

# Soundings Trade Only

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## THE CHALLENGE OF KEEPING BOATS SAFE

Building for the worst-case scenario just makes good business sense these days

By **Jim Flannery** / Senior Writer

Like many other snowbirds, Matt Andis who winters in Boca Grande, Fla., took his 48-foot Sea Ray home to Racine, Wis., rather than leave it in Florida during the hurricane season.

That was before River Forest Yachting Center opened in Stuart for the last half of the hurricane season 2005. River Forest is built to store boats when their owners are away and to provide safe harbor for them during hurricane season. Though not impregnable, the 8-acre facility is hardened to withstand 140-mph winds and is sited well out of reach of the destructive storm surge that hurricanes bring with them.

In 2005 alone the recreational marine industry suffered more than \$1 billion in hurricane-related losses, said BoatU.S. CEO Bill Oakerson, who spoke at a recent hurricane preparation symposium in Orlando, Fla., for operators of marinas, yacht clubs and boatyards. Oakerson says this is driving up boating costs – slip fees, yacht club dues, insurance rates.

River Forest is one of a new generation of storage yards designed to meet the challenge of what meteorologists are describing as a 25 to 40 year cycle of increased hurricane activity.

Marina owner Lou Vinci is one of those who has been caught in the insurance crunch. He owns Indian Springs Marina in Largo, with three dry stack buildings housing 350 boats and wet slips for another 40. Vinci dropped his windstorm coverage for hurricane season 2006. His insurer had quoted him a \$290,000 premium for \$2 million of coverage, then a cheaper premium for

\$100,000 coverage and a \$500,000 deductible – clear inadequate. He declined both offers.

“How do you justify \$290,000 for \$2 million in coverage?” he asks. “It’s absolutely incredible. I took \$30,000 and put it in the buildings. I talked with my engineers and added 10 to 15 mph [to their wind rating].”

River Forest general manager John Smith believes insurance increasingly will factor into how and where marinas are built, and where owners can store their boats. “All this hurricane mitigation stuff [at the marina] may become a big issue in whether a boat will be insured,” he says. He thinks it also could affect marina profitability if companies stop insuring boats in facilities that are too vulnerable to storms.

Located 16 miles inland, River Forest lies between the first and second locks on St. Lucie Canal between Stuart and Lake Okeechobee. It has a 45,000-square foot climate-controlled storage building for boats up to 65 feet (50 tons); a smaller building without climate control for smaller vessels; a 2-acre inlet channel with cleats on both sides so boats can be cross-tied in the water; and outside dry storage where boats are strapped down and secured to eyebolts in concrete. Every part of River Forest has been designed to withstand a hurricane or be easily prepared for one, says Smith.

“Frankly, a lot of people thought we were nuts,” he says.

Not anymore. Forest River is sold out for this year and next. And owner Joseph Charles, CEO of marine

equipment manufacturer Charles Industries of Rolling Meadows, Ill., is planning a 200,000-square-foot facility on Florida's west coast, on the Caloosahatchee River between Fort Myers and Moore Haven. This one will take 80-footers (80 tons) in indoor storage, Smith says, and offer full boatyard services.

River Forest, more a long-term storage and service yard than a traditional marina, was designed for absentee owners and locals who want peace of mind for themselves – and their insurers – during hurricane months.

“I think it's the future,” Andis says. “I really do.”

Outdoor lights and decorative elements on building are designed to be quickly dismantled before a hurricane.

The buildings are prefabricated steel buttressed with I-beams, reinforced at corners with extra bracing, and stiffened around the base with a concrete apron. Sliding bay doors are 12 inches thick and braced with steel.

Boats in the inlet channel are protected above the water by an 8-1/2-foot sea wall and above that by almost 10 feet of earthen berm and solid wall built up around the property as wind breaks. Retention ponds and stormwater swales catch runoff and prevent flooding.

Palm trees are planted away from outdoor storage and protect boats from flying fronds.

“People like this concept,” Smith says, and they're willing to pay for the protection. River Forest charges a \$3 a square foot per month – about \$2,250 for a 50-footer – for storage in the climate-controlled building. His Hurricane Club members prepay for the summer-fall season and get a reservation in the building, channel or uplands.

Like a lot of new-boat storage going up in Florida, River Forest caters to a high-end clientele – those who can afford the protection. “The smallest boat I had last year was a 29-foot Hinckley, but we probably average somewhere between 48 and 52 feet,” Smith says.

A slew of other more traditional marinas – dry stacks especially – are coming on line along the Florida coast. Though they have the feel of luxurious clubs, beneath the frills they are built like bunkers, hardened to stand up to hurricanes. That now is a critical part of the business plan for facilities that cost tens of millions of dollars to build. A long closure after a storm can be disastrous for a marina, says Frank Donohue, director of operations for Dream Harbors, a Naples company that builds and manages marinas in Florida. “You can be out of business for months,” he says. “If you are a rental marina business, that can put you in a darned hard place financially.”

Following a hurricane Donohue expects his marinas to reopen 12 hours after police allow employees back on the property. “We're building our offices and clubhouses like fortresses, elevated about flood waters,”

he says. Dry stacks and clubhouses are built to withstand 140 to 150-mph winds; floating docks at The Nautico, a 327-dry/140-wet slip marina in St. Petersburg, can handle a 10-foot surge.

“It gives people a level of comfort,” he says. “If the wind rating for my marina is 20 mph better than the guy down the street, where's the guy going to put his boat?” Donohue asks. Particularly if he's paying \$100,000, \$150,000, \$200,000 for a condominium slip or lifetime club membership, which is what many of the new marinas are asking.

**Aqua Marine Partners** of Aventura is building a 211-slip dry stack on North Miami's famous Thunder Alley (187<sup>th</sup> Street). Designed to withstand a Category 5 hurricane – carrying winds great than 155 mph – the dry stack will be built with concrete and steel, according to Aqua Marine CEO Andrew Sturner. And the floor will be built at an elevation of nine feet, which puts it above the 100-year flood plain, according to the project manager Andrew Ginsburg. “We'll be as strong as any building in Dade County today, and stronger than most,” Ginsburg says.

The \$20 million project, Vertical Yacht Club Thunder Ally, will be gold-plate and full-service, with a lounge, business center, spa, concierge service and a laser-guided overhead bridge crane to rack the boats. Boat owners will pay \$130,000 for a lifetime membership. Sturner says the rationale for hardening the facility is simple. “We're ensuring the long-term viability of this project,” he says. “From my perspective, cutting corners is foolish.” If he's going to offer boaters lifetime memberships, “we've got to make sure they have a safe home for their boats and make sure the boats can get insurance.”

During hurricane season, marinas today are expected to be more than parking lots or posh clubs. They are harbors of refuge, and many dry stacks coming on line today reflect that. Steeven Knight, president and CEO of Yacht Clubs of the Americas, a chain of eight slipholder-owned condominium marinas, says he builds dry stacks rated for 150-mph winds for boats to 50 feet. Vertical's Sturner plans to build a hardened dry stack in Fort Lauderdale for yachts to 70 feet.

Like dry stacks, wet slips also can be hardened, says Mike Pirrello, a Tampa engineer who designs marinas. “Location, location, location,” he says. Marinas with wet slips should be located in protected waters. Where breakwaters and wave attenuators are needed, those should be built stoutly to handle surge and waves. Floating docks need piles tall enough that docks don't float up and away in a big surge, and they should be strong enough to withstand the tremendous loads from winds and seas pushing against both docks and boats.

Knight builds his docks for 110-mph winds and gets as many boats as he can off the docks and to uplands before a storm. “Ninety percent of dock damage is from boats banging against them,” he says.

In storm preparation, marina and boatyard owners stress the importance of securing boats well at the docks before a hurricane, or – even better – getting them off the docks and secured elsewhere.

Hurricane Irene destroyed Doug Hillman’s Sebastian River Marina in Sebastian on Florida’s east coast in 1999. “That woke us up,” he says. He rebuilt the marina – 60 wet slips, 50 dry – and formed a hurricane club for his slipholders. “I don’t give people a choice anymore,” he says. “If you come to our marina, you join the hurricane club.”

For \$1,500 a season, Hillman hauls the boat out of the water before hurricanes and straps it down on the uplands to eyes imbedded in the concrete. “I approach it as a business now,” he says.

Diamond 99, a 60-slip marina of mostly sailboats near Melbourne, also on Florida’s east coast, is not a safe place to keep a boat during a hurricane because it’s on a 5-1/4-mile stretch of open water on the Indian River, says Jack Findlater, who helps manage the facility. Its docks are uninsured because of the prohibitive cost, so

keeping boats at the dock isn’t an option. Employees and volunteers move every boat to a protected anchorage two miles away before the hurricane, and they tow the ones that aren’t mobile and can’t make it on their own power.

“We help each other,” he says, and make sure all the boats are moved out early – 20 hours before landfall.

“[Hurricanes] Francis and Jeanne took us apart,” says Findlater, who spoke at the Orlando symposium. The lesson learned: Move every boat off the docks.

In Florida a marina cannot force a boat out after a hurricane watch or warning has been issued, but it can require an owner to secure his or her boat, or the marina can secure it – even take it out of the water – and charge the boat owner, says Melbourne attorney Ted Shinkle. “But you need to have a dockage contract and spell these things out,” he says.

Educating boat and marina owners in preparing for a hurricane is essential for reducing losses, says BoatU.S.’s Oakerson. But even those who are taking steps to protect boats and marinas say it’s a crap shoot. “If you get a 20-foot storm surge, nothing is going to stand up to it,” says Ginsburg. Yet he says he’s doing all he can to be ready.

The Vertical Yacht Club Thunder Alley will offer gold-plate service for a \$130,000 lifetime membership.

