Does size really matter?
Larger, longer boats vs reduced number of shorter slips

BY ROBERT WILKES

Man plans. God laughs.
—Ancient proverb

The year is 1970, and an engineering handbook published by California advises marina designers that the "design boat," or median-size boat for marina planning, is 29.5 feet long. It seemed reasonable at the time.

It's easy to find amusing and shortsighted what planners trusted in 1970.

It's much more difficult to predict the future over the 40 to 50 year life span of new or remodeled marinas.

A trend that seems to be here for the
foreseeable future is the growth in the size of boats. The boatbuilding industry is enjoying an economic boom in larger vessels, especially mega yachts 98 feet and longer. According to a 2006 article in The Yacht Report, contracts at shipyards for these boats were up 21 percent over the previous year, and 240 new mega yachts were due to launch that year.

The effects of these larger boats are being felt in U.S. marinas and all over the world. Where are the slips for all these new boats?

As far as new slips for larger boats are concerned, the news is not good. There are actually fewer slips in the U.S. each year. Marina renovation consultants use a rule of thumb dictating a remodeled marina will have 8 to 15 percent fewer slips than before the remodel. Existing marinas are being torn down, never to be replaced. Often the waterfront is lost to boating by real estate developers motivated by “highest-use” projects that offer a better return on investment. The net result: it is estimated the number of slips nationwide drops 4 to 5 percent annually.

Fortunately, the boat building industry is catching on, getting alarmed at the consequences, and entering the game. The National Marine Manufacturers Association (NMMA) is now an active ally in the fight to preserve the waterfront for boating. Lobbying pressure from the NMMA argues that an “highest-use” projects offer a better return on investment. The net result: it is estimated the number of slips nationwide drops 4 to 5 percent annually.

The remolding challenge

Marina owners who don’t keep up with market forces that march the industry relentlessly toward larger boats may find themselves hoping against hope that they can remodel on the cheap by specifying “replacement in kind” to their marina builders in their requests for proposals. Operators attempt to cut costs by using the same pilings and remove and replace aging, high-maintenance docks.

It’s not that uncommon for marinas considering renovation to ask consultants if they can do so without reducing their number of slips. “This usually doesn’t work, and it’s seldom the best course financially,” said Eric Noegel, manager of project development for Bellingham Marine’s Southwest Division.

"Economically, rebuilding slips 30 feet and under makes no sense because there isn’t enough demand. Most new and remodeled marina operators consider a 45-foot average slip length as the minimum from a business perspective.”

For 25 to 30 year old marinas experiencing ever-increasing maintenance costs and inadequate electrical power and other utilities, the issue that really tips the balance against a “replace in kind” marina remodel is that their slips are too short. Today’s “design boat” is usually in excess of 50 feet.

Beams are getting wider disproportionately faster than length. That long-time tenant in a 40-foot slip who wants to buy a new boat and put it in his berth can’t. That person’s new boat at the same length or a few feet longer is too wide for the out-of-date slip.

“Converting to larger slips presents a tremendous opportunity for owners and operators, and makes sense financially,” said Noegel. “Larger boats generate more revenue. Your resale value can rise dramatically if the project is planned correctly. It’s a wise investment.”

The following three marinas illustrate different approaches towards this trend. Each demonstrates a farsighted approach formulated by their owners. Each is appropriate to the market they compete in and each is an example of an operator capitalizing on an opportunity.

Kona Kai, San Diego, California

Kona Kai has long been regarded as the best-positioned marina in San Diego. It sits inside the protection of Shelter Island close to the ocean, with a customs office nearby, and near the upscale neighborhood of Point Loma. Kona Kai has a storied past. It was a favorite haunt of John Wayne and his converted minesweeper, Wild Goose, in the 1960s.

As the marina approached the end of its useful life, ownership neglected the property. In 2000, the marina operator called on John Corough of The Corrough Consulting Group, Newport Beach, Calif., to analyze the existing facility and suggest recommendations for positioning the property for sale. Corrough recommended a 22-step plan to remodel the marina and address the facilities, services, and support needed to upgrade and attract larger boats.

Later, the marina was purchased by a different ownership group, which undertook the renovation in earnest and hired Bellingham Marine as their design-build contractor. The new marina was completed in 2004.

Corrough, though no longer consulting on the marina, followed the development with interest. He said that Bellingham Marine had implemented about 19 of his 22 initial recommendations. “Bellingham Marine comes to the table and listens,” said Corrough. “They’re willing to de...
sign-build to the site-specific needs of the customer, and they know large yacht requirements better than anyone in the field."

The Kona remodeling was a spectacular success. According to city records, the marina was purchased in 2004 for $18 million. After the remodel, the marina sold for $50 million, even though changes to shore facilities weren’t completed.

Pete Taliercio, the marina manager at Kona Kai, discussed the mega yacht strategy. "We decided to dedicate a section of the marina to very large vessels," said Taliercio. "We knew San Diego was a preferred location for major overhauls and maintenance for mega yachts, so we built relationships with the boatyard managers. The managers recommended Kona Kai to their clients creating a mutually successful partnership."

Today, Kona Kai is a rest and re-provision haven for north-south transients. Boats head south to Mexico and well beyond in the fall and return in the spring. Transient boaters find Kona Kai to be perfectly situated. "We have the concierge services owners and crews expect," said Taliercio. "It's a win-win for us and for San Diego. Mega yachts boost the economy while they're [docked] here."

**Bahia Mar,**
**Fort Lauderdale, Florida**

Bahia Mar Yachting Center, which was completely remodeled in 2003, is the site of the Fort Lauderdale International Boat Show, and stands as a shining example of a marina built for today’s big boats. The marina features slips that range from 45 to 120 feet, along with side-tie slips for vessels up to 250 feet.

The marina was originally built in 1949 with about 365 slips, with an average slip size of 45 feet. In 2003, a reconstruction project reduced the number of slips to 242, but the average slip size increased to 77 feet. "Before the remodel, we could handle 18 yachts over 100 feet," said Kevin Quirk, vice president of marina operations for Luxury Resorts, which owns and operates Bahia Mar. "Now we can handle 100."

Quirk said the ownership group saw the opportunity for larger boats developing right in the waters of Fort Lauderdale. "In 1995, the Highlander, at 140 feet was one of the top 100 yachts. A few years
Yacht Haven Grande, St. Thomas, Virgin Islands.

Of all the new marinas dedicated to mega yachts, the one most often mentioned is Yacht Haven Grande in St. Thomas, Virgin Island, owned by Island Global Yachting (IGY) of Fort Lauderdale, Fla. New York developer Andrew Farkas created IGY with the goal of building a worldwide network of resort marinas, catering to large yachts under the Yacht Haven Grande brand.

The prototype of IGY’s marina brand is the $200 million initial phase of the St. Thomas facility, with 48 concrete flotation slip-s for mega yachts up to 450 feet. As one might expect, it offers concierge, provisioning, and transportation services that are limited only by the imagination to mega yacht owners and crews. The marina has four restaurants and extensive retail space for upscale shopping.

Yacht Haven Grande is much more than a marina. “We did a lot of research,” said Chuck Smith, director of public relations for IGY. “We talked to captains and owners. We took our time and did it right.” Yacht Haven Grande anticipates the needs and wants of its mega-yacht clients.

IGY operates the facilities’ four restaurants, ranging from casual to elegant. This allows IGY to adapt the operation into a mega yacht provisioning service like no other. “A prominent film maker radioed ahead and ordered $38,000 worth of caviar,” Smith said. “It was no problem. If it’s not here, we fly it in. You have to be ready and willing to give them what they ask for, in the same spirit as a Ritz Carlton or any other world-class hotel.”

From the marina builder’s perspective

A visit (by this story’s author) to the Jacksonville, Fla., plant of marina builder Bellingham Marine offers understanding of what’s involved in building a mega yacht marina, revealing projects of enormous scale. Here, everything is supersized from the concrete forms to the cranes that lift finished float modules.

Bellingham Marine is not new to mega yacht moorage, having installed the America’s Cup basin in Auckland, New Zealand, and Rozelle Bay in Sydney, Australia, for the 2000 Olympics. From there, the company went on to build Bahia Mar in Florida and Port Forum in Barcelona, Spain.

Building marinas for mega yachts is an extraordinary undertaking. “Everything expands exponentially,” said Norton, “from structures to the complexity of the electrical services.”

The trend in mega yacht design and construction is to place everything “in-slip,” including pump-out, communications, entertainment, fire suppression and fueling systems. Norton described the infrastructure needed for in-slip fueling in these terms, “Fuel lines must run internally through the dock system to pumping stations that are embedded into the float modules. They must be protected by automatic shutoffs in case of a disconnect or break. The boats either have their own fueling hose from the dock-side pumping station to the boat] aboard or the marina will bring one out on a cart. The hose uses a twist-lock connector for high-speed fueling similar to what one sees at airports for fueling jet planes. Fuel flows at hundreds of gallons per minute, and the boats often take on 20,000 to 30,000 gallons of fuel. Finally, fuel-spill abatement gear must be available and at the ready.”

Electrical power for mega yacht marinas has increased significantly in amps, volts, and complexity. Boats in the 40 to 80 foot range require 100 to 200 amps per slip, and larger vessels need 200 to 400 amps. To carry the power, voltage has been stepped up to 240 and 480 volts. Traditional pedestals are giving way to “power points” that offer transformers to step down the voltage if the boat can’t do it on its own. Distribution of all that power over the long distances in large marinas requires that the distribution grid be broken up with sub-stations at selected locations to avoid excessive line losses.

The expertise needed to handle these complex new systems has prompted some design-builders, to create a dedicated team of specialists to specifically address the electrical aspects of their projects. Norton heads Bellingham Marine’s team.

Service aspects

Marinas serving mega yachts are just not different in their physical configurations. “Mega yacht service has become so refined there may be two concierges,” said marina consultant Corrough. “The boat concierge handles the needs of the captain and crew, including provisioning and maintenance needs. The owner’s concierge attends to the needs of the owner and his guests.”

In this rarified atmosphere, personal relationships develop and shape the course of events. Owners, captains, and crew develop a mental rolodex of who can get it done no matter what the request. Marinas that serve their needs are soon popular as word gets around in this tight-knit community.

“Marinas today, especially the better resort marinas, are drawing staff from hospitality-savvy industries like hotels and ski resorts,” added Corrough. In this context, the idea that a marina is a parking lot for boats is as antiquated as a 29-foot design boat. 

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