

**County Donegal Marina
Development Strategy**
(Incorporating Centres of Excellence for Sea
Angling and Boat Stations).

**Final Report To Donegal County
Council**

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**This report has been prepared by Deloitte in
association with Crest Nicholson Marinas
UK Ltd and D.F.P. Construction Service**



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1. Executive Summary

1.1 BACKGROUND AND STUDY APPROACH

Deloitte in association with Crest Nicholson and D.F. P. Construction Service have undertaken a strategic review of the marina and sea angling centres requirements for Co. Donegal.

This strategy was commissioned by Donegal County Council. The Council wishes to be advised on the development opportunity in relation to the number and scale of marinas. These marinas should also be capable of accommodating the County's sea angling needs.

This strategy has been developed following:

- An extensive desk research and literature review process (Appendix I).
- Advertisements in local press notifying people about the study.
- Review of submissions from 23 interested groups (Appendix II). A detailed questionnaire was available to interested groups to guide them in their submissions (Appendix III).
- Meetings in either Letterkenny or Donegal Town with all groups who made a submission.
- A survey of sailors and boat clubs (61 respondents)(Appendix IV).
- Site visits to over 20 potential marina locations throughout the County (Appendix V).

In this report, we set out:

- Our conclusions in relation to the market size
- The key considerations and basis for our strategy
- The strategy itself distinguishing the immediate development needs and possible longer-term options.
- Financial and management options and recommendations
- A brief implementation plan.

1.2 MARKET OVERVIEW – NUMBER OF BERTHS

We have reviewed the state of development of the boating and angling market in Ireland and in Europe.

It is informative to examine the size of the population for Donegal’s marina and sea angling catchment area. Key population statistics are:

Table 1.1: Key Population Statistics

	Population (1)
Donegal	137,575
Republic of Ireland	3,917,203
Ulster (part of – Donegal, Cavan and Monaghan)	246,714
Leitrim	25,799
Sligo	58,200
Northern Ireland	1, 685,267 (Census 2001) (2)
Derry	105,066
Belfast	277,391
Fermanagh	57,527
Omagh	47,953

Source: 1 Census 2002 for Republic of Ireland figures.
2 Northern Ireland Census of Population and Housing 2001.

The number of people (population) per marina berth is an important indicator. Recognised norms suggest that there should be one marina berth for every 1300 to 1400 people. Using this indicator, Ireland (north and south) has the capacity to meet the demand for 4,000 – 4,300 berths. Based on current berthage of c. 4,000, there is potential to increase the provision of berths in the Country by up to 300 berths. Donegal is well placed to provide these berths.

Further support for the level of demand is evident from an analysis of key population areas, which are close to Donegal. Donegal has a population catchment area of about 700,000 to 800,000, based on the statistics presented above. Applying this figure to the norm (1400 people per berth) suggests that Donegal could meet a demand of about 500 - 570 over the next 5 to 10 years.

This range is a realistic target. Indeed, current statistics, based on our recent site visits to over 20 sites, suggest that there is a demand for approximately 300 boats. Allowing for passing traffic, this may be up to 400 boats. All of these may not wish to use paying facilities so the figure of 400 may be at the upper end in terms of immediate demand.

Therefore, our analysis at a number of levels – Country wide (north and south), County/close populations centres and based on what we physically witnessed on the ground suggests there is a need for about 400 berths. Our recommendation is for approximately 450 berths as this would more than meet current demand and allow for development potential.

Over time, and depending on how demand develops, there may be a need to increase this number to in excess of 550/600 berths. This is a longer-term issue – we are well aware of how long it has taken Belfast to develop into a 700 plus berths area. The same is true of Cork.

1.3 MARINA & ANGLING CONSIDERATIONS

As part of the submission process, we posed a series of questions of each promoter and for each area. We addressed as far as possible all of the areas set out in our questionnaire. For reference, the questions requested information on:

1. Promoter Profile
2. Project Description
3. Context & Consultation
4. Economic Profile
5. Site Investigation/Technical Study
6. Infrastructural Considerations
7. Environmental Impact
8. Planning Permission/Licences
9. Marketing
10. Management & Staffing
11. Finance & Operations
12. Timescale
13. Other Issues.

While all of these issues are important, we gave serious consideration to some key appraisal factors:

- Does this marina fit in with the concept of a necklace of marinas at intervals of about a half to a day's travel or 100-mile intervals? The idea is that the yachtsman will sail around the coast and stop in suitable well serviced marinas.
- Safety.
- Ease of access.
- Existing infrastructure.
- Site appropriateness
 - Visual appearance.
 - Can the marina accommodate anglers as well as others?
 - Levels of demand – how many boats currently use the area?
- Cost of development.

Each marina and sea angling location was carefully considered and ranked (high, medium or low) against the above factors. This appraisal is central to the development of the strategy in this report.

All of the other factors (eg management structure, planning regulations) can potentially be managed to secure an appropriate outcome.

1.4 STRATEGY

Our recommended strategy will provide 453 berths at a cost of €6,600,000 to €7,100,000 spread over six sites. This gives a cost per berth of about €15,000 to €16,000.

This strategy meets the County's immediate and future development needs and provides the best value for money. These sites have the potential to develop to 633 berths in time.

Table 1.2: Proposed Strategy¹

Location (Running North to South)	Short-term Number of Berths	Indicative Cost (€)	Indicative Cost per Berth (€)	Development Potential – Longer-Term Number of Berths	Additional Cost (€)	Notes
Bunagee (Inishowen / Culdaff)	15	1,500,000	100,000	15	-	Boat Station with a key focus on sea angling.
Fahan	220	2,000,000-2,500,000	25,000 – 30,000	300	500,000	Full purpose marina including sea angling. Currently 140 berths in Fahan. Another 15 in Rathmullan (calm weather) Pontoon.
Ballyhoorisky (Fanad Head)	3	-	-	3	-	Boat Station available at little/no cost, as recently extended and dredged. Safe haven.
Tory Island	15	100,000	6,500	15	-	Boat Station/in-fill
Burtonport	100	1,500,000	15,000	100	-	Full purpose marina including sea angling.
Killybegs	100	1,500,000	15,000	200	500,000	Full purpose marina including sea angling.
	453²	6,600,000/ 7,100,000	15,000/16,000	633	1,000,000	

Brief project details are set out in Appendix VI and physical maps and photographs are presented in Appendix VII.

There are other options, which would provide the same number of berths but at a much higher cost. We considered a range of other options. We specifically examined five other sets of marinas, all of which would accommodate in the order of 600-760 boats. The cost of these ranged from c. €8,000,000 to c. €34,000,000.

¹ Definitions:

Marina – A facility for the berthing of pleasure craft providing direct walkway access to each boat, an adequate depth of water at all times, car parking, toilet facilities, services and other amenities.

Pontoon – A floating structure normally moored at the extremity of a pier or jetty to provide landing or mooring facilities.

Boat Station – One or more pontoons for safe berthing, but not necessarily providing all the shore side facilities associated with a marina, such as toilets/showers, ancillary services and dedicated car parking.

² There are some limited berthing facilities at Donegal Town with tidal restrictions.

All of the costs of these projects should be reassessed. We have suggested indicative costs which in some cases are based on the promoters' own estimates. Also, the physical aspects of each site will require careful consideration.

Existing Facilities

There are currently two main facilities in Lough Swilly – a marina at Fahan and a seasonal pontoon at Rathmullan. There is demand for about 300 berths in Lough Swilly.

Fahan has the capacity to cater for the projected demand and should be the core site in Lough Swilly. This is subject to the establishment of a suitable ongoing maintenance and dredging programme for the existing development and all future development satisfying the existing statutory planning and environmental regulations as well as the work being designed and supervised by a Chartered Civil Engineer to meet the appropriate British or European Standards.

To provide additional berths at Fahan will require dredging, purchase of floating pontoons, services, repairs / rock armouring at the seaward end of the main breakwater (at the entrance) and in the long term, protection is required on the inside slopes of the breakwaters (i.e. stone pitching).

Given Fahan's ability to cater for demand in Lough Swilly, there is no current demand to develop a large scale facility at Rathmullan. However, Rathmullan needs to reconsider the scale of any future marina or boating facility. The cost per berth in Rathmullan is higher than most of the other recommended sites and would need to be lower to be considered to meet future demand. If, however, significant demand results (>750 berths for the County as a whole) which cannot be met by the recommended marinas and sea angling centres (as per table 1.2) then Rathmullan should be seriously considered as a longer-term development option.

1.5 LONGER-TERM DEVELOPMENT OPTIONS

In the longer term, there are a number of other options, if demand is sufficient. Some of these are expensive and have a high cost per berth and will require careful evaluation at the appropriate time.

Option A (only if demand exceeds 650 berths in the future)

Develop in-fill sites such as:

- Arranmore (10 berths/moorings) – indicative cost of €100,000
- Bunbeg (10-15 berths/boat station) – indicative cost of €100,000
- Teelin (10-20 moorings in existence) – on-shore facilities e.g. toilets , washing facilities – indicative cost of €100,000.

Option B (only if demand exceeds 750 berths in the future)

Develop:

- One of Downings (68 berths) or Bundoran (100 berths) (both with an indicative cost of €9,000,000) or Rathmullan (70 berths) (indicative cost of €3,000,000 to €3,500,000)³.

Downings fits in well with the concept of a necklace of marinas. There is strong seasonal demand in both Bundoran and Downings. Rathmullan would be more cost effective than either Downings or Bundoran but is located near to a 140 berth marina at Fahan which should be developed.

³ Rathmullan may not be suitable for winter berthing.

Option C (only if demand exceeds 950 berths in the future)

Develop two / three sites from:

- Rathmullan (70)
- Downings (68)
- Bundoran (100)
- Carrickarory (195) – indicative cost of €10,000,000.

If a marina was to be built in Lough Foyle, then Carrickarory / Merville Area would be the preferred site.

Options A, B and C should only be considered when all of the recommended sites have been developed and are operating successfully. The choice for the location of future marinas developed will largely be dictated by the uptake at the recommended primary facilities (ie Killybegs, Fahan, Bunagee, Burtonport). The level of demand, cost and suitability of any site should be assessed again at that stage.

Shannon-Erne Inland Waterway/Ballyshannon Marina

As part of the MAYA II project submission by Donegal County Council to Interreg III B, funding has been made available to conduct research in relation to connecting the Irish Sea sailing route via the existing transnational inland Irish Canal Network to the sea at Donegal Bay. This would be through the Shannon-Erne Inland Waterway. Boats can pass all the way from the Irish Sea to within 6 miles of the Atlantic Ocean in Donegal Bay. The final passage is blocked by two hydro-electric dams at the outfall of the waterway in the Erne Estuary. If this were to happen, then it would fit in with the developments proposed in this report and could create the case for an additional marina and sea angling facility in Ballyshannon.

1.6 FINANCES

In considering management options, it is necessary to highlight likely shortfalls in the profitability of marinas during their early years.

We have developed sample financial structures for boat stations and marinas up to 100 berths and over 200 berths. The figures indicate that by year 3 it might be possible to have an operating profit for the small (<100 berths) and larger (> 200 berths). The financial gains for a boat station are of a very limited nature. All of the proposed developments are at best, after a number of years of operation, sustainable operationally but will make little contribution to the repayment of capital costs. Details are set out in section 6.1.

The combined financial performance of the new sites identified at Bunagee, Burtonport and Killybegs show losses during the first 4 years of operations with moderate profitability after that time.

Table 1.3: Potential Trading Shortfall

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income	116,960	150,477	199,248	253,940	323,775
Total Overhead	-234,936	-262,755	-264,617	-298,124	-309,342
Operating Profit	-117,976	-112,278	-65,369	-44,185	14,433

The geography of the sites, together with Bunagee’s potential to cover costs from Year 1, suggest that consideration could be given by the Council to provide ‘phased shortfall provision’ for Burtonport and Killybegs, on the basis that a professional marina operator/management company could be attracted to ‘manage’ both sites and possibly Bunagee and commit to a medium to long term involvement. This would provide impetus to drive these marina businesses forward during the critical early years with the advantages of a combined management approach. The operator would also be ‘looking to the future’ given a medium term interest, and would be incentivised to work with the Council to encourage the development of boating and maritime tourism in order to benefit long term business. It is our view that the above approach is probably the most appropriate way to encourage an operator.

When one considers the capital cost of the six developments which will provide 453 berths at a cost of €6,600,000 to €7,100,000 or €4,600,000 excluding Fahan, it is evident that there is limited scope for a public private partnership (PPP) with the private sector providing capital funding. This can only ultimately be assessed by engaging seriously with appropriate private development/marina operator companies. The other potential funding sources are Donegal County Council, Interreg and the International Fund for Ireland. The cross border dimension is important to funding considerations as all links with Northern Ireland need to be explored to maximise Interreg funding.

1.7 MANAGEMENT & STAFFING

Our recommendation is to operate a mixed management model i.e. group management of Burtonport, Killybegs and possibly Bunagee and individual management of Ballyhoorisky and Tory Island which would be subject to some level of coordination with group management.

Donegal County Council should consider appointing a professional marina operator/management company to manage the above.

If Council were to take the lead in setting up a Marine and Water Leisure Partnership Board (possibly including representation from interested stakeholder groups either on the Board or through an advisory forum) then that company could provide the manager to oversee implementation and subsequently oversee the operator/management company if the latter was appointed.

Indicative staffing for each of the proposed sites is set out in section 6.4. If it makes sense to employ the relevant harbour master in each primary marina and sea angling location, then this can be implemented.

If the Fahan marina was to benefit from Donegal County Council funding then the Council would need to consider if some form of representation is appropriate.

1.8 IMPLEMENTATION

Assuming that the three principal marinas and sea angling centres (Killybegs, Burtonport and possibly Bunagee) are managed as one group, a high level implementation plan with an indicative timeframe is:

Table 1.4: Actions & Timeframe

Phase	Action	Months			
		0-6	6-12	12-18	18-24
1. Planning	Complete all necessary planning and secure funding. Invite management operators to tender and select operator.				
2. Development	Tender and completion of development work.				
3. Pre-opening	Ensure management, marketing initiatives and capital structure are in place.				
4. Open Marinas	Open marinas.				

Fahan, as it is in private ownership, has not been included in the above but the number of berths there should be increased over a similar period of time. The Tory Island and Ballyhooriskey sites can be put in place immediately.

2. Study Approach

2.1 BACKGROUND RESEARCH

An extensive review of all the relevant literature was undertaken in order to gain a full understanding of the economic and social profile of the area under consideration, as well as an appreciation of the development of the marine industry in Ireland. This included a review of all documentation regarding the strategic plan for County Donegal as a whole, as well as a broader review of data from the Central Statistics Office and other relevant sources in relation to demographic statistics, employment data and earnings profile in the county.

In addition all relevant materials in relation to the marine industry in Ireland and Donegal were consulted. These included a number of publications from the Marine Institute and other related international publications and studies.

Our secondary research programme included a review of a large number of reports including:

- The Donegal County Development Plan
- Donegal County Development Strategy
- The National Development Plan
- The National Spatial Strategy
- Outline Proposal for the Development and Management of Angling in Donegal
- A development Strategy for Marine Leisure Infrastructure
- North-West Regional Tourism Development Plan.

See Appendix I for full bibliography of all secondary research materials.

2.2 ADVERTISEMENTS

Four advertisements were placed in regional newspapers in order to publicise the commissioning of Deloitte, Crest Nicholson Marinas UK Ltd and D. F. P. Construction Service to undertake the strategic review of Marina, Sailing and Sea Angling development in Donegal and to outline the need to invite proposals for marinas and angling centres. The newspapers used to place these advertisements were:

- Donegal Democrat / Donegal Peoples' Press
- Derry People / Donegal News
- The Innish Times
- Derry Journal (Inishowen edition).

The advertisement invited interested parties to submit a written proposal including a description of the product concept and site location. Interested parties were made aware that a data-gathering template was available to assist promoters to structure their submissions, and this was made available in advance from Deloitte on request. The closing date for submissions was advertised as 18 July 2003.

A copy of the template used is set out in Appendix III.

In addition we also sought views from the marine world. We placed advertisements in trade magazines - Marina World, Boating Business and Fore & Aft. We also placed an advertisement in Afloat.

2.3 SUBMISSIONS

Twenty-three written submissions were received as a result of the advertisements placed. A list of all submissions received and the corresponding proposed area for a marina development is presented in Appendix II.

2.4 CONSULTATIONS

All promoters/parties who had submitted proposals were met. These meetings were conducted in Donegal in July/August 2003.

The meetings were concerned with discussing key areas of the proposals as well as exploring the gaps in these proposals in order to allow interested parties to be given the chance to explain their proposal ideas in as much detail as possible.

2.5 SITE VISITS

A Deloitte and Crest Nicholson team made individual site visits to all the areas put forward in the submissions as proposed sites for the development of marinas, as well as a number of other potential sites which were known to the consultants arising from D.F.P. Construction Service reports. The visits were made over four days in August 2003. The purpose of the site visits was to have a first hand appreciation of the locations involved so that a more accurate evaluation could be made.

The team also visited Bangor Marina in Co. Down, as an example of a successful new marina, in order to get an indication of the workings and scale of a large marina development and the issues and costs involved in its establishment.

A list of all locations visited is set out in Appendix V.

3. Market Overview

3.1 INTRODUCTION

This section looks at the economics of the boating market in Ireland and at the economic profile of County Donegal in general. In order to determine the value of building additional marinas in Donegal, it is first necessary to look at the size of the boating market in respect to the number of existing berths in Ireland as well as the number of boats in Ireland. The value of the boating market is estimated by looking at the amounts spent by both domestic and overseas visitors to Ireland on water-based activities. We also look at the economic impact that water-based tourism has on Gross National Product. The international boat market is examined briefly to develop our understanding of the size of the potential overseas target market.

Additionally, an economic profile of Donegal is provided including population, employment profile, job creation and tourism in Donegal. This section concludes by estimating the size of the potential market for marinas in Donegal based on all of the information compiled.

3.2 SIZE OF THE BOATING MARKET

The size of the boating market can be assessed either by looking at the number of marinas in Ireland or by the number of boats. Because the data in relation to boat ownership is scarce, it is more reliable to focus on the number of coastal marina berths.

3.2.1 Coastal Marinas in Ireland

In relation to marina management, there are approximately 24 coastal marinas in the Republic of Ireland, with 2,718 berths. In Northern Ireland, there are approximately 10 marinas with 1,304 berths. See tables 3.1 and 3.2 for breakdown of coastal marinas by location and their berthage. There are no official figures on the number of berths. Therefore, we have drawn on a number of sources.

3.2.2 Boat Ownership

There are no official statistics on boat ownership in Ireland, as registration is only required to operate crafts on inland waterways. However, it is considered to be very low and the per capita figure is estimated to be approximately 390:1, or 10,000 boats⁴.

⁴ International Boat Industry News, August/September 2003.

Table 3.1: Coastal Marinas in the Republic of Ireland and their Berthage

	County	Name	Address	Berthage
1.	Clare	Kilrush Marina	Kilrush, Co. Clare	120
2.	Cork	Baltimore	Baltimore, Co. Cork	6
3.		Crosshaven Boatyard	Crosshaven, Co. Cork	100
4.		Castlepark Marina	Kinsale, Co Cork	75
5.		East Ferry Marina	Cobh, Co. Cork	50
6.		Kinsale Yacht Club Marina	Kinsale, Co. Cork.	170
7.		Lawrence Cove Marina	Bere Island, Co. Cork	20
8.		Royal Cork Yacht Club Marina	Crosshaven, Co. Cork	92
9.		Salve Marina	Crosshaven, Co. Cork	40
10.		Trident Marina	Kinsale, Co. Cork	9
11.		Donegal	Rathmullan Marina	Rathmullan, Co. Donegal
12.	Donegal	Fahan	Fahan, Co. Donegal	140
13.	Donegal	Donegal Town	Donegal Town, Co. Donegal	31
14.	Dublin	Dun Laoghaire Marina	Dun Laoghaire, Co. Dublin	450
15.		Howth Marina	Howth, Co. Dublin	290
16.		Malahide Marina	Malahide, Co. Dublin	350
17.	Kerry	Cahersiveen Marina	Cahersiveen, Co. Kerry	93
18.		Dingle Marina	Dingle, Co. Kerry	80
19.		Dromquinna Marina	Kenmare, Co. Kerry	10
20.		Fenit Marina	Fenit, Co. Kerry	110
21.	Louth	Carlingford Marina	Carlingford, Co. Louth	300
22.	Waterford	Waterford City Marina	Co. Waterford	40
23.	Wexford	Kilmore Quay Marina	Kilmore, Co. Wexford	55
24.	Wicklow	Arklow Marina	Arklow, Co. Wicklow	72
Total Number of Berths				2,718

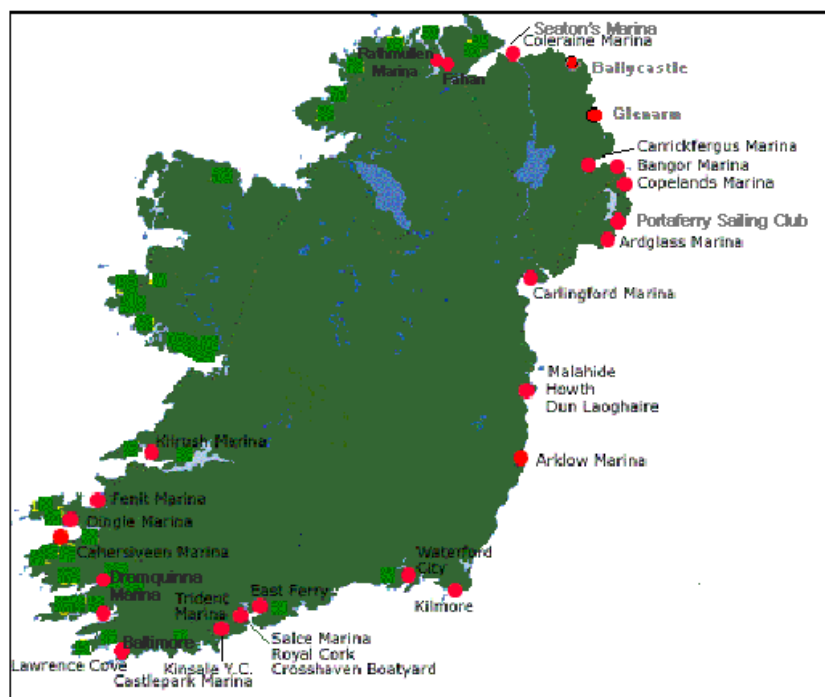
Table 3.2: Coastal Marinas in Northern Ireland

	County	Name	Address	Berthage
1.	Antrim	Ballycastle	Ballycastle, Co. Antrim	74
2.		Carrickfergus Waterfront	Carrickfergus, Co. Antrim	300
3.		Glenarm Marina	Glenarm, Co. Antrim	40
4.	London Derry	Coleraine Marina	Coleraine, Co. London Derry	55
5.		Derry City Moorings	City Centre, Co. London Derry	40
6.		Seatons Marina	Coleraine, Co. London Derry	70
7.	Down	Ardglass Marina (Phennick Cove)	Ardglass, Co. Down	83
8.		Bangor Marina	Bangor, Co. Down	560
9.		Copelands Marina	Donaghadee, Co. Down	52
10.		Portaferry Sailing Club	Portaferry, Co. Down	30
<i>Total Number of Berths</i>				1,304

Source: www.sailingireland.com, www.sailing.ie, www.marina-info.com, Deloitte research.

The geographic location of these marinas is not evenly dispersed across the country. Figure 3.1 demonstrates they are predominately in the South West, North East and in the area around Dublin (marinas marked by red dots). There is a notable shortage of marinas in the North West areas.

Figure 3.1: Coastal Marinas and Moorings in Ireland.



Source: www.sailingireland.com

3.3 INTERNATIONAL BOATING MARKET

According to Bord Failte’s product marketing strategy, the most important target markets for attracting foreign tourists who engage in angling and water-based activities are Britain, Germany, France, and the Netherlands.

UK

The British Marine Federation (BMF) estimates that there are at least 60,000 coastal moorings in the UK. This figure is based on a survey conducted by the BMF with a 60% response rate, therefore the figure of 60,000 can be assumed to be largely understated. The BMF have not yet made an estimate of the total number of moorings on top of the 60,000 which the non respondents could account for.

The BMF also estimates that there are approximately 450,000 boats in the UK and an additional 16,000 foreign owned boats located in the UK. The size of the UK retail market for leisure marine products and services is about £845 million, and the industry is estimated to have grown by 8% in 2002. The BMF estimates that approximately 3.5 – 4 million people participate in boating and watersports in the UK.

Source: The British Marine Federation data, 2002.

France

France is Europe’s largest leisure boating market with 915,00 boats and a high per capita boat ownership ratio estimated at approx 1:65.

Source: International Boat Industry News, August/September 2003

Netherlands

Boat ownership in the Netherlands is high, estimated at 250,000 with a per capita ownership of 1:64.

Source: International Boat Industry News, August/September 2003.

Germany

There are approximately 750,000 boats owned in Germany, with a boat ownership per capita estimate of 1:1,111.

Source: International Boat Industry News, August/September 2003.

See section 3.5 for the number of tourists and anglers from these countries which visit the North West region.

3.4 VALUE OF THE WATER BASED LEISURE ACTIVITY MARKET

Data in the section comes mainly from Marine Institute studies. The Institute estimates that the total boat industry in Ireland has a turnover of about €320m (£250m), and employs 2,000 people. The leisure boating share of this is estimated at €4m (£11m) turnover and employing 400 people in permanent jobs.

Water based leisure activities include: pleasure boating, sail training, wind/board surfing, water skiing, scuba diving, sea angling, game angling, coarse angling, sea kayaking, canoeing, swimming.

3.4.1 Overseas Market

Based on the most comprehensive figures available for the overseas water-based tourism market in 1999, the Marine Institute estimates that some 240,000 overseas visitors spent €13 million (£89m) on water-based tourism and leisure activities, equivalent to 6% of total overseas revenue earnings from tourism. About 160,000 of these visitors were engaged in specialist activities, spending €73 million (£58m). (Statistics were limited to angling, sailing, cabin cruising and general watersports).

Table 3.3: The Water-based Tourism and Leisure Sector (Overseas Numbers and Spend)

Activity	Visitors	Specialists	Visitor Spend £m	Specialist Spend £m
Angling	170,000	97,000	68.0	39.0
Sailing	14,000	7,000	4.3	2.2
Cabin Cruising	35,000	35,000	10.9	10.9
Watersports	18,000	18,000	5.6	5.6
Total	237,000	157,000	IEP £88.8m €112.8m	IEP £ 57.7m €73.3m

Source: The Marine Institute, Submission to the Tourism Policy Review Group.

3.4.2 Domestic Market

In 1996 the Marine Institute commissioned the ESRI to undertake a National Marine Leisure Survey. Results highlighted that the domestic market spends approximately €385 million (£303m) per annum on water-based leisure activities (see table 3.4). Analysis showed that boating, angling and watersports demonstrate a high “value added” component. In addition, development of a strong domestic market for these activities is directly linked to the potential to further develop leisure services and products for the overseas tourism market.

Domestic boating on the coast and inland waterways generated €55 million (£43m) contribution to the Irish economy, supporting an estimated 1,600 jobs. Boating enthusiasts made 1.58 million day trips in the survey period, with 162,000 overnight trips averaging 3-4 days. Angling is the next most valuable activity after trips to the beach and boating. Over 190,000 Irish people are involved in angling.

During the survey period, watersports enthusiasts spent €10.9 million (£8.6m) on expenditure related to their sport, 45% of which was spent on equipment, 14% on day trips and 41% on overnight trips. Watersports enthusiasts make the highest average annual number of overnight trips of all marine leisure activities, with 74,000 overnight trips of an average of 2 days.

Table 3.4: Domestic Spend on Water-based Tourism and Leisure Activities

	Day Trip/ Equipment Spend (£m)	Holiday Spend (£m)	Total Spend (£m)
Angling	23.7	3.3	27.0
Sailing	10.0	1.5	11.5
Cabin Cruising	4.8	8.1	12.9
General Boating	16.1	3.3	19.4
Watersports	5.1	3.5	8.6
Nature-based Tourism	4.2	4.9	9.1
Coastal recreation / Swimming	100.7	113.7	214.4
Total	IEP £164.6 €208.9	IEP £138.3 €175.6	IEP £302.9 €384.6

Source: The Marine Institute, Submission to the Tourism Policy Review Group.

In addition, the survey found that there are large numbers of Irish people who would either take up water-based leisure activities or increase their involvement in them if facilities improved. 347,000 people would take up water-based activities if facilities were improved, while 360,000 existing participants would increase their participation level.

3.4.3 Economic Impact

Using the revenue estimates provided in the tables 3.3 and 3.4, an estimate was derived for the impact of the water-based tourism sector on Gross National Product (GNP @ 1996). This figure was limited by the non-availability of statistics for many activities.

Table 3.5: Impact of Water-Based Tourism on GNP

	Total Revenue (£m)	Annual Full Time Equivalents	GNP contribution (£m)
Beaches, Resorts, Coastal Recreation	167.1	5,921	122.5
Swimming	53.4	1,892	39.1
Angling	84.0	3,397	70.5
Sailing	15.0	557	11.6
Inland Cruising	26.3	1,022	21.3
General Boating	19.4	688	14.2
Watersports and Other Activities	26.7	1,049	21.9
Total	IEP £392.0 €497.7	14,525	IEP £301.0 €382.2

Source: The Marine Institute, Submission to the Tourism Policy Review Group.

According to these figures, water-based tourism makes a contribution of €382 million to Gross National Product, and employs approximately 14,525 people. It is therefore a significant sector which warrants additional investment.

3.5 ECONOMIC PROFILE⁵:



⁵ All information in this section is based on statistics from the Census of Ireland 1996 and 2002 as well as figures from the Western Development Commission.

3.5.1 Introduction

County Donegal is situated in the northwest of Ireland in the province of Ulster. It is surrounded on three sides by the Atlantic Ocean, and borders the counties of Derry, Tyrone, Fermanagh and Leitrim. At 1,876 sq. miles, Donegal is the 4th largest county in Ireland. The main towns are Carndonagh, Buncrana, Letterkenny, Ballybofey, Ballyshannon, Bundoran, Lifford (county town), Dungloe and Donegal Town. Ireland's most northerly point, Malin Head is located in Donegal as well as having the highest sea cliffs in Europe at Slieve League, and more than a quarter of the entire sandy coast of Ireland. Its main bays include White Strand, Trawbreaga, Mulroy, Gweedore, Inishfree, Rosses, Gweebarra, Loughros More, McSwyne's, Inver, Donegal and Sheephaven, two major sea loughs – Lough Foyle and Lough Swilly. In relation to infrastructure the county has 150km of national primary roads, 154km of national secondary road and 680km of regional roads.

According to the National Development plan 2000-2006 (p147), the BMW region in general, of which Donegal is part of, is characterized by:

- A workforce which is generally well trained and skilled;
- A good base for enterprise development based on natural resources;
- A relatively high quality environment;
- A lack of congestion generally resulting in less pressure on the physical infrastructure.

Countering this, however, the Region has:

- a weak urban structure, generally poor physical infrastructure and, with the exception of the eastern part of the Region, a lack of efficient access to the main cities and ports;
- a limited industrial or services base with GVA(Gross Value Added)⁶ across all sectors lower than the national average;
- poor agricultural land and weak agricultural structures;
- few R&D oriented companies and a relatively small share of national third-level infrastructure;
- the largest proportion of those citizens who would be classified as rural poor.

3.5.2 Population

3.5.2.1 Population of Donegal

The population of County Donegal in 2002 was 137,575, which represents 31.8% of the population of the border region, and 3.5% of the population of the country as a whole (2002 Census). These figures show an increase of 5.8% from 1996-2002 for Donegal, as compared with a population increase of 8% for the state as a whole.

The county is largely rural with only 23.8% of the population residing in the aggregate town area. (104,787 people live in rural areas compared with 32,788 in town areas). Only 3 towns in the county have a population in excess of 3,000 (Letterkenny, Buncrana and Ballybofey-Stranorlar). Letterkenny is the largest town with a population of 7,965.

There is a significant dependent population in Donegal. In total, 23.4% of the population are aged 0-14, while 12.6% fall within the 65+ categories. There are no significant differences in relation to gender, as the ratio of males to females is 50.2%: 49.8%.

3.5.2.2 Population of Surrounding Areas

The population of surrounding counties needs also to be examined, as these figures will form the basis for the calculations of the potential for additional marina berths, which is addressed at the end of this section.

⁶ GVA = Gross Value Added, the difference between gross output and intermediate inputs

As Donegal is situated in the province of Ulster, it is necessary to include both neighbouring counties in the Republic of Ireland and Northern Ireland. We have identified a number of adjacent counties / areas as it is these areas which will generate most demand from marina facilities. While Census figures published in the Republic of Ireland report population numbers on a county basis, in Northern Ireland they are reported on a local district basis. From these figures, it is estimated that any potential marinas in Donegal would have a population catchment of approximately 818,000 people.

Table 3.6: Population of Areas in Proximity to Donegal

Area	Population
Republic of Ireland¹	3,917,203
<i>Of which:</i>	
Donegal	137,575
Cavan	56,546
Monaghan	52,593
Sligo	58,200
Leitrim	25,799
Sub- Total	330,713
Northern Ireland²	1,685,267
<i>Of which:</i>	
Derry	105,066
Belfast	277,391
Fermanagh	57,527
Omagh	47,953
Sub-Total	487,937
Total Catchment Population	818,650

Source: ¹ Census 2002, Republic of Ireland.

² Northern Ireland Census of Population and Housing 2001.

3.5.3.1 Employment Rates

The total labour force in Donegal was 51,166 in 1996, with 39,811 at work. The total labour force in Donegal had grown to 57,319 in 2002, with 48,379 in work. However although the unemployment rate had dropped from 22% in 1996 to 15.6% in 2002, Donegal still had the highest unemployment rate in the country in 2002, significantly above the State average of 8.8%. Latest figures from the live register (September 2003) show that 10,197 people were unemployed in the county.

At county level, Donegal (15.6%) had the highest unemployment rate in the country in 2002.

The CSO also identified 88 unemployment blackspots⁷ in the country. In addition to having the highest unemployment rate on a county basis, Donegal also had the highest number (18) of Electoral Divisions, which could be considered as unemployment blackspots. These areas had an average unemployment rate of 25.2%.

3.5.3.2 Personal Income

In relation to earnings (1996 figures, 2002 unavailable yet), Donegal lags far behind other areas having an average industrial wage of £9,915 (€12,589) and an overall employee wage of £10,932 (€13,881). These figures were, respectively, 71.8% and 69.4% of the national averages.

In relation to total income per person, Donegal also lags behind the State average, with average total income being consistently lower than the stage average from 1995-2000, as table 3.7 illustrates:

⁷ An Electoral Division is considered an Unemployment Blackspot if its labour force exceeds 200 persons and its unemployment rate on a Principal Economic Status bases exceeds 20 percent - CSO 2002.

Table 3.7: Total Income per person (€)

	1995	1996	1997	1998	1999	2000
Donegal	9,563	10,206	11,187	12,285	13,250	14,485
State	11,267	12,059	13,200	14,640	16,294	18,196

Source: CSO, County Incomes and Regional GDP, March 2003.

The gap between Donegal and the rest of the State in relation to total income per person is also worsening, with average total income per person only in Donegal only averaging 79.6% of the State average in 2000.

Table 3.8: Indices of total income per person, (Base State: 100)

	1995	1996	1997	1998	1999	2000
Donegal	84.9	84.6	84.7	83.9	81.3	79.6

Source: CSO, County Incomes and Regional GDP, March 2003.

The same pattern exists for disposable income per person, which stood at €12,027 in 2002 compared with a State average of €14,592.

3.5.4 Employee Profile

Donegal has a high level of lower skilled workers in comparison with the national averages; the ‘unskilled’, ‘semi-skilled’ and ‘manual skilled’ socio-economic groups have a combined employment of 42.6% of the Donegal workforce against a state figure of 32%, while in the groupings of ‘employers and managers’, ‘higher professionals’ and ‘lower professional and non-manual workers’ the proportion is 38% of the workforce in comparison to a state figure of 50.7%.

This is further reflected in the relatively large number employed in areas such as fishing and farming which are higher than the state average (see table 3.9), despite the fact that the land in large areas of the county is unsuited to farming.

Table 3.9: Proportion of Fishers, Farmers and Agri-workers in Selected Areas

	Fishers as % of workers	Farmers as % of workers	Agri-workers as % of workers
County Donegal	1.70%	9.62%	13.63%
STATE	0.22%	7.62%	10.25%

Source: CSO Census 1996.

3.5.5 Employment and Output by Sector

There has been a notable decrease in the dependency of Donegal on agriculture as an employer since the 1980’s, falling almost 36% from 1971-1996. This has been offset by a growth in both professional services and personal services in the past ten years. However, manufacturing still dominates as the primary sector of employment in Donegal as table 3.10 indicates, employing 26% of the total workforce in 1996. This is almost double the level of employment the sector was responsible for in the 1970’s.

Table 3.10: Employment in Donegal by Sector 1971-1996 and % change from previous period

Sector	1971	1981	1986	1991	1996
Agriculture	15,140	8,406	7,072	6,236	5,427
		-44%	-16%	-12%	-13%
Manufacturing	5,506	6,761	7,369	8,271	10,234
		+31%	+9%	+12%	+24%
Other Industry	3,136	3,165	3,108	2,982	3,547
		+1%	-2%	-4%	+16%
Commerce	4,548	4,770	4,498	5,640	6,311
		+5%	+4%	+14%	+12%
Transport & Communications	1,330	1,418	1,351	1,442	1,486
		+7%	-5%	+7%	+3%
Public Administration	1,230	1,863	1,918	2,322	2,363
		+51%	+3%	+21%	+2%
Professional Services	2,686	4,260	4,952	5,655	6,895
		+59%	+16%	+14%	+22%
Personal Services	2,172	1,936	1,977	2,586	3,548
		-11%	+2%	+30%	+37%
Total	35,748	32,579	32,715	35,134	39,811
		-9%	+0.5%	+7%	+13%

Source: Census of Population 1971-1996.

The most important manufacturing and services sectors (as a % of output) are textiles and textile products at 33%, and food, beverages and tobacco at 28%.

Figures published in the Dáil in November 1998 show that Donegal had, in 1995, a GVA (gross value added) that was 56% of the EU average. The sector making the largest contribution to GVA was the services sector (65%) as the following table illustrates:

Table 3.11: Productive Sectors Contribution to Gross Value Added %

Sector	%
Agriculture, Forestry and Fishing	12
Manufacturing Building and Construction	23
Market & Non-Market Services	65

Source: Western Development Commission web-site, www.wdc.ie.

3.5.6 Job Creation

The Donegal Employment Initiative Task Force was established in 1998 in order to respond to the loss of over 1000 jobs in the county and in particular the 700 redundancies by Fruit of the Loom. It delivered its report in July 1999 which foresaw the creation of 10,000 jobs by 2006, and measures costing £782 million were recommended to create the infrastructure and environment for job creation. The 'An Striats Implementation Plan' identifies specific actions for implementation and measures are already underway. It also indicates County Development Board member agencies who will be involved in carrying out these actions, supported by the Community, Enterprise and Cultural Services Unit of Donegal County Council.

Table 3.12: Job Creation

Employment in Agency Assisted Irish Owned Companies 2000	5,706
Employment in Agency Assisted Foreign Owned Companies 2000	3,460
Employment in County Enterprise Board Assisted Companies 1999	56

Source: Western Development Commission Website, www.wdc.ie.

3.5.7 Tourism in Donegal

Tourism is a vital part of the economy of Donegal. There were over 1.3 million visitors to the North West region in 2001 despite the foot and mouth scare. The UK is the largest market for tourists to the North West, with over 237,000 people visiting the region in 2001. However, domestic tourists make up the largest share of tourists as table 3.13 illustrates.

Table 3.13: Tourism to North West (000s)

	1997	1998	1999	2000	2001
Britain	235	296	326	292	237
Europe	146	135	125	136	99
North America	132	144	131	142	97
Other	38	27	31	37	24
Total Overseas	551	602	613	607	457
Domestic	638	548	638	528	749
Northern Ireland	257	247	200	154	166
Total Tourists	1,466	1,397	1,451	1,289	1,372

Source: Bord Failte, North West Tourism Facts, 2001.

Of the total tourists to the North West, 205,000 of these visited Donegal, generating revenues for the area of €49 million as table 3.14 and 3.15 illustrate.

Table 3.14: Overseas Tourists to Donegal 2001(000s)

	Total	Britain	M Europe	N America	Other Areas
Donegal	205	71	59	58	17

Source: Bord Failte, North West Tourism Facts, 2001.

Table 3.15: Revenue Generated by Overseas Tourists 2001 (€m)

	Total	Britain	M Europe	N America	Other Areas
Donegal	49	19	13	15	2

Source: Bord Failte, North West Tourism Facts, 2001.

Bord Failte also collects information on tourists engaged in angling. The largest market for tourists engaged in angling is from Britain, with mainland Europe contributing a significant share also. However the number have been decreasing since 1997, and not all of which is attributable to foot and mouth disease. (See table 3.16).

Table 3.16: Market Distribution of Overseas Visitors – Angling (000s)

	1997	1998	1999	2000	2001
Britain	93	84	78	75	71
Mainland Europe of which:	49	43	40	36	33
France	13	12	10	9	8
Germany	18	16	15	14	15
North America	11	11	10	10	11
Other Areas	3	1	1	1	2

Source: Bord Failte, Angling Facts, 2001.

In relation to the destination of overseas anglers when they arrive in Ireland, the most popular regions include the South West, West and North West. The North West accounts for 19% of overseas visitors engaged in angling and the countries these anglers are from are spread quite evenly across Britain, Mainland Europe and Germany.

Table 3.17: Regions Angling Engaged in –Overseas Visitors (%)

	Total	Britain	Mainland Europe	France	Germany
Dublin	1	1	-	1	-
Midlands/East	9	9	4	5	3
South-East	10	12	4	5	1
South-West	27	24	34	22	40
Shannon	8	6	11	13	7
West	19	18	22	34	16
North-West	19	21	19	23	25

Source: Bord Failte, Angling Facts, 2001.

3.6 POTENTIAL DEMAND FOR ADDITIONAL MARINA FACILITIES

We have reviewed the state of development of the boating and angling market in Ireland and in Europe. It is now necessary to estimate the potential demand for additional marina facilities in Donegal.

On a country-level basis, the demand for additional marinas can be justified by looking at the number of marina berths per head of the population. Therefore the number of people (population) per marina berth is an important indicator. Recognised norms suggest that there should be one marina berth for every 1300 to 1400 people. Using this indicator, Ireland (north and south) has the capacity to meet the demand for 4,000 – 4,300 berths. Based on the current berthage of c. 4,000, there is potential to increase the provision of berths in the Country by up to 300. Donegal is well placed to provide these berths.

It is now informative to examine the size of the population for Donegal's marina and sea angling catchment area in order to determine the demand for marina berths in the county. Further support for the level of demand is evident from an analysis of key population areas. As discussed already in section 3.5.2.2, the population of the surrounding catchment areas is c. 818,000.

Applying this figure to the norm (1400 people per berth) suggests that Donegal could meet a demand of about 500 - 570 marina berths over the next 5 to 10 years. Also, the consultants counted 300 boats on the days they visited the various sites. Passing traffic may increase this figure to c.400. Taking all of the above into consideration, current demand, allowing for some development, is for about 450 berths.

3.7 CONCLUSIONS

The key findings in relation to the market are:

- The current number of marinas berths in Ireland (North and South) is slightly over 4,000. There is a geographic bias in relation to the location of these marinas. Most are located in the South West and North East of the country.
- The Marine Institute estimates that domestic visitors spend €385 million per annum on water-based leisure activities, while the overseas spend was €113 million. This contributes €382 million to GNP.
- The most important target markets for attracting foreign visitors to Ireland who engage in water-based activities are the UK, Germany, France and the Netherlands.
- The population of Donegal and its areas in its proximity is estimated to be circa 818,000.
- In comparison with the State averages, Donegal has a lower earnings per person, higher unemployment and a higher level of low skilled workforce.
- However, tourism is a vital source of income for the county, with 20,500 visitors generating €49m in 2001.
- Based on our analysis in this section, we estimate that Donegal could meet a demand of about 500 - 570 marina berths over the next 5 to 10 years.

4. Marina & Angling Considerations

4.1 INTRODUCTION

As part of the submission process, we posed a series of questions of each promoter and for each area. The quality of information received varied greatly. As a result, the consultants had to fill in information gaps. In particular, we had to provide indicative estimates of the cost of many of the marina proposals.

The questionnaire requested information on:

- Promoter Profile
- Project Description
- Context & Consultation
- Economic Profile
- Site Investigation/Technical Study
- Infrastructural Considerations
- Environmental Impact
- Planning Permission/Licences
- Marketing
- Management & Staffing
- Finance & Operations
- Timescale
- Other Issues.

The questionnaire is explained in section 4.2 below. The information received was reviewed carefully by all members of our consulting team.

While all of the questions were important, we gave a high weighting to some key factors (section 4.4):

- Does this marina fit in with the concept of a necklace of marinas at intervals of about a half to a day's travel or 100-mile intervals? The idea is that the yachtsman will sail around the coast and stop in suitable well serviced marinas.
- Safety.
- Ease of access.
- Existing infrastructure.
- Site appropriateness
 - Visual appearance.
 - Can the marina accommodate anglers as well as others?
 - Levels of demand – how many boats currently use the area?
 - Potential Use
- Cost of development.

We are of the view that all of the other factors (e.g. management structure, planning regulations) can potentially be managed to secure an appropriate outcome if a sensible approach is adopted. However, the promoters will need to ensure that they have considered all of these factors carefully particularly physical issues both around the marinas and in terms of siltation and dredging.

4.2 SUMMARY OF INFORMATION/QUESTIONNAIRE TEMPLATE

Below, we summarise the key material sought in the questionnaire. This indicates the comprehensiveness of the consultants' thinking in relation to the key issues, which must be considered in the context of any marina and angling site.

Promoter Profile

- Details on the promoter – groups/companies/individuals.
- Information on the project concept- including, scale, scope, objectives location, conceptual/outline designs and proposed facilities, including:
 - ❑ Number of berths
 - ❑ Slipway
 - ❑ Power/water
 - ❑ Toilets/washing
 - ❑ Sewerage treatment
 - ❑ Shops
 - ❑ Chandlery
 - ❑ Boat repair/leasing/storage
 - ❑ Navigation aids
 - ❑ Parking.
- Site details, e.g.:
 - ❑ Ownership
 - ❑ Proximity and size of nearest population centre
 - ❑ Proximity and extent of existing facilities:- i.e., pubs, restaurants, boat sales and charter, boat repairs, chandlery, shops, fuel, provisions, etc.
 - ❑ Site plan
 - ❑ Existing use – type and volume.

Context & Consultation

- Details on:
 - ❑ Level of consultation
 - ❑ Outcome of consultation
 - ❑ Knowledge of other proposals
 - ❑ Use of available research materials
 - ❑ Development fit with other local/sectoral interests, third parties, and development plans or strategies- are you aware of any possible conflicts?
 - ❑ Level of local support
 - ❑ Level of opposition.

Economic Profile

- Socio-economic profile – population, employment, etc.

Site Investigation / Technical Study

- Details on site investigation/technical study? E.g. did this study cover:
 - ❑ The suitability of the site for the scale and scope of the development planned?
 - ❑ Is there scope for future expansion of the development?
 - ❑ The physical and environmental characteristics such as, assessment of ground conditions (soil testing), vegetation cover, fish and fisheries/aquaculture, archaeology (marine and terrestrial) and landscape/seascape investigation.
- Did your technical study cover a:
 - ❑ Topographical survey providing details of adjacent land.
 - ❑ Hydrological survey providing details of water depths and impacts on navigation trial pit and borehole site investigation providing information for foundations to structures and dredging operations the need for storm protection, construction standards.
 - ❑ Tide, wave, wind, and current review.

- ❑ Computer modelling to provide design information on existing regimes.
- ❑ Investigation of shore based facilities. Where can the project be situated, what are its needs in terms of access, location etc?

Infrastructural Considerations

- Details on:
 - ❑ Development in terms of water, road access, sewer, power and communications.
 - ❑ Capacity for any subsequent development, for example, hotels, residential units, restaurants, etc?

Environmental Impact

- Is the site in an environmentally sensitive designated area?
- Environmental Impact Assessment.

Planning Permission / Licences

- Stage in the planning process.
- Permissions or licences are needed for such a development- please specify?

Marketing

- Details on market research:
 - ❑ Key selling points of the proposed development (advantages, disadvantages) and unique features)?
 - ❑ Proposed target markets:
 - ⇒ Levels of marine leisure activity among local residents
 - ⇒ The propensity to take up marine related activities if more facilities were provided
 - ⇒ Information on visitor activity at other marinas in the area
 - ⇒ Future prospects in key visitor markets.

Management & Staffing

- Key personnel and likely organisation.

Finance & Operations

- Information on:
 - ❑ Project costings and revenues
 - ❑ Funding structure
 - ❑ Funding applied for
 - ❑ Potential financing arrangements e.g. scope for Public / Private Partnerships (P.P.P).

Timescale

- Details on phasing.

Other Issues

- As appropriate.

4.3 SEA ANGLING

Currently, sea angling vessels are distributed right around the county. The industry is in a major development phase driven not only by market requirements but also by the recent introduction of stringent Government safety regulations. The latter was necessitated by a number of drowning tragedies and accidents involving sea-angling vessels in recent years. While the cost of safety upgrading has caused some small operators to abandon the industry, Donegal has seen major investment in new vessels since 2001. There are now seven fully licensed operators in the county with more due to join the fleet in 2004. This involves major investment, e.g. one of the new vessels due for delivery next spring has been manufactured in Spain and fitted out in Scotland at a total cost in excess of €300,000.

We received a submission from the North West Chartered Skippers Association and subsequently met with them to discuss same. Theirs is a newly formed group comprising the owners of licensed sea angling vessels in Donegal and Sligo. Their aim is to develop a voice for their industry, to press for proper stock conservation and coastal zone management and to enter into joint marketing initiatives. They favour development of the county angling brand proposed in the recent Bonner Report. They point to the high level of investment made by them and argue that this needs to be matched by public provision of well-serviced centres of excellence where visitors can be safely embarked and disembarked. They consider that seven centres should be developed over time: Culdaff (Bunagee Pier), Rathmullan, Downings, Burtonport and/or Bunbeg, Teelin, Killybegs, Creevy or Ballyshannon or Bundoran.

The Association put forward the following definition of “centre of excellence”:

- a. Good fish stocks within a one-hour steam
- b. Proximity to sheltered fishing in bad weather
- c. Availability of other types of angling in bad weather

- d. Availability of licensed boats
- e. Proximity to registered accommodation, restaurants, bars, shops
- f. Safe access to and from boats at all stages of the tide
- g. Potential for other marine leisure development, e.g. boats tours, island visits, diving
- h. Toilet and washing facilities
- i. Facilities for disabled persons
- j. Public lighting
- k. Refuse disposal.

In considering this submission, we felt that items ‘a’ to ‘c’ above are determined by nature and, as such, all of the seven angling centres proposed by the Association could provide good fishing attractions. However, items ‘d’ to ‘k’ depend on service infrastructure. As it would be very expensive to provide this level of investment at all sites, we recommend that Donegal County Council should concentrate its main contribution to the growth of this industry within the marina / boat station sites recommended in section 5, i.e. main sites - Bunagee, Lough Swilly (Fahan), Burtonport and Killybegs. This will ensure the most efficient use of economies of scale and should encourage the development of critical mass in recognised sea angling centres that, in turn, will facilitate further development and marketing of a Donegal Angling Brand.

4.4 APPRAISAL OF SITES

All of the sites considered have been ranked - high, medium or low for each of the key appraisal factors. The scores are set out overleaf and are interpreted as follows:

Low:	Considered unlikely to contribute to marina (and sea angling) concept
Medium:	Considered moderately likely to contribute to marina (and sea angling) concept
High:	Considered very likely to contribute to marina (and sea angling) concept.
Site appropriateness:	Visual Amenity/Existing Use/Potential.

Table 4.1: Appropriateness of Marina & Sea Angling Concept – By Location

LOCATION	NECKLACE	SAFETY	EASE OF ACCESS	EXISTING INFRASTRUCTURE	SITE APPROPRIATENESS	CPB (K)	Berths
Carrickarory	Medium	High	Medium	Medium	Medium	51	195
Moville Boat Club (at Carrickarory)	Medium	Low	Medium	Medium	Low	12	25
Bunagee	High	High	High	Medium	High	100	15
Buncrana	Medium	High	Medium	Medium	Medium	100-110	38
Rathmullan	Medium	High	High	Medium	High	43-50	200
Fahan	Medium	High	Medium	High	High	25-30	220
Downings	High	High	High	Medium	High	135	68
Ballyhoorisky	High	High	Medium	Medium	High	10	3
Tory	High	High	High	Medium	High	6.5	15
Bunbeg	High	High	High	Medium	Medium	10	10-15
Arranmore	High	Medium	High	Low	High	10	10
Burtonport	High	High	Medium	High	High	15	100
Portnoo	Medium	Low	Medium	Low	Medium	50	5-10
Teelin	High	Medium	High	Medium	Medium	8	12
Killybegs	High	High	High	High	Medium	15	100
Bruckless	High	Medium	Medium	Low	Low	30	12
Donegal Town	Low	High	Low	High	Medium	33	60
Creevy Pier	Medium	Low	Medium	Low	Medium	60-70	10
Ballyshannon x 3	Low	Medium	Low	Medium	Medium	15-130	20-30
Bundoran	Medium	Medium	Medium	Medium	Medium	90	100

The above must be considered in the context of the overall demand for the County. Our analysis suggests that Donegal would need to meet a demand of about 500 - 570 marina berths over the next 5 to 10 years (Section 3).

Applying this assessment framework and in particular focusing on the cost per berth indicator suggests a number of key sites with some options for future development. This strategy is outlined in section 5.

5. Strategy

5.1 RECOMMENDED LOCATIONS & SCALE - SHORT-TERM AND LONGER-TERM

Having considered the demand and supply side factors, we strongly recommend a strategy which will provide 453 berths at a cost of €6,600,000 to €7,100,000 spread over six sites. This gives an excellent average cost per berth of about €15,000 to €16,000 and can be provided within two years.

This strategy meets the County's immediate and future development needs and provides the best value for money. These sites have the potential to develop to 633 berths in time should the demand merit such an increase. It is important that the County has a long-term development plan and is ready to meet any development opportunities should they arise.

This strategy will meet the County's needs and provide the best value for money. Indeed, there are many other options, which would provide a similar number of berths but at a much higher cost. We specifically examined five other sets of marinas (ie five options), which together would accommodate in the order of 600-760 boats. The indicative cost of these ranged from c. €8,000,000 to c. €34,000,000 which is significantly more expensive than our recommended model.

Table 5.1: Recommended Locations and Scale – Short-Term and Longer-Term Potential

Location (Running North to South)	Short-term Number of Berths	Indicative Cost (€)	Indicative Cost per Berth (€)	Development Potential – Longer-Term Number of Berths	Additional Cost (€)	Notes
Bunagee (Inishowen / Culdaff)	15	1,500,000	100,000	15	-	Boat Station with a key focus on sea angling.
Fahan	220	2,000,000-2,500,000	25,000 – 30,000	300	500,000	Full purpose marina including sea angling. Currently 140 berths in Fahan. Another 15 in Rathmullan (calm weather) Pontoon.
Ballyhoorisky (Fanad Head)	3	-	-	3	-	Boat Station available at little/no cost, as recently extended and dredged. Safe haven.
Tory Island	15	100,000	6,500	15	-	Boat Station/in-fill
Burtonport	100	1,500,000	15,000	100	-	Full purpose marina including sea angling.
Killybegs	100	1,500,000	15,000	200	500,000	Full purpose marina including sea angling.
	453⁸	6,600,000/7,100,000	15,000/16,000	633	1,000,000	

⁸ There are some limited berthing facilities at Donegal Town with tidal restrictions.

All of the costs of these projects should be reassessed. We have shown indicative costs which took account of promoters' own estimates. Also, the physical aspects of each site will require careful consideration.

Existing Facilities

There are currently two main facilities in Lough Swilly – a marina at Fahan and a seasonal pontoon at Rathmullan. There is demand for about 300 berths in Lough Swilly.

Fahan has the capacity to cater for the projected demand and should be the core site in Lough Swilly. This is subject to the establishment of a suitable ongoing maintenance and dredging programme for the existing development and all future development satisfying the existing statutory planning and environmental regulations as well as the work being designed and supervised by a Chartered Civil Engineer to meet the appropriate British or European Standards.

To provide additional berths at Fahan will require dredging, purchase of floating pontoons, services, repairs / rock armouring at the seaward end of the main breakwater (at the entrance) and in the long term, protection is required on the inside slopes of the breakwaters (i.e. stone pitching).

Given Fahan's ability to cater for demand in Lough Swilly, there is no current demand to develop a large scale facility at Rathmullan. However, Rathmullan needs to reconsider the scale of any future marina or boating facility. The cost per berth in Rathmullan is higher than most of the other recommended sites and would need to be lower to be considered to meet future demand. If, however, significant demand results (>750 berths for the County as a whole) which cannot be met by the recommended marinas and sea angling centres (as per table 5.1) then Rathmullan should be seriously considered as a longer-term development option.

5.2 LONGER-TERM DEVELOPMENT OPTIONS

In the longer term, there are a number of other options, if demand is sufficient. Some of these are expensive and have a high cost per berth and will require careful evaluation at the appropriate time.

Option A (only if demand exceeds 650 berths in the future)

Develop in-fill sites such as:

- Arranmore (10 berths/moorings) – indicative cost of €100,000
- Bunbeg (10-15 berths/boat station) – indicative cost of €100,000
- Teelin – (10-20 moorings in existence) – on-shore facilities e.g. toilets , washing facilities – indicative cost of €100,000.

Option B (only if demand exceeds 750 berths in the future)

Develop:

- One of Downings (68 berths) or Bundoran (100 berths) (both with an indicative cost of €9,000,000) or Rathmullan (70 berths) (indicative cost of €3,000,000 to €3,500,000)⁹.

Downings fits in well with the concept of a necklace of marinas. There is strong seasonal demand in both Bundoran and Downings. Rathmullan would be more cost effective than either Downings or Bundoran but is located near to a 140 berth marina at Fahan which should be developed.

⁹ Rathmullan may not be suitable for winter berthing.

Option C (only if demand exceeds 950 berths in the future)

Develop two / three sites from:

- Rathmullan (70)
- Downings (68)
- Bundoran (100)
- Carrickarory (195) – indicative cost of €10,000,000.

If a marina was to be built in Lough Foyle, then Carrickarory / Moville Area would be the preferred site.

Options A, B and C should only be considered when all of the recommended sites have been developed and are operating successfully. The choice for the location of future marinas developed will largely be dictated by the uptake at the recommended primary facilities (ie Killybegs, Fahan, Bunagee, Burtonport). The level of demand, cost and suitability of any site should be assessed again at that stage.

Shannon-Erne Inland Waterway/Ballyshannon Marina

As part of the MAYA II project submission by Donegal County Council to Interreg III B, funding has been made available to conduct research in relation to connecting the Irish Sea sailing route via the existing transnational inland Irish Canal Network to the sea at Donegal Bay. This would be through the Shannon-Erne Inland Waterway. Boats can pass all the way from the Irish Sea to within 6 miles of the Atlantic Ocean in Donegal Bay. The final passage is blocked by two hydro-electric dams at the outfall of the waterway in the Erne Estuary. If this were to happen, then it would fit in with the developments proposed in this report and could create the case for an additional marina and sea angling facility in Ballyshannon.

6. Finances & Management

This section looks at the financial management structures required to implement, manage and maintain the proposed marinas. Various management structures have been identified and the associated advantages and disadvantages are discussed.

6.1 FINANCES

6.1.1 Operation Revenue and Costs

Sample financial structures for boat stations and marinas up to 100 berths and over 200 berths are presented below/overleaf. The figures indicate that by year 3 it might be possible to have an operating profit for the small (<100 berths) and larger (> 200 berths).

Table 6.1: Boat Station Financials

Boat Station	Year 1				Year 3				Year 5			
	Boats	Weeks	€s/Wk	€s	Boats	Weeks	€s/Wk	€s	Boats	Weeks	€s/Wk	€s
Berthing	10	16	30.00	4800	15	20	31.50	9450	20	25	33.08	16538
Other				2160				3780				6615
Total Income				6960				13230				23153
Premises				-1740				-3308				-5788
General Expenses				-696				-1323				-2315
Total Overhead				2436				4631				8103
Operating Profit				4524				8600				15049

Source: Crest Nicholson

Table 6.2: Small Marina Financials

Small (Up to 100 berths)	Year 1				Year 3				Year 5			
	Boats	LOA	€/metre	€	Boats	LOA	€/metre	€s	Boats	LOA	€/metre	£
Berthing	40	8	125.00	40000	65	8	131.25	68250	100	8	137.81	110250
Visitor Berthing	200 boats @ €15/night			3000	300 boats @ €15.75/night			4725	600 boats @ €16.50/night			9900
Boatyard				8000				13650				22050
Other				4000				6825				11025
Total Income				55000				93450				153225
Staffing (Manager plus 1.5 berthing staff)				-75000				-78750				-82688
Premises				-22000				-28035				-42137
Admin				-5500				-7009				-7661
Promotion				-8250				-9345				-11492
General Expenses				-5500				-7009				-7661
Total Overhead				-116250				-130148				-151639
Operating Profit				-61250				-36698				1586

Source: Crest Nicholson

Table 6.3: Larger Marina Financials

Medium (> 200 berths)	Year 1				Year 3				Year 5			
	Boats	LOA	€/metre	€	Boats	LOA	€/metre	€	Boats	LOA	€/metre	€
Berthing	150	8	150.00	180000	175	8	157.50	220500	200	8	165.38	264600
Visitor Berthing	500 boats @ €10/night			5000	750 boats @ €10.5/night			7875	1000 boats @ €1.00/night			11000
Boatyard				36000				44100				52920
Other				18000				22050				26460
Total Income				239000				294525				354980
Staffing (Manager plus 4 berthing staff)				-140000				-147000	1 additional Berthing Staff			-169350
Premises				-47800				-58905				-70996
Admin				-23900				-26507				-28398
Promotion				-35850				-35343				-35498
General Expenses				-23900				-26507				-28398
Total Overhead				-271450				-294263				-332641
Operating Profit				-32450				263				22339

Source: Crest Nicholson

General assumptions:

- 1 Inflation at 2.5% per annum.
- 2 Near full occupancy reached by year 5 for all units.
- 3 Premises costs incl. Rent & rates (if applicable), repairs, cleaning and insurance.
- 4 Administration costs include - telephones, stationery, office equipment rental and legal/professional fees.
- 5 No depreciation cost included.

Funding is a critical issue for the marinas. When one considers the capital cost of the six developments which will provide 453 berths at a cost of €6,600,000 to €7,100,000 (or c. €4,600,000 excluding Fahan), it is evident that there is limited scope for a public private partnership (PPP) with private sector capital funding (see section 6.1.2). This is because profits are likely to be small and insufficient to justify repayment of significant capital expenditure. Marinas are not usually a strategic investment unless linked to some other business or development. In the context of our recommendations, Fahan has the greatest development potential for ancillary tourism developments.

The other potential funding sources are Donegal County Council, Interreg and the International Fund for Ireland. We are aware that Rathmullan/Buncrana in Lough Swilly has confirmed support from Donegal County Council (7% of capital cost) and IFI (18%). However, we are not recommending this joint project. Rathmullan, as we have noted, may have some potential over the longer-term if demand rises.

In short, there are no monies earmarked, at this stage, to provide the indicative funding required.

Below, we review the possibility of Public Private Partnerships (PPP).

6.1.2 Public Private Partnership

The principle aim of Public Private Partnerships (PPP) is to involve the private sector in the provision of public services, shifting the role of the public sector from owner and provider to enabler, purchaser and guardian of the public interests of the end users, the general public. PPP is driven by the requirement to achieve Value for Money (VfM) for the particular services required and the assumption that in particular instances, the private sector can provide services more efficiently and cost effectively.

Typical PPP arrangements display three essential characteristics:

The public sector transfers a significant level of responsibility and risk to the private sector based on the principle that risk should be allocated to the party best able to manage it.

Contractual arrangements are built around performance-based outcomes (output specification), rather than work specifications, and;

A new type of relationship is supported by a long-term contractual arrangement.

PPP is founded on the principle of risk transfer by the public sector to the private sector, risks which it would otherwise bear where the services are publicly provided. PPP policy also demands that the State can explicitly demonstrate value for money on any project undertaken under the initiative. On this basis, PPP is not solely about the provision of private finance for projects. Therefore depending on the VfM review, PPP structures can be utilised exclusive of private finance.

There are essentially three types of PPP projects:

Financially free standing projects

In such projects, the private sector generally undertakes the design, construction, operation and financing of the project. The whole of the cost of the project will be recovered over time through user charges paid by parties other than the public sector e.g. road tolls. The public sector role is to enable the project and to enter into an appropriate contractual concession. The NRA Roads PPP project, the Dublin WTE project and the East Link and West Link Toll Bridges in Dublin are examples of such financially free-standing projects. **Given the revenue potential for the proposed marina projects, it is unlikely that the project is under this heading.**

Services sold to the Public Sector

In such PPP arrangements, the public sector contracts with the private sector for specific services, e.g. to provide, operate and maintain marinas in particular locations. The public sector remunerates the private sector directly for the services provided. Charges are typically not levied on end users by the private sector or at least, the demand risk for the project is not retained by the private sector. The private sector is responsible for design, construction, operation and financing of the project. **The marina projects could fit under this heading.**

Joint Ventures

In joint ventures, finance for a given project is provided by a mix of public and private sector investment. Operational control of the project will reside with the private sector. The public sector contribution is usually justified on grounds of achieving broader policy objectives. **It is possible that the marina project could fit under this heading, particularly if part or all of the finance were to be provided from public funds.**

As indicated above, given the financial projections for the marina projects with limited potential profit, the projects are not capable of being financially free-standing. It is possible, however, to introduce certain PPP structures including and/or excluding private finance which may provide VfM for the project. **It is clear that some or all of the capital costs and funding for early losses will be required from the public sector; however PPP structures can be used to defer some of the cost (if required) and manage certain of the costs/risks more effectively.**

Funding

As stated previously, the cashflow generated from the marina operations (revenues) is at best sufficient to satisfy the operating costs for the project after a number of years. On this basis, the cashflows are not sufficient to support any debt. The funding must therefore be satisfied by the public sector either mutually or over time.

The initial capital costs will be incurred as the project is being developed. The public sector can fund the costs as they occur, similar to traditional procurement or require the private sector to fund the cost with the amount plus funding costs being recouped over the period of the contract assuring the required service levels are being achieved. This brings a number of benefits however potentially greater cost as discussed below. It should be noted that, given the potential size of the project at c€7,000,000, the scale of the funding may not be sufficient to justify PPP funding structures from a VfM perspective.

By deferring the funding over time, the public sector can manage its cashflow more effectively.

Greater levels of risk transfer can be achieved as the private sector will be more at risk given the inclusion of finance and linking all payments to the provision of services.

The private sector is likely to require higher returns on the basis that it is assuming higher levels of risk. This potential cost needs to be covered with the public sector value of risks being transferred.

By deferring the funding, the private sector will incur funding costs until the debt is repaid. This will increase the overall costs to the public sector however in present value terms, the cost may be lower than funding the costs up front.

Operating Contract/Risk Transfer

Under a PPP structure it is possible to transfer risks while also setting the level of service required under a particular contract. This can be achieved irrespective of whether finance is included. It may be possible to get the private sector to accept all operating risks including the demand for the marina. This would reduce the risk for the public sector potentially limiting the cost to the initial capital costs. **This option should be further considered with the private sector through market soundings to assess its likelihood in view of the probable low marina earnings.**

6.2 MANAGEMENT STRUCTURE OPTIONS

Various management structures are available to Donegal County Council for the management of the proposed marinas. The options can be broken into three, managed individually, managed as a group or a mixture of individual and group management.

6.2.1 Managed Individually

Managed Individually structure envisages the marinas being managed locally. This could be facilitated by the following structures.

Harbour Master

In many of the proposed marina sites a harbour master already exists to manage the day to day operations of the harbour. This option proposes the extension of the harbour masters' duties to include the day to day running of the new marina.

Third Party / Marina Operator (possibly PPP)

There are a number of companies already operating marinas in Ireland and the UK which can provide (additional) management services such as marketing, engineering and accounting functions.

Community Company

This could facilitate the management of either of the above.

In all the locations visited there was considerable community support for the development of a marina at each location. The implementation of a community company with directors' drawn from the local community represents a real option for the management of a local marina.

Advantages / Disadvantages

The individually managed structure has the advantage of utilising local formations which can plan and react to the local requirements of the marina. It also affords the local community a sense of ownership of their marina. However this structure does not take advantage of any of the economies of scale, which could be achieved by managing the marinas jointly such as equipment costs, marketing, management, etc.

6.2.2 Group Managed

A managed group envisages one structure managing multiple marinas at different locations throughout the county. This could be facilitated by the following structures.

County Council Company / Partnership Company

The establishment of a company owned and controlled by the county council or a partnership company which would manage all operations at each of the marinas and provide additional functions such as management, quality assurance, marketing, engineering and accounting.

AND/OR

Third Party / Marina Operator (possibly PPP)

Marina Operators by their nature manage more than one marina and have the appropriate management structures in place to do so.

Advantages / Disadvantages

The advantages of group management are that management, equipment and marketing costs are distributed across all the marinas and generate increased levels of business. As none of the marinas proposed are of a substantial size and are geographically dispersed, it is essential to implement a structure which will facilitate a shared service approach.

Disadvantages include the cost of employing someone to manage this and the cost of setting up the company as well as a possible lack of local commitment.

6.2.3 Mixed Management

This option proposed the implementation of individually managed and group managed schemes. The location and size of the marina and its distance from adjacent marinas determines whether the marina should be managed as part of a group or individually.

For example, Burtonport, Killybegs and Bunagee as the principal sites could be, grouped into one organisation or company (possibly PPP). The other sites, due to size and location might be best managed locally with some level of coordination with the group to ensure that appropriate standards are followed. Fahan, as it is in private ownership, would need separate consideration.

Advantages / Disadvantages

As the marinas are dispersed across the county and are of a small nature this structure gives the advantage of allowing the larger marinas to be managed by a group structure while the smaller marinas and boat stations would be managed by a locally operated group which can be coordinated with the group structure.

6.3 RECOMMENDED MANAGEMENT STRUCTURES & FUNDING ARRANGEMENT

Our recommendation is to operate a mixed management model i.e. group management of Burtonport, Killybegs and possibly Bunagee and individual management of Ballyhoorisky and Tory Island which would be subject to some level of coordination with group management. A mixed management model makes sense from a management and financial point of view. If it is sensible to employ the relevant harbour master in each primary marina and sea angling location, then that can be implemented.

6.3.1 Management Structure

If Donegal County Council were to take the lead in setting up a Marine and Water Leisure Partnership Board (possibly including representation from interested stakeholder groups either on the Board or through an advisory forum) then that company could provide the manager to oversee implementation. Staffing for each of the proposed sites is set out in section 6.4. Alternatively, a PPP or marina operator arrangement could apply which would be overseen by the Council or a Partnership Board.

It is important to ensure that any Partnership Board is made up of people with an appropriate mix of management and tourism experience and is kept to a minimum of about 10 members to ensure effective decision-making.

The role of any manager from the Council or Partnership Board would be to oversee the management, quality assurance, marketing, engineering and accounting for the group of marinas. The relationship with the Fahan marina would need to be worked out as it is in private ownership and this model would not apply. However, if the Fahan marina was to benefit from Donegal County Council funding then the Council would need to consider if some form of representation is appropriate.

6.3.2 Financing

In considering management options, it is necessary to highlight likely shortfalls in the profitability of marinas during their early years. This does not apply to the small scale boat stations (in-fills) and also would not apply to the established marina under private management at Fahan.

The combined financial performance of the new sites identified at Bunagee, Burtonport and Killybegs show losses during the first 4 years of operations with moderate profitability after that time – table 6.4.

Table 6.4: Potential Trading Shortfall

	Year 1				Year 2				Year 3				Year 4				Year 5			
<u>Bunagee</u>																				
	Boats	Weeks	€/Wk	€s	Boats	Weeks	€/Wk	€s	Boats	Weeks	€/Wk	€s	Boats	Weeks	€/Wk	€s	Boats	Weeks	€/Wk	€s
Berthing	10	16	30	4800	12	18	31	6642	14	20	32	8820	15	22	32	10643	15	25	33	12375
Other				2160				2989				3528				4257				4950
Total Income				6960				9631				12348				14900				17325
Premises				-1740				-2408				-3087				-3725				-4331
General Expenses				-696				-963				-1235				-1490				-1733
Total Overhead				-2436				-3371				-4322				-5215				-6064
Operating Profit				4524				6260				8026				9685				11261
<u>Burtonport</u>																				
	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s
Berthing	40	8	125	40000	50	8	128	51200	65	8	131	68250	80	8	135	86400	100	8	138	110250
Visitor Berthing	200 boats @ €15/night			3000	250 boats @ €15.45/night			3863	300 boats @ €15.75/night			4725	450 boats @ €16.00/night			7200	600 boats @ €16.50/night			9900
Boatyard				8000				10240				13650				17280				22050
Other				4000				5120				6825				8640				11025
Total Income				55000				70423				93450				119520				153225
Staffing (Manager plus 1.5 berthing staff)				-75000				-76875				-78750				-80719				-82688
Premises				-22000				-28169				-28035				-35856				-42137
Admin				-5500				-7042				-7009				-8964				-7661
Promotion				-8250				-10563				-9345				-11952				-11492
General Expenses				-5500				-7042				-7009				-8964				-7661
Total Overhead				-116250				-129692				-130148				-146455				-151639
Operating Profit				-61250				-59269				-36698				-26935				1586

	Year 1				Year 2				Year 3				Year 4				Year 5			
<u>Killibegs</u>	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s	Boats	LOA	€/m	€s
Berthing	40	8	125	40000	50	8	128	51200	65	8	131	68250	80	8	135	86400	100	8	138	110250
Visitor Berthing	200 boats @ €15/night			3000	250 boats @ €15.45/night			3863	300 boats @ €15.75/night			4725	450 boats @ €16.00/night			7200	600 boats @ €16.50/night			9900
Boatyard				8000				10240				13650				17280				22050
Other				4000				5120				6825				8640				11025
Total Income				55000				70423				93450				119520				153225
Staffing (Manager plus 1.5 berthing staff)				-75000				-76875				-78750				-80719				-82688
Premises				-22000				-28169				-28035				-35856				-42137
Admin				-5500				-7042				-7009				-8964				-7661
Promotion				-8250				-10563				-9345				-11952				-11492
General Expenses				-5500				-7042				-7009				-8964				-7661
Total Overhead				-116250				-129692				-130148				-146455				-151639
Operating Profit				-61250				-59269				-36698				-26935				1586
Total - All Sites				€s				€s				€s				€s				€s
Berthing				84800				109042				145320				183443				232875
Visitor Berthing				6000				7726				9450				14400				19800
Boatyard				16000				20480				27300				34560				44100
Other				10160				13229				17178				21537				27000
Total Income				116960				150477				199248				253940				323775
Staffing				-150000				-153750				-157500				-161438				-165376
Premises				-45740				-58746				-59157				-75437				-88605
Admin				-11000				-14085				-14018				-17928				-15323
Promotion				-16500				-21127				-18690				-23904				-22984
General Expenses				-11696				-15048				-15252				-19418				-17055
Total Overhead				-234936				-262755				-264617				-298124				-309342
Operating Profit				-117976				-112278				-65369				-44185				14433
Shortfall Funding Required (€s)				117976				112278				65369				44185				

The geography of the sites, together with Bunagee’s potential to cover costs from Year 1, suggest that consideration could be given by the Council to provide ‘phased shortfall provision’ for Burtonport and Killybegs, on the basis that a professional marina operator/management company could be attracted to ‘manage’ both sites and possibly Bunagee and commit to a medium to long term involvement. This would provide impetus to drive these marina businesses forward during the critical early years with the advantages of a combined management approach. The operator would also be ‘looking to the future’ given a medium term interest, and would be incentivised to work with the Council to encourage the development of boating and maritime tourism in order to benefit long term business.

It is our view that the above approach is probably the most appropriate way to encourage an marina operator.

In addition, the capital cost of these developments as €6,600,000 to €7,100,000 or €4,600,000 excluding Fahan requires funding from all available sources such as Interreg, IFI, Donegal County Council, etc. The cross border dimension is important to funding considerations as all links with Northern Ireland need to be explored to maximise Interreg funding.

6.4 STAFFING & MARINA ORGANISATIONAL STRUCTURES

All the marina proposals addressed during the study were of ‘medium or small’ scale in marina terms, and their potential for viability on an ongoing trading basis (i.e. excluding costs associated with infrastructure/major construction) is dependent on tailoring the scale of operations (and costs) to potential revenues. The projects identified fall into the following categories:

Fahan – Medium Scale (220 berths)

Fahan marina is currently up and running, although not yet fully developed and offers basic facilities at the present time (140 berths). This site has the potential to provide all Lough Swilly’s berthing requirements.

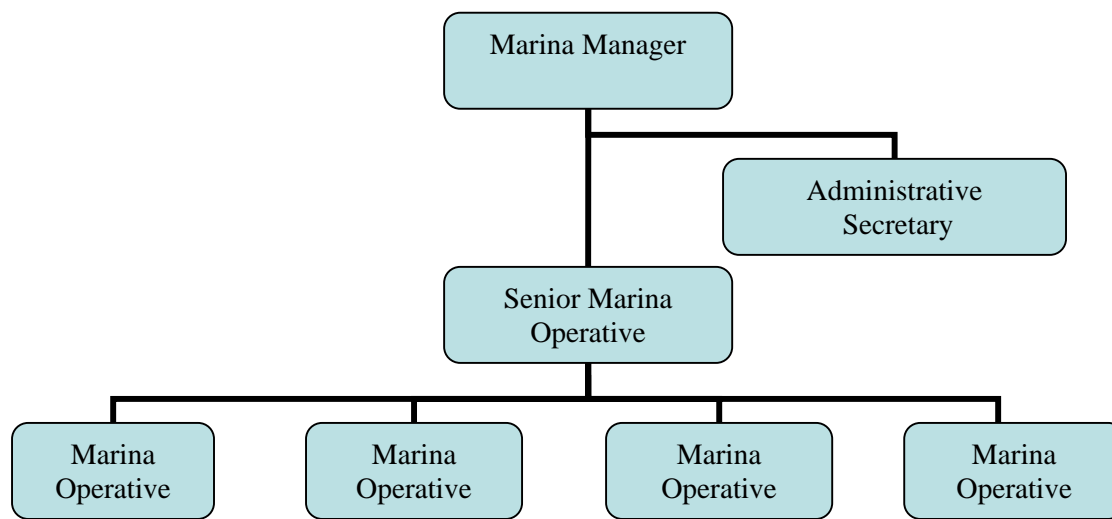
On the basis that Fahan continues to expand to provide the required number of berths we would suggest that the marina will aspire to comprise the following:

Year round operations requiring full staffing and the capability to manage the following functions:

- Safe berthing/mooring of vessels
- Lifting, dry storage of vessels
- Scheduled site repair and maintenance regime
- Administration and financial control functions
- Management of tenants and concessionaires/contractors
- Implementation and recording of health and safety regime
- Complying with statutory requirements
- Marketing and promotion.

Typically, a marina of this nature would employ a small core staff, delivering a 7 day per week, 365 days per year, and in the majority of cases, 24 hours per day service. The core staff might be supplemented on a seasonal basis in order to provide the required level of customer service. Ancillary activities such as the repair of vessels, boat sales and specialist services, might be provided by the marina operator (generally requiring additional staff), but more typically would be provided by independent operators under the authorisation and control of the sites owners/management:-

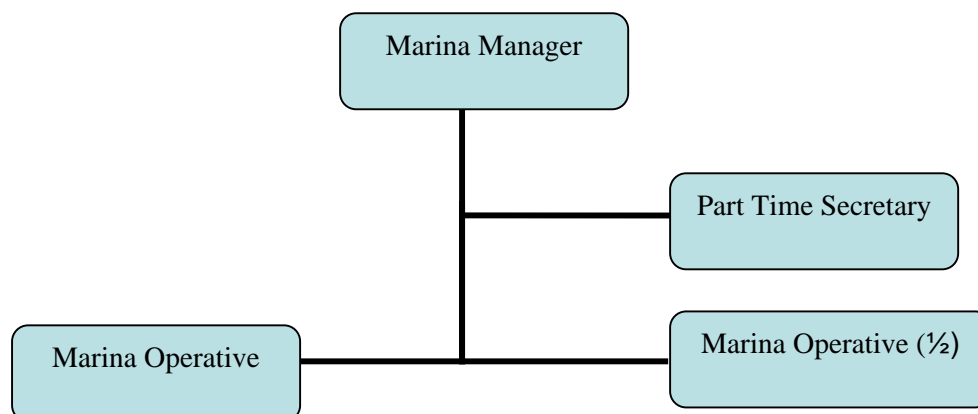
Sample Organisational Structure



Burtonport & Killybegs – Small Scale (100 berths)

Proposals for both Burtonport and Killybegs are relatively small scale, but are capable of expansion to meet any likely future demand. Both sites, but particularly Killybegs benefit from good existing infrastructure, and could, possibly integrate marina management and administration with broader port activities. However, on the basis that there would be a stand alone marina operation the following structure would probably be appropriate:

Sample Organisational Structure



The above structure can be developed to reflect expansion and would be compatible with ‘medium scale’ operations in time.

Services and functions would be year round, but probably not 24hrs/day. The structure shown would enable a diverse range of small scale services to be provided ‘in house’ (e.g. administration, management of a small chandlery outlet and boat sales) and this could provide a very neat ‘one stop shop’ for both berthholders and visitors.

Bunagee – Activity Centre and Boat Station

Bunagee is well placed to provide a strategic ‘necklace’ link and whilst it is only showing 15 marina berths, there is potential (and room) to develop shoreside facilities to attract and encourage shore based sea angling and diving activity. In particular, this very attractive site has the existing infrastructure and land to provide a residential activity centre which, if properly and widely marketed, could have enormous appeal.

The scale and make up of this type of facility would be dependent on the ambitions of the promoters and an appropriate assessment of market potential, however, for the purpose of the study, it is fair to reflect some level of shoreside activity, mainly ‘park and launch’ boating, and slipway/pillar crane lifts, potentially (say) 40% of berthing income (shown on ‘trading forecast’ for boat stations). This figure could be dramatically increased if a full scale residential shore base was to be developed and this potential would be assessed on a specific project basis.

Tory Island – Boatstation

Good sheltered location providing useful ‘necklace’ link at an attractive island location. Facilities could be developed to include a dinghy landing pontoon or slipway, and services could (ideally) be provided locally, probably as part of the hotel operation.

Ballyhoorisky – Boatstation/Moorings

Good sheltered location for basic moorings, minimal income to be generated.

7. Implementation

7.1 PLAN & TIMEFRAME

Implementation requires a number of steps ranging from planning and securing funding to development work and preparing for the opening. Assuming that the three principal marinas and sea angling centres (Killybegs, Burtonport and possibly Bunagee) are managed as one group, then as part of the preparation there is a need to:

- Put the management and operation of the three sites out to tender
- Select the operator
- Ensure a consistent quality across the marina sites
- Market the marinas and
- Prepare to deal with all engineering, business and accounting issues for the group of marinas.

The following timeframe is indicative:

Table 7.1: Actions & Timeframe

Phase	Action	Months			
		0-6	6-12	12-18	18-24
1. Planning	Complete all necessary planning and secure funding. Invite management operators to tender and select operator.				
2. Development	Tender and completion of development work.				
3. Pre-opening	Ensure management, marketing initiatives and capital structures are in place.				
4. Open Marinas	Open marinas.				

Fahan, which is already operational with 140 berths, should introduce an additional 80 berths over the same period.

For the other sites - Tory Island and Ballyhoorisky – the proposed facilities can be put in place immediately.

Both Fahan and Killybegs have the capacity to add further berths should such demand materialize.