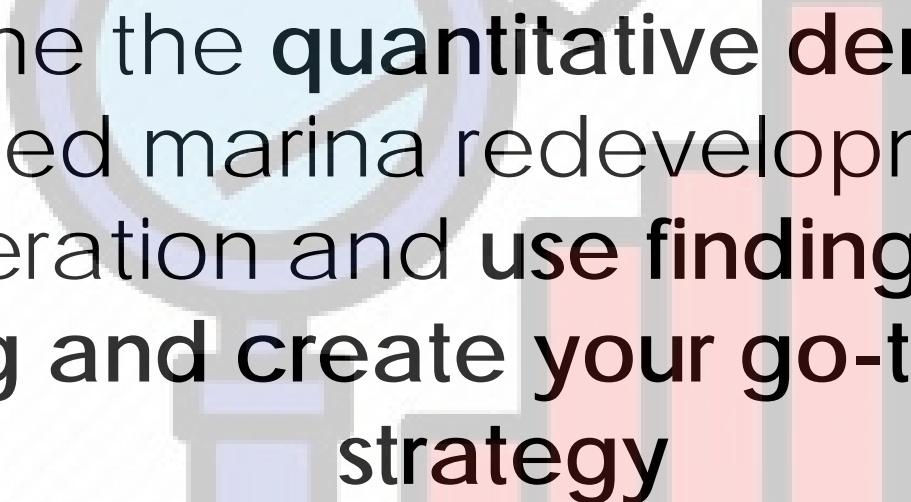


DEMAND STUDY DES MOINES MARINA & PASSENGER FERRY CONCEPT

December 5, 2019

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DEMAND STUDY MISSION:



Determine the **quantitative demand** for a proposed marina redevelopment and ferry operation and **use findings to obtain funding and create your go-to-market strategy**

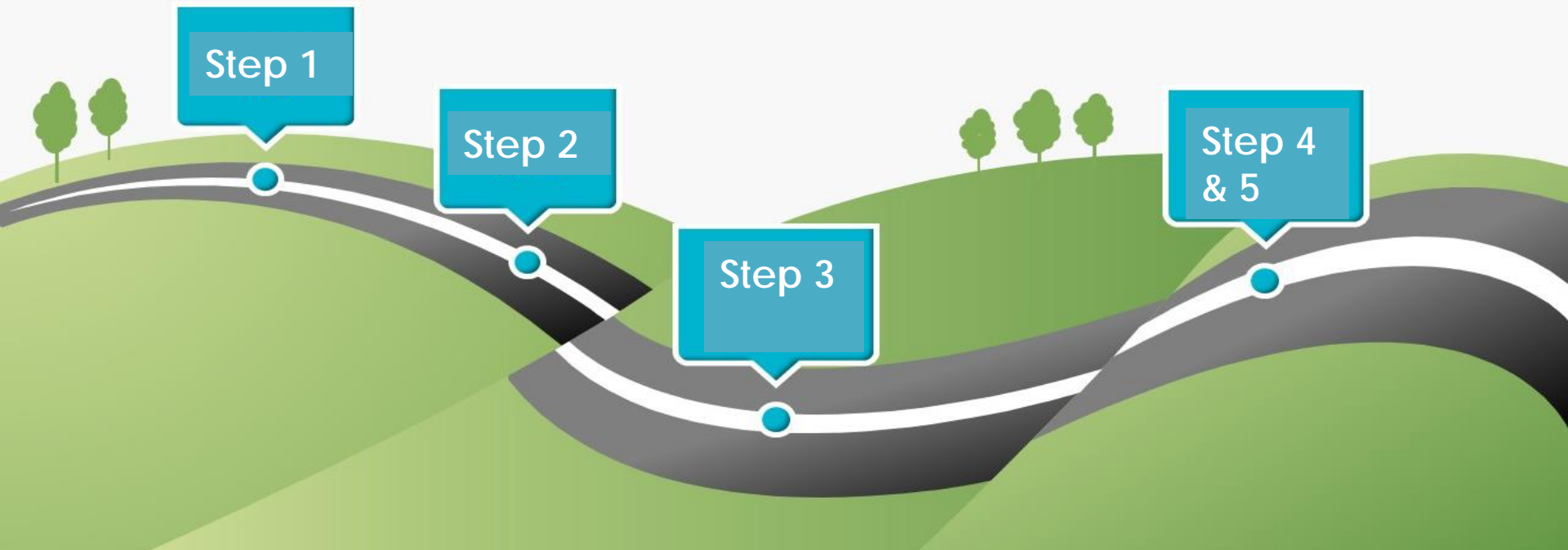
MEETING OVERVIEW

- **Introductions**
- **Demand Study Overview**
- **Background**
- **DRPM Services**
- **Part 1.** Presentation to Senior Leadership, the Des Moines City Council
- **Part 2. In-Depth-Interviews**
- **Part 3. Demand Study Proposal**
- **The Process, Sample Reporting and Deliverables**
- **Q & A**

PATH TO SUCCESS

Conduct a baseline study to determine potential marina redevelopment and passenger ferry usage/buying motivators (segregated by segment) to determine market viability and to develop the go-to-market strategy

Step 1. Study Design **Step 2.** IDI's **Step 3.** Creation of Survey **Step 4. & 5.** Collection of Data and Tabulation, Creation and Delivery of Executive Summary, and Strategy for the Business Concept





BACKGROUND



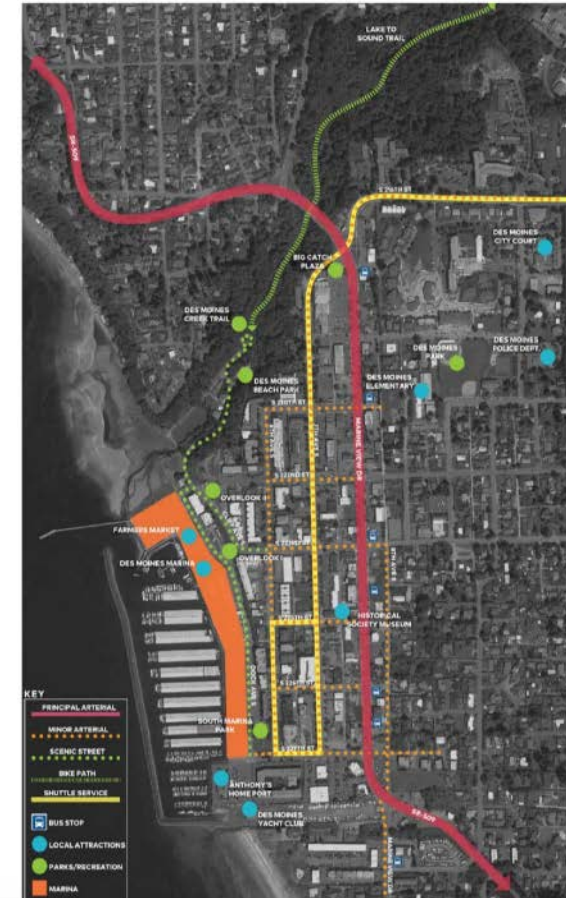
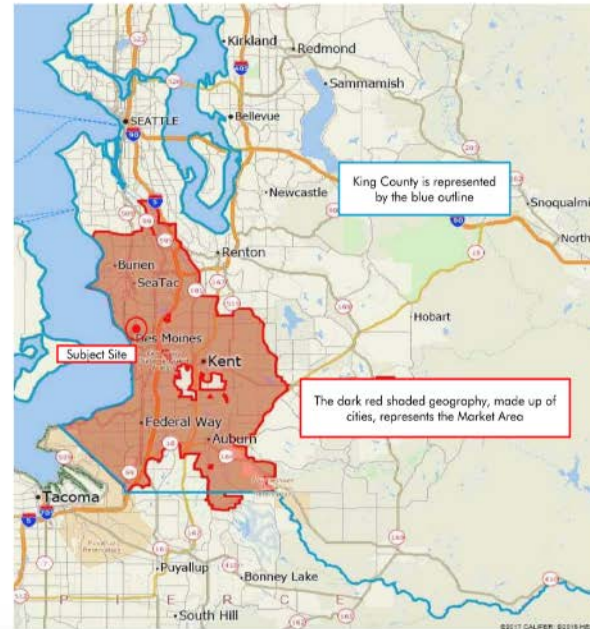
WHAT DOES THE MARKET LOOK LIKE?



Des Moines WA
The Waterland City

Project Location

The site is located on the existing Des Moines Marina, which currently includes 730 boat slips (uncovered and open), a working boatyard, dry storage, an esplanade, and public access areas to the Puget Sound for fishing and recreation. The City of Des Moines is located in southwest King County, nearly halfway between the cities of Seattle and Tacoma. The City owns and maintains the Marina site.





SITUATION ANALYSIS

Michael Matthias (City Manager) and Scott Wilkins (Harbor Master) of Des Moines, WA, are working on a marina redevelopment plan. **The current marina is a 20-acre, 800-slip facility that is equidistant from Tacoma and Seattle. In 2018 more than 1M visitors, and 440,000 vehicles, entered the marina.** Des Moines is at the center of the residential population that works in Tacoma and Seattle. It is also contiguous to the SeaTac airport, which is about three miles from the marina.

The vision is for the city of Des Moines to **provide daily commuters a ferry service using the marina as a pick-up/drop-off point. It will receive travelers from a tourism and recreational perspective, and people who are commuting from Seattle and Tacoma to and from the airport.**

The ferry service will also be an **essential component to regional emergency plans and regional resiliency plans providing access to Sea-Tac airport in the event of need and** is the closest harbor to the Kent Valley, our center of warehousing and manufacturing. The Kent Valley is vulnerable to flooding in an earthquake or dam breach.

We discussed with Michael and Scott **the idea for conducting a study which projects the viability and demand for a ferry service in an effort to seek potential funding and planning partners.**

RESEARCH OBJECTIVES



- Identify reactions to the proposed marina vision and ferry operation with key stakeholders (investors, developers, etc.)



- Determine potential **passenger demographics** (what percent of ridership would be tourist) and **determine origination points from all viable cities**



- Establish **price points and intent to purchase**

- **Determine the necessity of including Des Moines in any Seattle-to-Tacoma ferry route. Validate the viability of airport transport**



- **Demonstrate how the ferry could provide regional emergency evacuation for Kent Valley**



- Validate the **Marina's redevelopment vision and ferry offering** including the ability for the plan to be **environmentally sustainable through the potential use of a battery-electric, low emission Hydrogen fueled, or hybrid ferrying vessel.**



- Determine **primary and secondary tourist/resident transportation trends**
- Identify local attractions



- Determine area **partners including companion mode partners, parking and traffic assessments etc.**

APPLICATIONS OF STUDY RESULTS



Financial forecasts can be used to **facilitate funding and validate market potential**



Determination of **optimal operational business concept and ferry offerings**



Validation for proposed **geographic location and ferry service routes and schedules**



Segmented targeting and identification of companion-mode partners



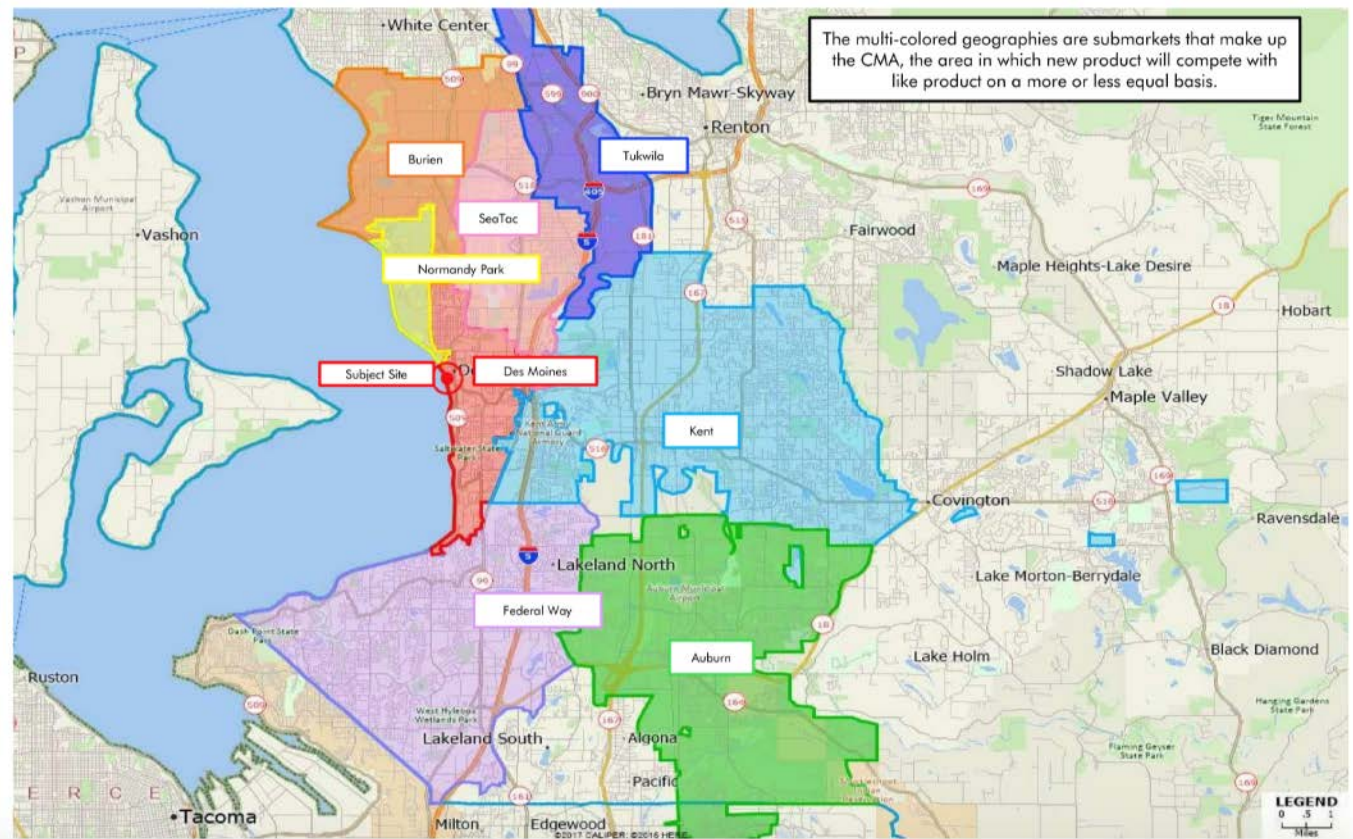
GEOGRAPHIC MARKET

Market area as defined by the Phase II THG feasibility study

Market Area

For the purposes of economic and demographic analysis, we have identified a Market Area that includes the cities of: Des Moines, SeaTac, Tukwila, Kent, Auburn, Federal Way, Burien, and Normandy Park. These cities make up the bulk of

southwest King County and include the submarket's top employment nodes. The boundaries of the cities within the Market Area are defined in the map below:





WHAT DOES THE MARKET WANT?

Potential **public amenities** such as **marina steps**, **rooftop gardens**, and validation of the **Tides** and **Pier** concepts





THE PROPOSED MARINA





ABOUT DIEDRICH RPM

PHASE I

Conduct primary research in order to gather insights around a product, concept or idea.

PHASE II

Deploy pilot marketing tactics to specific demographics and geographic areas based on research findings.

PHASE III

Rollout the best performing tactics based on the pilot marketing outcomes from Phase II.

PHASE IV

Execute on-going ROI analysis and modify rollout tactics accordingly.



NO GUESSWORK

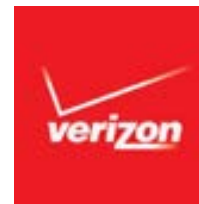
The right focus leads to success.



CLIENT EXPERIENCE



CLIENT EXPERIENCE





RESEARCH SERVICES

- Questionnaire Development
- Screening Services
- List Management Services
- Discussion Guide Development
- Professional Facilitation
- Data Analysis
- Research Reports
- Recommendations
- Focus Groups
- Web Usability
- Metrics for Success

MARKETING SERVICES

- Marketing/Implementation Plan
- Integrated Marketing
- Branding
- Media Planning and Placement
- Media Buying and Tracking
- Public Relations
- Event Planning
- Insights and Analytics
- Social Media Planning and Implementation
- Digital Marketing
- Web Development

CREATIVE SERVICES

- Brand/Identity Development
- Brand Marketing Materials
- Email Campaigns
- Website Development and SEO
- Digital Advertising
- Creative Copywriting
- TV / Radio Concepts
- Direct Mail
- Print Advertising
- Offset, Digital, Variable Data Printing



PART 1: MEETING WITH LEADERSHIP & PRESENTATION TO COUNCILS

MEETINGS AND PREPARATION

- **Discovery meeting** – to discuss perceived challenges and opportunities associated with the Ferry concept
- **Tour the proposed docking and parking areas for the Ferry service**
- **DRPM to present part 1 & 2 of the Demand Study Strategy to the City of Des Moines senior leadership**
- **DRPM to make any necessary modifications to the part 2 Demand study plan**
- **Present the Demand Study Plan to the City Council**



PART 2: IN-DEPTH-INTERVIEWS

IN-DEPTH-INTERVIEWS

Conduct IDI's with key stakeholders (investors, developers, influencers, etc.), to assess perceptions of the marina redevelopment and ferry concept. Identify what elements of the plan most resonate with participants as well as gather other ideas and feedback. **Use the findings to refine the Consumer Demand study.** This phase can aid the future investor network and is designed to be inclusive of thought leadership.

Sample reporting below

METHODOLOGY

IDI Strategy:
 Conduct in-depth-interviews with preselected individuals on the Thern team, including titles and fields such as; Sales, Business Development, Marketing, Sales Engineer, VP of Sales, and VP of Engineering.

Interviews were scheduled in advance and conducted with [REDACTED] team members from 5/14-6/6 via telephone. Each interview followed the preapproved IDI Guide/Questionnaire and lasted approximately 60 minutes per session.

Goal:
 Perform in-depth-interviews with sales team to determine the needs to aid in the sales cycle, specifically with generating new leads and expand [REDACTED] customer base.

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IDI INTERVIEW GUIDE

On a scale of 1-5, how would you rate the effectiveness and success of the following marketing materials and advertising techniques?

	5 - Very Successful/Effective	4 - Somewhat Effective	3 - Neutral	2 - Not Very Effective	1 - Not at all Effective/Successful	N/A
Thern Website	()	()	()	()	()	()
Online Presence (SEO, SEM, email campaigns, etc.)	()	()	()	()	()	()
Traditional Advertising (print, brochures, trade publications, direct mail, etc.)	()	()	()	()	()	()
Trade Shows (physical presence booth or attended as a networking opportunity?)	()	()	()	()	()	()
Webinars	()	()	()	()	()	()
Launch and Launch	()	()	()	()	()	()
Professional Referrals/Testimonials	()	()	()	()	()	()

Notes/Implications for previous questions if details are given
 Probe: Any low scores which could be improved? N/A which if offered could be effective and how?

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Buying Motivators

From your experience what are some typical motivators which generate a need for Thern's services/products, expertise, request for proposal, etc.?

What factors are typically communicated or are key to winning a bid?

When thinking of the following attributes please rate how you believe Thern ranks when compared to the key competitors.

	Better than Competitors	Same as Competitors	Below/Short of Competitors
Price	()	()	()
Brand Reputation	()	()	()
Quality of Work	()	()	()
Efficiency	()	()	()
Reliability	()	()	()
Customer Service	()	()	()
Delivery/Turnaround/Response Time	()	()	()
Equipment Support	()	()	()
Customized Solutions and Problem Solving	()	()	()
Relationships with Suppliers	()	()	()
Knowledge and Industry Expertise	()	()	()
Lead time and Inventory (stock orders)	()	()	()

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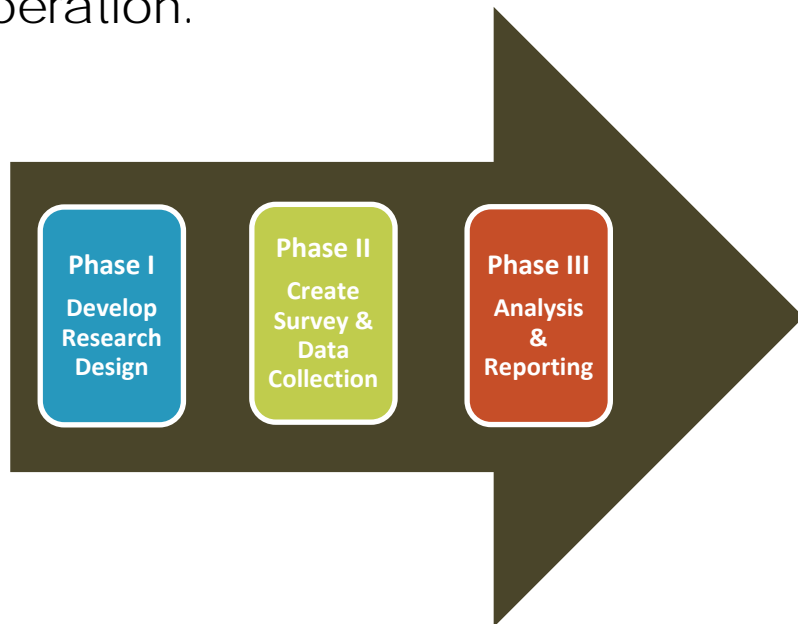
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PART 3: DRAFT PROPOSED DEMAND STUDY

RESEARCH PROCESS

The goal of the research study is to understand consumer demand, functional attribute indicators, market barriers and opportunities, demographics, and other areas critical to the proposed marina redevelopment and ferry operation's overall success. The information will be used to build a targeted and measurable strategic plan to drive strategy and determine future sales for the city of Des Moines future ferry operation.



Phase I: The development of a Research Design to include project objectives, goals, methodology, reporting, and timing

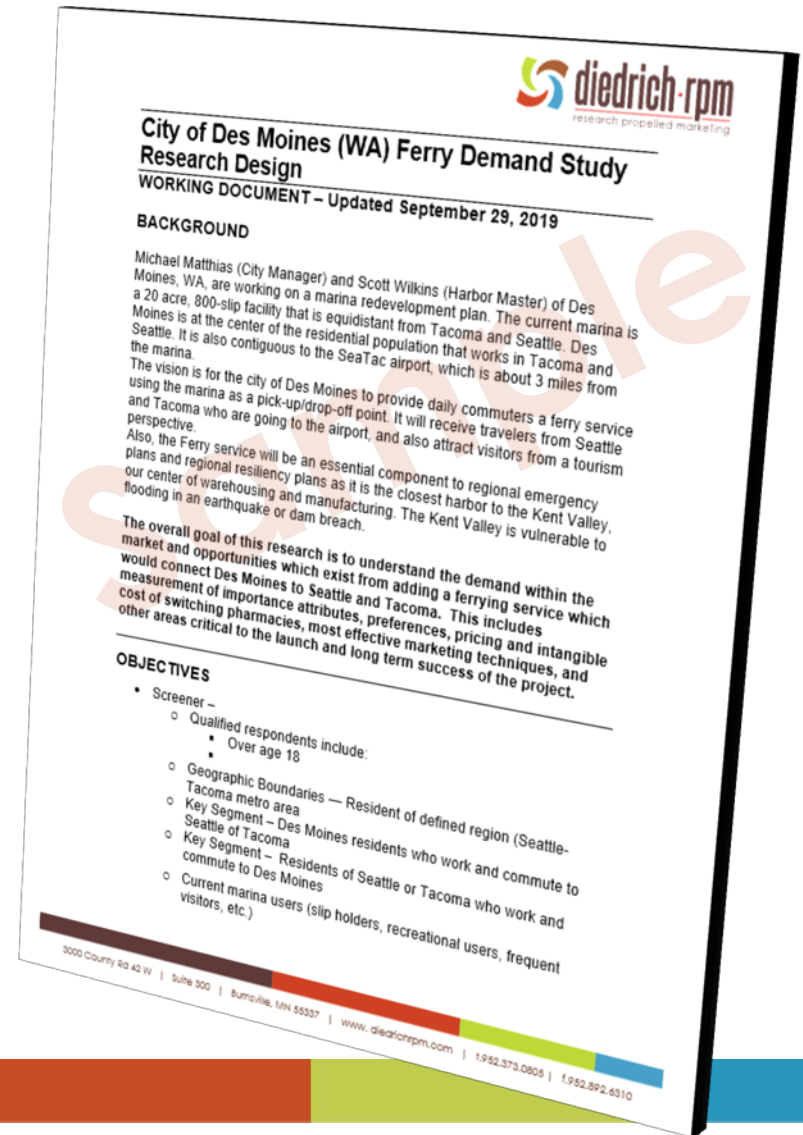
Phase II: The development and deployment of a survey(s) (based on the approved Research Design) using DRPM's proprietary survey platform

Phase III: A full report detailing the findings and recommendations

PHASE 1: RESEARCH DESIGN

The first step of any study is the development of a Research Design, including a research methodology.

Working collaboratively with the city of Des Moines, DRPM will develop a plan for the research project, which will serve as the blueprint for the project including the creation of the survey. It will also outline project specifics such as methodology and reporting/data analysis.



PHASE II: DATA COLLECTION

Using the **methodology** approved from the **Research Design**, a plan is developed to capture responses and achieve the studies goals/quota. Often this includes a **mixed-method approach**, utilizing online resources as well as DRPM's in-house call center.

- A minimum of 30 responses per segment is required for statistical testing.
 - Segments may include; geographic, and demographic characteristics. (commuter vs. tourism, etc.)
- Images may also be included to illustrate product concept (online respondents only).
- DRPM (using a proprietary online survey platform) will host all data collected. The raw data may also be transferred via Excel or SPSS format if the client elects.

DELIVERABLES

The project includes the following deliverables:

- **Research design** (working in collaboration with the City of Des Moines) which **defines the objectives, methodology, and timing**
- Use of DRPM's **secure internal survey platform, data export in Word, PDF, Excel, Power Point, and SPSS formats, embedded data unique to individual respondent, and more**
- **Data collection** (mixed-method approach)
- **A complete in-depth final report including; data analysis and statistical testing, executive summary, opportunities, and other key observations**
- **In Person presentation support** also available if elected



SAMPLE REPORTING SLIDES

DRAFT CONCEPT STATEMENT

THE CITY OF DES MOINES OFFERS A NEW AFFORDABLE WAY TO TRAVEL

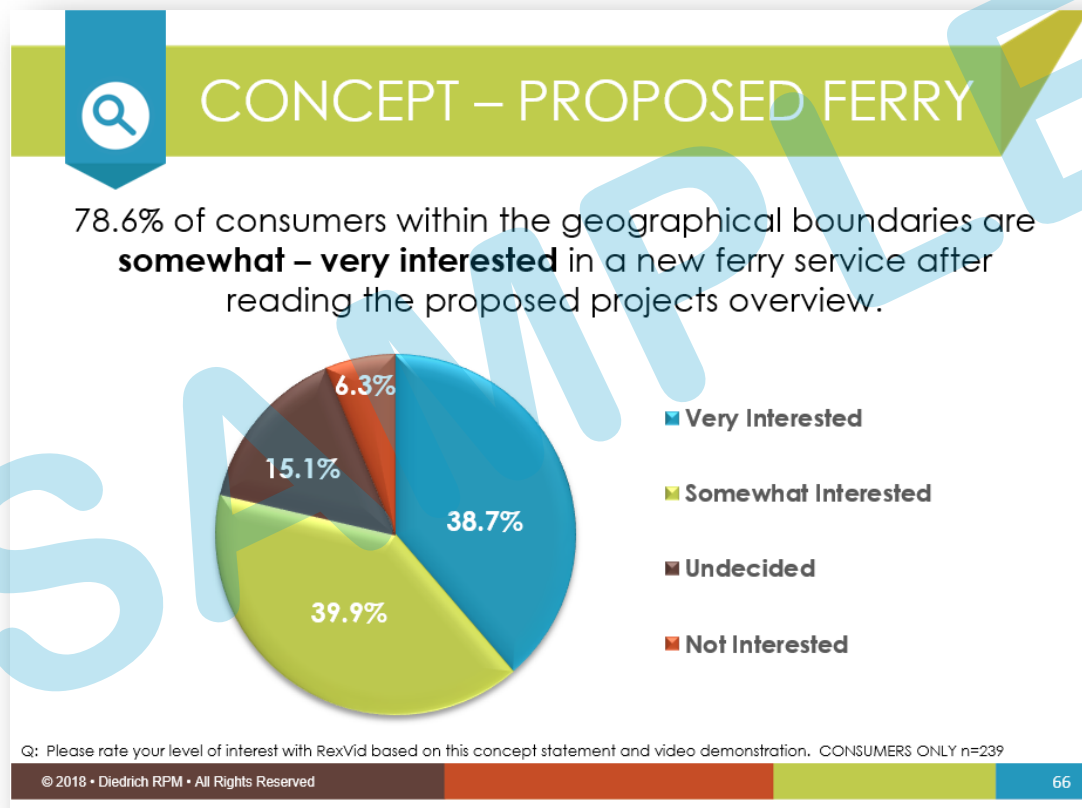
The Des Moines Ferry aims to provide a new, quick and affordable way to travel between waterfront communities throughout Des Moines, and Puget Sound region. XX routes span over XX nautical miles of waterways and will connect commuters from Des Moines, Seattle and Tacoma and visitors to the city's waterfront communities – including neighborhoods, job centers, and parks. The City's proximity to light rail and fast-growing employment base will make this passenger service a great new viable mode of transportation for our community.

The Des Moines Ferry will provide:

- Great alternative to stress and expense of solo commuting
- Ferry one-way crossings from Seattle to Des Moines and vice versa 36 for \$51
- Crossings from Tacoma to Des Moines 15 minutes \$26
- A safe, reliable, comfortable ride
- Environmentally friendly boats
- State-of-the-art traveler amenities

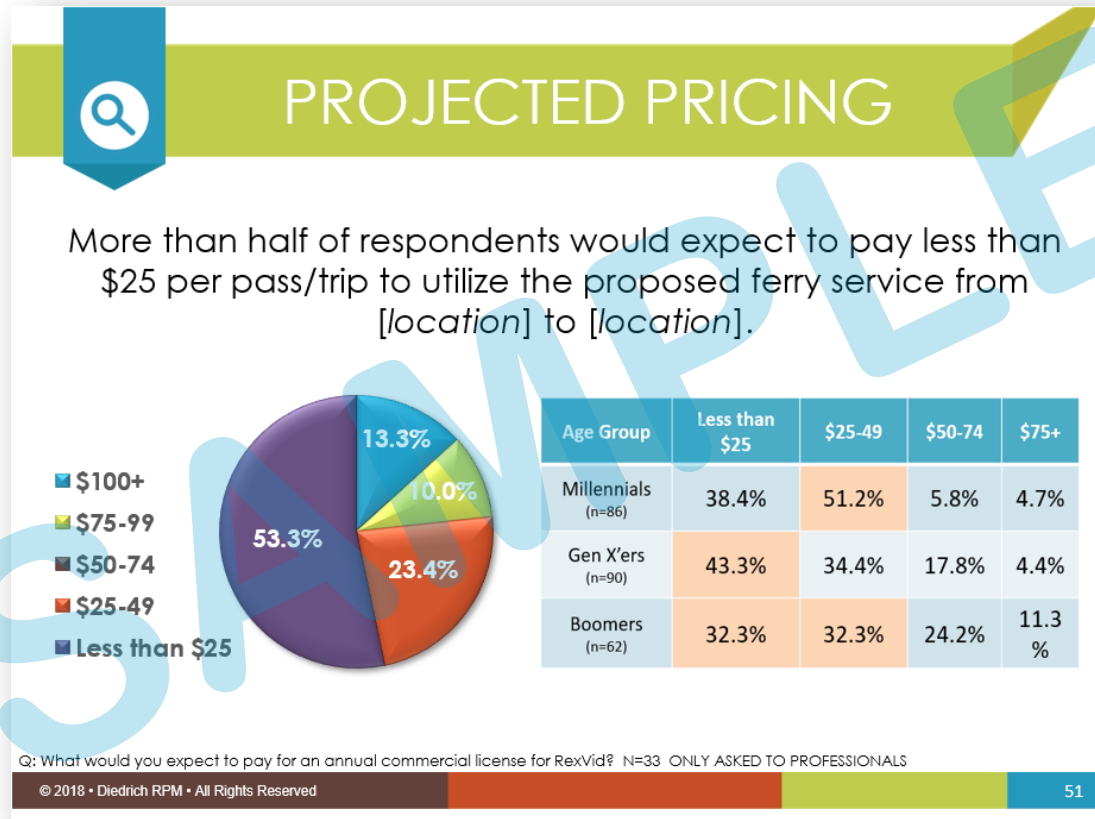
CONCEPT PLATFORM EVAL

If a ferry service were to be made available from Des Moines to Seattle how likely would you be to use it for your daily commute?



CONCEPT PLATFORM EVAL

What would you expect to pay for a round trip fare for a commuter ferry running from Des Moines to Seattle?



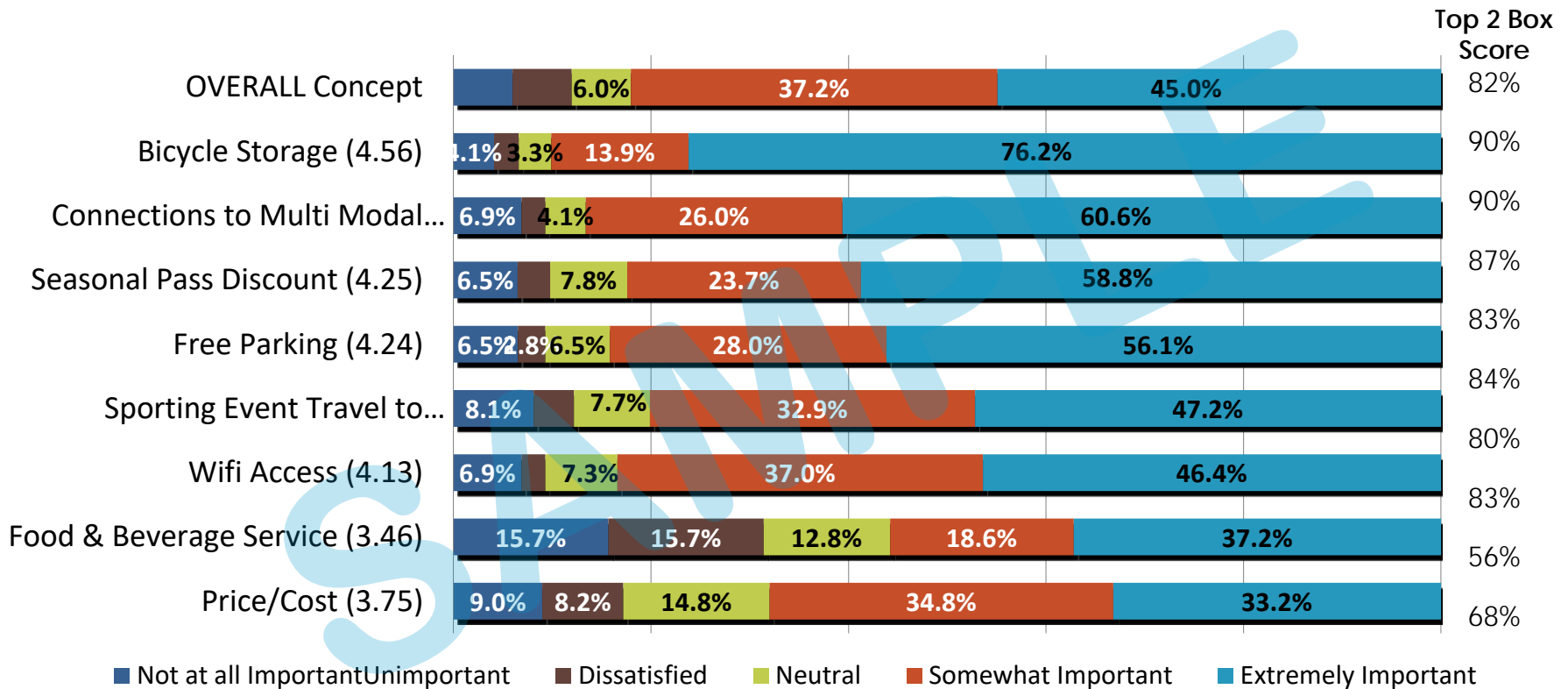
PROJECTED DEMAND

Project an estimated \$4M in total revenue based on the following demand by market segment

Segment	Average annual spend	Reason for Purchase
Residents	\$2M (62%)	Commute Time Convenience (96%)
Tourists/ Hotel Guests	\$1M (61%)	Experience (42%)
Tour Operators	\$500K (48%)	Venue/convenience/ reputation (65%)
Airport Commuters	\$500K (48%)	Commute Time Convenience(65%)
Total	\$4M	

SERVICE ATTRIBUTE IMPORTANCE

Most areas measured have a top-two box above the 80% threshold

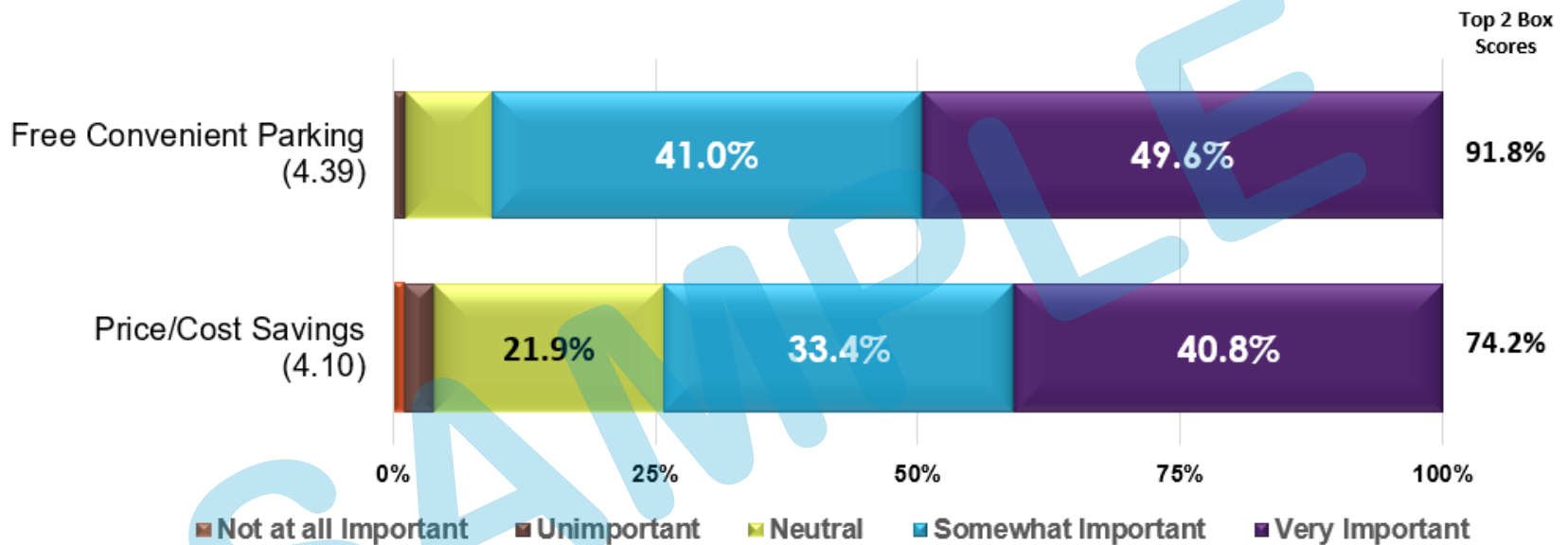


Q: Please rate the level of importance for the following attributes when considering a proposed ferry service.



KEY DRIVERS / BUYING BEHAVIOR

Key Drivers – *Price/Cost Savings* and *Access to Free and Convenient Parking* have the greatest importance and correlation to likelihood to use.



“Value for my dollar” also ranked **#1** nationally when vacationers were asked to rate their agreement using similar 1-5 Likert Scale*

* Expedia Group – 2018 American Trends Report



NUMBER OF WEEKLY TRIPS

Demographic Segment		1 trip	2-3 trips	4-5 trips	5+ trips	Avg. Spend (Annual)
Age	Millennials (n=142)	21.1%	19.3%	45.5%	14.1%	\$1,500
	Gen Xers (n=256)	17.2%	54.3%	18.4%	10.2%	\$400
	Boomers (n=383)	59.6%	30.7%	17.2%	12.5%	\$150
Income	\$50,000 or less (n=79)	19.0%	55.7%	17.7%	7.6%	\$500
	\$50,001 - \$100,000 (n=295)	17.3%	51.2%	17.6%	13.9%	\$620
	More than \$100,000 (n=323)	18.6%	52.9%	16.4%	12.1%	\$630
Commuters	Seattle Commuter (n=219)	11.0%	13.9%	14.6%	60.5%	\$3,200
	Tacoma Commuter (n=381)	8.6%	9.9%	19.4%	62.1%	\$3,800
	Commutes to Des Moines (n=25)	15.0%	38.0%	44.0%	8.0%	\$2,800



KEY DRIVER BY SEGMENT

Key Drivers segmented by **demographic characteristics** may vary, emphasizing the importance of segmented marketing campaigns.

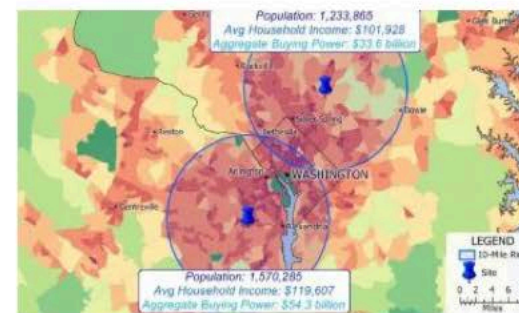
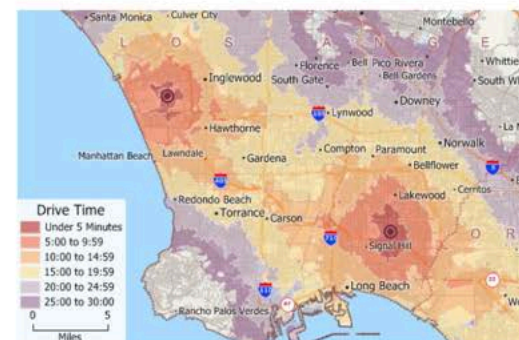
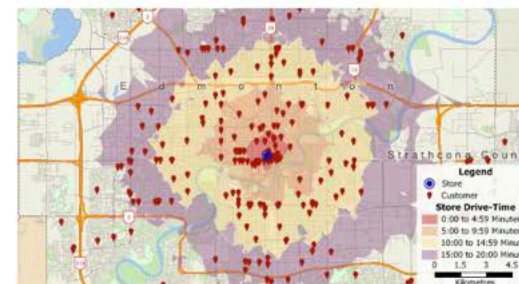
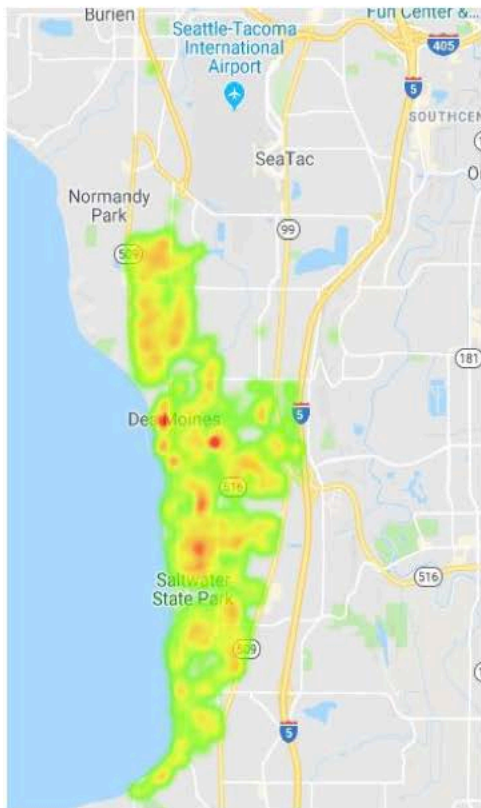
	Group	#1 Key Driver	#2 Key Driver	#3 Key Driver
Age	Millennials (n=142)	Price/Cost/Savings	Free & Convenient Parking	Food & Bev Service
	Gen X'ers (n=256)	Free & Convenient Parking	Price/Cost/Savings	Bicycle Storage
	Boomers (n=383)	Price/Cost/Savings	Free & Convenient Parking	Food & Bev Service
Income	\$50,000 or less (n=79)	Price/Cost/Savings	Season Pass Discount	Free & Convenient Parking
	\$50,001 - \$100,000 (n=295)	Free & Convenient Parking	Food & Bev Service	Price/Cost/Savings
	More than \$100,000 (n=323)	Free & Convenient Parking	Price/Cost/Savings	Wifi Access
Commuter	Seattle (n=219)	Free & Convenient Parking	Price/Cost/Savings	Bicycle Storage
	Tacoma (n=381)	Free & Convenient Parking	Price/Cost/Savings	Food & Bev Service
	To Des Moines (n=25)	Food & Bev Service	Wifi Access	24/7 Schedule



MAPPING

Custom mapping of the regional and respondent data may include:

- Drive time and distance rings (mileage, time/minutes, etc.)
- Commuter spotting w/most common routes
- Traffic reports
- Population density
- Market potential (likelihood to use proposed ferry for transport)
- Real Estate trend analysis and projections
- Household income, and other demographic characteristics





QUESTIONS?



THANK
YOU