

**BEFORE THE
NATURAL RESOURCES COMMISSION
OF THE
STATE OF INDIANA**

IN THE MATTER OF:)
)
PETITION FOR RATE INCREASE) **ADMINISTRATIVE CAUSE**
BY KENT’S HARBOR MARINA) **NUMBER: 24-SP-014**

**REPORT OF HEARING OFFICER WITH PROPOSED FINDINGS
AND RECOMMENDATIONS TO THE U.S. ARMY CORPS OF ENGINEERS BY THE
NATURAL RESOURCES COMMISSION**

1. Petition for Rate Increase by Kent’s Harbor Marina:

On July 11, 2024, Kent Reineking submitted a request for a rate increase to the Department of Natural Resources (Department) and to the Natural Resources Commission on behalf of Kent’s Harbor Marina (Kent’s Harbor). Kent’s Harbor seeks an average rate increase of 3.2%. Kent’s Harbor’s last rate adjustment was effective in the 2023 season.

Reineking asserts the proposed increase is aligned with the 12-month U.S. Bureau of Labor Statistics Consumer Price Index or 3%. The Marina has experienced cost increases in employee compensation and benefits of 6%, insurance premiums of 15%, and utility rates of 10%. Cost for repairs and maintenance for items such as mowing contracts, to vehicle fleet upkeep, and dock repairs have increased by about 3%.

Reineking’s request for Rate Increases is attached hereto as *Exhibit A*.

2. Scope of Review

Requests for rate establishment or increase are evaluated by the Commission following the procedures outlined in Information Bulletin #20 (Fifth Amendment) (IB #20), as posted in the *Indiana Register* at [20170524-IR-312170263NRA](#) on May 24, 2017.

Kent's Harbor submitted its Petition after January 1 of 2024 for proposed rates to be implemented in 2025. Due to questions regarding the impact of legislative action, HEA 1623-2023, on marina ratemaking Kent's Harbor was permitted to submit a Petition after the January 1st deadline for rate increases stated in IB #20.

3. Hearing Officer Assignment and Notification to Renters

Pursuant to Section 3 of IB #20, Chloe Perkins was assigned as the hearing officer on July 12, 2024.

Reineking was notified of the assigned hearing officer.

IB #20 requires the lessee to provide written notice to each slip renter as follows:

B. By March 1, the lessee shall provide written notice, by personal delivery, U.S. first class mail, or by electronic mail, to each slip renter or buoy renter that the lessee is requesting a rate establishment or increase associated with slips or other mooring facilities, including buoys and docking stations. The notice shall include the proposed rates and advise the renter that a rate hearing will be scheduled only upon submission of requests for rate hearing by ten percent (10%) of the renters within fifteen (15) days ... The lessee shall also provide the renter with the hearing officer's electronic mail address. Not later than March 15, the lessee shall provide the Hearings Division with a copy of the notice and a listing that includes the names of persons notified and the method of service under this paragraph....

C. By March 1, the lessee shall post written notice in a conspicuous location at the lessee's business office of a request for rate establishment or increase associated with accommodations, lodging, and houseboats, including floating cabins. The notice shall include the proposed rates and advise the public that a rate hearing will be scheduled only upon submission of twenty-five (25) individual requests for rate hearing to the hearing officer by personal delivery, U.S. first class mail sent to the address of the Hearings Division as provided in section 2(A)(ii) of this bulletin, or by electronic mail sent to the hearing officer not later than March 15. The lessee shall also provide the public with the hearing officer's electronic mail address.

In 2023, all marina operators were informed that HEA 1623-2023 could require that

marina rates be established in administrative rule. Legislation was introduced in the 2024 General Assembly that would exempt the marinas from the requirements of HEA 1623-2023. By email dated February 12, 2024, the operators were informed of the 2024 legislative proposal and were granted an extension of time in which to complete the notification requirements pending the outcome of the 2024 legislation. Kent's Harbor was notified on March 11, 2024, that marina rates had been exempted from the requirements of HEA 1623-2023 and that the ratemaking process would continue pursuant to IB #20. Reineking was given until July 16 to provide the required notice to renters and until July 31, 2024, to provide the Commission with verification.

Reineking provided an affidavit confirming that all slip renters were notified of Kent's Harbor proposed fees on July 16, 2024. The notice identified the deadline for submitting comments or requesting a public hearing along with the mailing address and email address for submitting comments or requests.

4. Public Hearing and Comments

Pursuant to IB #20, section 3, a public hearing is scheduled on proposed rate increased only upon submission of requests for a rate hearing by ten percent of the renters within fifteen days of the notice sent to renters. The Commission did not receive any requests for a rate hearing, and none was held.

5. Comparable Analysis and Department Recommendation

Upon receipt of a ratemaking request from a marina, the Department's Division of State Parks is responsible for analyzing the rates of comparable marinas. See IB#20, Sec.3(E). Reineking provided rates from the following marinas as comparable to Kent's Harbor: Geist Marina; Hammond Marina; Spitzer Riverside Marina; Fourwinds Resort & Marina (Monroe Reservoir); Four Seasons Marina; Grafton Harbor; Two Herons; Montrose Harbor; Manitowoc Marina; North Shore

Marina; Elm Hill Marina; and Lee's Ford Marina.

On August 27, 2024, Brandt Baughman, Deputy Director Department of Natural Resources Division of State Parks, provided a report of the Division's evaluation of the Kent's Harbor petition. The Department's report is attached hereto as ***Exhibit B***. As indicated in the Department's report, the Division of State Parks determined the request by Kent's Harbor "to be reasonable and justified based on comparable marina rates." Baughman recommended the rate request proceed forward with approval.

6. HEARING OFFICER ANALYSIS

Each of the marinas identified by Reineking as comparable marinas are located within 400 miles of Kent's Harbor and therefore qualify as comparable marinas under IB #20, Section 2(B).

Where, as here, a request seeks rate increases of over two percent (2%) for which no public hearing is required, the hearing officer, in consultation with the Department, will prepare a written report to the Commission, which includes written findings and a proposal to the Commission for recommendations to the U.S. Army Corps of Engineers. *IB #20, Section 3(H)*.

After taking all of the information into account, the Hearing Office recommends all of the rate increases requested by Reineking on behalf of Kent's Harbor Marina be approved. After the Hearing Officer presents findings and recommendations to the Commission, the Commission may recommend approval or disapproval of the requested rate or recommend a rate in an amount less than the rate requested by the lessee. The Commission's "recommendation for favorable consideration of a rate establishment or increase shall not be withheld unless, in the opinion of the Commission, the rates proposed exceed the fair market rates charged by operators of other similar privately-owned resort developments comparable to the project in the area." See IB #20, Section 5.

With the foregoing analysis, the Hearing Officer presents ***Exhibit C***, as the

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proposed findings and recommendations of the Commission to the U.S. Army
Corps of Engineers.

DATE: August 28, 2024



July 11, 2024

Exhibit A

Ms. Tessa Manuel
Division of State Parks
Indiana Department of Natural Resources
Indiana Government Center South
402 W. Washington Street Room W 298
Indianapolis, IN. 46204

RE: Submittal Request for your Review: Proposed Marina Dockage Rates Increase for 2025 Marina

Dear Tessa:

Please find attached our submittal requesting review of proposed rates for the dockage year 2025. The rate schedule for 2025 reflects a 3% increase over 2024 approved dockage rates. This proposed increase is aligned with the 12 month U.S. Bureau of Labor Statistics CPI through June, 2024 at 3%.

Additional Justification for Dockage Rates Request: Employee compensation and benefits for 2024 approximating a 6% increase, insurance premiums expense up by 15%, utility rates also increasing by approximately 10%, and all forms of repairs and maintenance from mowing contracts to vehicle fleet upkeep to dock repairs increasing at no less than the above mentioned CPI.

Our current 2024 dock holder count is 377 with a total of 396 slips currently booked. A sampling of marinas comparison rates is also attached.

I believe this request addresses all of the required criteria identified in the 2017 rate making process bulletin.

Please let me know if I have left anything out or if you need additional information. Since Billie Franklin is gone I don't know the NRC contact individual to copy.

Sincerely,

Kent Reineking
Kent's Harbor Marina and Sagamore Resort
Brookville Enhancement Partners

cc: Ms. Christie Sorrels

July 11, 2024

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Kent's Harbor Dockage Rates 2024

2025 Proposed Rates

Transient Overnight Boat Slip

Up to 28'	\$50.30 / Night (non-power)	\$52.00
Up to 28'	\$61.00 / Night (w/electricity)	\$63.00

Overnight Lodging Guest Boat Slip

\$33.00/Night (up to two nights) (non-power)		\$34.00
\$17.30/Night (after two nights at the above rate)		\$18.00
(Example: 3 nights = \$83.30)		

\$39.60/Night (up to two nights) (w/electricity)		\$41.00
\$18.20/Night (after two nights) (w/electricity)		\$19.00

Seasonal and Annual Dockage

B through G – Docks

20'	\$1870.00	Seasonal (powered)	\$1930.00
26'	\$2610.00	Annual	\$2690.00
30'	\$2980.00	"	\$3070.00
36'	\$3415.00	"	\$3520.00
40'	\$3810.00	"	\$3925.00
50'	\$4370.00	"	\$4515.00
Over 50'		\$91.50 / Ft.	\$94.50 / Ft.

H – Dock

24'	\$2045.00	Seasonal (non-power)	\$2115.00
18' x 60'	\$5244.00	Annual	\$5400.00
Over 60'		\$91.50 / Ft.	\$94.50 / Ft.

A – Dock

24'	\$2225.00	Seasonal	\$2295.00
28'	\$2715.00	"	\$2800.00
13' x 24'	\$2650.00	Annual	\$2730.00
13' x 28'	\$3060.00	"	\$3155.00

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2024

2025 Proposed

A-Dock (Continued)

14' x 30'	\$3390.00	Annual	\$3495.00
15' x 36'	\$3840.00	"	\$3955.00
15' x 38'	\$4050.00	"	\$4175.00
16' x 36'	\$4105.00	"	\$4230.00
18' x 46'	\$5090.00	"	\$5245.00
20' x 70'	\$7955.00	"	\$8195.00
Over 70'	\$111.00 / Ft.		\$114.00 / Ft.

I – J Docks

24'	\$2315.00	Seasonal	\$2385.00
26'	\$2640.00	"	\$2720.00
28'	\$2900.00	"	\$2990.00

Marina Name:	Kent's Harbor Marina	Fourwinds Marina	Geist Marina		Hammond Marina			Spitzer Riverside Marina	Four Seasons Marina		Grafton Harbor	Two Herons
Location:	Liberty, IN	Bloomington, IN	Indianapolis, IN		Hammond, IN			Lorain, OH	Cincinnati, OH		Grafton, IL	Bloomington IN
Slip Rates for Year of:	2024	2024	2024		2023			2024	2024		2022	2023
18'	Seasonal	Seasonal - Annual	Seasonal						Seasonal			
11' x 20'	\$1,870		\$2460 - 2875						\$1,850			\$1,600.00
10 x 20'	Seasonal - Annual	\$1,778										
24'	2045 - 2650	\$2,944	\$3,055									\$1,950
25'	Annual							Annual				
26'	2610 - 2640	\$3,008						\$2,375				\$2,400
								\$2,880				
27'		Annual									Annual	
28'	I,J- Dock \$2,900	\$3,437									\$2,812	
28'	A-Dock \$3,060	\$3,437			Annual Wet							
30'	2980-3390				\$3,565				Seasonal			\$2,800
32'		\$3,916							\$2720-3200			\$3,200
33'												
34'											\$3,410	
35'					\$4,370							
36'	\$3,415							\$3,492			\$3,610	
15 x 36'	\$3,840	\$4,335						\$3,492				
16 x 36'	\$4,105											
17 x 36'		\$4,750										
18 x 36'		\$5,032										
37'												
15' x 38'	\$4,050											
									Seasonal			
40'	\$3,810				\$4,700			\$3,920	\$4,000		\$3,995	\$4,900
41'												
42'												
14 x 42'												
15 x 42'												
18 x 42'		\$5,064										
43'												
44'									Seasonal		\$4,412	
45'					\$6,069				\$4,500			
46'												
15 x 46'												
18 x 46'	\$5,090	\$5,647										
20 x 46'					Seasonal							
48'					w/ winter storage				Seasonal		\$4,812	\$5,900
50'	\$4,370				\$7,335				\$5,000			
18 x 50'	\$4,370	\$5,923										
20 x 50'		\$6,354										
53'												
54'											\$5,414	
55'												
60'	\$5,244				\$8,605						\$5,995	
20 x 60'		\$7,779										
63'									Seasonal			
65'									\$6,500			
20' x 70'	\$7,955											
22' x 70'												
20' x 76'		\$10,147										
80'	Transient				Transient Daily			Transient			Transient	Transient
	up to 28 ft. \$50.30/ day				\$1.50 per ft.			up to 25 ft. \$75 / Day			\$39/day minimum	
	w/elect. \$61/day				\$35 - 65 / Day			26 - 30 ft. \$85 / Day				
	Lodging Guest Slip											
	\$33-39.60/daily up to 2 days											
	\$17.30-18.20 daily											
	for over 2 days											

Montrose Harbor Chicago, IL	Manitowoc Marina Manitowoc, WI	North Shore Marina Spring Lake , MI	Elm Hill Marina Nashville, TN	Lee's Ford Marina Nancy, KY
				Covered
2024	2024	2021	2023	2023
Winter \$71.00/ft.			Annual Open Slips	Annual
	Annual	Annual		\$2,487
	\$2,310	Dockage and Outdoor Storage	\$2,568	
	\$2,310		\$3,120	\$4,979
Seas Res - Non-Res \$2700 - \$3375	\$2,695			
	\$2,695			
				\$3,853
	\$2,695		\$3,564	\$4,266
\$3353 - 4190	\$3,070	\$3,500	\$3,780	\$4,081
				\$4,979
		\$3,900		
				\$6,306
	\$3,685		\$4,344	
				Open - Covered
\$4590 - 5738	\$4,305	\$4100-4400	\$4,848	\$4930-7301
	\$5,875			
\$6275 - 7844	\$6,285	\$4,700	\$5,952	
	over 50 is \$153/ft.			
				Open
		\$5,200	\$6,756	\$5,267
				\$7,532
Transient \$105 / day min.			\$10,476	
				Transient \$40-45 / night

Exhibit B

August 27, 2024

Chloe Perkins
Indiana Natural Resources Commission
Division of Hearings
100 North Senate Avenue, Room N103
Indianapolis, IN 46204

RE: Kent's Harbor Marina
Rate Increase Request
Administrative Cause No. 24-SP-014

Dear Ms. Perkins,

The Division of State Parks acknowledges receipt of the petition submitted by Kent's Harbor Marina, requesting slip rate increases.

After careful review, the Division finds these requests to be reasonable and justified based on comparable marina rates.

The Division recommends the rate request petition proceed forward with approval.

If you have questions or require additional information, please do not hesitate to contact me.

Sincerely,



Brandt Baughman, Deputy Director
Indiana Department of Natural Resources
Division of State Parks

cc: Tessa Manuel, Concessions & Contract Manager
Christie Sorrels, Business Services Manager
Elizabeth Gamboa, Indiana NRC
FILES - MARINA LEASE/NRC

Exhibit C

**BEFORE THE
NATURAL RESOURCES COMMISSION
OF THE
STATE OF INDIANA**

IN THE MATTER OF:)
)
PETITION FOR RATE INCREASE) **ADMINISTRATIVE CAUSE**
BY KENT’S HARBOR MARINA, LLC) **NUMBER: 24-SP-014**

**FINDINGS AND RECOMMENDATIONS TO THE U.S. ARMY CORPS OF
ENGINEERS BY THE NATURAL RESOURCES COMMISSION**

A. Findings:

1. The scope of the informal review accorded by the Natural Resources Commission (the “Commission”) in Information Bulletin #20 (Fifth Amendment) (“IB #20”) is addressed to petitions for rate increase or rate establishment at marinas and related facilities on properties owned or leased by the Department of Natural Resources (“Department”).
2. Although the Department may appropriately exercise whatever rights provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or in equity, the scope of review provided in IB #20 is limited to the subject of the petition for rate increase. The Commission ultimately recommends action on the petition to the U.S. Army Corps of Engineers (“Corps”) and the Corps may either accept or reject the recommendation.
3. The Hearing Officer is required to make a written report to the Commission for requests for rate increases. The report must include written findings with respect to the requested rate increase and a proposal to the Commission for recommendations to the Corps in determining the rate request for Kent’s Harbor Marina (“Kent’s Harbor”).
4. In its Petition, Kent’s Harbor requested rate increases from 0% to 4.4%, with an average increase around 3.2%. While the requested increases are typical, they remain below market rates for comparable marinas.
5. In determining whether to recommend that a rate increase be granted, the Department is to analyze similar facilities and compare rates with those sought by the Petitioner. The consideration of rates charged by comparable marinas is fundamental to determining the propriety of proposed rate increases. The preponderance of information in the record indicates that the rate increases

proposed by Kent’s Harbor effective in 2025 will bring Kent’s Harbor’s slip rates in line with rates charged by comparable marinas with similarly sized slips.

- 6. A Hearing Officer’s or the Commission’s recommendation for rate increase by the Petitioner shall not be withheld unless the rates proposed exceed the fair market rates charged by operators of other similar privately-owned resort developments comparable to the project in the area.
- 7. Further, the Commission exercises its authority to recommend approval of the rate increases as requested by Kent’s Harbor.
- 8. The requested rate increases are within the industry range and supportable. The rates approved by the Commission are set forth in the attached table, which includes all rates previously established as well as the rates recommended for approval through this action.

B. Proposed Recommendation:

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rates as set forth in the attached table be approved for existing facilities at Kent’s Harbor Marina.

DATED: _____

Bryan Poynter, Chair
Natural Resources Commission

Commission Slip Rate Recommendation

COMPREHENSIVE RATE LIST		
KENT'S HARBOR MARINA SLIP SIZE & DESCRIPTION	CURRENT RATE	COMMISSION RATE RECOMMENDATION for IMPLEMENTATION JANUARY 1, 2025
<u>B through G - Docks</u>		
20'	\$1,870.00	\$1,930.00
26'	\$2,610.00	\$2,690.00
30'	\$2,980.00	\$3,070.00
36'	\$3,415.00	\$3,520.00
40'	\$3,810.00	\$3,925.00
50'	\$4,370.00	\$4,515.00
Over 50' (Per Ft.)	\$91.50	\$94.50
<u>H - Dock</u>		
24'	\$2,045.00	\$2,115.00
18' x 60'	\$5,244.00	\$5,400.00
Over 60' (Per Ft.)	\$91.50	\$94.50
<u>A - Dock</u>		
24'	\$2,225.00	\$2,295.00
28'	\$2,715.00	\$2,800.00
13' x 24'	\$2,650.00	\$2,730.00
13' x 28'	\$3,060.00	\$3,155.00
14' x 30'	\$3,390.00	\$3,495.00
15' x 36'	\$3,840.00	\$3,955.00
15' x 38'	\$4,050.00	\$4,175.00
16' x 36'	\$4,105.00	\$4,230.00
18' x 46'	\$5,090.00	\$5,245.00
20' x 70'	\$7,955.00	\$8,195.00
Over 70' (Per Ft.)	\$111.00	\$114.00
<u>I - J Dock</u>		
24'	\$2,315.00	\$2,385.00
26'	\$2,640.00	\$2,720.00
28'	\$2,900.00	\$2,990.00

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TRANSIENT OVERNIGHT BOAT SLIPS		
Up to 28' per night (non-powered)	\$50.30	\$52.00
Up to 28' per night (w/ electricity)	\$61.00	\$63.00
OVERNIGHT LODGING GUEST BOAT SLIPS		
Up to two nights (non-powered)	\$33.00	\$34.00
after two nights at above rate (non-powered)	\$17.30	\$18.00
Up to two nights (w/ electricity)	\$39.60	\$41.00
after two nights at above rate (w/ electricity)	\$18.20	\$19.00