

## Land Locked

The yachting capital of the world looks for growth opportunities in what industry watchers call a perfect storm that shows no signs of calming.

By Jennifer LeClaire

Broward County's marine industry is growing after a downturn earlier this decade.

Land pressures on waterfront property, increased competition and a deficient maritime workforce all threaten the industry, which has an annual economic impact of \$11 billion on Broward's economy, according to the Marine Industries Association of South Florida (MIASF).

"It's not just about the economic impact on the industry. It's also the impact on the boating lifestyle in South Florida we're trying to protect," says Frank F. Herhold, executive director of the MIASF.

Perhaps the most immediate threat the industry faces is the dwindling space for yacht docking, whether for repairs, a visit or storage — a problem throughout South Florida. "Waterfront properties are being paved over and privatized at a record rate and it's not healthy for yacht sales," Herhold says.

It is a problem unlikely to disappear. "If you consider the population growth projected for the state," says Gregory A. McLaughlin, a director with the Fort Lauderdale-based law firm Tripp Scott, "land use issues are going to be a constant problem."

Industry veterans are countering with creative new dry dockage, complete with yacht club amenities. On the site of an older marine facility, The Harborage Club is offering dry storage indoor slips which boat owners purchase, and can place into a rental program. It's on a canal not far from Port Everglades and the Intracoastal Waterway, and when it opens in 2008 hopes to lure boaters with its rooftop infinity pool; spa, gourmet grill and a business center with concierge service.

"Our goal is to bring a new level of service to the industry," says Joe H. Miller, president of Jacksonville-based Harborage Club developer Atlantic Marine Holdings LLC.

The facility will use a fully automated computer system to vertically stack, locate and launch boats. Aventura-based Aqua Marine Partners plans a similar vertical facility at a defunct marina on State Road 84 in Fort Lauderdale.

The shortage of dock space has also enticed companies to expand existing facilities. Naples-based BoatClubsAmerica LLC is spending \$50 million to upgrade Fort Lauderdale's Jackson Marine Center on the New River. The company will make room for larger boats, while upgrading the service areas and adding amenities such as a pool and owners' lounge. The renovation will reduce the marina's current 450-slip capacity to around 300 slips, which will be sold to boat owners.

Lauderdale Marine Center in Fort Lauderdale plans an 18-acre expansion along the

south fork of the New River, on the former home of the Broward Marina. The company plans to add lifts that can haul megayachts (luxury vessels 80 to 150 feet long) out of the water for maintenance and repairs.

More yachts translate to more business for everyone from manufacturers to electronics services. Demand is strong, but the skilled labor necessary to keep all those ships afloat is dwindling.

"There is not a strong labor force in this region to work on these multimillion-dollar vessels. We need trained craftsman to work on megayachts," says Mark Bailey, vice president of external affairs for Merrill-Stevens Yacht Services, a yacht management and service firm in Fort Lauderdale and a division of Miami-based Merrill-Stevens Yachts.

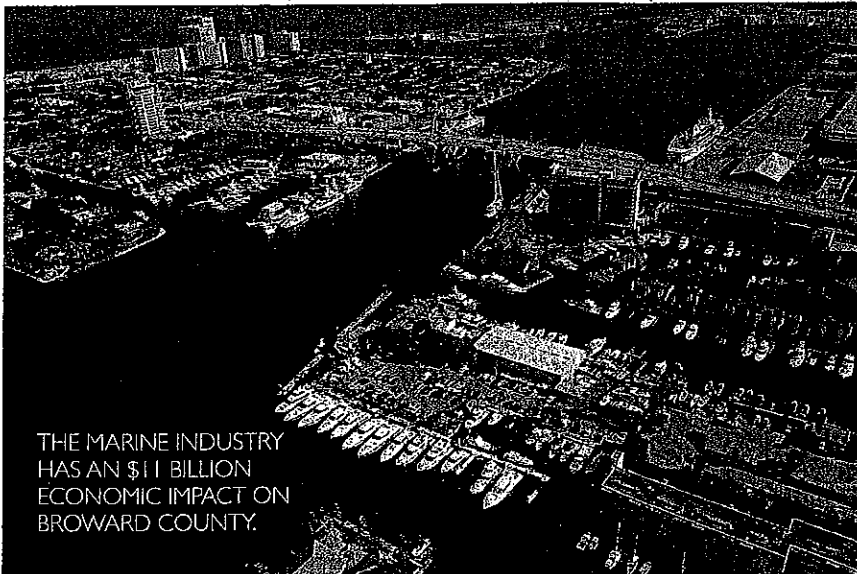
Merrill-Stevens' \$55 million expansion of its Miami River facility will include a vocational training center that will service the region, but the project will not break ground for several years. In the near-term, Broward Community College is developing a marine trades training center on its Miramar campus. It should open within two years, thanks to a \$2 million grant from the United States Department of Labor.

Broward faces competition for the business. North Carolina, for instance, has recruiters working to woo Broward marine companies to a land where operating costs are lower, land costs are cheaper and worker training is available. North Florida, the Caribbean and Europe are also vying for yachting industry growth.

"We need to focus more on retention," Herhold says, noting that the MIASF joined last fall with other area marine industry groups and the county's new Marine Industry Task Force.

Even when they cannot expand locally, Broward-based businesses are using their expertise to grow. G. Robert Toney, president of Fort Lauderdale-based vessel recovery and remarking firm National Liquidators, launched MariTech Services last October. It manages boatyard and marine services operations at marinas across the state. MariTech also inked a long-term agreement with BoatClubs of America to manage Jackson Marine Center and repair boats that dock there.

"With so many marinas being redeveloped into condos, we are taking advantage of the shortage of repair services," Toney says. "By partnering with BoatClubs, we can afford to rent space to fix boats." ■



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