waterfront Plan <u>Draft for Discussion</u>

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I. Introduction

- MB3 Consulting ("MB3") was engaged by the Conneaut Port Authority ("CPA" or the "Port") to study the feasibility of expanding the public marina and developing waterfront properties adjacent to the Port for recreational, commercial, and/or residential uses.

- The MB3 Consulting team included GreenPrint Solutions, environmental planning consultants, who completed an ecological assessment of the dune and a conceptual design and renderings of a park, marina, and waterfront redevelopment.

- The purpose of this analysis is to identify unique opportunities for recreational, commercial, and/or residential development at and around the Port.

- Our approach to this report was to: 1) assess the current conditions at and adjacent to the Port related to boating, lakefront recreation (non-boating), retail and housing, 2) identify potential development opportunities for each of the above uses, and 3) make recommendations about next steps for the CPA to take in order to advance potential development opportunities.

- Our goal is to provide the CPA with useful information and recommendations that they can use effectively to prioritize and implement development strategies and projects, and pursue possible public and private development, and/or finance partners.

- The study area for this project includes the CPA marinas, the dune area adjacent to Conneaut Township Park, Naylor Drive, Lakeview Park and Marina Drive. Map 1 below provides detail about the study area.

Map 1 – Study Area

- Boating (Conneaut Port Authority – blue & purple)
- Housing (Lakeview Park - red)
- Dune (Including Naylor Drive and Upland area – yellow & orange)

Table 1 – Study Area Details

- This table provides additional information about the individual parts that make up the overall study area.

	Approx. Acres	Docks/Ramps	Dedicated Parking	Bldg. Square Feet
Public Marina	8	312/4	160	8,090
Dune	50	-	0	0
Upland Area	1+	-	0	n/a
Lakeview Park	8	-	-	0

- For the CPA to make effective decisions about its future development plans, they must first have a clear understanding of the condition of the recreational boating, lakefront recreation, housing, and retail markets within their region.

- Establishing these conditions will allow the CPA to repeatedly monitor their progress of their plans against the baseline conditions, giving them the ability to measure the progress of their plans and make adjustments as needed to meet their goals.

- With an understanding of the current conditions related to each use being considered as part of this report, we were able to develop recommendations for future potential development opportunities for – recreational boating (i.e. marina expansion), lakefront recreation, residential, and retail.

II. Recreational Boating

- In the state of Ohio, there are more registered powerboats than sailboats. However, sailboats were more likely to rent slips than trailer to launch.

- Looking at national statistics, of the more than 700,000 boats and personal water craft sold in 2008, more than 200,000 were powerboats, according to the National Marine Manufacturers Association (NMMA).

- Table 2 below provides detailed information about the type and length of boats registered in Ohio in 2009. Sixty-three percent (63%) of vessels registered in Ohio were powerboats, less than one (1%) were sailboats with the balance consisting predominantly of canoes/kayaks (19%) and personal watercrafts (10%).

Table 2 – Length and Types of Boats in Ohio (2009)

Length of Powerboats in Ohio		
		%
Under 16 Feet	84,532	31
16 to Less than 26 Feet	166,431	62
26 to Less than 40 Feet	16,850	6
40 to 65 Feet	1,432	1
Over 65 Feet	23	<1
All Powerboats	269,268	
Length of Sailboats in Ohio		
		%
Under 16 Feet	138	4
16 to Less than 26 Feet	881	29
26 to Less than 40 Feet	1,897	62
40 to 65 Feet	156	5
Over 65 Feet	0	
All Sailboats (auxiliary sail)	3,072	
Other Craft		
Rowboats	11,702	
Sailboats (no power auxiliary)	7,306	
Canoes/Kayaks	82,670	
Personal Watercraft	43,391	
Other Boats	1,574	
Commercial Vessels	381	
TOTAL (not including liveries)	419,364	
Total Liveries	52	
Livery Boats	5,894	
TOTAL (including liveries)	425,258	

A. Conneaut Port

- Conneaut has two marinas being operated by the CPA and one private marina, the Conneaut Boat Club (CBC). These marinas provide powerboat and sailboat owners the ability to dock their vessels throughout the boating season. In addition, the Port has four boat ramps available to boaters who choose to launch their vessels as needed.

- The recreational boating assessment of the Conneaut Port is organized into four key sections as follows:
  1. Boat-Slips/Docks
  2. Ramps/Launches
  3. Amenities – looks at the current capacity and type of resources that are available at the Port to serve the needs of boaters who either want to dock or launch their vessels.
  4. Impacts of Boating

1. Boat-Slips/Docks

- At the beginning of this study (May 2010), of the 312 slips available at the CPA marinas, 264 or 85% were booked for the 2010 season. Slip rentals increased 5% from 2008 to 2009.

- The CPA had a total of 264 slips rented as of May 2010. Two hundred sixty three (263) of the CPA's docks were rented for powerboats (99.6%) and only one was rented for a sailboat (0.4%).

- The majority of boats (78%) docked at CPA marinas were less than 26 feet long. Twenty-one percent (21%) of the docked boats were between 26 feet and 39 feet in length and only one (0.4%) was 40 feet or longer.

- Table 3 below provides a comparison of the Port's renter statistics to Ohio's boat owner statistics.

Table 3 – Conneaut Port vs. Ohio Boaters by Vessel Type and Length

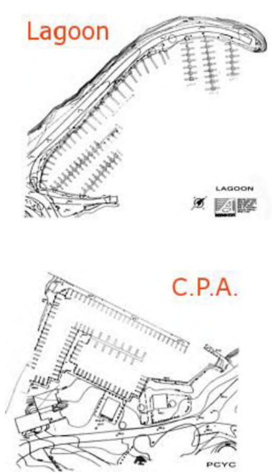
	CPA Marinas	%	OH	%	Diff.
Powerboats					
Under 16'	2	0.8%	84,532	31.4%	-30.6%
16' - less than 26'	204	77.6%	166,431	61.8%	15.8%
26' - less than 40'	56	21.3%	16,850	6.3%	15.0%
40' - 65'	1	0.4%	1,432	0.5%	-0.2%
Over 65'	-	0.0%	23	0.0%	0.0%
Total	263	100.0%	269,268	100.0%	
Sailboats					
Under 16'	-	0.0%	138	4.5%	-4.5%
16' - less than 26'	-	0.0%	881	28.7%	-28.7%
26' - less than 40'	1	100.0%	1,897	61.8%	38.2%
40' - 65'	-	0.0%	156	5.1%	-5.1%
Over 65'	-	0.0%	-	0.0%	0.0%
Total	1	100.0%	3,072	100.0%	
Total - All Boats	**264**		**272,340**		

- When you compare the vessel type and length characteristics of dock renters at the Port to Ohio boaters, the distribution of vessels by length appears to be about what one might expect.
- It would be reasonable to expect that the CPA would lease the majority of its docks to vessels ranging from 16 feet to 40 feet in length since the majority of registered boats in Ohio fall within that range.
- Most owners of vessels less than 16 feet long launch their boats rather than dock them, so it makes sense that a very small number of slips at the Port are used for those size boats. Likewise, it is reasonable that the Port has only 1 vessel between 40 and 65 feet long since the number of vessels in that size range in Ohio is very small.
- Although sailboats only make up a little more than one percent of registered boats in Ohio, they may represent an opportunity for the CPA to capture a bigger share of that market since most sailboats are docked, not launched.

Market Draw Area for Docks/Slips

- Of the slips rented at the Port in May 2010, 140 boat owners were from Ohio, 114 from Pennsylvania, 4 from West Virginia, 1 from New York, 1 from New Jersey and 1 from Florida (see Map 2 and Table 4).
- Table 4 below provides details about where CPA dock renters live (assuming that the address on the boat registration represents the owners place of residence) and the length of vessels.
- Essentially, the Port's market draw area for dock renters includes 9 Ohio counties and 15 counties in Pennsylvania. However, the majority of dock renters at the CPA marinas come from northeast Ohio (Ashtabula and Trumbull counties) and northwest Pennsylvania (Erie and Crawford counties). See Tables 6-8.

Map 2 – CPA Market Area for Dock Renters



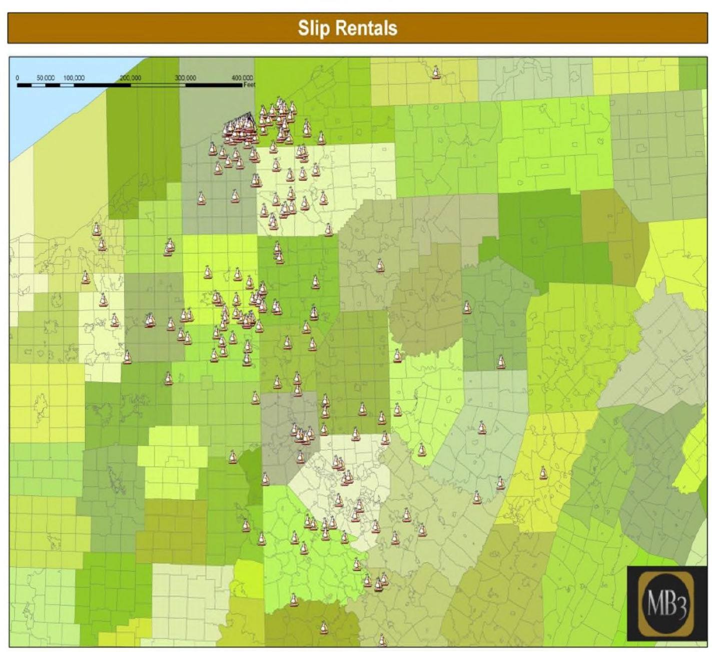


Table 4 – CPA Dock Renters by Residence and Boat Length

	Owners' State of Residence						
	OH	PA	NY	WV	Other	Total	%
16' or smaller	2	0	0	0	0	2	1%
17' - 20'	37	27	1	0	1	66	25%
21' - 27'	83	75	0	3	1	162	61%
28' - 39'	16	16	0	1	0	33	13%
40' or larger	1	0	0	0	0	1	0%
Total	**139**	**118**	**1**	**4**	**2**	**264**	
Percentage	53%	45%	0%	2%	1%		

- The Primary Market Area ("Primary Market") of the CPA marinas includes 4 counties in Ohio and Pennsylvania. In Ohio, they include Ashtabula and Trumbull counties, and, in Pennsylvania, they include Erie and Crawford counties. For purposes of this report, the Primary Market is defined to include those counties from which the Port draws the majority of its dock renters. Those 4 counties (i.e. the Primary Market) make up 51.6% of the Ports market for slip rentals.

- It is worth noting that nearly 9% (27 slips) of Port dock renters come from greater Pittsburgh (Allegheny, Washington and Beaver counties). Given the distance between that region and the CPA, this could suggest that those boat owners may also own and/or lease real estate (e.g. condos or cottages) in or near Conneaut.

Table 5 – PA Counties by Median Household Income

County	Median Household Income
Allegheny	$48,778
Washington	$50,791
Beaver	$45,393

Source: US Census Bureau, 2008.

- By comparison, the median household income in Ashtabula County is $41,899, nearly 16% less than the average of the Pennsylvania counties in Table 5. The CPA may want to target boaters from the Pittsburgh region as they have greater spending capacity for recreational purposes and many likely stay in the Conneaut area for multi-day trips.

- According to statistics published by the Ohio Division of Watercraft, the average Ohio boat owner is 52 years old with an annual household income of $81,700 and 26.5 years of boating experience.

Table 6 – Market Area Data

County	Number of Boats	Number with Slips (30%)	Conneaut Slips	Percent Market Capture	Portion of CPA Dock Renters
Ashtabula (OH)	5,176	1,553	91	5.86%	29.17%
Erie (PA)	10,765	3,230	27	0.84%	8.65%
Trumbull (OH)	8,314	2,494	24	0.96%	7.69%
Crawford (PA)	6,060	1,818	19	1.05%	6.09%
Mercer (PA)	5,785	1,736	16	0.92%	5.13%
Allegheny (PA)	29,485	8,846	10	0.11%	3.21%
Washington (PA)	6,579	1,974	10	0.51%	3.21%
Mahoning (OH)	6,751	2,025	9	0.44%	2.88%
Beaver (PA)	6,384	1,915	7	0.37%	2.24%
Butler (PA)	8,386	2,515	6	0.24%	1.92%
Portage (OH)	7,332	2,200	5	0.23%	1.60%
Lawrence (PA)	3,737	1,121	5	0.45%	1.60%
Fayette (PA)	3,991	1,297	4	0.31%	1.28%
West Moreland (PA)	11,230	3,369	4	0.12%	1.28%
Cuyahoga (OH)	23,972	7,192	3	0.04%	0.96%
Armstrong (PA)	3,418	1,025	3	0.29%	0.96%
Columbiana (OH)	4,436	1,331	2	0.15%	0.64%
Summit (OH)	19,320	5,796	2	0.03%	0.64%
Juniata (PA)	1,115	335	2	0.60%	0.64%
Jefferson (OH)	2,459	738	1	0.14%	0.32%
Stark (OH)	14,164	4,249	1	0.02%	0.32%
Cambria (PA)	5,128	1,538	1	0.07%	0.32%
Greene (PA)	977	293	1	0.34%	0.32%
Venango (PA)	3,717	1,115	1	0.09%	0.32%

Table 7 – OH Market Area Data

County	Number of Boats	Number with Slips (30%)	Conneaut Slips	Percent Market Capture
Ashtabula	5,176	1,553	91	5.9%
Trumbull	8,314	2,494	24	1.0%
Mahoning	6,751	2,025	9	0.4%
Portage	7,332	2,200	5	0.2%
Cuyahoga	23,972	7,192	3	0.0%
Columbiana	4,436	1,331	2	0.2%
Summit	19,320	5,796	2	0.0%
Jefferson	2,459	738	1	0.1%
Stark	14,164	4,249	1	0.0%

Source: 2009 Ohio County Boat Registration Division of Watercraft

Table 8 – PA Market Area Data

County	Number of Boats	Number with Slips (30%)	Conneaut Slips	Percent Market Capture
Erie	10,765	3,230	27	0.84%
Crawford	6,060	1,818	19	1.05%
Mercer	5,785	1,736	16	0.92%
Allegheny	29,485	8,846	10	0.11%
Washington	6,579	1,974	10	0.51%
Beaver	6,384	1,915	7	0.37%
Butler	8,386	2,515	6	0.24%
Lawrence	3,737	1,121	5	0.45%
Fayette	3,991	1,297	4	0.31%
West Moreland	11,230	3,369	4	0.12%
Armstrong	3,418	1,025	3	0.29%
Juniata	1,115	335	2	0.60%
Cambria	5,128	1,538	1	0.07%
Greene	977	293	1	0.34%
Venango	3,717	1,115	1	0.09%

Source: Pennsylvania Boat Commission 1997

Slip Supply in CPA Market Area

- The opportunity to expand the number of docks at the Port depends in part on the current and projected supply and demand of slips in the Primary Market.
- We conducted phone surveys of 13 public and private marinas located on Lake Erie between Erie, Pennsylvania and Geneva, Ohio to estimate the number of available and occupied slips (i.e. supply) in the CPA's market area. Table 9 shows the regional marinas that were surveyed.
- The majority (70%) of slips in the market area are located in public marinas. The public marinas range in size from 120 to 500 slips. The CPA is the 4th largest marina with 312 slips behind Presque Isle State Park (500), Bay Harbor Marina (468) and Geneva State Park (400). The CPA owns 9% of the estimated total supply of slips in the market area.

Table 9 – Supply of Slips in Regional Marinas

Regional Marinas						
	Slips	Percentage	Min Depth	Boat Ramps	Fishing	Sailing
Erie, Pennsylvania						
Anchor Marine	35	1%	8			
Bay Harbor Marina	468	14%	8	x		x
Bay Shore Marina	32	1%	6		x	x
Commodore Perry Yacht Club	180	5%	6		x	x
Erie Port Authority Docks	252	8%	5	x		x
Erie Yacht Club	380	11%	8	x		
Presque Isle State Park	500	15%	12			x
Presque Isle Yacht Club	130	4%	10		x	x
Conneaut, Ohio						
Conneaut Port Authority	312	9%	8	x	x	x
Conneaut Boat Club	70	2%	8		x	x
Ashtabula, Ohio						
Ashtabula Yacht Club	150	4%	8		x	x
Jack's Marina	120	4%	10	x	x	x
North Coast Marina (Brockway)	300	9%	4	x	x	
Sutherland Marine	15	0.4%	20		x	x
Geneva, Ohio						
Geneva State Park	400	12%	9	x	x	x

Total Estimated Slips	**3,344**	
Public Marinas	2,352	70%
Private Marinas	992	30%

Slip Demand in CPA Market Area

- Slip demand was estimated based on state boat registration and boating activity statistics for the CPA's market area.

- According to a 1999 Ohio Division of Watercraft study, approximately 30% of boat owners dock their vessels during the boating season. In addition, for purposes of this report, we assumed no demand for slips from owners of vessels that are 16 feet or shorter in length.

- Boaters from the market area demand an estimated total of nearly 40,900 slips based on 2009 data. And boaters from the Primary Market demand an estimated total of nearly 6,240 slips based on 2009 data.

- Table 9 summarizes slip demand by vessel size for the overall market and the Primary Market of the CPA.

Table 10 – Slip Demand

CPA Market Area (24 Counties in OH and PA)				
Length	Registered Boats	Demand (30%) [1]	Conneaut Dock Renters	Percent Market Capture
Under 16'	n/a		2	n/a
16' - less than 26'	122,802	36,841	204	0.55%
26' - less than 40'	12,433	3,730	57	1.53%
40' - 65'	1,057	317	1	0.32%
Over 65'	n/a			n/a
Total	136,292	40,887	264	0.65%

Primary Market Area (4 Counties in OH and PA)				
Length	Registered Boats	Demand (30%) [1]	Conneaut Dock Renters	Percent Market Capture
Under 16'	n/a		2	n/a
16' - less than 26'	18,737	5,621	204	3.63%
26' - less than 40'	1,897	569	57	10.02%
40' - 65'	161	48	1	2.07%
Over 65'	n/a			n/a
Total	20,796	6,239	264	4.23%

1. Vessels 16 feet or shorter do not typically use docks. There are few vessels 65 feet or longer in the market. Therefore, both categories were excluded for this estimate.

Summary – Slip Supply and Demand

- The total supply (i.e. number of slips) available at marinas in the market area represents a little more than 8% of the estimated demand for slips in the 24-county market area of the CPA. For the 4-county Primary Market of the CPA, slip supply represents almost 54% of the estimated demand.

- Although there appears to be a sizable undersupply of slips to meet the estimated demand, it should be noted that not all those boaters in the market area use Lake Erie as their home waterway. Other public and private lakes and rivers in or near the market area such as Chautauqua (New York), Roaming Shores (Ohio). and the Three Rivers region (Pennsylvania) for example, draw boaters from the estimated total that dock for their vessels.

- Given the estimated amount of unmet demand for slips in the market area, it appears that the CPA should have a reasonable opportunity to capture a larger portion of the existing market of dock renters.

- Simply expanding the size of marinas may not be enough to attract additional dock renters. The type and quality of amenities available (e.g. shopping, restaurants, lodging, lakefront recreational access, pools, quality restrooms and showers, etc.) are key to attracting new dock renters.

- The majority of dock renters in the CPA market is likely to continue to be owners of vessels in the 16 to 26 feet range. However, the CPA should also consider targeting owners of powerboats and sailboats 26 feet or longer. Larger powerboats and sailboats are not typically launched for each use and the owners tend to be higher income earners with greater spending capacity who are less affected by economic downturns.

- To fill vacant and possible additional slips, the CPA should market itself consistently to its targeted audience throughout the market area. Particular attention should be given to counties and even zip codes within the market that have higher than average household incomes – similar to those identified in Table 5.

- Competition for discretionary income from other less expensive forms of recreational activities could be an issue. Costs at the pump are rising, and marina gas prices tend to exceed auto fuel by at least 50 cents a gallon. Demand for marina services are tightly bound to new boat sales, which in turn depend on the health of the economy and consumer spending. The long economic expansion of the 1990s promoted steady increases in sales of powerboats and sailboats. In previous economic slowdowns, boat sales dropped 50% over several years. However, the output for national boat buildings, an indicator for marinas, is forecasted to grow at an annual compounded rate of 4% between 2009 and 2014 (Boat Building Growth Peaks After Recession, Published October 2009).

- Long-term demand for slips in the CPA market area should remain at or greater than those estimated in Table 10. Any pursuit of additional market share of slips should be done cautiously and in a staged approached given the fragile state of current national and local economic conditions.

- The CPA should prepare a physical development plan to determine the optimal location for additional slips. Particular attention should be given to proximity to existing infrastructure (buildings, roads and utilities). In addition, the plan should locate new slips in a area that can best accommodate the additional parking requirements.

- Construction costs for new or expanding marinas can be $60,000 per slip due to the extensive permitting processes, requirement for more durable materials and because underwater soil must be environmentally tested. To produce a 10% return on such an investment, monthly slip rental and other income must average $500. [insert source]

- The CPA should prepare a detailed financial plan to better understand potential opportunities and risks. This will also be required to secure any required financing and/or grants.

- Map 3 provides a conceptual plan that logically expands north off the existing CPA slips and uses the existing infrastructure as effectively as possible. Accommodating the additional parking requirements will be a challenge under most scenarios. The ultimate size of the marina expansion – in terms of the number of slips – should be based on the physical development and financial plans.

Map 3 – Marina Expansion Concept Plan

2. Boat Launches/Ramps

- The Port operates and maintains 4 public boat launches. Most boating activity at the Port is generated by boaters who launch their vessels rather than dock them, which is consistent with statistics for Ohio.

- The Port handled 7,860 launches in 2009, up by 1,053 (15%) from 2008. However, that number represents less than one (1%) of the Lake Erie boat launches in the study area.

- According to a 1999 Ohio Division of Watercraft study, of the 70% of boat owners who did not dock their vessels, the average boater made 4.3 trips to Lake Erie sites. On average, boaters travel 38 miles, one-way to their boating sites in Ohio. For purposes of this study, we assume that the primary market area of the CPA for launched boats is a 40-mile radius from the Port. These statistics were used to estimate the CPA's market share of launches (see Table 12).

Table 11 – CPA Boat Launch Data

Annual Boat Launches		
Month	**2008**	**2009**
May	266	477
June	1,041	1,043
July	1,866	1,949
August	1,662	2,338
September	1,241	1,792
October	621	194
November	110	27
Year Total	**6,807**	**7,860**

Table 12 – CPA Launch Data for Primary Market

County	Number of Boats	Number that Launch (70%)	Total Launches (4.3)	CPA Boat Launches (2009)	Percent Market Capture
Ashtabula (OH)	5,176	3,623	15,579		
Erie (PA)	10,765	7,536	32,405		
Trumbull (OH)	8,314	5,820	25,026		
Crawford (PA)	6,060	4,242	18,241		
Total	**30,315**	**21,221**	**91,251**	**7,860**	**8.61%**

Summary – CPA Boat Launches

- Boaters choose a port from which to launch their vessels based on a wide variety of factors including, but not limited to, the following:
  - Proximity to their residence,
  - The type of boating they intend to do (e.g. fishing, pleasure, sailing, diving, etc.),
  - Marina amenities,
  - Destination of travel,
  - Easy of marina access (ingress and egress),
  - Availability and ease of parking, and
  - Local amenities (e.g. lodging, restaurants, etc.).

- Based on informal interviews and visual surveys taken during the 2010 boating season, the majority of launches at the Port were vessels used for fishing. This is consistent with a report by the Ohio Division of Watercraft that showed the largest portion of time boating was spent fishing (50%) followed by crusting (17%) and canoeing-kayaking-rowing (8%).

- In order to better understand its "customer," the CPA should conduct short surveys of boat owners when they pay their launch fee. The survey will provide the CPA key information about what users like and dislike about the Port and what amenities they would like available at the Port and in the community.

3. Marina Amenities

- To determine what amenities other regional marina have to cater to recreational boaters, we conducted phone surveys of 13 public and private marinas in Erie (PA), Ashtabula and Geneva. Amenities that competing marinas had that CPA might want to consider include:
  - Restaurant and food services
  - Ship store
  - Charters (sailing and dive)
  - Rentals (canoe, kayak, jet ski)
  - WiFi
  - Showers
  - Swimming pool
  - Camping
  - Bike rentals
  - Retail shops

- Most marinas catered to annual/seasonal slip holders and failed to cater to transients.

- Marina trends at or being considered by other marinas included:
  - Parking ratios – 1.0 car per slip.
  - A high-speed fuel pump can offer marinas the opportunity to greatly expand fuel revenues, a major income component. Installing a high-speed, instead of a standard, fuel pump can save many hours of fuel pumping for large boats.
  - A combination of free pump out service, clean restrooms and showers, attractively maintained grounds, dustless sanders, and environmental recognition increased the gross income of marinas.
  - Although most reservations for guest slips are still handled over the phone, bookings via the Web are increasing. Some marina operators offer automated reservation services and promotional information on their websites.
  - Marinas near upscale retirement locations fare particularly well in times of increasing numbers of retirees.
  - Dry stack facilities are common in areas with cold winters, and are also a launching alternative where waterfront is limited.

- According to national data, the age of marinas is around 40 years. The average marina has between three and ten employees and annual revenues of $400,000. Today's marinas are generally freestanding and dockage is considered the main profit center of the business.

- Marina dockage rates are generally charged on a daily, monthly, seasonal or annual basis and dockage rates are normally calculated by a per foot charge based on the length of the boat. Rent varies according to the length of slip a boat needs. Marina slip rates averaged $120 to $250 per month depending on boat length. Guest slip rates are usually between $2 to $3 per foot per day.

- Dry stack storage costs are also based on a per foot rate and can range from $2,500 to $4, 500 per year for a 25' boat.

- Table 13 shows the performance of marina product lines in terms of their percent of overall revenue.

- The boat slip count is the most significant item in estimating marina value. Another indicator is services. The number, length, rental and vacancy rates of slips affect value. Marina income sources include slip rentals, winter wet and dry storage, temporary dockage, rack storage, boat washing and repairs, launching fees, gasoline sales, bait and tackle sales, and boat sales.

- Other value indicators may include gasoline sales, restaurant receipts, and boat sales and repairs. Repair operations can increase the demand for slips because of the convenience of having a repair facility on site. Equipment may include travel cranes, forklifts, saddle lift trucks, stationary lifts, and stacking cranes.

- Tables 14-16 provide a summary of amenities at the regional marinas surveyed for this report. Those marinas represent the primary, direct competition for the CPA. (Note: Green rows indicate public marinas.)

Table 13 – Performance of Marina Product Lines

(2002 Census)

Product Lines	Percent
Pleasure boat dockage, slip rental, launch fees & storage	39.02%
Merchandise sales	24.22%
Personal & household goods, gas, repair & maintenance	14.54%
Sales of food & beverages	8.09%
Membership dues	5.66%
Other	8.48%

Table 14 – Amenities at Erie (PA) Marinas

	Gas	Diesel	Pump Out	Slips	Min Depth	Boat Ramps	Lift	Wi Fi	Pool	Ship Store	Fishing	Sailing	Boat Rentals	Scuba	Beach Access	Food Services	Camping	Showers
Anchor Marine 5 State St., Erie, PA Phone: 814-452-1717				35	8		×			×								
Bay Harbor Marina 726 Bayfront Pkwy, Erie, PA Phone: 814-456-9415			×	468	8	×		×		×		×			×			×
Bay Shore Marina 133 E. Bayfront, Erie, PA Phone: 814-455-1588			×	32	6		×				×	×		×		×		×
Commodore Perry Yacht Club Foot of Poplar St., Erie, PA Phone: 814-454-9106	×		×	180	6		×	×	×		×	×				×		×
Erie Port Authority Docks 17 W. Dobbins Landing, Erie, PA Phone: 814-452-2371	×		×	252	5	×						×					×	×
Erie Yacht Club P.O. Box 648, Erie, PA Phone: 814-453-4931	×	×	×	380	8	×	×			×						×		×
Presque Isle State Park PO Box 8510, Erie, PA Phone: 814-833-7424	×	×	×	500	12		×					×			×			×
Presque Isle Yacht Club 120 W. Front St., Erie, PA Phone: 814-455-7655			×	130	10		×	×		×	×	×						×

Table 15 – Amenities at Ashtabula Marinas

	Gas	Diesel	Pump Out	Slips	Min Depth	Boat Ramps	Lift	Wi Fi	Pool	Ship Store	Fishing	Sailing	Boat Rentals	Scuba	Beach Access	Food Services	Camping	Showers
Ashtabula Yacht Club W. Fifth St., Ashtabula, OH Phone: 440-964-3129		×	×	150	8		×	×		×	×	×						×
Jack's Marina 2000 Great Lakes Ave., Ashtabula, OH Phone: 440-997-5060	×	×		120	10	×	×		×	×	×	×					×	×
North Coast Marina (Brockway) 347 W. 24th St., Ashtabula, OH Phone: (440) 998-6272	×		×	300	4	×		×	×		×						×	×
Sutherland Marine 970 Bridge St., Ashtabula, OH Phone: 440-964-3434	×	×	×	15	20					×	×	×						×

Table 16 – Amenities at Geneva Marinas

	Gas	Diesel	Pump Out	Slips	Min Depth	Boat Ramps	Lift	Wi Fi	Pool	Ship Store	Fishing	Sailing	Boat Rentals	Scuba	Beach Access	Food Services	Camping	Showers
Geneva State Park Padanarum Rd., Geneva, OH Phone: 440-466-7565	×	×	×	400	9	×		×		×	×	×		×	×		×	

Summary – Marina Amenities

- The type and quality of amenities available at a marina and in the local community play a significant role in boaters' decisions about where to dock or launch their vessels.

- From our review of other marinas, we looked at what would make Conneaut the marina to choose over other regional marinas. The Port is unique with its emerging sand dune and connectivity to the beach and Conneaut Township Park.

- Boaters increasingly are looking for destinations rather than just cruising or fishing, and the transient market appears to be under served. To make the Port more attractive as a destination marina, the CPA should consider more than just docking facilities:
  - Enhanced website with links to community information (e.g. lodging, restaurants, condo development) and unique resources (e.g. wineries, covered bridges)

- WiFi
- Ship store – offers general boating supplies along with food and beverage items
- Lift and winter storage
- High quality restrooms and showers
- Camping
- Dedicated multi-purpose path (e.g. walking, biking, etc.) connecting Township Park beach
- Rentals (canoes/kayaks/bikes)

- Diving charters may be a recreational offering to make the Port a unique destination. There are a number of ship wreck sites off the Conneaut Port that are currently being served by dive charters from Erie. A popular site is the John B Lyon, which is only 4.1 miles off the Port. The Lyon, a wood propeller steam engine built in 1881, lies on a sand and gravel bottom in 50 feet of water. Her four bladed prop is intact making a great photo opportunity for divers. The CPA should include a map of popular dive sites on its website and market the Port as a good location from which to dive.

4. Impacts of Boating

- Tourism is a $36 billion per year industry – Ohio's 3rd largest – and one that supports the full-time equivalent of approximately 437,000 Ohio jobs that generate nearly $10 billion in direct earnings. More than half of all Ohioans are employed by the hospitality industry. (Source: ODNR Division of Watercraft)

- Direct annual sales attributed to Lake Erie Region tourism spending = $10.7 Billion. (Source: Ohio Travel & Tourism)

- 119,000 tourism-related jobs in Lake Erie Region. (Ohio Travel & Tourism)

- $430 million of state tax revenue and $320 million of local tax revenue is generated by Lake Erie Tourism. (Ohio Travel & Tourism)

- The 8 counties bordering Lake Erie (Ashtabula, Lake, Cuyahoga, Lorain, Erie, Sandusky, Ottawa and Lucas) generate nearly 30% of Ohio's total tourism dollars. (ODNR Division of Watercraft)

- The greatest trip expenses were for fuel (22%), restaurants and bars (17%) and groceries (14%). The majority of annual boat-related expenses are for equipment (39%), maintenance and repairs (29%) and insurance (14%). Please refer to Table 17.

- According to a study conducted by the Great Lakes Commission in 2007, Great Lakes boat owners spend an average of $3,600 annually – $1,400 on boat-related expenses (e.g. dock fees, repairs, insurance) and $2,200 on trip-related expenses (e.g. food, lodging, entertainment) over an average of 23 boating days per season. These averages are heavily weighted toward the high percentage of mostly smaller watercraft.

- The average spending per boat per day trip varied from $76 for boats less than 16 feet in length to $275 per day for boats larger than 40 feet. Table 18 shows the estimated average annual and daily spending by boaters for trip and boat-related expenditures.

- A 2007 study conducted by the Ohio State University estimated that 3 million Ohioans go boating each year … that is nearly 1 in 4 Ohioans. (ODNR Division of Watercraft)

- The OSU study determined that the average Ohio boat owner is 52 years old with an annual household income of $81,700 and 26.5 years of boating experience. Boat ownership by women increased from 2.6% in 2001 to 7% in 2007. (ODNR Division of Watercraft)

- The average boat-owning household in Ohio has 2.13 boats. The average length of boats in Ohio is 19 feet and the average age of the boat is 16 years. The average engine size for powerboats is 160 horsepower. (OSU Study; ODNR Division of Watercraft)

- A 1999 study conducted by the Ohio Division of Watercraft found that: 1) the typical boating household owned 1.7 boats; 2) the primary boat was 16-21 feet long with a book value of $8,900; 3) the average respondent made 15.6 trips to Ohio boating sites of which 4.3 were to Lake Erie sites; 4) the largest portion of time was spent fishing (50%) followed by crusting (17%) and canoeing-kayaking-rowing (8%); and 5) 31% kept their boats at private docks, marinas or clubs.

Table 17 – Average Boater Expenses

Trip Expenses	Percent
Fuel	22%
Restaurants and bars	17%
Groceries	14%
Boat Expenses	
Equipment	39%
Maintenance and repairs	29%
Insurance	14%

Source: Michigan State University's Regional Marine Research Center's National Boater Panel in 2003

Table 18 – Expenditures by Ohio Boat Owners

Average Annual Expenditures per Boater	**$3,600**
Total annual Trip-related expenditures	**$2,200**
Average trip-related expenditures:	$96
Fuel (22%)	$21
Restaurants (17%)	$16
Groceries (14%)	$14
Other (47%)	$45
Total annual Boat-related expenditures	**$1,400**
Equipment (39%)	$546
Maintenance and repairs (29%)	$406
Insurance (14%)	$196
Other (18%)	$252

Summary – Marina Impacts

- Based on current estimated slip capacity – 382 – at Conneaut marinas (the CPA and CBC), we estimated that dock renters in those marinas could generate $840,400 of trip-related spending annually.
- Based on 2009 CPA launch numbers, boaters spent an estimated $754,560 for trip-related expenses to Conneaut.
- Based on the number of registered boats in the Primary Market, boat owners spend an estimated $45,751,200 for trip-related expenses and $29,114,400 for boat-related expenses each year.

- Not all the trip and vessel related spending occurs at the location where the boat is docked or launched; however, it represents an opportunity for the CPA and the City to capture more of that spending by helping to expand the offering of goods and services not currently available to boaters in Conneaut.
- Below is a chart depicting the impacts of a marina on a state, regional or local economy.

Economic Benefits Generated by Marina's

Recommendations – Recreational Boating

- The type and quality of amenities available at a marina and in the local community play a significant role in boaters' decisions about where to dock or launch their vessels. Furthermore, those amenities may differ slightly based on boat owner demographics (i.e. size and type of vessel and income) and intended boating use (e.g. fishing versus pleasure). The CPA must understand its target market's needs and wants and develop amenities to serve that market.

- The CPA should work to make the Conneaut Port and lakefront a destination for boaters (and non-boaters too) by promoting and leveraging the unique natural and social resources of Conneaut and the region. Resources like the beach at Township Park, the Conneaut Creek, high quality fishing, the Dune, regional vineyards/wineries and covered bridges, events like the D-Day reenactment, and proximity to Canadian ports.

- Develop amenities improvement plan to rank and pursue the addition of key competitive amenities. Start with least costly amenities that will likely have the biggest impact on your competitive position.

- Prepare detailed physical development and financial plans to better understand opportunities and risks and secure any required financing and grants.

- Implement a marketing plan to continuously promote the Port and community to targeted audiences. Marketing components that the CPA should consider include, but are not limited to:
  - An improved CPA website with links to community amenities (lodging, restaurants, retail, things to do, etc.)
  - Direct and mass marketing to potential dock renters in targeted geographies
  - Direct and mass marketing of special events (e.g. D-Day reenactment)
  - Posting of timely fishing reports for Lake Erie and Conneaut Creek

- To quote Andre Agassi from the 90's Kodak commercials – "Image is everything." The CPA must work with the city of Conneaut and other community partners to advance a positive public image of the Port and the community to effectively attract additional recreational boaters, particularly dock renters.

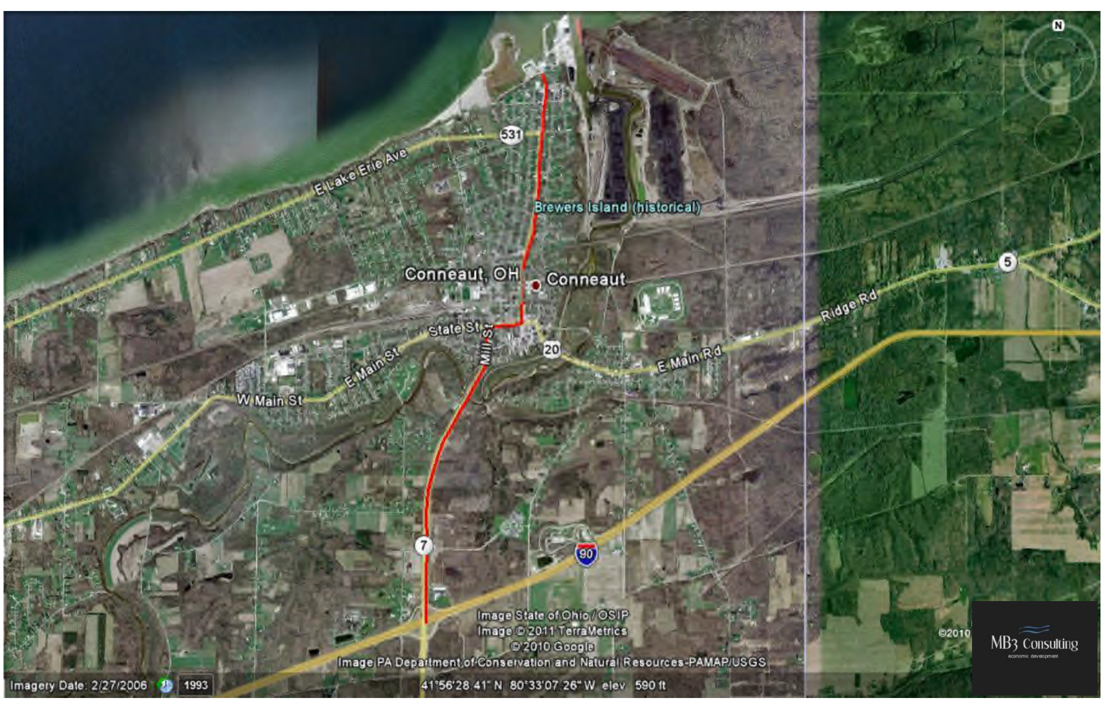
- To use another quote – "Perception is reality." If targeted boating and non-boating audiences perceive the Port and community to be a vibrant, unique destination, then the CPA will be much more successful in attracting its targeted customer and expanding the Port.

- One important way that the CPA can address the issues of image and perception is by working with the city and citizens to improve the condition and physical appearance of the main entry route to the Port (see Map 4). What visitors see along this route develops a lasting image/perception in their mind of the community as either a good or bad place to recreate for a day, vacation, or potentially invest.

- Boaters increasingly are looking for destinations rather than just cruising or fishing, and the transient market appears to be under served. To make the Port more attractive as a destination marina, they should consider on and off-site amenities to attract both annual and transient boaters, providing more than just docking facilities – restaurants, condo developments, retail shops, boardwalk, camping, and rentals.

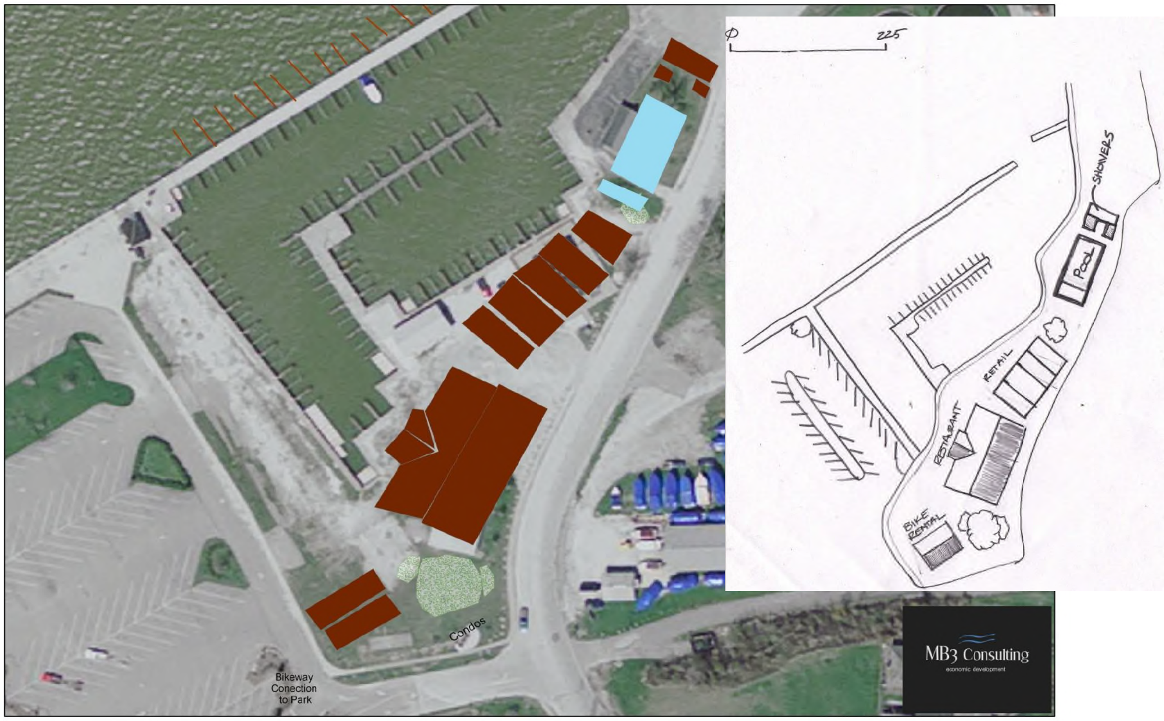
- Map 5 provides a concept for how the CPA could redevelop a portion of the marina to accommodate amenities such as a ship store, modern restrooms/showers, a pool, rental area, and additional parking.

Map 4 – Main Entry Route to the Port



Map 5 – Facilities/Amenities Concept

Marina



III. Lakefront Recreation

- The CPA marinas are one of many lakefront recreational assets in Conneaut. Other key lakefront recreational assets include Township Park and its vast beach (“Beach”), the sand dune (“Dune”) east of the Beach and break wall, the lighthouse, and seasonal cottages/rentals.

- To maximize the development and impact potential of the CPA marinas as discussed in the Recreational Boating section of this report, the CPA must effectively integrate the Port with the other lakefront assets described above.

- The lakefront recreation assessment of Conneaut is organized into three vital areas as follows:
  - A. Naylor Drive
  - B. The Dune
  - C. Public Pier/Boardwalk

- These key lakefront assets must be strategically linked physically and marketed as a combined set of unique assets (i.e. strengths) that set the CPA and Conneaut apart from other regional locations.

- Before any discussion of development opportunities associated with lakefront recreation can begin, it is important to understand issues of land control. This is important because control affects the course of action that must be taken by the CPA related to proposed new uses and/or modifications of current land uses within the study area, particularly within the Dune area.

- Ohio Department of Natural Resources (ODNR) maintains direct control and authority over development of shoreline and state-owned submerged lands. The CPA has a submerged lands lease with ODNR. Map 6 shows the boundaries of the submerged lands lease currently held by the CPA. The purple color represents area outside the submerged lands Territory. The blue (teal) color show areas of the Territory of Lake Erie that are not included in any submerged lands authorization.

Map 6 – Submerged Land Lease

Submerged Lands Lease

- For purposes of this report, we contacted the ODNR Office of Coastal Management (OCM) via email for input regarding the preparation of conceptual development plans for the CPA in the study area. Patrick Ernst replied and James Park reviewed our request for information and provided feedback.

- ODNR believes the area in blue on Map 6 is not part of the lease and therefore, not controlled by the CPA via their submerged lands lease. ODNR expressed that they would like to work with CPA to modify the description of the lease to include this area. In addition, according to ODNR, there is a significant portion of leased area that they believe is outside of the Territory and is depicted in purple on Map 6. ODNR has expressed that they would like to work with CPA to modify the description of the lease to eliminate this area. ODNR believes the area (purple) is private property.

- The perimeter of existing SUB-0465-AS is depicted in white on Map 6. Under that authorization, any change in use, construction of new facilities or improvements to existing facilities, require prior written approval by the Director of ODNR.

- OCM recommends that the CPA submit an application for modification to the existing submerged lands leases that describes the areas proposed for development.

- Any change in use or construction of new facilities would be reviewed against criteria within Ohio Administrative Code 1501-6-03, including water dependency for fill material placed in the Territory after March 15, 1989. Water dependency concerns are addresses later in this report for each of the proposed development concepts that would be impacted by them.

A. Naylor Drive

- Naylor Drive runs east/west between the Port and the eastern edge of Township Park. It is a paved, local road primarily serving resident's who want to access the Dune and a bird-watching platform. In some instances, a portion of Naylor Drive – from the Port to the base of Sandusky Street – serves as a secondary ingress/egress point to the Port.
- Naylor Drive offers a direct link between the Port and other lakefront recreation assets, including Township Park and the Dune.
- Please refer to Map 7 for a picture of Naylor Drive.

Map 7 – Naylor Drive (red line)

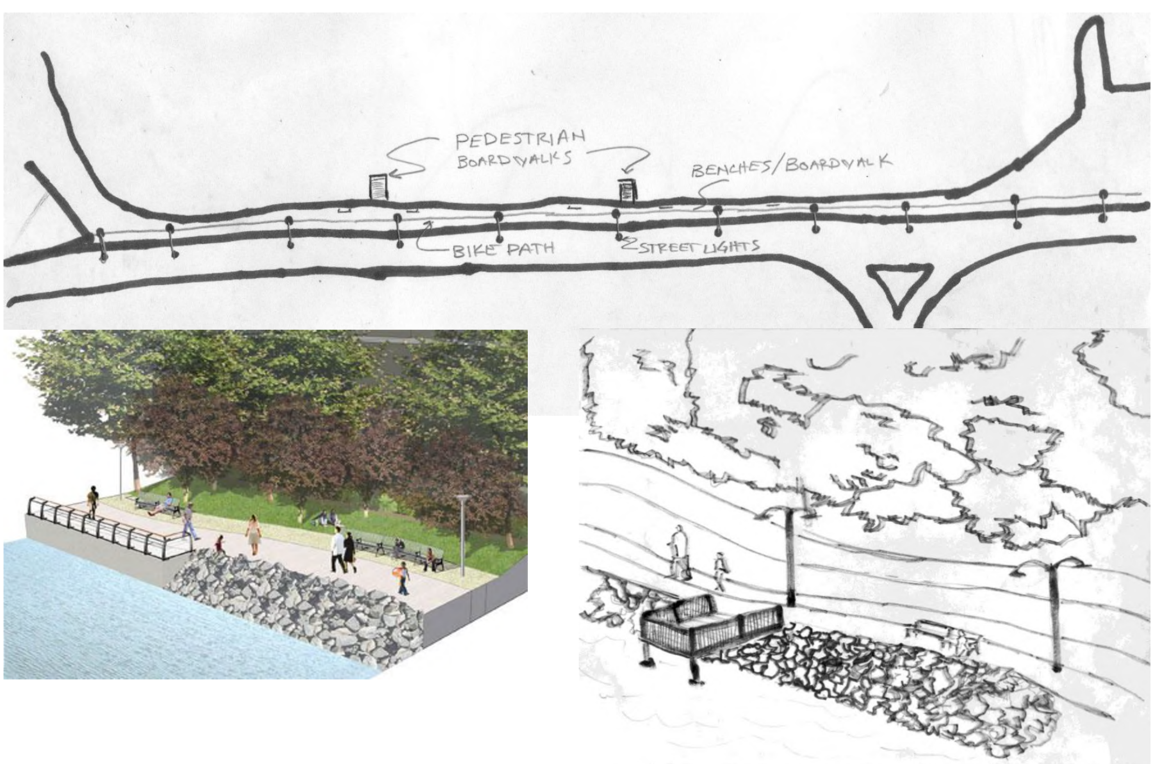
- Naylor Drive could be much more effectively used to connect the Port and the rest of the lakefront recreational assets if it were improved to include lighting, landscaping and a dedicated multi-purpose path for biking, walking/jogging, rollerblading, etc.

- Options to expand upon the dedicated pathway concept might include: 1) closing a portion of Naylor Drive to motor vehicle traffic – maintaining connection and access via Sandusky Street (east) and Erie Street (west) … this would require consultation and approval by safety forces, or 2) making Naylor Drive a one-way street which would provide additional space for the proposed multi-purpose path and landscaping.

- These improvements would give the Conneaut lakefront a unique sense of place and help to promote it as a destination for boaters and non-boaters alike.

- Figure 1 shows a redevelopment concept for Naylor Drive.

Figure 1 – Naylor Dr. Redevelopment Concept



B. The Dune

- The Dune emerging in the southwest corner of Conneaut Harbor is a unique developing ecosystem consisting of approximately 50 acres. Dunes develop in a succession with one plant community replacing another over time. Dunes are also the home for many endangered and threatened animals and plants. The dynamic land area has only recently emerged from the water and is in a state of flux. The Dune is mostly likely a jurisdictional Category 3 wetland.

- Map 8 shows the Dune area.

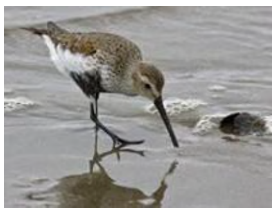
- A wetlands assessment was conducted by field reconnaissance and remote sensing analysis by GreenPrint Solutions in 2010.

Map 8 – The Dune (yellow area)

Wetlands Survey

- The Dune is a fragile system that will most likely fill in along the brakewall and evolve to include a marsh.

- Wetlands vegetation and hydrology can be found on the Dune. Map 9 shows the assessed area. Wetlands species observed on the Dune included common reed and willows. In addition, the peninsula is being colonized by water fowl – ducks, geese, gulls, cormorants, shore birds, and more rare dunlins.



Map 9 – Assessed Wetland Area

Wetlands Jurisdiction

- Wetlands are regulated by the Ohio Environmental Protection Agency (EPA) and the US Army Corp.
- ***Undiked Lake Erie marshes (i.e. the Dune) are considered Category 3 wetlands.***
- ***No fills are allowed to Category 3 Wetlands*** (in other words, no fill material may be placed on the Dune). This includes site grading or creation of any culverts or ditches. In addition, no clearing or mowing is permitted.

- Wetland impacts (e.g. filling, clearing, mowing, grading) can result in fines and delays in permitting.
- Should the CPA pursue a permit for disturbance to a wetland on the Dune, it would require an Individual 404 Permit from the Army Corp and 401 Water Quality Certification from Ohio EPA. This would likely take 12-24 months. This is a complex permitting process that required detailed alternatives analysis and involves public meetings and mitigation is required. Permit development costs $10,000 plus design alternatives, mitigation planning, negotiations and coordination. Costs of mitigation will depend on the scope of work. Prior to permitting, a wetlands delineation would be required which would likely cost around $5,000.

Dune and Related Development Concepts

- The fact that the Dune is in all likelihood a Category 3 jurisdictional wetlands does not exclude all forms of development. In fact, there are several opportunities to utilize the Dune and adjacent property as a resource to make the Port and Conneaut a more attractive destination for boaters and others who want unique access to Lake Erie.

- In addition to overcoming wetlands issues, commercial and/or residential development on the dynamic Dune would require an exemption to the water dependency criteria from the Director of ODNR, which has not been granted during ODNR's administration of the submerged lands lease program.

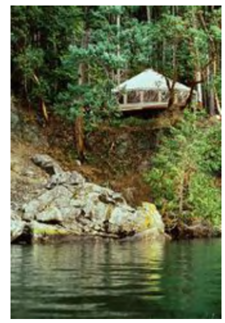
- We propose to creatively improve the Dune for use as expanded park land with the following amenities:
  1. Semi-primitive Camping (e.g. Yurts)
  2. Improved Trails (e.g. Floating boardwalks)
  3. Unimproved/Primitive Trails
  4. Picnic Area with Temporary/Seasonal Restrooms

- The proposed reuse strategy effectively leverages the unique natural assets of the lakefront and is consistent with making the Port and Conneaut lakefront a preferred destination location. Furthermore, it fosters other commercial and residential development opportunities on properties along the "bluff" that are more favorable for redevelopment.

- The CPA should market the Dune to targeted audiences that could use its unique characteristics for recreational activities such as kite surfing, canoeing, and kayaking. Windy summer days are not just for sailors; kite surfer flock to the Dune to ride inside and outside the breakwall. For these groups, the Dune is a preferred destination.

Camping

- CPA should work with ODNR to look for temporary, seasonal low impact camping opportunities on the Dune such as Jurts.
- Jurts are used in many park systems to provide overnight access to unique natural areas. They are typically placed on a wood platform and have minimal impact on the surrounding soil.
- A jurt is generally classified as a tent; however, they are much stronger and weather resistant. Jurts can be used as simply as a tent or made very comfortable, complete with water and electricity (e.g. via generators).



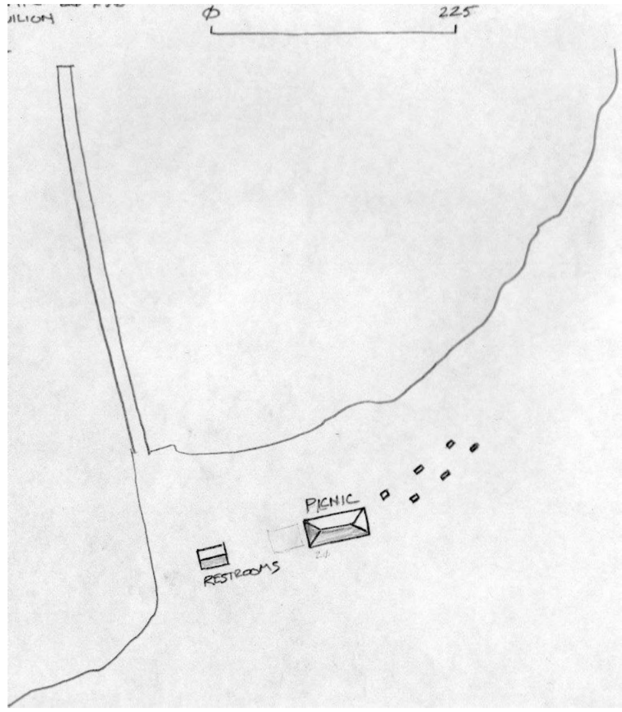
Trails for Wildlife Observation

- Because the Dune wetlands are vital to wildlife and plant diversity, the CPA should work with OCM and conduct a study for placing seasonal, temporary board walks as an environmentally friendly trail system that to allow people to explore this unique environment.

- These trails would also provide access to the temporary, seasonal camping sites placed throughout the Dune.

Picnic Area with Temporary/Seasonal Restrooms

- A picnic area could be located on the west side of the Dune adjacent to the breakwall.
- This area would include temporary seasonal structures on the beach.



Upland Portion of the Dune

- Based on an assessment of the Dune, the corner at the west end of Naylor Drive appears to have some upland, non-wetland area. In other words, it does not appear to be a jurisdictional wetland. A wetlands delineation is needed to confirm this assessment.
- Development of permanent structures such as buildings, parking and/or roadways are not currently permitted by OCM in that area. Only temporary non-permanent structures placed on top on the area would be permitted. Development of permanent structures in this area would require approval of a conditional permit from the Army Corp, Ohio EPA and OCM. It is the only portion of the Dune that could support development. Because the area is not likely a jurisdictional wetland, it stands the best chance of approval.
- Please refer to Map 10 for a demarcation and Figure 2 for a picture of the Upland Area. The Upland Area consists of approximately 1.3 acres.

- During our evaluation of the Dune area, we identified an upland area at the northwest end of Naylor Drive adjacent to the Dune that consists of approximately 6 acres. This area is important to the overall lakefront development as it may contain land suitable for parking and infrastructure to serve people using the Dune and connecting the Port, Dune and Township Park.

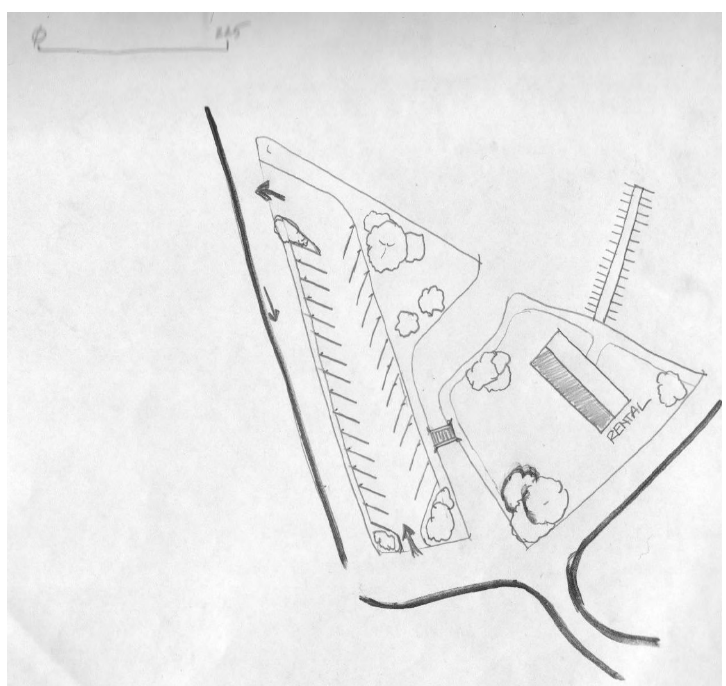
- Figure 3 shows a conceptual drawing of the Upland Area being used for parking and a canoe/kayak livery.   Due to water dependency concerns, improvements for parking facilities should be located outside of the Territory or on submerged lands that were filled prior to 1989 (e.g. the Upland Area and/or existing parking near fuel station).

Map 10 – Upland Area (in Orange)

Figure 2 – Assessed Upland Area

Figure 3 – Upland Area Development Concept

- Parking for Dune (and overflow for Port)
- Kayak and canoe rentals



C. Public Pier/Boardwalk

- A public pier or boardwalk could be built over the existing breakwall which would be located on pre-1989 fill. This is a permitted use over the breakwall and ODNR likely would not have an objection to it.

- Figure 4 shows more images of piers/boardwalks.

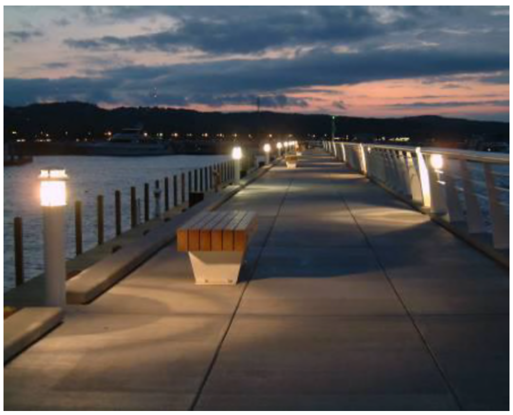
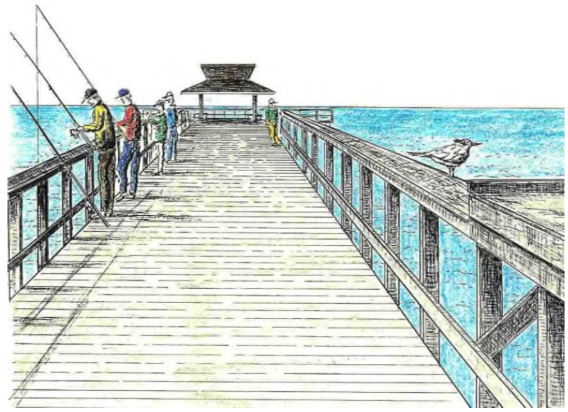



Figure 4 – Pier/Boardwalk Images



The pier could be designed as a public gathering space that would be a unique space in northeast Ohio.

- Utility improvements that support seasonal events would not be considered a water dependent activity and if planned should be located on fill material placed prior to 1989 (e.g. west breakwall).

- The pier could provide for limited commercial uses such as food and beverage services, retail kiosks, water sports rentals, etc. since it would have electric and water utilities.

- The pier would provide diverse recreational fishing opportunities and enhanced public lake and beach access. In addition, the pier could be extended to provide access as far the lighthouse, making Conneaut more attractive to visitors that like to view and photograph lighthouses.

- A floating concert platform could be anchored just off shore to handle concert and other venues. The Dune could be as a gathering area for concert goers.

- The pier and Dune together would provide unique opportunities for educational and cultural events.

Recommendations – Lakefront Recreation

- Conneaut Township Park, which sits adjacent to the Dune, is the crown jewel of Conneaut's lakefront. It has a sandy beach nearly half a mile long and is one of the best beaches on Lake Erie by our assessment. A wooden boardwalk connects parking areas, allowing visitors easy access the lakeshore. In order to maximize the full development potential of the Port and other lakefront recreation assets such as the Dune, it is imperative that they are all connected to one another via a continuous, improved multi-purpose path.

- The CPA must partner with OCM and other relevant regulatory agencies to ensure that lakefront development is done properly and effectively.

- The CPA should develop an environmentally friendly system of trails that will allow families to explore the unique Dune environment.

- The CPA should prepare a pier/boardwalk design and operating plan to identify the most practical and cost-effective design. Then, the CPA should engage public and private partners to identify capital and operational funding sources.

- The must market the Conneaut lakefront as a recreational destination for boaters (including those that canoe and kayak) and non-boaters for activities such as kite surfing and bird watching.

IV. Residential

- For this report, we were asked to assess the potential for developing new housing on lakefront property within and adjacent to the Port. Below is a simplified outline of key steps in the residential development process. This process was used as a basis for assessing potential opportunities for lakefront housing development at or near the Port.

- General steps in the residential development process include, but are not limited to:
  - Creating the development concept (e.g. single-family versus condominiums)
  - Assessing location and capacity of utilities – goal is to limit utility development costs
  - Preparing a market feasibility analysis
  - Gaining site control – typically via options
  - Preparing preliminary development plans and specifications

- Assessing various risks associated with the planned development
- Obtaining financing commitments (debt and equity)
- Finalizing the engineering plans and specifications
- Estimating the final total costs (direct and indirect) and completing a detailed cash flow analysis
- Beginning construction of on and off site infrastructure (e.g. streets and utilities)
- Marketing and selling lots and/or units

- We interviewed two developers with significant experience developing a wide variety of residential properties throughout northeast Ohio to get professional input about current market conditions, and, moreover, their thoughts about the potential for residential development on Conneaut's lakefront – specifically, the Dune and Lakeview Park. The developers were:
  - DeHoff Development (Canton, OH)
  - 20th Century Construction (Painesville, OH)

- We also interviewed a local real estate professional from Prudential Select Properties to get information about the condition of the local housing market and their thoughts about the potential for residential development in the study area.

- After clarifying the goals of this report related to residential analysis, we asked the following core questions of the above interviewees based on the general development process outlined previously:
  - What development concept would you pursue and where within the study area?
  - What key factors would you consider in selecting the residential development site?
  - To whom would you market the product and what would be the likely effective market area?
  - What risks would you anticipate?

Interview Findings

- Condominiums (condos) were unanimously identified as the preferred housing type for the lakefront. Interviewees thought that housing in the study area should be developed as second homes for seasonal users (e.g. retirees and vacationers, including boaters). Condos would fit this requirement and could be developed in enough density to make the project financial viable.

- Also by unanimous vote, Lakeview Park was selected as the best location for the condo development. Interviewees said that the Dune posed significant development challenges, chiefly: site control, environmental, engineering due to continuously evolving soil conditions, and the likely extreme cost to extend and install infrastructure.

- Interviewees believed that a condo development should be designed to take maximum advantage of the natural resources of the Conneaut lakefront (e.g. Township Park beach and the Dune) along with other amenities like the Port.

- The interviewees expressed the following factors as being vital to their evaluation and ultimately, the success of the project:
  - The development location must utilize existing infrastructure to minimize site development costs. Extending utilities, especially water and sewer, is very costly and can ruin project budgets and financial outcomes.
  - Gaining site control must be relatively uncomplicated – piecing together multiple individually-owned parcels can be time consuming and expensive.
  - Land acquisition costs must be kept reasonable.
  - The building(s) must be situated to take advantage of westerly sunset views for as many units as possible.
  - Appropriate zoning should be put in place now to remove the need for a developer to obtain a rezoning or variance. Developers view rezoning requests as risks that add time and costs to a project.

- Other factors that the interviewees believed would be important included:
  - Setting design standards to ensure a high quality development with the necessary building quality and amenities to meet the needs of targeted buyers.
  - Identifying targeted buyer profiles and an effective market area to sell to those buyers. According to the real estate professional interviewed, current buyers of lakefront condos in Ashtabula County are typically baby-boomers from the surrounding metro areas (Cleveland, Pittsburgh, Akron/Canton, and Youngstown). Buyers are looking for low-maintenance properties with on-site amenities such as pools, excellent sunset views and proximity to off-site amenities like beach and marinas … many buyers are also boaters who want seasonal dockage and storage.
  - Because most buyers would be from out of town, interviewees believed that it is critical to improve and maintain the physical appearance of the community along the main entryway between I-90 and the project site (see Map 4). In addition, they believed that local ordinances – to the extent that they exist – should be strictly enforced to ensure that the community appearance is maintained to high standards. Potential buyers will be influenced by first impressions.

- Interviewees believed potential project risks include, but are not limited to:
  - Continued uncertainty within households about the future economic climate nationally and regionally … especially risks in the housing market.
  - Identifying debt and equity partners.
  - Attracting certain targeted buyers to a small community with limited resources.

Ashtabula County Lakefront Condo Survey

- In addition to interviewing real professionals, we surveyed lakefront condominium developments in Ashtabula County to identify the following characteristics:
  - Number of units
  - Purchase price
  - Floor plans and Square footage
  - Unit and Project amenities
  - Absorption trends

- Key findings from the survey include:
  - Currently (January 2011) there are 10 lakefront condos – at 5 developments – for sale in the county, ranging in price from $479,900 to $109,900. They average 1,476 square feet with 2-3 bedrooms and 2 baths per unit and have been on the market an average of 212 days. Tables 19 and 20 provide data collected from the survey.

Table 19 – Ashtabula Lakefront Condo Data (January 2011)

				List Price			Garage		Pool			
Property Name	City	Total Units	Available Units	High	Low	Median	Attached	Detached	Indoor	Outdoor	Private Beach	Year Built
Saybrook Beach Club	Ashtabula	65	1	$124,000	$124,000	$124,000				X	X	1997
Harbor View	Conneaut	18	1	$119,900	$119,900	$119,900		X				1991
Lake Erie Vista	Geneva-on-the-Lake	47	6	$479,900	$199,900	$282,900	X		X		X	2010
"Adventure Zone"	Geneva-on-the-Lake	n/a	1	$158,000	$158,000	$158,000				X		1988
Waterford Mill	Saybrook	24	1	$109,900	$109,900	$109,900	X					1998
Total		154	10									
Average				$198,340	$142,340	$158,940						
Vacancy	6.5%											

Note: Updated 1/19/11

Table 20 – Ashtabula Lakefront Condo Data (January 2011)

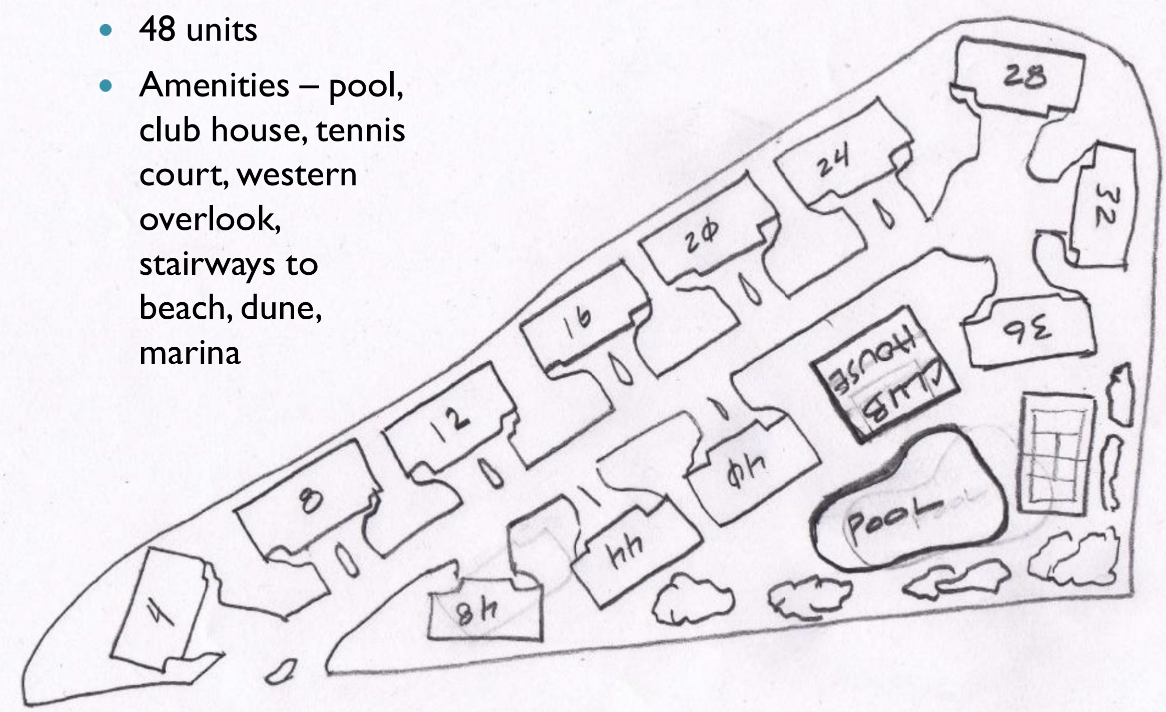
City	List Price	Days on Market	Square Feet	Bedrooms	Baths	Garage Spaces	Garage: Attached	Garage: Detached	Pool	Private Beach	Year Built	Note
Ashtabula	$124,000	175	842	2	1.5				X	X	1997	
Conneaut	$119,900	179	1,670	2	2	1		X			1991	
Geneva-on-the-Lake	$479,900	264	2,076	2	2.5	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$362,900	264	1,997	3	2	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$282,900	299	1,616	2	2	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$282,900	265	1,576	2	2	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$239,900	264	1,331	2	2	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$199,900	224	1,331	2	2	n/a	X		X	X	2010	7 Yr. tax abatement
Geneva-on-the-Lake	$158,000	57	882	2	2				X		1988	
Saybrook	$109,900	130	1,441	3	2	2	X				1998	

Average	**$236,020**	**212**	**1,476**	**2**	**2**

Note: Updated 1/19/11

Figure 5 – Lakeview Park Condo Concept

- 48 units
- Amenities – pool, club house, tennis court, western overlook, stairways to beach, dune, marina



Map 11 – Lakeview Park Condo Concept

Recommendations – Housing

- Conneaut lakefront housing development should be located at Lakeview Park and consist of high quality condos and amenities to attract higher income buyers from the metro markets of Cleveland, Pittsburgh, Akron/Canton, and Youngstown).
- Conneaut should change the current zoning, if necessary, to allow for housing/condominium development. We recommend creating a Mixed Use Planned Unit Development (PUD) overlay district of the waterfront area as a permitted use (see Planning and Zoning below).
- The CPA should work with the city to improve and maintain the physical appearance of the community along the main entryway between I-90 and the project site. Furthermore, the CPA should support the city's enforcement of local ordinances to ensure that the community appearance is maintained to high standards.

A. Planning and Zoning

- The City of Conneaut Comprehensive Plan (2002) identifies a harbor district with "small concentration of unorganized commercial uses and a number of buildings in poor condition but with potential for tourism and recreation." The plan includes promotion of tourism as one of its goals. The waterfront study area is identified in the Land Use Plan as Parks, Open Space, and Outdoor Recreation. The plan identifies two uses for the harbor district: local neighborhood retail service and seasonal boating/fishing tourism trade.

- The 1991 Conneaut Port Authority Master Plan calls for continued public recreation and access, continued development of boating and fishing facilities, expansion of commercial uses along Park Avenue, and incentives for Bed & Breakfast development in the residential area.

- Conneaut Zoning also includes a Planned Unit Development District (PUDD) The PUDD is a flexible zoning procedure to encourage variety and flexibility in the development of land for residential purposes and accessory recreational uses.

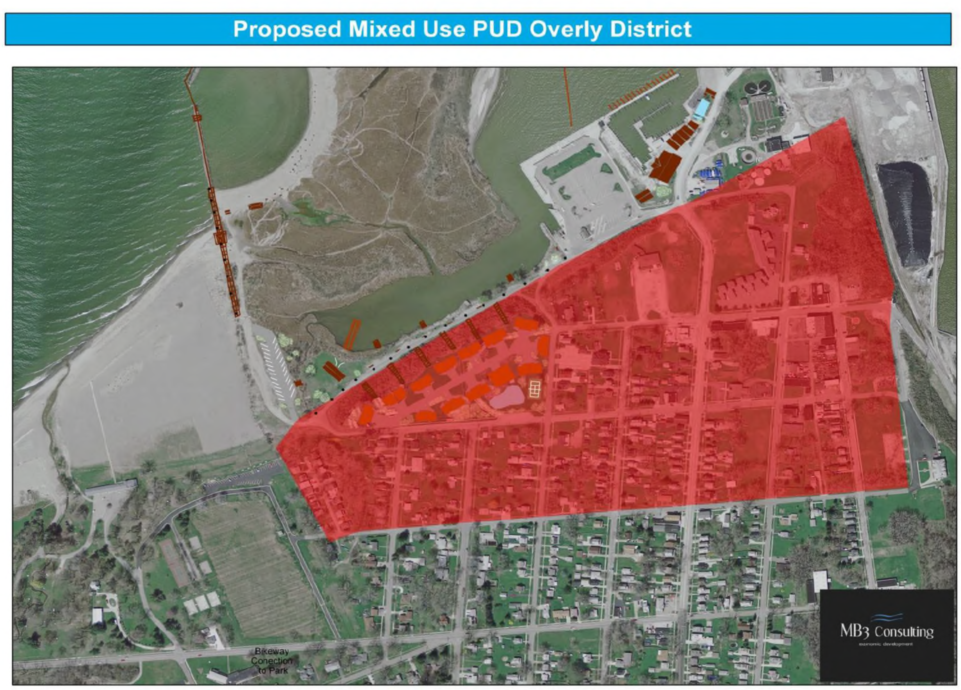
Planned Unit Development District

- Conneaut should create a Mixed Use Planned Unit Development (PUD) overlay district of the waterfront area as a permitted use. Once Conneaut establishes zoning regulations for the PUD in the Zoning text and on the Zoning Map, the new PUD Overlay just sits there, while the pre-existing zoning continues to operate as though nothing happened. However, when a developer submits a PUD development plan and an application to have the PUD apply to his property, once the development plan is approved, the PUD automatically replaces the pre-existing zoning (which is then removed from the parcel on the Zoning Map).

- A mixed-use neighborhood is where residential, commercial, and civic buildings can be within close proximity to each other or within the same structure. It is a planning concept based on small town neighborhood development principles. Design guidelines should pay attention to walking distances, the height of the building, the design of streetlights and signs, sidewalks, and other features. They promote social interaction by including civic spaces such as mini parks and public buildings. People can walk or bike between the various uses.

- PUD neighborhoods are designed to include mixed uses. By mixing the uses, the tax base can be broadened. Multiple principal uses are permitted to coexist on a single parcel of land. Such uses may be permitted where apartments may be developed over retail space. Compact development is a cost effective, incentive-based investment program that target growth-related expenditures to locally designated areas.

Map – 12 PUD Overlay Map



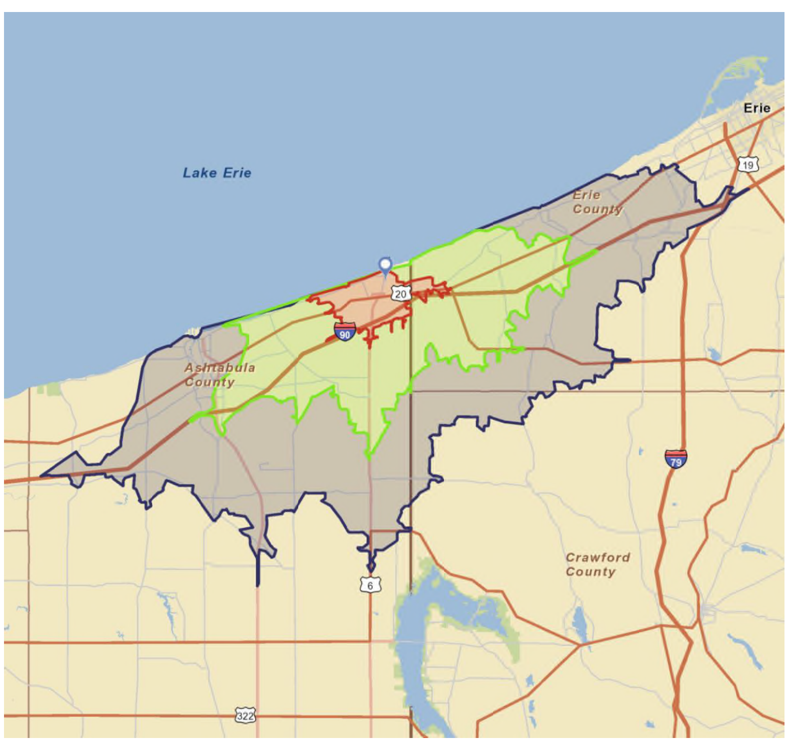
V. Retail

- As part of this report, we were asked to complete a basic retail market analysis to identify potential opportunities to attract additional retail businesses to the areas in and adjacent to the Port. To prepare the analysis and recommendations, we completed: 1) an assessment of the current retail activity within the Port area and 2) an analysis of market data to identify underserved markets and unmet demand.

- We collected detailed retail supply and demand for drive-time radiuses of 10, 20, and 30 minutes from the Port. For purposes of this analysis, we assumed that consumers would probably not drive more than 30 minutes to general retails goods and services, including food and beverage purchases at restaurants.

- Map 13 shows the expected retail market area of the Port.

Map 13 – Retail Market Area



- Tables 21 to 24 provide retail expenditure information for the expected 3-tiered market area of Conneaut.
- Supply (retail sales) estimates sales to consumers by business establishments.
- Demand (retail potential) estimates the expected amount spent by consumers at retail establishments.
- Typically, when demand exceeds supply, there may be potential to add businesses within the market area to meet that underserved demand. The Leakage/Surplus Factor presents a snapshot of that potential retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area.

Table 21 – Retail Demographics

Port of Conneaut			
	Drive time: 10 minutes	**Drive time: 20 minutes**	**Drive time: 30 minutes**
Summary Demographics			
2010 Population	11,401	25,893	93,888
2010 Households	4,692	10,100	35,743
2010 Median Disposable Income	$33,542	$35,784	$36,362
2010 Per Capita Income	$19,336	$20,031	$21,131

Source: ESRI and Infogroup

Table 22 – Retail Profile (10-minute drive)

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$84,279,369	$69,463,674	**$14,815,695**	9.6	87
Total Retail Trade (NAICS 44-45)	$72,340,068	$60,502,305	**$11,837,763**	8.9	58
Total Food & Drink (NAICS 722)	$11,939,301	$8,961,369	**$2,977,932**	14.2	29
Food & Drink Sub-sectors					
Full-Service Restaurants (NAICS 7221)	$9,929,407	$4,220,193	**$5,709,214**	40.3	19
Limited-Service Eating Places (NAICS 7222)	$1,667,558	$3,891,057	($2,223,499)	(40.0)	6
Special Food Services (NAICS 7223)	$213,283	$409,850	($196,567)	(31.5)	2
Drinking Places - Alcoholic Beverages (NAICS 7224)	$129,053	$440,269	($311,216)	(54.7)	2

Table 23 – Retail Profile (20-minute drive)

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$209,709,308	$176,262,085	**$33,447,223**	8.7	207
Total Retail Trade (NAICS 44-45)	$180,835,145	$153,586,130	**$27,249,015**	8.1	153
Total Food & Drink (NAICS 722)	$28,874,163	$22,675,955	**$6,198,208**	12.0	54
Food & Drink Sub-sectors					
Full-Service Restaurants (NAICS 7221)	$22,896,088	$8,799,455	**$14,096,633**	44.5	31
Limited-Service Eating Places (NAICS 7222)	$4,670,239	$12,587,514	($7,917,275)	(45.9)	15
Special Food Services (NAICS 7223)	$868,494	$509,050	**$359,444**	26.1	3
Drinking Places - Alcoholic Beverages (NAICS 7224)	$439,342	$779,936	($340,594)	(27.9)	5

Table 24 – Retail Profile (30-minute drive)

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$779,755,014	$723,001,517	**$56,753,497**	3.8	732
Total Retail Trade (NAICS 44-45)	$670,654,406	$648,465,848	**$22,188,558**	1.7	535
Total Food & Drink (NAICS 722)	$109,100,608	$74,535,669	**$34,564,939**	18.8	197
Food & Drink Sub-sectors					
Full-Service Restaurants (NAICS 7221)	$83,647,532	$35,731,534	**$47,915,998**	40.1	114
Limited-Service Eating Places (NAICS 7222)	$19,147,809	$32,519,757	($13,371,948)	(25.9)	51
Special Food Services (NAICS 7223)	$4,175,927	$3,064,481	**$1,111,446**	15.4	12
Drinking Places - Alcoholic Beverages (NAICS 7224)	$2,129,340	$3,219,897	($1,090,557)	(20.4)	20

Recommendations – Retail

- Based on the retail/supply demand analysis, there appears to be a significant leakage – consumers going outside the market to purchase goods and services – of retail spending in each of the market tiers. This represents an opportunity to attract retails to Conneaut to occupy and renovate currently vacant retail space. The CPA should work with commercial property owners, particularly along Park Avenue, to attract new retail. There is large underserved demand for Full-Service Restaurants within each market tier that would be a good fit with vacant commercial properties near the Port.

- It is important to remember that the this retail supply/demand analysis is based on current conditions. Expanding the marina to accommodate more boaters, attracting new visitors to a destination lakefront and adding new seasonal resident's in condos will only add to the demand for those goods and services.

- Other potential retail opportunities that the CPA should consider for the lakefront area:
  - Grocery and/or Specialty Food Stores (NAICS 4451/4452) – there is leakage of $752,000 and $12.7 million within the 10 and 20-minute drive radiuses, respectively.

- Similar to potential housing/condo buyers, visitors with retail spending power want to go unique destinations that are clean, well-kept and attractive. The CPA should work with the city to improve and maintain the physical appearance of the community along the main entryway between I-90 and the project site. And the CPA should support the city's enforcement of local ordinances to ensure that the community appearance is maintained to high standards.

- The CPA should consider working with the City to establish economic incentives (e.g. property tax abatements, job creation grants, etc) to attract commercial (and housing) investment to the lakefront.

VI. Next Steps/Implementation

- Set specific goals you want to achieve specific to this study and a strategy for achieving each one! Identify responsible parties for implementing the specific strategies. Measure progress/success of strategies, set deadlines and be flexible to change as needed to achieve a goal.

- Promote your vision for lakefront development actively and consistently to potential public and private partners. Leverage partner resources when possible.

- Obtain buy-in and support from city and other public partners. Gain endorsements of the community including key involved public, private, and institutional stakeholders.

- Work with the city to improve community image and carry out ongoing clean up and beautification efforts.

- Establish a Mixed Use Planned Unit Development overlay district for the lakefront.
- Identify and pursue funding from public and private sources for high ranking projects/initiatives.
- Develop an aggressive marketing and awareness effort to foster use and involvement in the lakefront.
- Stay focused and committed to your lakefront development goals.

Conceptual Waterfront Redevelopment Plan