



# Strategic Plan

## CFSA-X Capital Project Annex K

### Frequently Asked Questions

*"Believe me, my young friend, there is nothing -  
absolutely nothing - half so much worth doing as simply  
messing about in boats."*

— Kenneth Grahame, *The Wind in the Willows*

## Frequently asked Questions

These Questions were identified in Feedback provided by PSP after high level review of the Dradfr Business Case in February 2020.

### **Is Public Support sought for this project?**

No direct public support in the form of funds or construction is sought.

RP Ops Esquimalt has been very supportive throughout the project and has agreed to provide the following support to the project and future CFSA:

1. PILT Support - In accordance with the APS110. RP Ops will continue its ongoing support of payments in-lieu of taxes for the CFSA real-property
2. Support to Utilities - In accordance with the APS110 RP Ops will continue to provide support for utilities;
3. RP Ops will provide final review of infrastructure designs and drawings to ensure compliance with infrastructure standards for construction on the base.

### **Why does the club not simply move to the Work Point Power Boat Club Location?**

Twelve sites were examined in the process and presented to the Base Commander over the course of two briefings in winter 2018/9.

The Work Point - Rose Bay location was considered in the initial investigation of 12 sites and made a shortlist of six. Ultimately its combined suitability versus risk were such that it was discarded. Key issues were:

- exposure to weather and traffic for club racing and dinghy sailing;
- prohibitive cost and environmental hurdles of a breakwater and/or dredging
- challenges to permissions in a water lot not owned by the Crown, and
- prospect of eventual Real Property divestment of Workpoint;

Contrary to some statements, air traffic was never considered a challenge to this location.

It had been suggested that the sailing club displace part of the power boat club. This was never seriously examined. All apart from the cost of dredging and the loss of power boat space, together with the fact that the perhaps 30 sailboats boats, which

could fit inside the current breakwater would never be able to generate the necessary revenue. The only result would be a dramatic loss of a thriving club membership.

Instead, the power boat club has been invited to consider joining CFSA at the new location. Although they have not chosen to do so yet, the capability for future expansion to accommodate them has been retained.

### **What makes CFSA different from any other sailing club in the region?**

CFSA stands out from other sailing clubs in that through its constitution it *guarantees* access, *within 30 days*, to serving members of the Canadian Armed Forces who choose to own a boat during their posting to the region (regional wait times vary from 1 to 20 years). If there is no room for moorage, an associate or regular (retired) must vacate the marina to make space. Together with low membership cost and relatively low moorage, this makes it possible for a family to enjoy sailboat ownership for a posting cycle, where it would otherwise be impractical.

### **How much in Cash reserves does CFSA currently have?**

[\(Annex E\)](#)

Since 2017, CFSA has increased cash reserves by \$330K to over \$600K. The club is consistently generating net annual income of over 200K. Revenue has grown from \$344k in 17/18, to \$496k in 19/20.

### **Will members, including serving members, be willing to pay the increased moorage and membership rates that CFSA has set in order to finance this move? It has been claimed that membership rates dropped after the 75% increase - is that true?**

The most significant revenue stream is and always will be a stable moorage demand. The FY 2019/20 saw the most significant price increase in the club's history. There was an effect on the moorage business early in that Fiscal Year, when 10-15 boats departed the club's marina.<sup>1</sup> By October 2019, however, the moorage levels had returned to the club's comfortable moorage capacity of 112 boats and 3300 linear feet of paid moorage. By November of 2019 the comfortable level had been exceeded and

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<sup>1</sup> It's difficult to attribute exactly how many left due to rate increases, active posting season and retiring from boating as there are many. The NET effect, however, was about a 10% decrease in boats by May of 2019.

at the end of December a waiting list had begun. At the end of January there were two boats on the waiting list.

Overall membership, including the number of serving military members, is currently amongst the highest they have been in the last seven years.

### **How many moored boats does CFSA need to finance the loan? How do you know you will have enough boats?**

([Annex E](#), [Annex I](#) Exec Summary)

The main revenue stream for CFSA is moorage, accounting for approximately 60% percent of income.

In a full survey of club membership conducted at renewal in March 2020, 115 of 117 current boats indicated their intent to move to the new location. In addition, 2 out-port owners indicated their intent to move to CFSA and 7 non boat owners indicated their intent to purchase boats and berth them at CFSAx. This indicates an Initial Operating Capability (IOC) potential for 124 boats. [Annex I](#)

Nevertheless, the Business plan assumes 116 paying boats<sup>2</sup> of average length 30 feet, totalling 3480 linear feet of moorage. This is the amount on which the financial plan is based at IOC.

Our analysis suggests that moorage will grow from 3480 feet at the rate of 3% of 2022 numbers per year (approximately 100 feet annually) until the maximum capacity of 4600 feet is achieved in 2034.

### **How much do you plan to expand?**

The long term business plan of the club has always looked at an expansion in the number and size of slips. Other than a dip in 2019 following a substantial rise in rates, the club has always been at capacity and maintained a waiting list of boats. As of Feb 2020 there were at least three expressions of interest from boats that could not be accommodated.

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<sup>2</sup> The number of boats is always a bit misleading, in the final analysis it is the billable linear feet of moorage that determines revenue.

The expansion, however, is moderate, based partly on using concrete docks already in possession of CFSA, and is not necessary to support the loan.

Although not needed to generate the revenue requirement, it is cost effective to install an E dock at IOC as it is already in CFSA possession. It will be capable of berthing an additional 500 (non-slipped) Linear Feet, or 17 boats at current average length. The expansion which is planned measured in total number of boats is from 116 (current member boats moored at CFSA) to a total of 133.

**What role does Disabled Sailing play in the Business Plan?**

None.

CFSA's co-location with the Disabled Sailing Association (DSA) has been valuable, productive and mutually advantageous. It is the intent of the CFSA membership to continue that relationship. DSA has agreed to fundraise and build the necessary infrastructure for their operations.

These components will be funded exclusively by DSA and do not form part of the loan request submitted here by CFSA. Further, while the participation of DSA is welcome and desired, the CFSA revenue generation plan is not contingent on the success of the DSA project.