

South Florida Marine BUILDING BOOM

By Steve Gould and Brien Costigan

Incredible growth in the infrastructure of South Florida's boating community is taking place without much attention. Despite recent news in Broward County that a four-year moratorium on the construction of net new docks, dry-stack marinas, boat ramps and other boating facilities will continue, extensive investment in South Florida's capacity to serve the boating community is now being planned and implemented. Although official numbers are difficult to find, some estimate investments on the order of \$500 million to \$1 billion are in the works – investments that will have a significant, positive impact on South Florida's economy and job base.

At the same time, it is true that marine facilities available to boaters have been shrinking due to re-development that converts working waterfront property into residential developments. So how can there be a marine building boom within this environment? The answer is that much of the new investment is targeted on renovation and substantial improvement of existing marine facilities without necessarily adding to boat-hosting capacity at specific facilities or reversing the overall decline in capacity. Moreover, some of the investment reflects innovative strategies adopted by facility owners determined to improve revenues from their properties to both enable them to continue supporting the boating lifestyle and resist offers from residential developers.

Because of the manatee protection-related moratorium, Broward County in particular is seeing such plans move forward. "While on the surface it might appear there is a significant amount of marina development, one has to realize that this activity is primarily reconfiguration and updating of existing marinas to better fit market demand," said Frank Herhold, executive director of the Marine Industry Association of South Florida. "These projects are based on no net increase of slips, and this trend will continue until the Broward Boat Facility Siting Plan is finalized – over 40 applications for additional slips in new facilities are pending." The Florida Fish and Wildlife Conservation Commission told the county in January that the current version of its Siting plan was unacceptable.

An example of a strategy that supports the boating lifestyle while maximizing revenue from an existing facility site is the Hi-Lift Marina 200-slip project being developed by Aqua Marine Partners. According to CEO Andy Sturner, "As an alternative to selling out to condominium projects, we are creating a fully integrated business featuring a boat dealer and brokerage, complete marine services, a concierge service, and cruise planning services – plus creation of a place that boats can call home instead of being merely a lot to park your boat." Aqua Marine's facility is the last hold-out against residential conversion on Thunder Alley.

Roscioli Yachting Center, Inc. in Broward County also has a



major marine expansion project under construction on 4 acres adjacent to their current 8 acre location with features not often found in older facilities. The expansion, expected to be complete by mid-summer 2007, includes a new corporate headquarters with extra space that will provide their clientele with state-of-the-art offices allowing them to conduct their business around the globe while their yachting project is underway. A conference center will be on-site as well as retail space with a central reception area available to marine related businesses.

Within the past few editions of *The Captain's Table Magazine*, projects that also illustrate the building boom have been featured. These include extensive infrastructure development at Lauderdale Marine Center, Pier 17, The Sails, Thunder Alley / Vertical Yachts, and Jackson Marine. Not all new additional projects have been pub-

Low	Medium	High		
Total Marina Construction Cost				
\$13,000,000	\$14,500,000	\$16,000,000		
Gross Output Multipliers				
1.968	2.199	3.404		
Total Direct & Indirect Economic Activity Generated by the Marina Project				
\$25,584,000	\$31,885,500	\$54,464,000		
Total Direct & Indirect Payroll Generated by the Marina Project				
\$8,281,000	\$10,324,000	\$17,632,000		
			Direct Fiscal Benefits to the State	
			\$860,130	Total annual marina operations payroll
			\$13,875	Estimated transient boater daily spending ashore
			\$777,000	Estimated transient boater seasonal spending ashore
			\$256,000	Lodging taxes
			\$525,000	Annual sales and use taxes

While the above figures provide only a rough estimate of anticipated economic benefits from a 100 slip marina development, some of the facility upgrades taking place in South Florida may result in a larger scale of benefits. For example, The Sails project in Ft. Lauderdale involves a significant investment over 3 years to create dry storage / in & out service consisting of 150 slots up to 50 feet in length. Developer Ron Mastriana of Mastriana Development, LLC estimates that when completed in 2008, 300 jobs will have been created. The project's 2000 feet of docks able to serve mega yachts up to 400 feet are expected to further generate millions of dollars in economic benefit to the community each year from spending ashore by yacht owners and their professional crews. The marina and wet slips are scheduled to open in March this year.

Many boat owners will enjoy the upgraded facilities being created, but the capacity outlook for the community of boaters as a whole is not yet favorable. But this outlook is not without bright spots. While the moratorium continues to constrain new capacity development in Broward County, voters in Palm Beach County approved a \$50 million bond to improve water access in 2004. Palm Beach County set up a Boating Commission to look for land that could be made available for the construction of boat ramps, marinas, and boat yards. So far the County has spent \$29 million to acquire the development rights for two existing marinas and \$2.5 million to acquire land at Jupiter Inlet to construct a boat launch facility. Within existing waterfront parks, plans call for removing tennis courts and ball fields that are located along the Intracoastal Waterway in order to replace them with boat ramps, docks and marinas.

licly announced, but some of those that have include the mixed use re-development by Rybovitch in West Palm Beach, the re-development of Riviera Beach being directed by Viking Yachts to create a man-made lagoon featuring more than 400 boat slips and enough marine businesses to generate 1,000 jobs, and the mixed-use development of Watson Island in Miami.

When new boat slips are created, the resulting one-time and ongoing economic value for the larger community can be substantial. A case study developed for a Massachusetts Marine Trades Association survey several years ago illustrates the potential economic benefits of a 100-slip marina project to the State and Local Community.

The Broward County Marine Advisory Committee (MAC) recommended to the County Commission in October 2006 that the "County Commission expediently construct as many new salt water accessible boat ramps, with parking, in the County as possible." A list of six government agency owned sites where such construction could possibly take place was prepared, reviewed, approved and recommended by the MAC in hopes of increasing future capacity in Broward County without the large costs associated with land acquisition from private owners.

Until such plans are adopted and implemented, the access squeeze on many boaters is expected to continue. Indeed, some of the facility enhancements discussed above may add to the problem. In the view of Tyler Chappell of The Chappell Group, a local environmental consulting firm, "What we are seeing in the industry is a trend where the blue collar boater with trailerable boats less than 30 feet is no longer finding affordable places to store their boats coupled with many of the cities amending their codes to restrict residents from keeping their boats in the driveway." Chappell states that the new construction of dry and wet slips are primarily oriented to accommodating boats of 50 feet or more, including mega yachts, to allow marinas to upgrade without increasing their number of slips in violation of the moratorium.

The good news overall is that major new investment by the marine industry is likely to keep the economic benefits of recreational boating flowing in South Florida. The bad news overall is that until major new facility capacity expansion is allowable, only some boat owners will be the beneficiaries of the extraordinary level of investment now taking place.