

SHEET HARBOUR WATERFRONT *marina*

Feasibility Study & Business Plan Presentation | September 21, 2023



Feasibility Study & Business Plan

We have summarized the full study and business plan in today's presentation. **The full report includes the following.**

Project Overview

Project Introduction, Project Scope, Destination Development, and SWOT Snapshot

Market Analysis

Local Attractions and Infrastructure, Cruise in Nova Scotia, Boating Trends, Target Market, and Emerging Market

Marina Concept

Marina Renderings and Construction Considerations

Marina Operations

Operational Plan, Organizational Chart, Governance and Potential Partnerships

Financial Analysis

Financial Projections, Risk Analysis, Funding and Financing Options and Sustainability Plan

Case Studies

Halifax Waterfront, Dartmouth Yacht Club, St. Peter's Marina, Lunenburg Waterfront and Lunenburg Shipyard, Baddeck Waterfront and Baddeck Marine and Front Street Shipyard

Stakeholder Survey

Survey Methodology and Highlights and Interview Findings

Appendices

- Engagement Summary (full report)
- Nova Scotia Tourism Overview

Project Introduction

Sheet Harbour is in a strategic position to be a key community development for Nova Scotia, a project that will demonstrate the importance of coordinating and connecting a network of destinations that by their connection become a much stronger, focused and marketable product of the province by enabling public access to and from the water's edge.

Objective

Identify the foundational elements of infrastructure, service, and experience necessary to develop the Sheet Harbour Waterfront Marina as a hub for local and visiting boaters. Simultaneously, explore wider waterfront development prospects that can position Sheet Harbour as a destination within the growing provincial and regional marine destination network.

Vision

The Sheet Harbour Waterfront Marina will be a critical link in a developing network of local and provincial destinations accessible by land and water, catering to recreational activities for both locals and visitors, with an emphasis on increasing local engagement in marine recreation while increasing marine tourism to Nova Scotia.

Project Goals

1. *Refine Narrative*
2. *Define Priorities*
3. *Coordinate Support*



Destination Pillars

The community of Sheet Harbour as a marine destination is supported by three destination pillars:

The allure of the 100 Wild Islands

The proposed Sheet Harbour Waterfront Marina

The welcoming community of Sheet Harbour and area

In essence, the magic of Sheet Harbour lies in the synergy created by bringing together the alluring beauty of the 100 Wild Islands, the transformative potential of the waterfront marina, and the unique charm of the town and region.



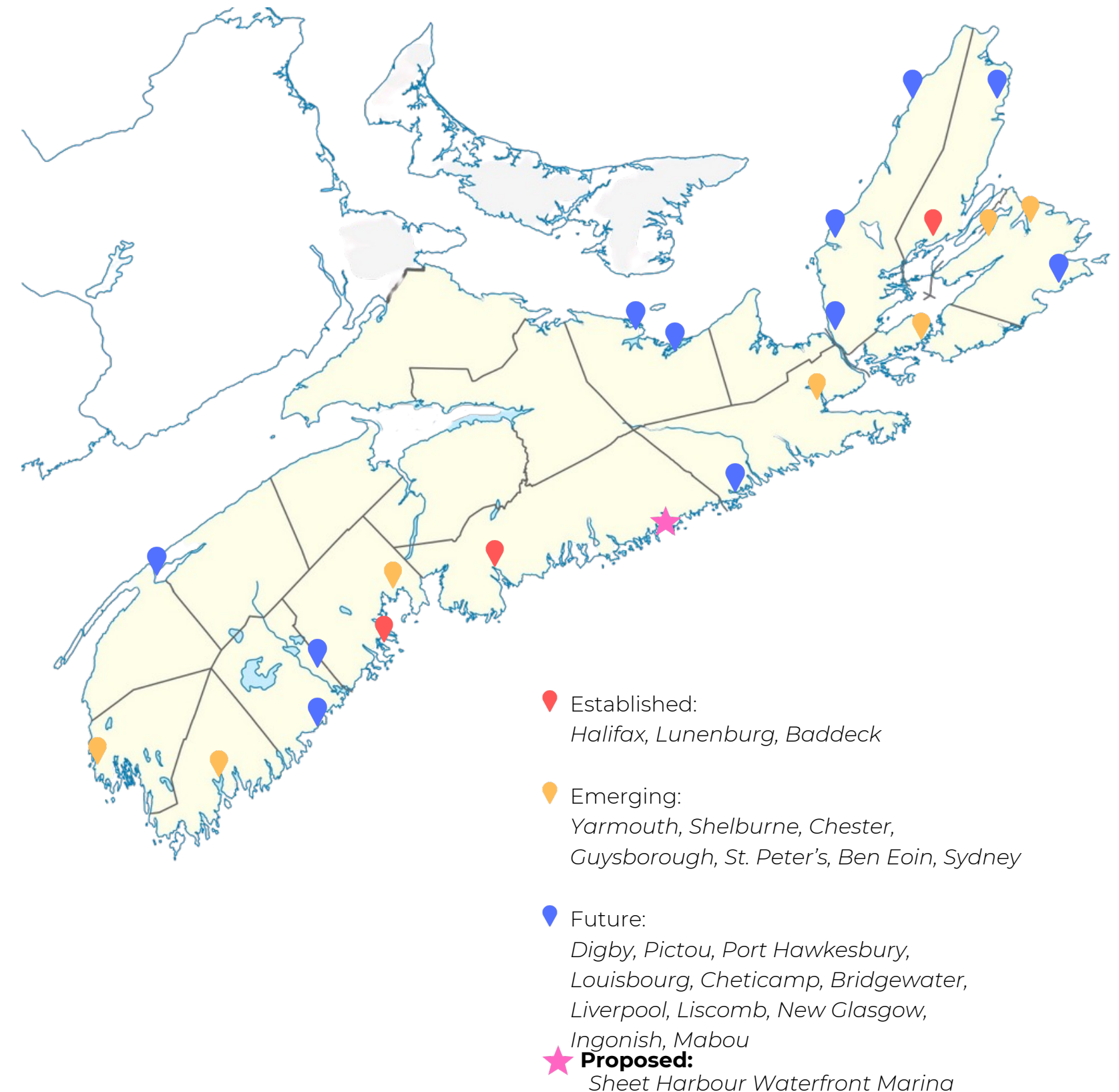
Marine Destination Network

Leveraging Marine Infrastructure Investments

Over the past decade, the Province of Nova Scotia, in collaboration with both public and private partners, has made substantial investments in marine infrastructure. The transformation is striking, with strategic public assets on the Halifax, Lunenburg, and Baddeck waterfronts demonstrating significant ROI with increased visitation from both land and sea while becoming places of pride for locals.

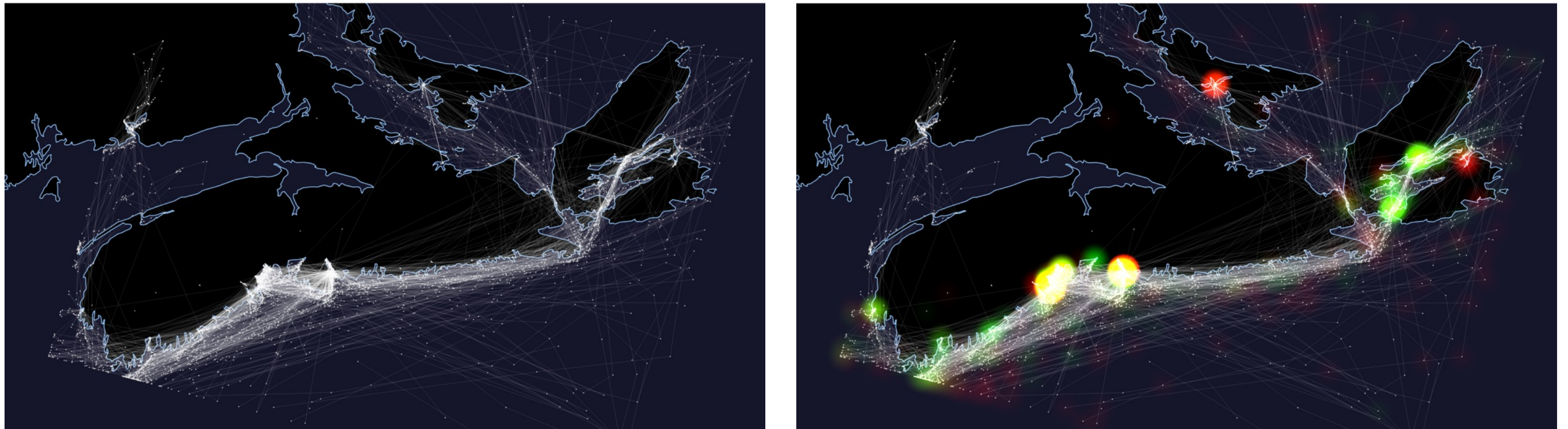
The proposed site of the Sheet Harbour Waterfront Marina is located within an area of the province that is often bypassed due to the lack of infrastructure, services and experiences for marine visitors. This gap in service and access to experiences on the Eastern Shore is a barrier to growing Nova Scotia as a destination for both local and visiting boaters. Having Sheet Harbour emerge as a 'port of confidence,' a destination supported by infrastructure, service and experience, will strengthen existing and emerging waterfront provincial investments including:

- *Halifax Waterfront*
- *Lunenburg Waterfront*
- *Guysborough Waterfront*
- *Baddeck Waterfront*
- *Mahone Bay Waterfront*
- *Pictou Waterfront*



Bridging the GAP

Situated approximately equidistant between the recognized marine destinations of Halifax Harbour and Cape Breton Island, Sheet Harbour occupies a strategic position along a well-travelled marine corridor frequented by recreational boaters. However, due to the lack of a dedicated marine facility, the recreational boating community, both local and visiting, view Sheet Harbour as an unfulfilled stopover rather than a destination in itself, causing most boaters to bypass Sheet Harbour and the alluring 100 Wild Islands - as highlighted in the 2019 marine traffic illustrations below.



Source: Develop Nova Scotia

The absence of comprehensive support services for the boating community presents a remarkable opportunity for the establishment of a full-service marina in Sheet Harbour which will not only be a welcome addition to the adjacent community but is seen by partner waterfronts and marinas both north and south of Sheet Harbour as a direct benefit to the development of their communities as destinations.



Source: Develop Nova Scotia

Target Markets

Local

- sail and power yachts within close distance of Sheet Harbour (Eastern Shore, Halifax, Cape Breton)
- marine business operators
- retail and concession operators
- youth sailing

Regional

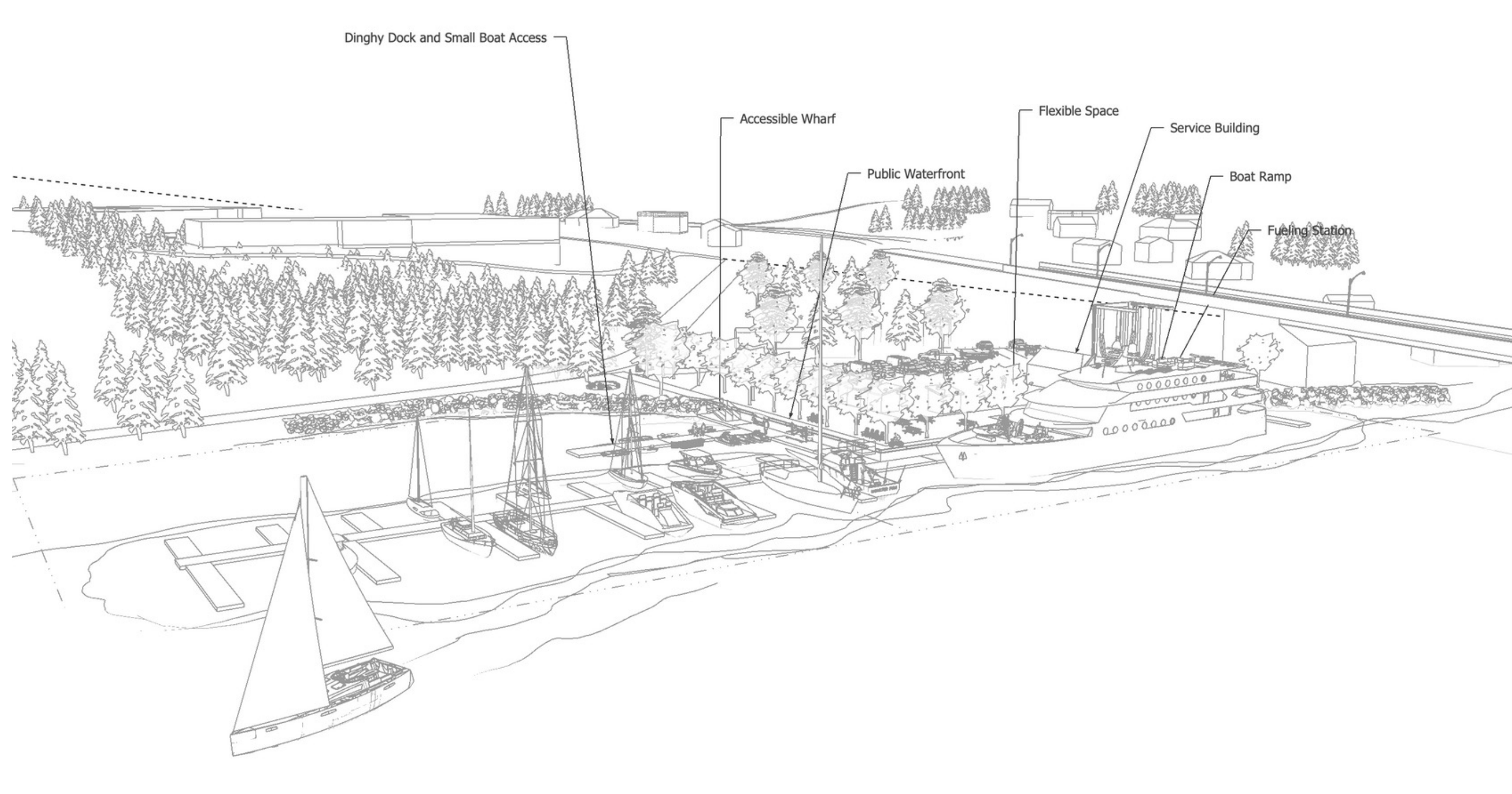
- **Owner/operator marine tourist**
 - domestic visitors on mid-size owner/operated recreational vessels
 - sail and power yachts within close distance of Nova Scotia (New England, Maine, Atlantic Canada). Potential target groups include yacht clubs, cruising clubs, and yacht brand-based rendezvous events

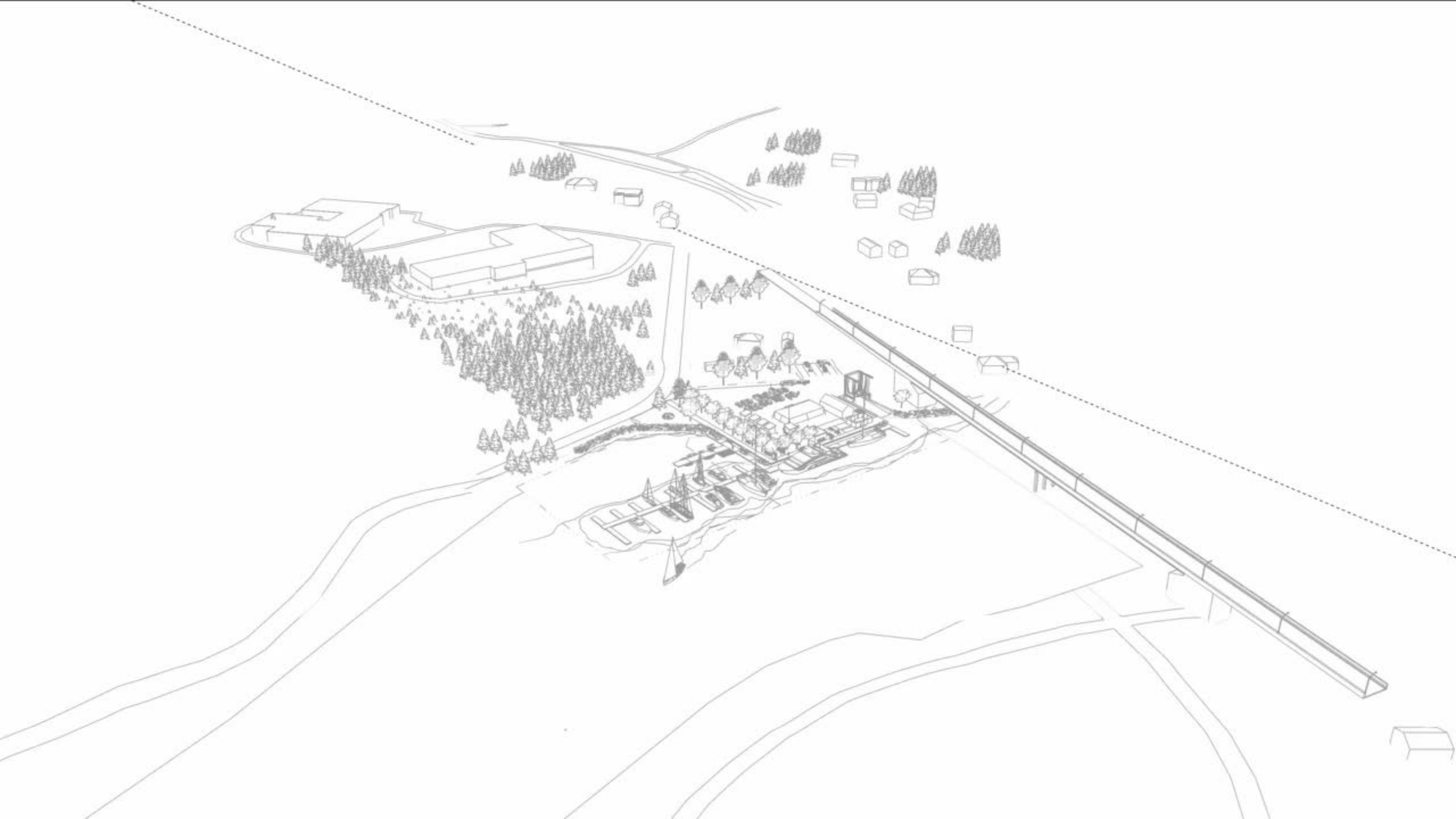
International

- **Owner/Operator Marine Tourist**
 - US/domestic visitors on mid-size owner/operated recreational vessels
 - sail and power yachts within close distance of Nova Scotia (New England, Maine, Atlantic Canada). Potential target groups include yacht clubs, cruising clubs, and yacht brand-based rendezvous events
 - luxury yachts and expedition cruise ships
- **Storage, Repair and Maintenance**
 - attract vessels, both commercial and recreational, looking for services, repair and indoor-outdoor storage.
- **Marine Events of Significance**
 - attract local, regional and international events requiring access to land and water supported by infrastructure, services and partners. Potential to invite investment in legacy infrastructure.

Marina Concept

Our team carefully considered the Sheet Harbour Marina site and has provided a concept that utilizes the space most effectively to shape a vibrant destination, attracting locals and visitors, by land and water.





Sheet Harbour Marina Resident Survey

Local businesses and community members were surveyed in July 2023, the survey responses demonstrated high interest and generally positive feedback about the project.

Key highlights from the survey are listed below.

- Almost two-thirds (64%) of respondents indicated that they own a boat.
- More than half (58%) of respondents indicated that they would use the marina.
- Respondents were interested in many boating-related amenities for the new marina. The top cited interests included: fuel, fresh water supply, shore power, and security/monitoring.
- When considering visitor amenities, there was significant interest in having bathrooms/showers on site. Other top interests included: laundry facilities, small craft rentals (kayaks/paddle boards), and parking.
- When asked about what they considered the greatest opportunity for the proposed marina, respondents mentioned the following:
 - *Bringing in more visitors.*
 - *Raising the profile of the community.*
 - *Increased economic activity in the region.*
 - *Making the Eastern Shore a safer, more attractive destination for cruising.*
 - *Offering membership to join the marina and having a licensed lounge on-site.*
 - *Having a whale sanctuary.*
 - *Contribution to local businesses.*
 - *Offering the facility as a wedding/event venue space.*
 - *Creating jobs.*
 - *Being the first fully sustainable marina in Canada, to fit with the Wild Islands Coast brand.*
 - *Offering an authentic seafood dining experience.*

Survey Methodology and Highlights

- When asked to describe Sheet Harbour to potential visitors, the following words were mentioned most frequently: *friendly, beautiful, welcoming, peaceful, quaint, community, oceanfront, and pristine.*
- Almost half (46%) of survey respondents were ages 60 to 69. The next most represented age groups included ages 40 to 49 (19%) and 70 and up (16%).
- Almost half (48%) of respondents indicated that they were retired. Just over one-quarter (27%) indicated that they were employed full-time, while 18% indicated that they were a business owner.
- Half (50%) of respondents indicated that the proposed marina will likely positively impact their business, while the other half indicated that the proposed will not impact their business. No respondents indicated that they thought their business would be negatively impacted by the marina.
- Respondents indicated an interest in providing the following goods and services to the marina:
 - *Advertising*
 - *Beer*
 - *Food services*
 - *Merchandise*
 - *Picnic/dining experience*
 - *Pop-up café*
 - *Scenic boat tours, charters, island drop-off services*

Financial Snapshot

- The team prepared a high-level five year financial projections for the facility operations
- Assumptions underpinning the estimates were drawn from case study examples (i.e., competitive scan of service fees), a community survey, among other sources
- The facility layout support 6 vessels at moorings, 37 vessels at berths, and about 36 vessels in annual storage.

Traffic:

- 25 core vessels grows to 29 vessels by year 5
- transient traffic, the vessel visits (of a few days or more) begins in year 1 at 26 vessels and increases to 66 vessel visits by year 5

In this scenario, SMHA's Year 1 operation of the new facility is assumed to achieve positive cash flow in year 1, not including financing costs, depreciation, or amortization.

Assuming a 5% interest charge, a 30-year financing period, and no down payment, the year 1 surplus could support a loan of just over \$1.9 million, with a term ending total payment of nearly \$4.5 million and including principal repayment and a \$2.6 million interest payment.

Summary & Key Recommendations

The Sheet Harbour Waterfront Marina project is not just about boats; it's about creating an inclusive, sustainable, and market-driven destination for locals and visitors arriving by land and sea. As a dedicated community-led group, the Sheet Harbour Marina Association (SHMA) is committed to thoughtful development that prioritizes accessibility, balancing commercial and public spaces while scaling the project responsibly. Together, with strategic partners including both public and private interests, the Sheet Harbour Waterfront Marina project is an opportunity to leverage local assets to build a platform attracting people to live, visit, work, play and invest in the Eastern Shore and Nova Scotia.

Public Access and Community Engagement

Describing the project in the context of providing public access to and from the water's edge is foundational to this project narrative, describing an inclusive space for locals and visitors arriving by land and sea.

Marine Destination Network

Working in collaboration within a network of established and emerging marine destination across the province and region is critical to establishing the Sheet Harbour Waterfront Marina as a destination.

Phased Development

The marina project design is flexible and can be thoughtfully phased to match market demand, allowing for planned future growth of infrastructure and services. It's a fiscally responsible way to ensure that every development step aligns with real market needs. The business case analysis underlines the growth potential because of this enhanced capacity of the marina site and broader destination development opportunities.

Marketing and Communications Strategy

A compelling marketing and communications strategy is recommended to showcase Sheet Harbour as an emerging must-visit destination as the development takes shape. This strategy must connect the development with a provincial marine destination network, creating a synergy that benefits all involved. This strategy will put Sheet Harbour on the map and draw attention to the marina development in advance of and while the project is being undertaken and continuously once operational.



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