

Acme Township Marina Feasibility Study - Funding Strategy Example

August 2, 2011

Acme Township





Acme Township Marina Funding Strategy Example

Objective: Reduce \$3M local budget/foundation need to < \$1.5M

1. Take the \$9.386M construction estimate
2. Rather than take out 1 bond for \$3M, take out two that equal \$4.4M:
 - take out one bond for \$1.4M for 25 years, 4.5% AA → annual payment: \$94,414
 - take out a second bond for \$3M for 30 years @ 5% → annual payment: \$199,879
 - if net revenue remains same at \$326,658 minus bond payments of \$294,293 = net profit of \$32,365
3. Take \$9.386M minus bond amount of \$4.4M and you now have a \$4.986M delta
4. Next do a “Phased in” approach where you divide the marina into 3 projects and then apply for three consecutive grant cycles.
 - build Phase 1 with 22 slips; increase BIG grant target from \$1.5M to \$1.7M
 - build Phase 2, but hold off on constructing the boater services building and fish cleaning station until year 3; use temporary structure for \$100k that can later be moved to another Acme shoreline park area
 - in Phase 3, build boater services building (\$500k), and add fish cleaning station (\$50k) and complete the fishing pier (~\$200k – pier infrastructure was completed in Phase Two)

Grant	Was	Now	Difference
Boating Infrastructure Grant	\$1.5M	\$1.7M	+ 200k
State of Michigan	1.78M	\$2.38M	+ 600k
MDEQ	.05	.05	- 0 -
Total:	\$3.33M	\$4.13M	+ \$800k

\$4.986M delta + \$200k (\$100k for temporary boater services bldg + \$100k to cover bringing equipment back to site for Phase Two and Three @ \$50k each) = \$5.186M delta minus \$4.13M = \$1.056M necessary to identify from local foundations and donors