## **Appledore Marine Leasing, LLC**

## 1200 Fourth Street, PMB 221 Key West, Florida 33040

Appledore (A2) is an 83' authentic traditional wooden schooner and is a near exact reproduction of a 19th century Gloucester fishing schooner. If we removed the engine, electronics, electrical, and bright work she would be near identical to schooners fishing the George's bank for Cod in the 1890's. Her construction, materials used, and rig are of that period.

Commissioned by National Geographic photographer Herb Smith and his wife Doris she is the most famed of the six schooners built by the couple and is chronicled in two books "Dreams of Natural Places" and "Sailing Three Oceans". Launched from Gamage Shipyard in South Bristol Maine in 1978 her maiden sail was a circumnavigation 18 people 18 months around the world. Arguably A2 is the most truly historic vessel in the Historic Seaport. She is not supported by grants or donations.

A2 has operated seasonally in Key West since 1989. Soon after the City's acquisition of the Bight it was established that A2 would receive a 25% Historic Discount while operating in Key West November through May. During the summer months A2 owners would pay 50% of the full commercial dockage rate to guarantee her continued seasonal use.

Two important factors about old wooden schooners need to be acknowledged. Ships that remain in warm waters year round simply will not last given Toredo worms and other rot causing factors. We do not have to look any further than our former Flagship that has unfortunately reached her demise. Secondly A2 derives 70% of her income from operations in Maine. A big old wooden schooner that does not put people in the water simply is not suited for summers in Key West.

We began management of the vessel in 2002 as A2 owner John McKean had become financially unable to continue operations. Given our position as successful day-charter catamaran operators we had the year round sales and marketing resources needed to support A2's seasonal operation. Starting in winter2012/13 we

acquired a lease with a smaller steel sister ship Appledore 5 (24 pax) which gave Appledore a much-needed year round presence. So instead of A2 starting anew every Fall she could simply plug into the continual effort created by A5. We swapped out our smallest 20 pax catamaran out of the Historic Seaport to the ferry terminal therefore making a slip for A5.

In the winter of 2014/2015, we acquired our own traditional vessel. and renamed her Appledore Star (Star). She is a 55 ft Chesapeake Bugeye Schooner and receives the Historic Discount on a year-round basis. Originally owned by famed shipwright Jim Richardson of the St Michael's Maritime Museum. Star's design and construction is that of an early 19th century oyster dragger. A5 returned to her sailing training home in Michigan and was swapped out for the slightly smaller Star at 22 pax. Star is hauled semiannually at considerable expense in order to stay ahead of the aforementioned factors affecting old wooden boats. Star has a very shallow draft that allows her to enter the Lakes Passage where she is able to kayak and snorkel. This additional use allows her to be viable during the summer months.

Traditionally in the summer months when A2 is north Star moves into her slip on F dock, foot of William Street next to old Western Union slip. At that time Star's slip on C dock is reverted back to City. Marina management uses the slip for transient dockage as needed.

In 2017 we acquired a 51% interest in A2 in large part due to John McKean's failing health. We agreed we would carry on his legacy of the continued operation of A2 in both Key West and Camden ME. Unfortunately, Johns passing came in 2022, whereby we acquired his remaining interest in Appledore 2.

As one might imagine, the cost of operating wooden schooners is extraordinary and most business people would run. On A2 alone we invested more than 1.5 m in reconstruction costs alone between 2017 and 2023. We are committed to our responsibility as stewards of this fine ship who has brought so much joy and happiness to so many.

As true gluttons for punishment when the Herb and Doris Smith, (original owners of A2) decided to retire and sell their schooner operations in Boothbay Bay Harbor ME we acquired their two schooners Eastwind (60ft and 28pax) and Applejack (50ft and 14 pax). The guys from Key West are now keepers of the legacy for two

highly respected day-charter schooner operations in Maine. We hope one day to be able to additionally operate Eastwind seasonally in Key West. I have been on the Commercial waiting list for a 60 ft. schooner at the Bight for almost two decades.

In perspective like many other businesses boats gain an advantage while operating in scale. We are able to keep a shipwright on call, train and move crew around as needed, as well combining costs and savings on items like insurance. What we learned in 35 years as catamaran operators in Key West translates well in many factors.

## **OUR PROPOSAL**

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For the past 30 years we have paid for essentially 42' of commercial dockage for six month a year with the benefit that we could return in the Fall. We would like to have the ability to operate a 41 ft. 30 passenger sailing catamaran for the six months that A2 is away. Star would still move into A2 slip and our chartered catamaran operate out of Star's dockage. There is no issue with size as the vessel is 10ft shorter and only six feet wider than Star. Up until this month the adjacent vessel had a 36ft. beam and operated safely.

## BENEFITS TO THE HISTORIC SEAPORT

Most simply by allowing us to utilize our slip on a year-round basis you are helping your longest standing Historic tenant remain successful and ensure that you have historic schooners successfully operating out of the Bight. For a large portion of the time the actual revenue gained from transient usage is minimal. The commercial dockage for the sailing catamaran we would pay is greater than the discounted rate. To be abundantly clear we are not looking to replace a schooner with a catamaran. We are only asking to be able to operate a catamaran during the summer months that we are gone. We will not come back to you or management and request to operate a catamaran year-round.

We dont believe that there is a precedent that our request is in issue with. In fact the precedent has been long established. There are two other schooners that go north for the summer. On Schooner Wharf docks the space vacated is utilized for different commercial boat purposes. The other historic schooner that went north had a much larger catamaran move in for the summer and proceed to stay for more than four years under extenuating circumstances.

We are only interested in a six-month charter for a sailing catamaran and will not come and request something else.

We greatly appreciate your consideration.

Paul H. McGrail Managing Member Appledore Marine Leasing