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Developers look to relieve space crunch for S. Florida boats

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Investors are looking for new ways to make dock space available in South Florida for thousands of local boaters and visitors who have seen marinas torn down and replaced by luxury condo developments.

A Jupiter-based company, Seven Kings Holdings Inc., is investing \$25 million to build a marina in Riviera Beach.

Greyhawk Marine Group of Dallas is projecting outlays of about \$8 million to convert an old Fort Lauderdale boatyard into a modern marina capable of housing yachts up to 120 feet and to add a clubhouse, pool and space for marine businesses.

And Old Port Cove Holdings Inc. of North Palm Beach is completing a dry-storage facility costing \$3.5 million to house 350 boats up to 40 feet.

These and other companies are investing to keep South Florida's recreational marine sector, which generates more than 100,000 direct and indirect jobs, profitable by maintaining or expanding space available for boats. Marina operators are struggling to meet demand for new docking and storage space and to maximize the value of their marine businesses, many of which have been gobbled up by residential developments. Over the last two years, for example, more than 300 slips in Broward County alone were closed to the public.

"Our working waterfront is under tremendous development pressure, and space -- especially for dry stack storage -- is critical," said Frank Herhold, executive director of the Marine Industries Association of South Florida, a Fort Lauderdale-based trade group with about 800 members. "If we can't keep up with demand, the area will become like New York City, where people don't buy cars because of a lack of garage space. People will stop buying boats because they won't have anyplace to keep them."

Moreover, competition for megayachts -- or luxury vessels measuring 80 feet or more -- is being exacerbated by an acute shortage of dock space, Herhold noted. These big boats, which come to the

area from all over the world for maintenance, refits, repairs and charters, generate hundreds of million of dollars for South Florida each year. If they can't find space here, he warned, they will sail to other ports.

Adding new slips

One way to meet the demand for space would be building new marinas. But this is not usually an option because of the high cost of waterfront property. Moreover, it takes years to obtain zoning, construction and environmental permits from different government agencies to develop a marina.

Two businessmen based in Jupiter are challenging this trend by investing to maintain or increase dock space at several South Florida marinas.

JC Solomon II and Raymond Graziotto, the owners of Seven Kings Holdings, took over a defunct marina in Riviera Beach and are building Loggerhead Club and Marina-Riviera Beach on 10 acres at a cost of \$25 million. By purchasing property that was already zoned for marine use, they avoided the long waits required for building any new marina.

The two partners, successful real estate developers, are constructing a dry-storage facility that will be able to handle more than 300 boats up to 45 feet, waterfront slips to accommodate about 30 boats, a private club, a fueling station, a ship's store and other marine businesses.

Loggerhead will have an enclosed building for dry storage where boats will be lifted into racks by forklifts. This system allows more boats to be stored in a limited space than if they were tied up at docks.

The company owns or manages eight marinas from Vero Beach to Miami and recently refurbished Frenchman's Marina in Palm Beach Gardens, converting it into Loggerhead Club and Marina-Palm Beach Gardens with 130 slips. It plans to extend the Loggerhead brand to other properties.

The Seven Kings partners got into the marina business by chance, buying land at the start of the 1990s in Palm Beach Gardens that had a marina, said Graziotto, the company's president and chief operating officer. "We decided to apply good management principles and make it more than a mom-and-pop business." They also saw an opportunity in taking over other marinas and upgrading them.

Going upscale

While Seven Kings is adding space in Riviera Beach, other projects aim at upgrading marinas and boatyards to add value.

One investor, for example, is taking over a do-it-yourself repair boatyard in Fort Lauderdale and converting it into an upscale marina and club for megayachts.

Greyhawk in January took over Summerfield Boat Works, built in 1940, and plans to build a new seawall, 28 or 29 covered wet slips for megayachts, a clubhouse for captains and crew and other amenities. The old Summerfield yard will be renamed the Pier 17 Marina and Yacht Club.

"We want to make it very clear that we are not building condos," said Brad Tate, regional director for Flagship Marinas, the company that will manage the facility for Greyhawk. Tate was responding to

public concern that the project would be replacing yet another marine facility with apartments.

But the project has its downside for some boaters. The new investors seek to maximize the value of the Summerfield property by attracting the big-spending megayacht crowd. The boaters who currently use the popular yard, though, will have to find another place to carry out repairs and maintenance in a market that's already short on space.

The yard, with about 24 employees, will continue to function as the renovation progresses, said Michelle Corson, a partner at Greyhawk. Construction is expected to begin this summer.

In West Palm Beach, the family of South Florida entrepreneur H. Wayne Huizenga plans to invest \$12 million to upgrade the marina at the Rybovich Spencer boatyard as part of a larger development project. The family, which owns and operates other marinas, recently unveiled a \$100 million project that includes converting the marina into a modern facility for megayachts, building more than 220 residential units, a waterfront restaurant and space for retail outlets.

A town steps in

The space shortage has even prompted one local government to develop a public marina specifically to meet the needs of small to midsized boats.

Lake Park is completing an \$8 million investment to rebuild an old marina and provide 102 deepwater slips for boats ranging from 30 feet to more than 60 feet at Lake Park Harbor Marina. The town dredged the marina basin, built new docks, erected a seawall and replaced a crumbling and poorly maintained facility, said Patience Cohn, the marina manager. "The old facility had 200 slips for 20-foot boats, but some were unusable and the basin had silted up over the years. It was very much in disrepair," she said.

When the town decided to move ahead with the facility, it found that some marinas were not catering to owners of boats between 30 feet and 60 feet, Cohn said. People with small boats on trailers can use public ramps, and owners of larger craft will be able to lease space at the new marina. "This is a bread-and-butter market," Cohn said. "The town aimed to keep boating alive in Palm Beach County."

Despite new investments, some in the industry see marina owners and operators swimming against the economic tide.

"The trend to develop waterfront property [for other uses] is likely to continue," said Rick Morgan, president and chief operating officer of Old Port Cove Holdings in North Palm Beach. "Waterfront property is a strong demand commodity and folks in business are going to find the highest value and best use for these facilities. And in a lot of cases, it's not a marina."

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