

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

IN THE MATTER OF:)
)
PETITION FOR RATE INCREASE) **ADMINISTRATIVE CAUSE**
BY PATOKA LAKE MARINA, INC.) **NUMBER: 15-140P**

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

FINDINGS AND RECOMMENDATION BY THE NATURAL RESOURCES COMMISSION

A. Proposed Findings

1. The scope of the informal administrative review accorded by the Natural Resources Commission (the “Commission”) in Information #20 (Third Amendment)¹ is addressed to petitions for rate increase at marinas and related facilities on properties owned or leased by the Department of Natural Resources (the “Department”).
2. Although the Department may appropriately exercise whatever rights are provided in a ground lease with respect to marina facilities, as well as any other rights provided by law or equity, the scope of review provided in Information #20 (Third Amendment) 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, and the Corps may either accept or reject the recommendation.
3. For requests for rate increase seeking 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 in determining Patoka Lake Marina, Inc.’s (the “PLMI”) request.
4. PLMI has not requested a rate increase since 2008².

¹ *Rate-making Process for Resorts and Marinas under Lease with the Department of Natural Resources*, Information Bulletin #20 (Third Amendment), 20091125-IR-312090919NRA (<http://www.in.gov/legislative/iac/20091125-IR-312090919NRA.xml.pdf>).

² The Commission recommended to the U. S. Army Corps a rate increase in *Petition for Rate Increase by Patoka Lake Marina, Inc. (2008)*, Administrative Cause Number 07-158P. The Commission’s recommendation can be found at <http://www.in.gov/nrc/files/index.pdf>, INDEX, p. 68.

5. PLMI, in its Petition, requests rate increases of more than 2%. The percentage increases range from 16% up to 122%. According to the Petition, there are 270 slip and buoy renters. The Commission received 16 comments from slip renters with ten requests for public hearing. In order to schedule a public hearing, 10% (or 27) of the slip and buoy renters would have needed to request a public hearing. The requisite number of requests for a public hearing was not received.
6. The Petition provides that the previous rate increase was made effective in 2009. The Petition also states, in part, that

[PLMI] continues to provide exceptional service and upgrades to our marina. We have recently invested more than \$50,000 in the complete remodel of the State-owned deck overlooking Patoka Lake. We have also made renovations to the State-owned building on the concessioned property which includes but is not limited to completely re-siding, installed heat/air conditioning, and the restrooms have been remodeled. We have increased the number of gas pumps at Patoka Lake Marina making it more convenient for lake customers. We continue to upgrade our mooring facilities. We do not charge our customers to utilize the pump out services, We are going to move to a yearly rental lease with our mooring customers and since we maintain an ice free marina during the winter months, our slip customers will have more value for their money. All of our slips are single berth (double sided) again adding value to the customers' lease.

[PLMI] is creating a bridge system that will make the docks easily accessible in flooded waters. We have created a loyalty/reward program for our customers. We also make it easier for our customers to afford their slips by invoicing the slips out in 2 stages.

7. In determining whether to recommend a rate increase be granted the Department is to analyze similar facilities and compare rates with those sought by the Petition. The use and analysis of comparable facilities is fundamental to determining the propriety of proposed rate increases to marina slips and mooring buoys. The preponderance of information in the record evidences that the rate increases sought by PLMI are within the average range of slip rates for comparable facilities.
8. A hearing officer's or the Commission's recommendation for rate increase "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." Information Bulletin #20 (Third Amendment), p. 2.
9. The recommendation of rate increases as set forth in Exhibit A, as attached, is within the industry's average range and is supportable. The requested rates are properly recommended for approval.

B. Recommendation

The Natural Resources Commission recommends to the U.S. Army Corps of Engineers that the rate increase sought by the Patoka Lake Marina, Inc. for existing facilities be approved as set forth in Exhibit A, as attached.

Dated: July 25, 2016

Cameron F. Clark, Secretary
Natural Resources Commission

EXHIBIT A

PATOKA LAKE MARINA, INC.	NATURAL RESOURCES COMMISSION
SLIP SIZE	RECOMMENDED RATES
Season 20' Single	\$1,300
Seasonal 24' Single	\$1,600
Yearly 24' Covered	\$2,600
Seasonal 28' Open	\$1,800
Yearly 28' Covered	\$2,800
Seasonal 36' Open	\$2,300
Yearly 36' Open	\$2,600
Yearly 40' Open	\$2,995
Yearly 40' Covered	\$4,715
Yearly 50' Open	\$3,300
Yearly 60' Open	\$3,900
Yearly 80' Open	\$5,500
Yearly 100' Open	\$7,500
Buoys	\$725
HOUSEBOATS	(Nightly Rate)
2-Bedroom	\$350
3-Bedroom	\$450
4-Bedroom	\$500
5-Bedroom	\$600
6-Bedroom	\$850