"EXPERIENCE IS KNOWLEDGE, EVERYTHING ELSE IS JUST INFORMATION"

Albert Einstein

HOW TO DEVELOP AND BUILD A SUCCESSFUL RV & BOAT STORAGE FACILITY

Presented by Robert Hayworth

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INTRODUCTION

Today's presentation will cover:

- **Current trends** … where the market is today and where it's headed.
- How **Baja will help you** build a successful RV and Boat Storage project.
- **Success stories and insights** based on my personal experience in developing and operating Oakley Executive RV & Boat Storage, and other projects currently in progress!
- **What works** and what doesn't.

We want to help you succeed with your RV & Boat Storage project!

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THE RV CRAZE

- RV (Recreational Vehicle) industry continues experiencing extremely high demand.
- "Despite the headwinds of high inflation, rising interest rates, high prices at the pump, and waning macroeconomic momentum, the forecast shows RV sales income trending well above the long-term trend per the RV Industry Association.
- RV wholesale shipments are projected to top 549,000 units by year-end 2022.
- The American RV industry could grow by nearly $10 billion in the next few years, according to a new market report from Technavio.
- Winnebago Industries, which has seen “record” orders during COVID-19, reported $1.2 billion in revenue in the second quarter of 2022, a nearly 29% increase compared to the same time in 2021.

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DETERMINING LAND CRITERIA

WHERE TO BUILD?

- **Zoning** – usually Light Industrial or any zoning designation that allows for outdoor vehicle storage.
- **Growth** – ideally near an area of growth or demographic expansion.
- **Visibility** – visible from a major thoroughfare with easy access for a large vehicle to maneuver.
- **Location** – may be further away from the city and is ideally located between where clients live and play … more bang for the buck.
- **Size** – from 3 to 30 acres (or more) at a price of $2 to $5 per square foot.

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ZONING

Light Industrial or any zoning designation that allows for outdoor vehicle storage.

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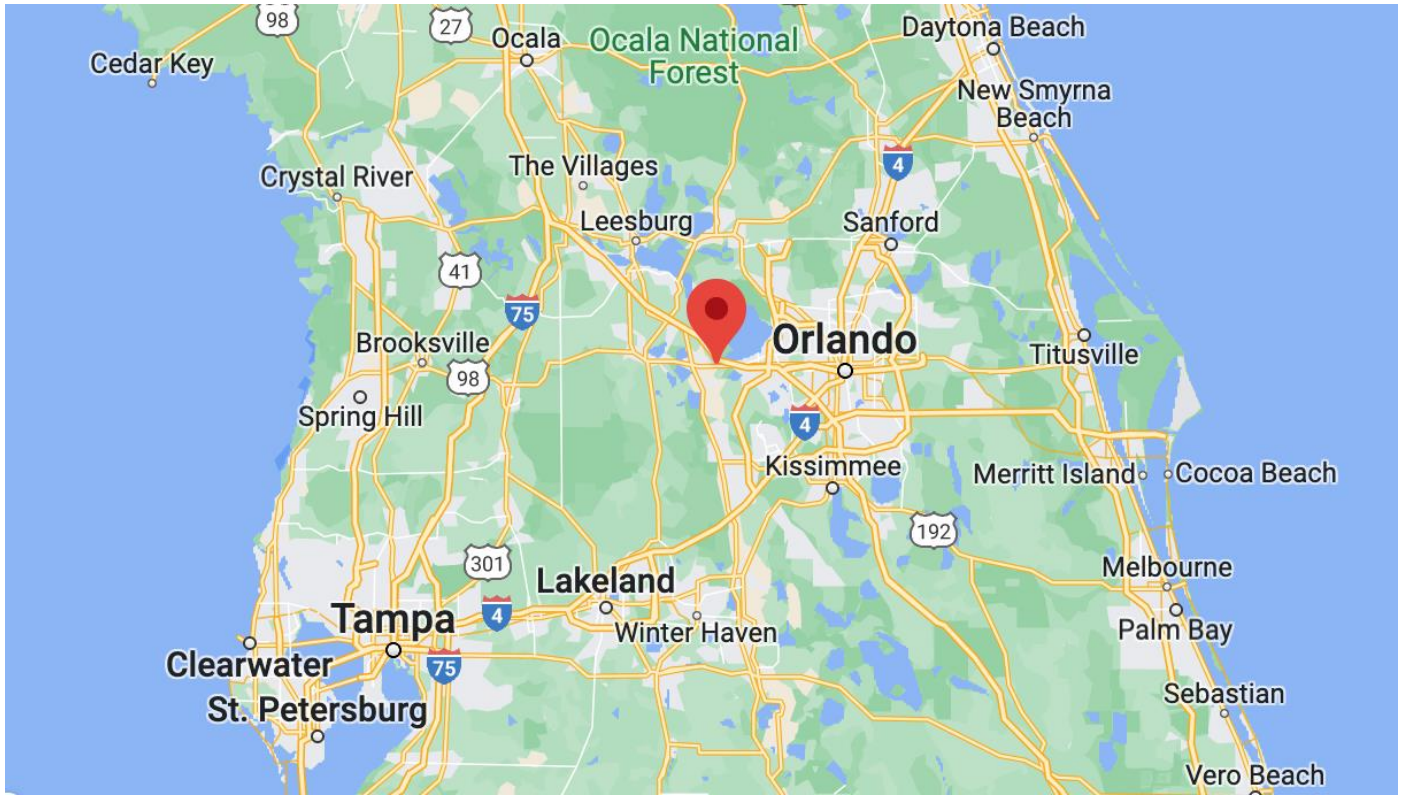

GROWTH & VISIBILITY

Ideally near an area of growth or demographic expansion.

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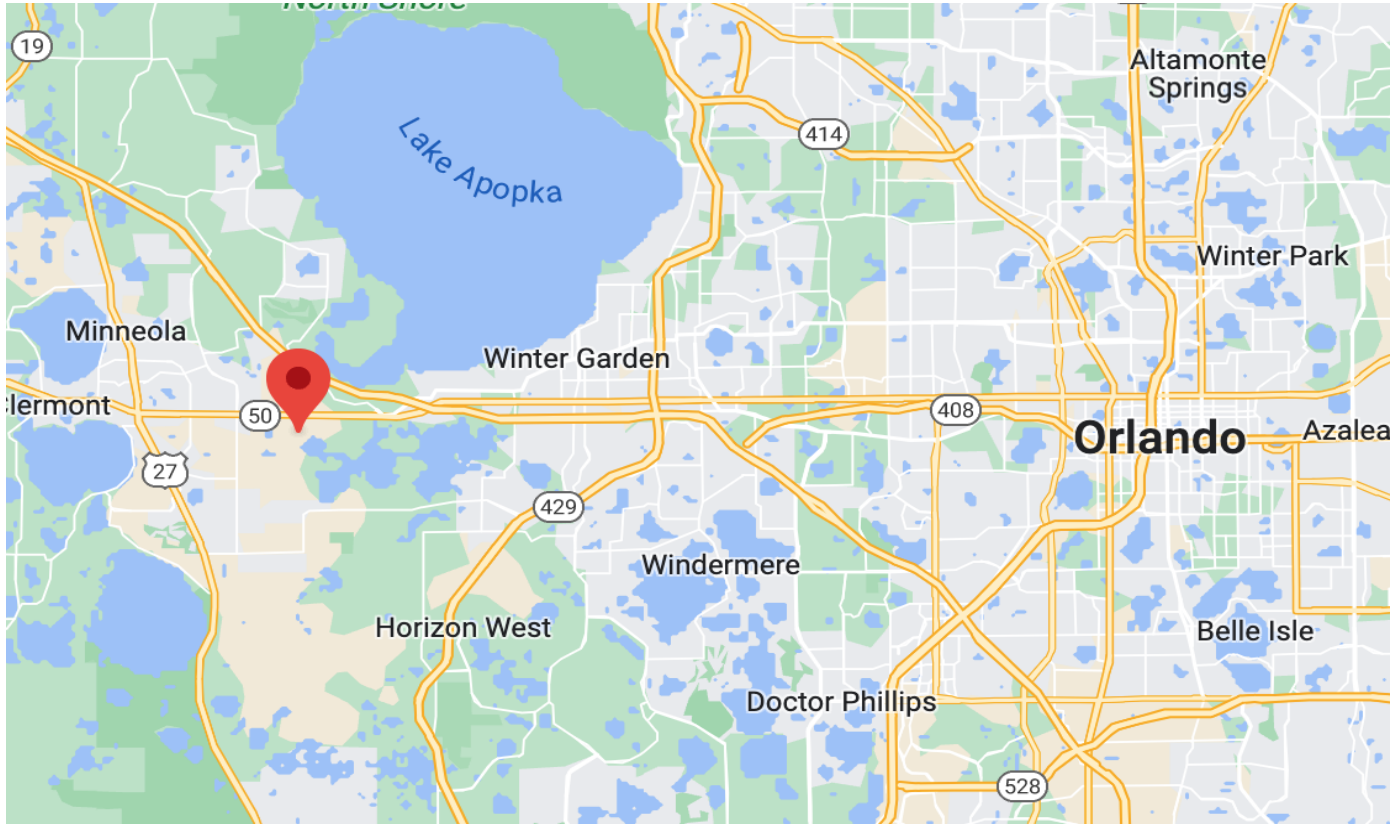

LOCATION

May be further away from the city and is ideally located between where clients live and play.

Land is a better value … you get more bang for your buck!

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SIZE

For maximum value, a minimum of 3 acres is best.

Ideal cost is between $2 – $5 PSF.

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GETTING THROUGH THE APPROVAL PROCESS

- **Governing body** – Do this first! Go to the governing body and get their input on the project.
- **Present the project** – Change their visual image! Show them a rendering or a visual aid to demonstrate your concept. This is not a gravel lot with a cyclone fence and razor wire.
- **Solar** – Add solar because everybody loves SOLAR. Plus, get better financing, a 26% tax credit, one-year accelerated depreciation, and an offset to your power bill.
- **Green light** - After getting the green light, hire an architect, a civil engineer, a surveyor, a soils engineer, and a landscape architect. Get a site layout from Baja Carports. Send Baja's layout to the architect and the civil, obtain a rendering, make a story board and present it to the City Council and Planning Department for approval.

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DESIGNING AND BUILDING YOUR FACILITY . . .

INCLUDING AMENITIES

Engage Baja!

We will work with the architects and surveyor to **layout the RV** storage facility including the Canopy layout, fencing, gates, office building (reception lobby, sales area, conference room, coffee bar, security cameras and displays, WiFi), exterior showers and bathrooms, propane supply, ice machine, dump station, trash, RV rinse area, 110 outlets, etc.

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BAJA RV & BOAT STORAGE

Covered RV & Boat Carports

40+ Years of Design/Engineering & Installation Services

We can help maximize your rentable space. Baja's in-house design/engineers will work closely with you to meet your project specifications and jurisdiction requirements - you'll have our team's personal attention to ensure the success of your project. Our engineers will deliver a set of plans that maximize canopy shade coverage, and work with you to develop the most efficient layout to run your successful RV & boat storage business.

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BAJA RV & BOAT STORAGE
RV CANOPY OPTIONS

Without Solar

With Solar

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THE FOLLOWING ARE A FEW EXAMPLES OF THE 500+ PROJECTS

DESIGNED, ENGINEERED, & INSTALLED BY

BAJA

ACROSS THE USA

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POMPANO BEACH, FL

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CLINTON TOWNSHIP, MI

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OAKLEY EXECUTIVE
RV & BOAT STORAGE

State-of-the-Art
RV and Boat
Storage

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ENTRANCE

OAKLEY EXECUTIVE
RV & BOAT STORAGE

State-of-the-Art
RV and Boat
Storage

BEFORE

AFTER

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FENCE

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RV and Boat
Storage

BEFORE

AFTER

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GRADING

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ELECTRICAL

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CONCRETE WORK

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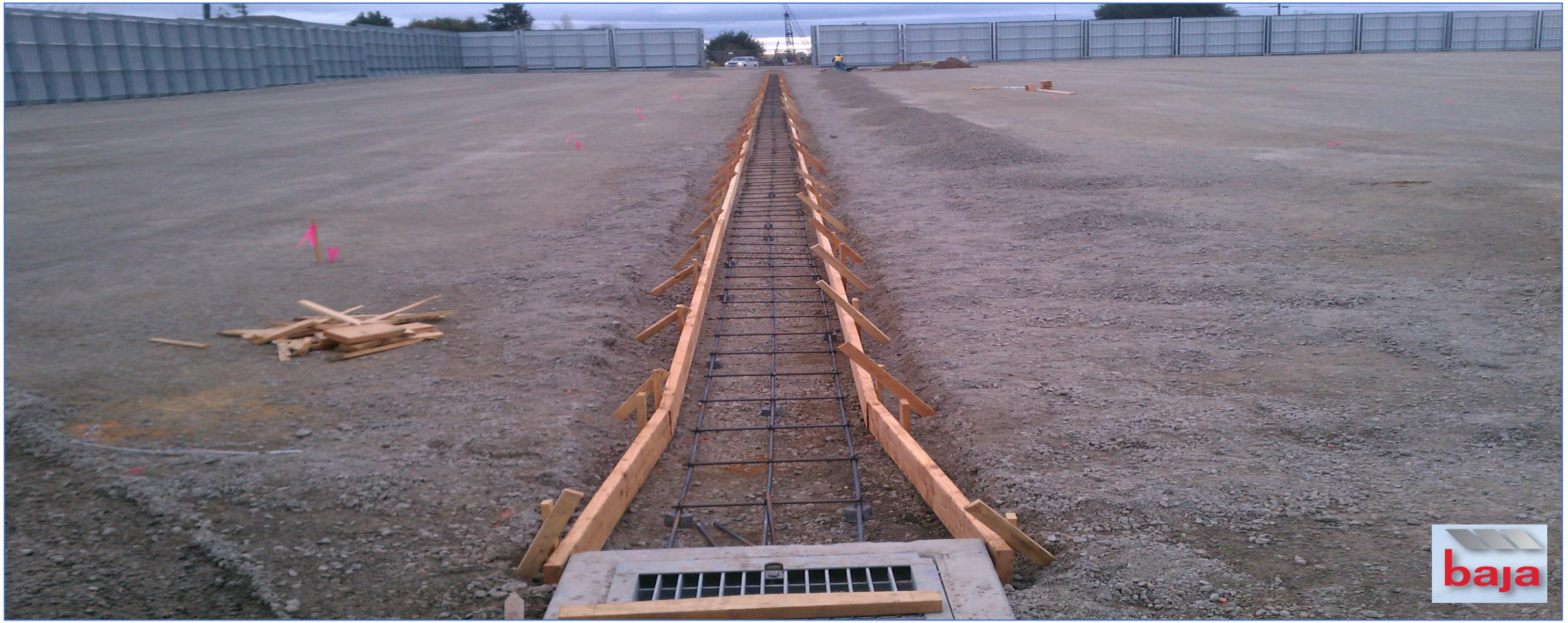

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PAVING

OAKLEY EXECUTIVE
RV & BOAT STORAGE

State-of-the-Art
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Storage

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DRILLING AND FRAMING

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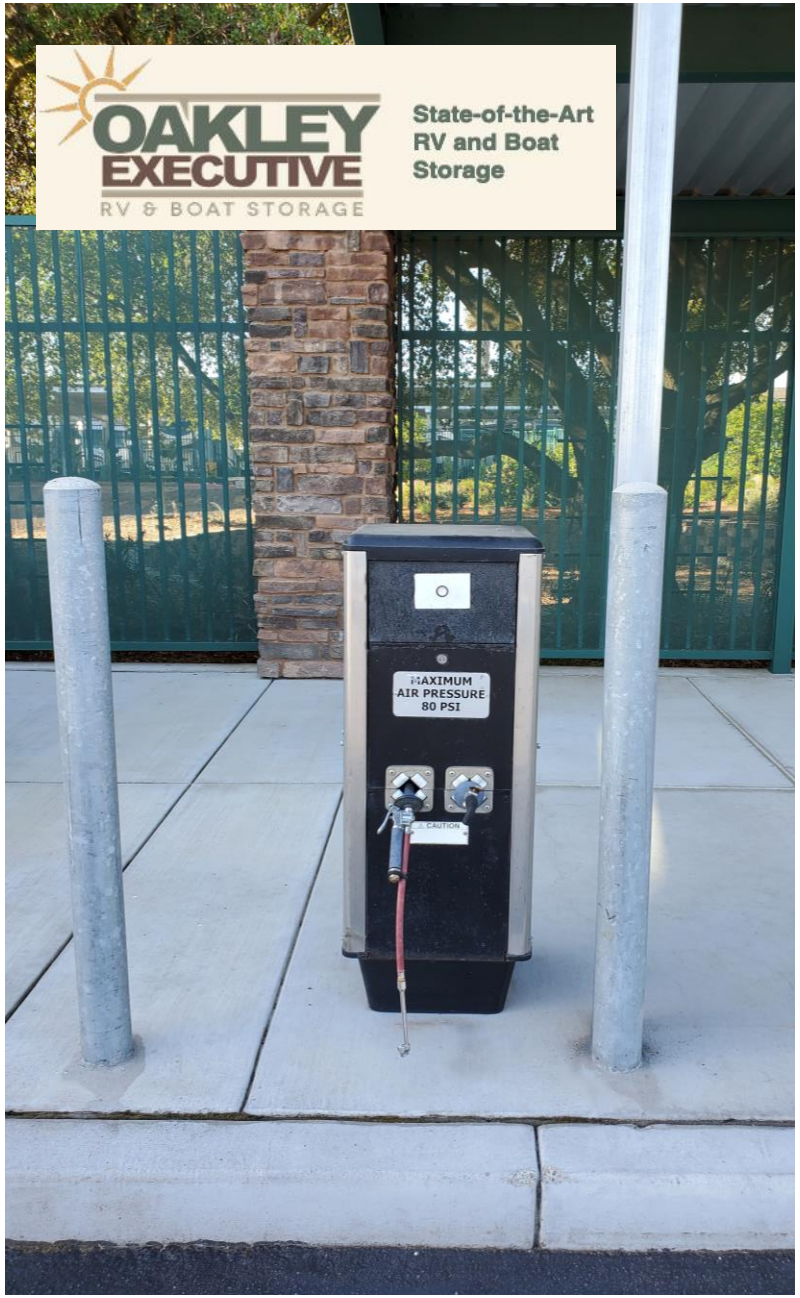

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IN THE BLACK IN 18 DAYS!

OAKLEY EXECUTIVE
RV & BOAT STORAGE

Expansion makes 551 covered parking spaces!

SOLAR EXPANSION SUCCESS STORY!

Phase III expansion is already complete

Oakley Executive opened in the Summer of 2013. Built on 11 acres with more than 260,000 square feet of canopy parking designed-built and engineered by Baja Construction. The solar panels are the canopies rooftops. The fully paved facility offers angled spaces, 24-hour video surveillance, computerized gated access, a 14-foot perimeter wall, dump station, propane station, and on-site fire hydrants. Tenant amenities include Wi-Fi and use of a conference room, and a bathroom with shower. The amenities and overall design ~ make it a Class A facility, and a first of its kind in the RV storage industry on the West Coast.

Oakley Executive's owner and founder of Baja Construction, Bob Hayworth purchased, installed, owns and operates the solar [photovoltaic] system at his business location in Oakley, California. The system's production created the extra cash flow and made his decision to expand "a no-brainer!"

Mr. Hayworth added 137 more solar covered spaces, approximately 2 MW of electricity to his existing 1.5 MW's. This is more power than the business operation will ever use. All the kilowatts produced are sold back to the utility on a 20-year fixed rate contract, called a Power Purchase Agreement (PPA) [time & rates differ per utility]. Utilities can offer a "Feed-in Tariff" a policy mechanism designed to accelerate investment in renewable energy technologies. The initial PPA created a bankable annuity used as income to secure financing. The power bought will be credited to California's Renewable Portfolio, which required that total procurement of power from eligible renewable-energy be at 33% by 2020.

Today, the award-winning facility is a staple amongst its community and the Bay Area. The revenue generated from the electricity's Feed-in Tariff, thus far, have turned out to be far better than what Mr. Hayworth thought it would initially was going to be. His solar carport "rooftop" system is covering more than the recreational vehicles under them; it's covers his debt service! The business was cash flowing in the first 18 days! The first check from PG&E was for $34,000. The payment to the bank was $32,000. Reality is the business was cash flowing from day one of opening!

INITIAL PROJECT

✓ Total Project Cost	$10.7MM
Land $1MM • Development $5MM • Project Cost $9.2MM	
✓ Loan	$7.5MM
✓ Debt Service	$32k/Month
✓ Solar Income	$34k/18 Days

70% OF LOAN OFFSET BY TAXES SAVED

✓ Tax Credit [30%]	$2.1MM
Based on Solar Cost: $7MM	
✓ Tax Saved	$3.2MM
From Depreciation - Adj Project Cost	

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CASE STUDY
SUCCESS STORY

VERDI EXECUTIVE
RV & BOAT STORAGE

Designed and built by the Stremmel Family in Reno, NV.

- Land Purchased
  - July 2019
- Project Started
  - April 2021
- Opening Day
  - May 1, 2022
- Occupancy After 2 Months
  - 56% + 13% reserved

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CASE STUDY
THE INVESTMENT

VERDI EXECUTIVE
RV & BOAT STORAGE

Land: $1.8 M

+ Design & Build: $12.2 M

= Total Cash Needed: $14.0 M

- Owner Equity: $2.0 M

= Financing: $12.0 M

SBA $5.0 M (4.75 %)
Bank $7.0 M (5.2%)

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CASE STUDY
THE OPERATION

VERDI EXECUTIVE
RV & BOAT STORAGE

INCOME

- Occupancy @ 2 months = 56%
- Lease up assumptions:
  - @6 months = 75%
  - @12 months = 98%
- # of Spaces: 550
- Rentable Square Feet: 280,000
- Avg Monthly Rent PSF: $0.46 *
- Avg Monthly Income: $126,225

*Lower rent psf set initially for faster lease-up

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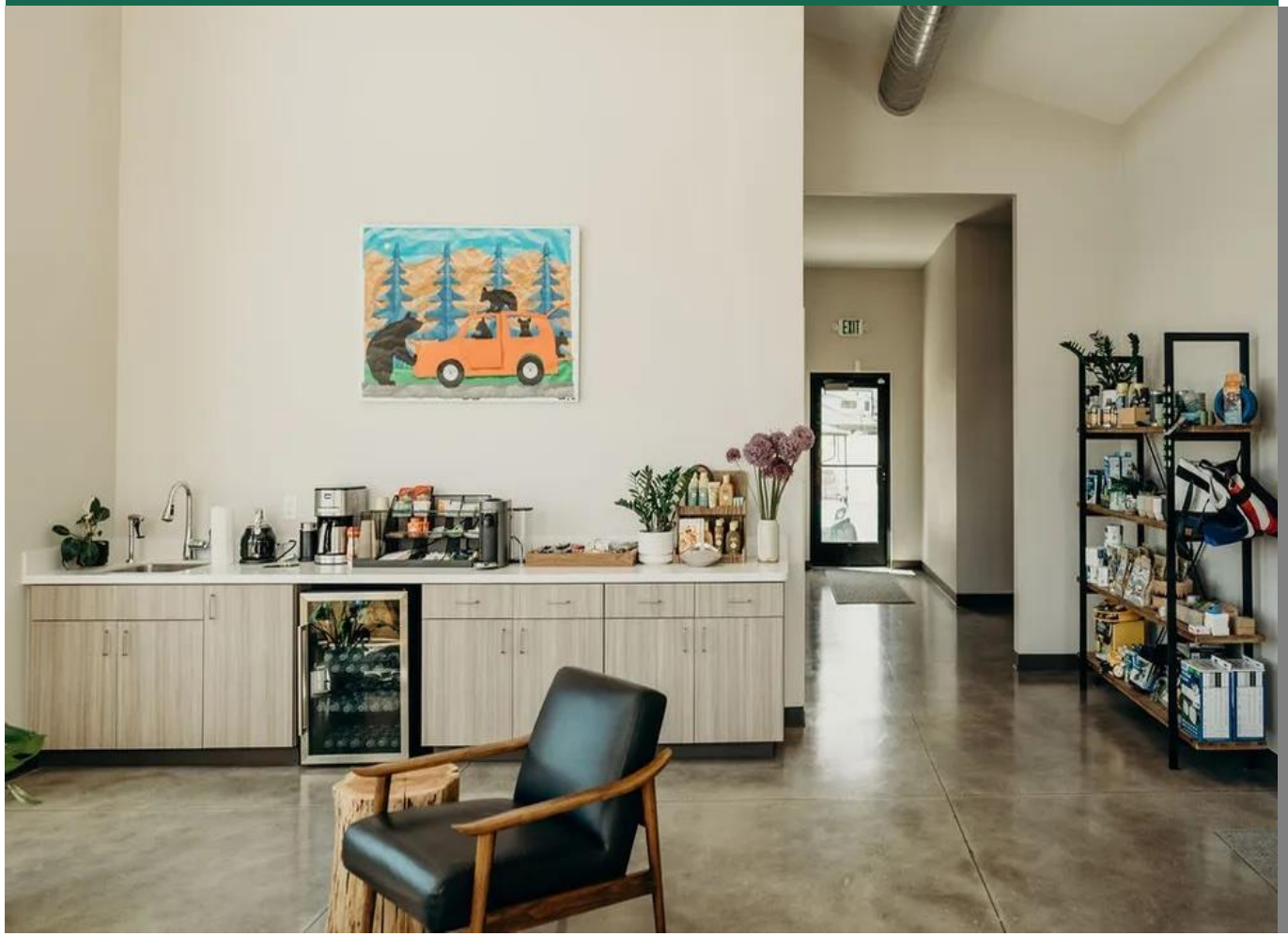
CASE STUDY
THE OPERATION

VERDI EXECUTIVE
RV & BOAT STORAGE



COST (Per Month)

Debt Service: $46,000

Overhead

- Manager/Staff
- Security
- Accounting
- Bank Fees
- Maintenance
- Landscape
- Insurance
- Property Taxes
- Utilities

Total Overhead (est.): $21,500

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CASE STUDY
THE WIN!

VERDI EXECUTIVE
RV & BOAT STORAGE

Investment

- Owner Equity: $2.0 M

Value @ 12 Months

Pre-tax Income Net of Overhead:

- Per Month: $104,725
- Per Year $1,256,700

Value (5.0% Cap Rate):

$25.1 M

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We did it for the Stremmel Family… We can do it for you!

THANK YOU!

Contact us at 1.800.366.9600

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