



VIII H.



## **HELPING BAR HARBOR BUILD ITS FUTURE**

**A PROPOSAL BY BAY FERRIES LIMITED  
TO THE TOWN OF BAR HARBOR**

**July 11, 2018**





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## **1. EXECUTIVE SUMMARY**

Bay Ferries Limited ("Bay"), with the support of the Province of Nova Scotia ("Province"), is attempting to build a sustainable long-term ferry operation between Canada and the US to benefit communities on both sides.

Bay believes that resumption of ferry service employing the previous ferry terminal property on Eden Street can provide a stable and significant source of revenue to the Town of Bar Harbor ("Town") while the Town develops its long-term plans for the property. We believe we can provide flexibility to the Town while mitigating the short term financial risks to Town taxpayers arising from the purchase of this important property.

Bay proposes to enter into a five year lease with the Town under which the Town would receive a combination of fixed and variable rents, with a minimum annual guarantee. Bay's obligations under the lease would be supported by the Province.

With the support of the Province, Bay will provide an amount anticipated to be \$3 million US for land-side and marine-side facility improvements to make resumption of ferry service possible. The target is for re-commencement of ferry service in June 2019.

Determination of the required scope of facilities, costing of those facilities, and other due diligence will occur between now and October 1. Extensive discussions will take place with US Customs and Border Protection ("USCBP"). Detailed terms of potential lease arrangements will be discussed.

Based on the results of these processes, all interested parties will make a determination on or about October 1, 2018, as to whether the lease arrangement and related projects are to move forward.

Only if all parties (Town, Bay, USCBP, and the Province) are in agreement at that time will the project proceed. All indications of support and/or investment from the Province are subject to final confirmation from the Province which will be provided on or around October 1, 2018.



## **2. BAY FERRIES LIMITED AND ATLANTIC FLEET SERVICES CORP. – BACKGROUND**

Bay is one of a small group of ferry companies headquartered in Charlottetown, Prince Edward Island, Canada, with offices also in Halifax, Nova Scotia, and facilities elsewhere in Eastern Canada. Bay is a private company owned, together with other companies in the group, by members of its senior management team. The original company of the group, Northumberland Ferries Limited, which continues to operate the Wood Islands, Prince Edward Island to Caribou, Nova Scotia ferry service, celebrated its 75<sup>th</sup> anniversary in 2016.

Bay first operated in the Gulf of Maine in 1997 when it assumed operation of the Bar Harbor/Yarmouth service from the Government of Canada's crown corporation, Marine Atlantic Inc. ("MAI"). In the ensuing years of Bay operation in Bar Harbor (1997-2009 operating seasons inclusive), the Bar Harbor ferry terminal remained in the legal ownership of MAI and was leased to Bay.

The Chairman of the group, Mark MacDonald, joined Bay in 2003. The senior management group acquired ownership of the companies in 2007. Mr. MacDonald also served for seven years as a member of the Board of Directors of the Port of Halifax and for five years (2007-2012) served as Chair of that Board. He is a Director of Interferry, Inc., the ferry industry's worldwide organization, and now also serves as Treasurer of that organization. Other members of Bay's senior management team have, collectively, more than 100 years of experience in the ferry industry.

Atlantic Fleet Services Corp. ("Atlantic Fleet") is owned by Annette Higgins of Bar Harbor, Maine. Atlantic Fleet has served as Bay's agent and operating contractor in the State of Maine since 1997 and continues to serve as Bay's contracted operator and agent in its current operations in Portland, Maine. At the peak of previous operations of the Bar Harbor/Yarmouth ferry service, Atlantic Fleet employed more than 30 people in Bar Harbor.

Bay currently operates two domestic ferry services in Eastern Canada and the international ferry service between Portland and Yarmouth. The company has, at other times, operated ferry services in Trinidad and Tobago (12 years), Florida and Bahamas, and on the Great Lakes. Our seafaring personnel have also moved ferries among many other countries, including Australia, New Zealand, China, and Greece.

Throughout Bay's history of international ferry service operation, the company has enjoyed an open, productive, and collaborative relationship with US Coast Guard, the relevant Canadian operating authorities, and Customs and Border Protection officials in both Canada and the US.

The original CAT ferry was the first high-speed ferry in North America certified under the International Safety Management Code. After the events of September 11, 2001, when the International Ship and Port Facility Security Code ("ISPS") was adopted worldwide on July 1, 2004, Bay's ferry terminals in Canada and the US were the first to receive approval for their Facility Security Plans in their respective zones of operation and the CAT ferry was the first passenger vessel to receive a Vessel Security Certificate issued by Lloyd's Register in North America. Safety and security have been a hallmark of our companies' operations. Annette Higgins of Atlantic Fleet is a pioneer and specialist in ferry terminal facility security for international operations in North America.



### 3. HISTORY OF MAINE/NOVA SCOTIA FERRY SERVICE

In 1955, the State of Maine provided a \$1 million bond to purchase property and establish an international ferry service from Maine to Nova Scotia, repayable over 30 years, at which time the property was conveyed to the then-operator of the ferry service, MAI.

MAI is an independent Canadian Federal Crown Corporation, owned by the Government of Canada. Established by an Act of Parliament, this corporation reports to the Crown via the Federal Minister of Transport.

MAI was established in 1986 to operate the Atlantic Canada ferry services previously operated by CN Marine, a subsidiary of Canadian National Railway, now a private company but previously a Crown Corporation.

Extensive government program review by the Government of Canada during the late 1990s led to adoption of a National Marine Policy in Canada and, in turn, a drastic downsizing of MAI's operations.

In 1997, following a competitive RFP process in which Bay's parent company was the successful proponent, MAI transferred operation of its Bay of Fundy ferry service (Saint John, New Brunswick/Digby, Nova Scotia) and its Gulf of Maine ferry service (Bar Harbor/Yarmouth) to Bay and also leased the ferry terminal property to Bay.

Bay introduced the high-speed ferry, The CAT, to the route in 1998.

From 1997 to 2006, Bay operated the Bar Harbor/Yarmouth ferry service with no government subsidy and the service showed a profit for the first time in the history of the route. In addition, Bay invested \$100 million of borrowed funds in the operation.

From 2006 to 2009, the Province encouraged Bay to provide additional service from Portland, Maine with the same vessel servicing both ports, alternating days. This, in turn, necessitated introduction of government subsidy to the service. The amount of this subsidy grew in the 2008 and 2009 seasons as world economies entered recession, the price of oil rose and, most significantly, new US laws mandated that passengers hold passports - at a time when a relatively low percentage of US citizens did so. By that stage, it was also becoming apparent that significant future investment in the Bar Harbor facility would be required - both in offshore facilities and to meet the ongoing requirements of USCBP.

In December 2009, the Province decided to terminate the subsidy. As a result, the ferry service to both ports was terminated and, ultimately, Bay terminated its lease (from MAI) for the Bar Harbor Ferry Terminal.

The Maine/Nova Scotia ferry service was dormant for four years (2010-2013). In 2013, the previous government of the Province undertook an RFP process for resumption of the international ferry service. Bay did not participate in that process as it did not believe the financial terms were realistic.

Just before a 2013 provincial election, that previous government announced it had entered into an agreement for M/V Nova Star, a large Ropax/cruise ferry, to operate Portland/Yarmouth ferry service.



This service had a difficult operating history and, in August 2015, the new government of the Province sought proposals from other companies to operate the Portland/Yarmouth ferry service and, ultimately requested that Bay return. Bay resumed operation of the Portland/Yarmouth service in June 2016.

Consideration of Bar Harbor was not possible prior to 2017 because of uncertainty around ownership of the ferry terminal property, which was ultimately acquired by the State in 2017. The Town's entry into an option agreement with the State of Maine, and the Town's vote in favor of acquisition of the ferry terminal property, have given rise to Bay making this Proposal.

In the meantime, there is long-term uncertainty as to land use in the ferry terminal area of the Portland waterfront and some question as to whether some, or all, of the ferry terminal lands would be available for the long term-future. While we have always enjoyed, and continue to enjoy, a strong positive working relationship with the City of Portland, waterfront land availability and restrictions on future land use could pose significant challenges to the logistics of any operations.



#### **4. PROPOSED FERRY OPERATION**

##### **Why Bar Harbor?**

Bar Harbor has been home to Maine/Nova Scotia ferry service since 1956. The Towns of Bar Harbor and Yarmouth served as stable points of entry for sustainable ferry service which created positive impacts in the Downeast region and throughout Maine and in Southwest Nova Scotia and all of Nova Scotia.

The Bar Harbor/Yarmouth ferry service is approximately 106 nautical miles distance, a distance easily manageable in a 3-3.5 hour crossing of a high-speed ferry, resulting in a transportation product which is attractive to consumers.

Those consumers Bay would hope to attract to the business are generally consistent with those to whom Bar Harbor, Acadia National Park, and Mount Desert Island have proven to be a strong attraction – consumers who seek adventure, value the environment, and enjoy natural beauty. The 3.5 million people per year who visit Acadia National Park represent an attractive market for Canada as, presumably, the 2.4 million people who visit Nova Scotia each year represent to the State of Maine.

The operating distance to Bar Harbor (compared to 186 nautical miles to Portland) enables significantly reduced fuel consumption, more modest speeds of operation, and generally supports the creation of a long-term sustainable business model. In turn, the proposed Bar Harbor operating schedule, with slow mid-day turnaround in Bar Harbor, enables a low footprint ferry operation which facilitates the Town's development of many other uses for the ferry terminal property.

Bay has felt strong support for our possible return, both in the Bar Harbor business community and in the community generally, consistent with the polling results referenced in Section 6 of this Proposal.

##### **The Vessel and Crew**

Bay proposes to execute the ferry service using the HSV (High-Speed Vessel) Alakai, a US-registered vessel owned by the US Navy's Military Sealift Command and commercially branded by our company as "The CAT". The vessel is currently operated by Bay under an innovative charter structure developed in 2016 at the time of Bay's re-entry into the Maine/Nova Scotia ferry service.

Alakai (shown in photographs in Appendix A) is a 107 metre aluminum hulled high-speed craft propelled by waterjets. In the open ocean, she generally travels at 32-35 knots, with much lower speeds near land and in port areas. She is fully certificated by US Coast Guard and the DNVGL Classification Society.

Alakai has an interesting history. She was built by private investors for ferry service between the Hawaiian Islands. When that service did not succeed, the US Maritime Administration, which had provided some of the financing for the vessel's construction, re-possessed the vessel. Ultimately, she was sold by MARAD to the US Navy but remained inactive until coming under charter with Bay in 2016. Since the inception of that innovative charter arrangement, the vessel has been extensively refurbished and refitted, resulting in the highly attractive and functional vessel that today pursues the Maine/Nova Scotia ferry service.



As the vessel is US-registered, her marine crew consists of American-certificated mariners. Currently, 11 of our 28 crew members are graduates of Maine Maritime Academy and an additional six are Maine residents.

It is Bay's strategic objective to employ as many Maine residents and Maine Maritime Academy graduates in the marine operation as possible. These are high paying and, in many cases, year round positions which enable Maine mariners to work close to home and support the State in which we operate.

### **Environment Impacts of Vessel Operation**

Bay is proud of its record as an environmentally responsible ferry operator which is compatible with the communities we serve and the ocean we transit.

In the initial stages of high-speed ferry operation in the Gulf of Maine (which represented the first operation of this type of vessel in the Americas) Bay learned a great deal about best practices to ensure we productively co-existed with fishing communities, shore land owners and all other users of the Gulf and the port areas where we land. We have since put those lessons to good use in Maine and wherever else we have operated.

The vessel consumes ultra-low sulphur marine diesel fuel which our company has procured long before modern environmental standards required that it do so.

We have partnerships with organizations such as Bigelow Labs who engage in annual studies of the Gulf of Maine environment and have trained all our navigating crew members in observation of marine species and produce annual scientific reports of all sightings.

Bay is a member of Green Marine, the environmental certification program for the North American marine industry.

### **Operating Season and Operating Schedule**

Bay proposes a seasonal ferry service in which operations would commence, at the earliest, during Memorial Day weekend and extend to approximately the weekend of Indigenous Peoples' Day, or longer if traffic warrants. There would be daily service during July and August. During the shoulder seasons, service may range from five to seven days each week.

Bay proposes that the vessel would depart Yarmouth, Nova Scotia at 0830 EDST (0930 local time) and arrive Bar Harbor at approximately 1200 EDST. The vessel would then depart Bar Harbor at approximately 1500 EDST and arrive in Yarmouth at 1830 EDST (1930 local time).

Bay does not propose to undertake any double daily round trips as sometimes occurred in previous operations. The vessel would overnight in Yarmouth, Nova Scotia.





### **Building a Small Footprint Ferry Operation**

This operating schedule has been specifically designed to limit the required on land footprint for the ferry operation at the Bar Harbor terminal.

Plan elements include:

- Customs clearance for inbound passengers and vehicles in the 60-75 minutes after arrival.
- Limited inbound marshalling area with vehicles, if necessary, remaining briefly on the vessel after arrival.
- Approximately 90 minutes after arrival (1330 hours), USCBP operations are complete and outbound traffic is received and ticketed.
- Outbound traffic may proceed directly onto the vessel or may be briefly retained in the marshalling area.
- At 1500 (local time), the vessel departs.

This is a significant departure from previous Bar Harbor mid-day ferry operations where large inbound and outbound loads were simultaneously loaded and discharged which eliminated the ability to use the vessel itself for vehicle marshalling and greatly increased the required size of marshalling areas.

We do not anticipate any requirement for a Security Zone adjacent to the ferry when the ferry is in Port.

Appendix B to this Proposal is a rough indication of the anticipated footprint required for actual ferry operations, an appropriate description of which would be included in lease documents. The indicated footprint does not include anticipated requirements for approximately 100 overnight passenger parking spaces during peak season. These parking spaces could provide additional revenue to the Town arising from ferry operations.

### **Improvements and Installations**

The facilities work required to enable resumption of ferry operations may be broken into three categories:

1. **Marine-side installations, including ramp based on floating pontoon, necessary for loading vehicles and individual customers onto the vessel** - Bay has worked with TEC Associates of Portland, Maine, a consulting engineering firm led by Wayne Duffet, who has extensive experience dealing with bridges and other marine installations in the State of Maine and elsewhere. A schematic of the proposed installation is attached as Appendix C. The key elements of this installation are a floating pontoon onto which the moveable ramp structure rests, together with a bridge structure extending from land to the moveable pontoon. In addition, a series of piles would be installed adjacent to the existing dock structure to enable the vessel to securely rest without any berthing loads being absorbed by the existing dock structure.



2. **Land-side improvements outside of terminal building** - Bay will develop a plan in discussion with the Town and subject to all USCBP requirements to structure traffic flows within the property and coordinate on-site parking. Additional engineering expertise in traffic management and/or site planning may be engaged for this purpose in partnership with the Town. This process involves creating required structure and spaces to enable USCBP operations and to meet facility security requirements. Traffic flows will be constructed and managed so as to facilitate the type of operation outlined in this Proposal. A plan for required parking spaces, and other on-site parking required by the Town, will be developed in collaboration with the Town.
3. **Terminal building improvements** – The existing terminal building must be brought to a standard to enable safe occupancy for at least a seasonal operation and to meet the requirements of USCBP. Bay is working with Fraser Associates, Architects PC, of Bar Harbor, Maine to assess USCBP requirements and develop initial designs for a feasible building plan that allows for efficient use of required operational space as well as public access.

#### **USCBP Requirements**

Bay has a long standing close working relationship with USCBP. As such, we possess a good understanding of USCBP requirements.

USCBP facilities for international ferry clearance need several basic components for vehicle and passenger processing.

Facilities must accommodate the sequence of inspection for each traffic type. Inspection progresses from primary to secondary investigation, impoundment, and holding. Primary inspection is an initial screening of individuals and vehicles. Vehicles and passengers warranting a more detailed inspection undergo a secondary inspection in a separate area.

Individuals attempting to violate laws may be arrested and detained.

This process requires vehicle queuing lanes with enclosed inspection booths. Lanes must have radiation portal monitors, license plate readers, and RFID document readers. Designated secondary parking spaces within the secure inspection area are also required.

The building requires primary inspection stations for pedestrian and motor coach passengers with secondary interviewing and hold rooms as well as bag inspection areas. A standup counter with ADA compliance is also required as workspace for USCBP personnel as well as a secured LAN room. A staff break room and staff rest room must be available.

Perimeter site fencing to enclose the site and protective barriers must be provided wherever moving vehicles approach booths or buildings.

Bay has initiated preliminary discussions with the (Maine) Area Port Director in Portland, the Assistant Port Director in Bangor, and the Director of Facilities Operations' ("DFO") office in Boston regarding the potential of a Bar Harbor operation. When appropriate, a business plan will be submitted to the DFO's office.



### Proposed Financial Formula

Bay proposes to remunerate the Town for use of the property as follows:

- (a) Proposed base rent:
  - (i) \$4,500/month in non-operating months; and
  - (ii) \$7,500/month for operating months.
- (b) BFL responsibility for heat, utilities, etc. during operating months.
- (c) Per unit rent payable (all figures are US dollars):
  - (i) \$2.00/passenger.
  - (ii) \$3.00/vehicle.
  - (iii) \$20.00/bus.

We anticipate that initial years of a stable operation could produce traffic volumes and resulting rents in the following orders of magnitude:

YEAR ONE	
Assume: 60,000 passengers, 24,000 vehicles, 40 buses (\$120,000 + \$72,000 + \$800)	\$192,800
June-October base rent (5 x \$7,500)	\$37,500
November-May base rent (7 x \$4,500)	\$31,500
TOTAL:	\$261,800

YEAR TWO	
Assume: 70,000 passengers, 28,000 vehicles, 50 buses (\$140,000 + \$84,000 + \$1,000)	\$225,000
June-October base rent (5 x \$7,500)	\$37,500
November-May base rent (7 x \$4,500)	\$31,500
TOTAL:	\$294,000

YEAR THREE	
Assume: 80,000 passengers, 32,000 vehicles, 60 buses (\$160,000 + \$96,000 + \$1,200)	\$257,200
June-October base rent (5 x \$7,500)	\$37,500
November-May base rent (7 x \$4,500)	\$31,500
TOTAL:	\$326,200



### **Other Proposal Elements**

1. Bay/Province would make capital investment in shore-side and marine-side facilities in an amount anticipated to be US \$3 million.
2. Detailed plans and cost elements would be developed prior to October 1, 2018.
3. Annual aggregate minimum rent is US \$200,000.
4. Only to the extent annual rents to the Town exceed \$250,000, a maximum amount up to \$100,000 per year (in excess of the \$250,000) would be deducted by Bay as a contribution against capital expenditures made by Bay/Province.
5. Bay would be responsible for heat, air conditioning, and utilities during operating months.

### **Proposed Lease Duration and Terms**

Bay proposes an initial lease arrangement for a five year term covering the 2019-2023 operating seasons inclusive with future option periods to be discussed.

The lease would be entered into between the Town and either Bay or Atlantic Fleet, in each case with the backing of the Province.

### **Role and Support of the Province**

Bay operates the Maine/Nova Scotia ferry service under a ten year operating agreement with the Province which commenced April 1, 2016. This agreement contemplates payment of an annual government contribution by Nova Scotia to the ferry service with appropriate incentives to Bay to build the efficiency of the ferry service and reduce public cost.

The Province has been unwavering in its support of this ferry service as evidenced by its extensive support once the consequences of the previous termination became apparent.

To ensure predictability to the Town and the Province, it is anticipated that the Province will provide a binding commitment to the Town as to payments under the terminal lease in respect of the first five years of operation.



## 5. HELPING THE TOWN DEVELOP AND ACHIEVE ITS LONG-TERM GOALS

Bay recognizes that the Town is at the early stages of developing its long-term vision for the ferry terminal property and does not wish to be presumptuous as to the Town's long-term objectives.

We see the potential for many possible synergies and areas of cooperation, over and above the various potential business plans discussed by BA & P, all subject to the Town's ultimate wishes. Examples could include:

- **Parking** - Assistance by Bay in the administration of parking areas to the extent that portions of the property are devoted to parking in the short to medium term. It is assumed that revenues collected from parking, both from Bay's customers and other users, would flow to the Town.
- **Information Services** – It is expected that the ferry terminal building could include space which could be used by the Town, the Chamber of Commerce, or other public organizations for information services.
- **Public Boat Launch** – Prior to finalizing long-term plans respecting marina facilities, it may be feasible to develop a public boat launch areas, or other marine uses.
- **Other Public Facilities** - Should the facility end up having material parking use in the short or medium term, public facilities (washrooms, vending, etc.) within the terminal could be made available to the public.

Bay wishes to work closely with the Town to achieve both its short and long term aspirations for this property and to take advantage of all opportunities for synergy which may exist in property operations.



## 6. BENEFITS TO BAR HARBOR AND TO MAINE

It is, of course, the prerogative of the Town to assess the merits of ferry service.

Communities generally strive for access to ferry service because they are strong enablers and generators of economic activity.

Very directly, the service results in economic impact through the employment of local people. Atlantic Fleet employed up to 30 people during previous Bar Harbor operations. As previously outlined, Bay's objective is to drive and increase the participation of Mainers as members of the vessel's marine crew.

Of potentially greater consequence is the economic activity driven by the ferry service itself. Each ferry service is different in that regard but Bay knows from extensive surveys of passengers undertaken on our Portland service over the past two years that approximately:

- 73% of our customers who are non-Maine residents, spend their first night in the State of Maine (we anticipate this number would be higher for Bar Harbor).
- Those customers spend an average of 2.5 nights in Maine.

While modest in the context of Acadia National Park numbers, ferry service will, as it has done before, bring a new category of visitors to the Downeast Maine region who will help drive the economy and support local businesses.

Indeed, we believe the local community strongly supports return of the ferry as evidenced by:

- The 77.4% of respondents in the business community who so indicated in a recent poll undertaken by the Bar Harbor Chamber of Commerce (Appendix D).
- The 74% of respondents in the community generally who so indicated in a recent poll undertaken by Polco (Appendix E).



## **7. TIMELINE AND DECISION PROCESS OF ALL PARTIES**

The period of time between now and October 1 (approximately) will serve as the period when all parties undertake further discussion and examination of Bay's Proposal, and additional details are developed as required.

In the case of Bay, most significant activities will be:

- Liaising with USCBP as to facility requirements and developing a final plan for USCBP facility requirements.
- Finalizing proposed approach to marine-side facilities.
- Finalizing proposed updating of internal building requirements.
- Developing detailed costing plan with respect to all of the above.
- Discussing with the Town in greater detail terms of a prospective lease of a portion of the property.
- Liaising with the Harbor Master, the Harbor Committee, the fishing industry, and other stakeholders as to details of vessel operations.
- Identifying and resolving regulatory issues relating to the ferry service.
- Finalizing long-term vessel arrangements.
- Identifying other areas of cooperation and synergy between Bay and the Town.

The above process will enable all parties – most particularly the Town, Bay, the Province, and USCBP – to assess the feasibility of proposed plans, to determine whether each party is in agreement that the project proceed, and to finalize the terms upon which the project proceeds.

It is hoped that the time frame for decision by all parties could be in the range of October 1, 2018.



## 8. CONCLUSION

Bay is grateful for the opportunity to make this submission to the Town.

We proudly provided ferry service to the Town for many years and believe we can continue to contribute to a strong and prosperous future for Bar Harbor, while building a sustainable ferry service to Nova Scotia.

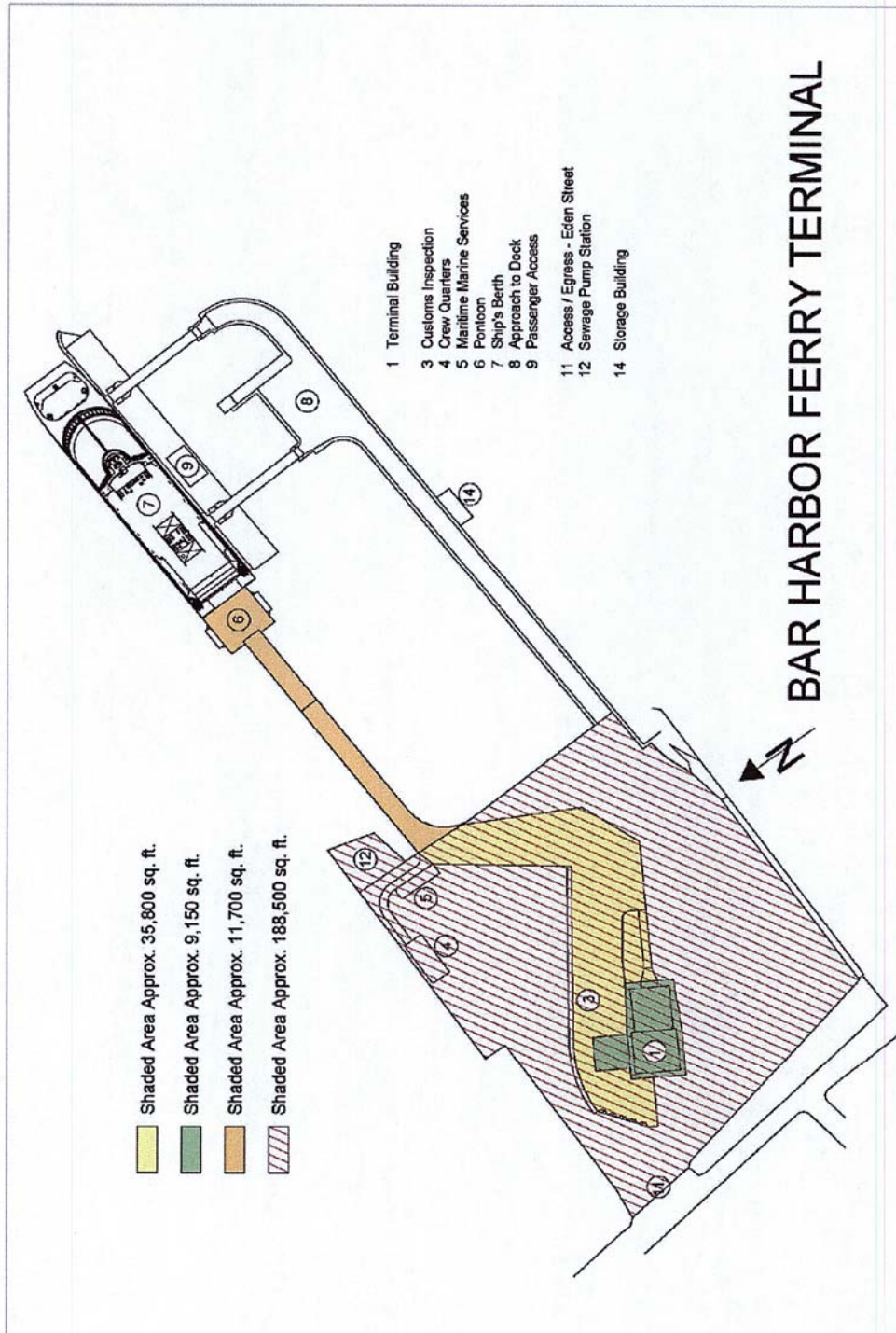


APPENDIX "A"





APPENDIX "B"







## APPENDIX "D"

# Bar Harbor Chamber of Commerce

### Constant Contact Survey Results

Survey Name: Friday Flash Poll 11/3  
 Response Status: Partial & Completed  
 Filter: None  
 7/02/2018 8:40 AM EDT

\* Would you like to see Bay Ferries/The Cat return to Bar Harbor at the old ferry terminal location of 121 Eden St. as part of the Marine Use Plan?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			72	77.4 %
No			14	15.0 %
Other			0	0.4 %
No Response(s)			1	1.0 %
Totals			93	100%



## APPENDIX "E"

POLCO.us

My Groups

Blog

Public access	Transportation hub	Transportation hub
Transportation hub	Potential for Ferry Use	Potential for Ferry Use
Potential for Ferry Use	Potential Marina	Potential Marina
Potential Marina	Potential Cruise Ship Tendering	Potential Cruise Ship Tendering
Possible \$2.5 million purchase price	Boat Launch	Boat Launch
	Possible \$2.5 million purchase price	Breakwater
		Provides additional planning time
		No strings attached from MDOT
		Purchase Price of \$3.5 million
<b>No Plan:</b>	<b>Do Not Purchase 121 Eden Street</b>	
Purchase for \$3.5 million		
Provides additional planning time		
No strings attached from MDOT		

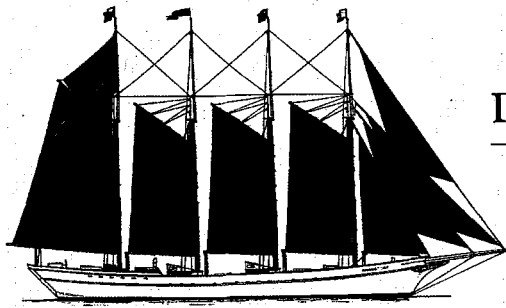
### Question 1

**Are you in favor Bay Ferries returning ferry service to 121 Eden Street? \***

74% YES

26% NO



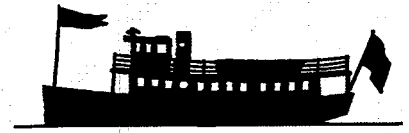


*The Margaret Todd*

## Downeast Windjammer Cruise Lines, LLC

SAILING FROM BAR HARBOR, MAINE

BAR HARBOR FERRY CO.  
CRANBERRY COVE FERRY  
& EASTPORT FERRY CO.



Att: Town Manager Bar Harbor , Bar Harbor , Maine

Bar Harbor Town Council

Maine DOT

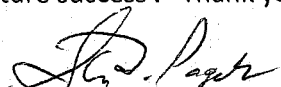
Subject – Ferry Service Bar Harbor to Nova Scotia

July 3, 2018

Dear Sirs ,

I am following up on my previous letter to the Bar Harbor Town Council (August 24,2017) as the Town of Bar Harbor has moved forward with the vote to purchase the International Ferry terminal . I was contacted & met with 2 of the co chairs of the ferry committee last fall as they asked me for my thoughts on the possible multi use of the ferry terminal . Over this past winter I spoke with the consultant , Michael Vanderbeek , who was working on the report for the Town of Bar Harbor on the viability and possible uses of the ferry terminal . At Mr. Vanderbeek's request I provided information in response to his request for information on our thoughts on a ferry service from Bar Harbor to Canada . I am enclosing a copy of the information that we provided to him for the study (March 5, 2018). I believe you will find some of our ideas in the information we provided on the completed study as it pertains to possible ferry use from the terminal utilizing a smaller foot print.

For planning purposes , Mr. Vanderbeek also had inquired as to whether we had any interest in the facility for local ferry service . We currently operate 4 different ferry services here on the Maine coast: Bar Harbor to Schoodic & Winter Harbor ferry , Cranberry Cove Ferry ( SW Harbor to the Cranberry Isles ), Cranberry Isles Commuter ferry ( winter ferry to the Cranberry Isles ) and the Eastport to Lubec Ferry . Although we are not a large International company – we have continued to learn and expand our current ferry services here in Maine , and have done a fair amount of research on what might constitute a viable resumption of ferry service from Bar Harbor to Canada . It appears that some of our ideas have come forward in the completed ferry study . We would welcome the opportunity to be heard & considered in the process of the Town of Bar Harbor evaluating & deciding how it moves forward with the use of the terminal . I would also like to commend the Town of Bar Harbor for it's effort to preserve the ferry terminal for marine use . Without the potential for preservation of the former ferry terminal , the opportunity for resumption of an International ferry & finding another viable site – would not be possible . The Town's vision for the terminal's use as a multi use facility appears to have the greatest chance of future success . Thank you for your consideration.

  
Capt. Steven F. Pagels

Capt. Steven F. Pagels

P.O. Box 28, Cherryfield, ME 04622

MAIN OFFICE: 207-546-2927    ☎    SUMMER: 207-288-4585

www.downeastwindjammer.com    ☎    4master@downeastwindjammer.com

## Capt Steven Pagels

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**From:** Michael Vanderbeek <MVanderbeek@bermelloajamil.com>  
**Sent:** Monday, March 5, 2018 3:54 PM  
**To:** Capt Steven Pagels  
**Subject:** Re: Bar Harbor Inquiry - brief outline of Bar Harbor to Canada ferry

Thank you Steve. This is perfect. No more detail needed for now.

On Mar 5, 2018, at 11:19 AM, Capt Steven Pagels <[4master@downeastwindjammer.com](mailto:4master@downeastwindjammer.com)> wrote:

Michael - Here is some information on our thoughts & plans regarding ferry service from Bar Harbor to Canada

- 1- Displacement Vessel – approx. 300' LOA , 45' beam , 14' draft . 1200 GRT , aft loading ramp
- 2- 2019
- 3- Initially Memorial Weekend to Columbus weekend – with possibility of expanded limited weekly service in off season
- 4- Initially likely 3 day a week departures & 3 day a week arrivals – expanding to daily departures & arrivals  
Departures – mornings ideally by 9am ( about 3 hours usage )\*  
Arrivals – afternoon/early evening (about 3 hours usage )\*\*  
\*- Intention is to have any parking areas utilized for boarding cleared before parking needed for other multi use of facility  
\*\*- Arrivals need single exit lane
- 5- Passenger capacity – approx. 500  
Passenger vehicle capacity – approx. 150  
Commercial vehicle – approx. 15
- 6- For a better estimate on this I would like to be able to visit the facility & measure current areas  
Departure Parking – estimate 2 – 3 lanes during early morning boarding – cleared by 9am & small area for staff  
Arrival parking – single lane exit + small staging near ship in case of 'problem'  
custom's/immigration issue arrival vehicles to pull over  
Office space – approx. 10 X 20 – with outside access for customers – also a small 'work' area would be helpful for vessel supplies  
\*\*\* - If you want a better estimate of actual square footage – I would need access to the facility or plans of the facility

Some important notes on our plan - with the appropriate vessel & operation we feel that an International Ferry can co-exist with other uses for the former ferry terminal utilizing only a portion of the facility . This allows for more use & viability for the community & as importantly sharing the overhead costs to maintain & capitalize the facility. By scheduling departures to free up parking – and segregating the required 'secured' areas for departure & arrivals for Customs & Immigration ( which has historically been done in the past – 'Friendship' Whale Watch did trips while the Bluenose Ferry was operating ) – this is logistically possible .

Capt. Steve Pagels - Bar Harbor Ferry – Downeast Windjammer Cruise Lines LLC

**From:** Michael Vanderbeek [<mailto:MVanderbeek@bermelloajamil.com>]  
**Sent:** Thursday, March 1, 2018 9:14 AM

**COPY**

**To:** [4master@downeastwindjammer.com](mailto:4master@downeastwindjammer.com)

**Subject:** Bar Harbor Inquiry

Steve, hi.

Just a quick email to follow up on our phone conversation from earlier this week.

Per your expressed interest in future use of the Bar Harbor Ferry Property for international ferry operations operated by Downeast Windjammer Cruises, can you please send me a simple one page description of what this would entail from your perspective? Specifically, can you summarize your plans/thoughts related to the following:

1. Likely vessel size and type, including approximate LOA, draft, beam, GT and location of ramp
2. Anticipated start date (i.e. how soon could this service be operational/viable?)
3. Expected operating season (i.e Memorial Day to Columbus Day or beyond?)
4. Likely frequency of service (i.e. number of days per week and number of hours per day the Ferry Property would be used, etc.)
5. Potential volumes:
  - a. Passengers
  - b. Passenger vehicles
  - c. Commercial vehicles/cargo
6. Estimated total footprint required for operation (total sq ft), including operations, parking, office space and passenger services

We do not need or expect you to have a business plan fleshed out for this. Our task is to evaluate potential future uses of the property in concept only so that we can incorporate such potential uses into our planning. We are already evaluating the property for use as a seasonal international ferry terminal. If what you have in mind differs substantially from what another potential operator has in mind then we just want to be sure to account for those differences in order to present multiple alternatives, particularly as relate to the physical configuration of the site.

If the above is information you are comfortable providing then please do so at your earliest opportunity so that we can be sure to include it in our study (again, at a conceptual level only).

Please feel free to call me with any questions.

Best,

MV

**MICHAEL VANDERBEEK, PPM**

**Director of Ports & Maritime | Father of Twins**

305 859 2050 -- Main

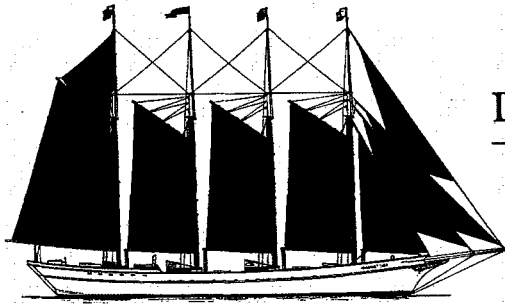
**305.989.3468 -- Mobile**

[Website](#) | [Linkedin](#) | [Facebook](#) | [Twitter](#)

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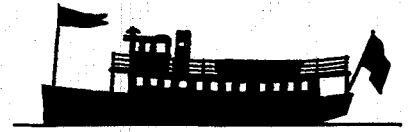


*The Margaret Todd*

## Downeast Windjammer Cruise Lines, LLC

SAILING FROM BAR HARBOR, MAINE

BAR HARBOR FERRY CO.  
CRANBERRY COVE FERRY  
& EASTPORT FERRY CO.



Att: Town Manager , Bar Harbor , Maine

Bar Harbor Town Council

Maine DOT

Subject – Ferry service Bar Harbor to Nova Scotia

August 24, 2017

Dear Sirs ,

We would like to make you aware of our interest in exploring the possibility of restoring ferry service between Bar Harbor and Nova Scotia . We currently operate the Bar Harbor to Winter Harbor/Schoodic ferry , the Cranberry Cove ferry – ferry service Southwest Harbor to the Cranberry Isles , Cranberry Isles commuter ferry ( winter ferry service contract to the Cranberry Isles ), and the Eastport to Lubec ferry (on hold awaiting completion of new Eastport pier) .

Although we currently operate passenger vessels only , we have done a fair amount of research on vehicular ferries and can well appreciate the effort by the Town of Bar Harbor and Maine DOT to preserve the existing international ferry terminal in Bar Harbor . We would welcome any dialogue on this subject as your planning moves forward . Please feel free to contact us about our thoughts on exploring reviving this long established transportation link between Bar Harbor and the Canadian Maritimes .

Sincerely ,

Capt. Steven F. Pagels

**COPY**

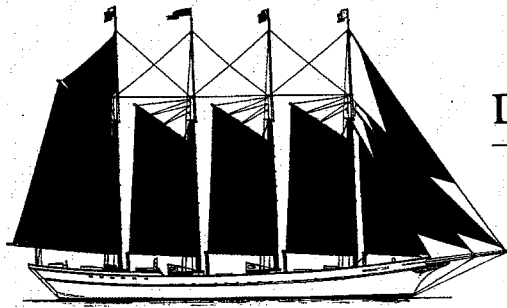
Capt. Steven F. Pagels

P.O. Box 28, Cherryfield, ME 04622

MAIN OFFICE: 207-546-2927    ☎    SUMMER: 207-288-4585

www.downeastwindjammer.com    ☎    4master@downeastwindjammer.com



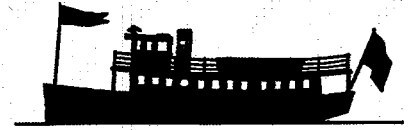


*The Margaret Todd*

## Downeast Windjammer Cruise Lines, LLC

SAILING FROM BAR HARBOR, MAINE

BAR HARBOR FERRY CO.  
CRANBERRY COVE FERRY  
& EASTPORT FERRY CO.



Att: Town Manager Cornell Knight

Bar Harbor Town Council

Subject – example of ferry in size & class submitted for terminal study

July 6, 2018

Dear Mr. Knight ,

I thought it might be helpful to send along an example of the size & class of ferry that I used in the information I submitted for the Ferry Terminal study . In our conversation last Tuesday – this is the type of displacement vessel I was referring to that is under 1600 Gross tons (ITC) .

Sincerely ,

Capt. Steven F. Pagels

Capt. Steven F. Pagels

P.O. Box 28, Cherryfield, ME 04622

MAIN OFFICE: 207-546-2927    ⚓    SUMMER: 207-288-4585

www.downeastwindjammer.com    ⚓    4master@downeastwindjammer.com



# 216' ROPAX FERRY



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**Lager Yacht Brokerage**

P.O. Box 752, Port Washington Boulevard, Port Washington, New York, 11050, USA

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## Price, Contact & Location

Status: Available

Price: \$2,750,000 | USD [v](#)

[Insure this Boat](#)



Location: Greece [\[View Map\]](#)  
Telephone: [Reveal Telephone Number](#)  
Contact: [Contact Advertiser](#)  
Website: <http://apolloduck.net/507600>

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## Description

This is a 286' RoPax rebuilt in 2008 with RMRS Class through 2021 with full Euro SOLAS Compliance. It carries up to 383 passengers. It can carry up to 120 cars and 10 trucks of 10 m each. There is a stern loading/unloading ramp. Fully air conditioned. Vessel is operational and ready to be used.



286' ROPAX FERR

## Specifications

Vessel type:	Ferry
Model:	ROPAX
Year constructed:	1982
Year refitted:	2008
Class Society:	RMRS
No. of engines:	2
Engine model:	MWM
Engine power:	6000
Fuel type:	Diesel
Cruising Speed:	15 Knots
Length over all:	286'
Hull material:	Steel

## Engine(s)

Total Power: 6000 HP

Engines: 2

Engine Brand: MWM

Engine/Fuel Type: Diesel

Engine Power: 3000 HP

Cruising Speed: 15 knots

## PROPULSION

Main Engine MWM Diesels, AC 2 x 3000 hp ( 2 x 2255 kwa each)

Service Speed 15-16

Consumption 650-700 L/H

## MACHINERY

Air Conditioning Full

Sewage Treatment Yes, system

Smoke Detector Yes, system

## Construction

### GENERAL SPECIFICATION

Type RoRo Passenger Ferry

SOLAS Full compliance with EuroSolas and Stockholm Agreement,

1 compartment

Rebuilt 2008, per above compliance

Class Russian Maritime through 2021

Classification (KM) \*r2 Ro-Ro Passenger Ship, RMRS IACS

Type of Voyage Coastal Water Category B according to Directive 2009/45/EC

## WEIGHTS

GRT 1159

NRT 85-612

DWT 69-

## **DIMENSIONS**

LOA 286'

Beam 13.35 m

Draft 4.20 m

## **Accommodation**

Passenger Capacity per Certificate 400 (383 pax + 17 crew)

# Cabins with EnSuite 4

Crew Cabins/Berths 18 /30

Main Lounge Seats 254

Bars 2

## **CAPACITIES**

Garage 120 Standard Cars

Trailers, Full Load 10 Trucks of 10m each

Ramp Stern Main Ramp

Garage Free Height 4.05 m minimum

## **Disclaimer**

Disclaimer:

The Company offers the details of this vessel in good faith but cannot guarantee or warrant the accuracy of this information nor warrant the condition of the vessel. A buyer should instruct his agents, or his surveyors, to investigate such details as the buyer desires validated. This vessel is offered subject to prior sale, price change, or withdrawal without notice.



16 State House Station  
Augusta, ME 04333-0016  
Tel. 207-624-3560  
Fax. 207-624-3099

Mr. Cornell Knight  
Town Manager  
Town of Bar Harbor, ME  
04609

**RECEIVED**

**JUL 06 2018**

Town of Bar Harbor  
Manager/Clerk's Office

July 5, 2018

Dear Mr. Knight:

It has come to the attention of the Maine Pilotage Commission that Bay Ferries, the Canadian owner and operator of an international ferry with operations between Maine and Nova Scotia, is investigating a change in service from Portland to Bar Harbor. The plan being discussed has such a service utilizing the former ferry terminal in Bar Harbor, currently owned by the State of Maine.

Under Maine Statute (Title 38, Chapter One, Subchapter 3, Section 90), among the duties of the Maine Pilotage Commission is to "Cause the laws, rules, and regulations concerning pilots and pilotage matters to be fully observed and executed." Under section 86 of the same statute "Every foreign vessel and every American vessel under register, with a draft of 9 feet or more entering from any port or harbor within the waters described in section 86-A must take a pilot licensed under this chapter." The statute goes on to state that the Commission shall do "...all other things reasonable, necessary and expedient to insure proper and safe pilotage..."

The Maine Pilotage Commission is an interested party in any discussion that would seek to establish a foreign-going vessel operation in waters under the jurisdiction of the Commission. We respectfully request participation in any negotiations which the Town of Bar Harbor may undertake with Bay Ferries or any other operator who proposes service between Bar Harbor and Canada. Such discussions or negotiations should reaffirm the State's strong interest in maintaining oversight of vessels engaged in foreign trade while operating in Maine waters, as provided for by current statute and practice.

Respectfully,

Capt. Charles B. Weeks  
Chair, Maine Pilotage Commission

**RECEIVED**

**JUL 11 2018**

Donna Karlson  
8 Devon Road  
Bar Harbor, ME, 04609

Town of Bar Harbor  
Manager/Clerk's Office

July 10, 2018

Dear Council Chair, Councilors, Harbormaster, and Town Manager:

Re: BFL High Speed Ferry Proposal

I thank you for your careful attention to Bay Ferries' (BFL) proposed return of high speed ferry service to Bar Harbor. I trust that all of you will seriously weigh the pros and cons of this proposal.

In addition to the time you must devote to this matter, I respectfully suggest another component to the information-gathering and consultations you have already undertaken.

As the 2017 Ferry Terminal Property Advisory Committee (FTPAC) proved a successful and well-received consensus process for reaching our community's vision for the ferry terminal property, I would recommend a simpler and tightly focused public forum to gather the community's questions, concerns, and thoughts on the BFL proposal. We already have an established public forum process that works well with a moderator. Furthermore, the FTPAC in 2017 did not have any time to evaluate BFL's proposal as it came in at literally the last hour. The FTPAC recommended assessing it in the future.

The future and BFL are here now. Would it be possible to refer this to the Multi-use Marina and Tendering Subcommittee? New members from our community who have relevant expertise and knowledge might be added.

Because of the many conversations about BFL's proposal going on throughout our community and across the Gulf in Nova Scotia, whether in print, radio, or social media, I believe the major areas of concern are clearly evolving into these broad categories: (1) the safety of a high speed ferry and preservation of the peace and quiet of our small town and harbor; (2) the financial benefits and risks to Bar Harbor, including unforeseen future costs such as the millions needed in Portland to meet the requisites of the US Customs and Border Patrol; (3) the very limited water and shore frontage for establishing the requisite security zones for berthed ships traveling in international waters; (4) the increasing congestion on land and water and Route 3 with placing a ferry service alongside large cruise ships, tender boats, tour boat services and tour buses; and (5) the less than robust ridership levels on current ferry service between Yarmouth and Portland.

Most importantly, I have heard many in our community express their concern that a high speed ferry boat and needed infrastructure will take up too much space and



resources to ever achieve our vision of a community marina that many feel was mandated by the overwhelmingly favorable vote to buy the ferry terminal property.

Our citizens voted to purchase the last piece of our Town's waterfront to control it locally for what our community wants, not what a Canadian corporation on the other side of the vast Gulf of Maine wants.

I urge you to gather our community together again so we can talk it over together before getting us further involved with BFL at this time.

Sincerely

Donna Mae Karlson