

# City of Fort Lauderdale

*City Hall*  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301  
[www.fortlauderdale.gov](http://www.fortlauderdale.gov)



## Meeting Minutes - APPROVED

**Monday, May 13, 2013**

**7:00 PM**

**Marine Industry Strategy Workshop**

**Beach Community Center**

## **CITY COMMISSION WORKSHOP**

**FORT LAUDERDALE CITY COMMISSION**

**JOHN P. "JACK" SEILER** Mayor - Commissioner  
**BRUCE G. ROBERTS** Vice Mayor - Commissioner - District I  
**DEAN J. TRANTALIS** Commissioner - District II  
**BOBBY B. DuBOSE** Commissioner - District III  
**ROMNEY ROGERS** Commissioner - District IV

**LEE R. FELDMAN**, City Manager  
**JOHN HERBST**, City Auditor  
**JEFFREY MODARELLI**, Assistant City Clerk  
**HARRY A. STEWART**, City Attorney

Mayor Seiler called the meeting to order at 7:09 P.M. Introductions were made including members of the Marine Advisory Board.

## ROLL CALL

**Present:** 5 - Mayor John P. "Jack" Seiler, Vice-Mayor Bruce G. Roberts, Commissioner Dean Trantalis, Commissioner Bobby B. DuBose and Commissioner Romney Rogers

**Also Present:** 4 – City Manager Lee R. Feldman, City Auditor John Herbst, Assistant City Clerk Jeffrey Modarelli, City Attorney Harry A. Stewart

## I. PRESENTATION - MARINE INDUSTRY UPDATE

### III. CITY STAFF UPDATES - LAS OLAS MARINA EXPANSION

#### **PRES-1 13-0652** Marine Industry Strategy Report and Community Workshop

Karen Reese, Economic Development, reviewed the report.

There was consensus agreement that the seven recommendations contained in Exhibit 2 to Commission Agenda Memorandum 13-0652 are the correct framework. Commissioner Agenda Memorandum 13-0652 with attachments is attached to these minutes.

Walter Duke, Mayor, City of Dania Beach, commented that the recreational boating market is the entry point and should be added to the recommendation list. Dania Beach and Fort Lauderdale have recreational boating, the marine industry and life style generally and dredging in common.

Mayor Seiler referred to issues for immediate attention and wish list of opportunities shown on page 7 of Exhibit 2.

## II. MARINE ADVISORY BOARD DISCUSSION

### Issues for Immediate Attention

#### **Florida East Coast Railroad Bridge**

Barry Flanigan, chair of the Marine Advisory Board, indicated that Florida East Coast Railroad (FEC) have met with the Board. There is a lot of concern from the marine community about the number of openings (train bridge on the New River) and traffic impact from expansion of both freight and rail. The FEC has come to understand some of the marine industry concerns. Mayor Seiler advised that he and City Manager have met with FEC several times and emphasized that marine traffic cannot be impacted. He assured that moving of the tracks cannot be done at the expense of the marine industry. The City Manager advised that the marine industry and the FEC have convened a task force and invited the City to participate.

Frank Herhold, vice chair of the Marine Advisory Board, felt this is one of the most important issues on the table. When the bridge is down everything stops; there is no space to maneuver. The Marine Industries Association of South Florida has been in communication with FEC and other entities. Mayor Seiler commented on a high-speed train bridge installed near Brunswick, Georgia, which may be an

option. Commissioner Rogers noted the 2007 survey showed that most openings are necessary between 10 and 4, Sundays and Mondays. This information will be helpful. For example, commuter trains would likely be before and after those times. St. George indicated that FEC told the Board that a local commuter rail would run every fifteen minutes and the rail to Jacksonville would run hourly. Freight business will also likely increase. Vice Mayor Roberts commented that there will also be the All Aboard between Miami and Orlando probably in 2020. Both he and Commissioner Rogers are members of the Metropolitan Planning Organization (MPO) that has involvement in this area. He believed new data needs to be obtained. There has been discussion of a bridge tender. He wanted to know whether the Board feels that will do the job. Commissioner Rogers agreed with more current data, they could be more effective at the MPO level. Discussion ensued concerning the tender concept and other local versus remote approaches with respect to opening/closing the bridge in general. Joe Cain, Board member, indicated that another concern is the slowness of bridge movement.

Mayor Seiler asked that statistics as to the current number of openings per day.

### **Las Olas Marina Expansion**

Chairman Flanigan referred to City of Dania Beach Mayor Duke's earlier remarks. The highest occupancy at this marina is the smaller boats; it is not a mega marina. Vice Chair Herhold elaborated upon how the City achieved worldwide recognition as the yachting capital of the world; primarily having to do with boat yards and deep water dockage. He emphasized the need for focus on publicly owned marinas.

Jimmie Harrison, Board member, noted that the report shows there is projected revenue support for a \$9 million project and \$2.2 million of income or 7 percent return on investment based on 5,000 linear feet of dockage. With 6,200 linear feet, there would be \$2.7 million of income conservatively because overhead is already covered. He reasoned there is support for a \$16 or \$16.5 million investment. He supported 6,200 linear feet. In response to Commissioner Rogers, the City Manager advised that the marina produces about \$450,000 annually in revenue. Commissioner Rogers pointed out that moreover there is revenue from the parking lot. There needs to be a determination as to the marketplace for this and whether there is an interested developer. Also, there should be consideration of whether mega yachts should be encouraged to stay at the Port and this marina for smaller boats. Mr. Harrison thought mega yachts at the Port is a great idea. Because it is linear feet dockage at this marina, the size of the boat does not matter. As to the boat show, varying boat sizes is perfect. Anything that could be done to reinforce the city's recognition as the yachting capital of the world is good for the entire city. The marina generates revenue and jobs different that improvements such as sidewalks or parks. Mayor Seiler wanted to make sure the approach makes economic sense. He has thought about adding parking garages. The City Manager indicated that parking is actually a secondary issue because capacity will be added on both side of the bridge according to the Community Redevelopment Agency's plan. The issue is making sure the same amount of revenue will be achieved. Under either linear foot scenario, he did not think there is sufficient dollars to support the construction estimated at \$20 million. There is also a question of how long it would take, working with the Army Corps of Engineers as well as sea grass mitigation. An alternative would be to look at a public/private partnership by issuing a request for proposal. Commissioner Trantalis felt what is being said is that it would be an intangible benefit. There would not be a direct return similar to sidewalks or medians. He asked about another potential location within the Community Redevelopment Agency area (CRA). Mr. Harrison did not believe there is any other location. Mayor Seiler thought it might be easier to assemble property and look for a location where the waterway is wider instead of taking out an existing facility for two, three or four years that generates \$450,000 annually. Chairman Flanigan was not aware of any suitable alternative area. He went on to comment that 5,000 linear feet was originally identified by Sasaki. The Beach Redevelopment Board thought that the amount of green

space was perhaps excessive and that a smaller promenade might be acceptable. Subsequently, the Marine Advisory Board made this suggestion in a communication to the Commission. The marina today is generating a gross of about \$1.2-\$1.4 million annually. The \$450,000 is the net. The report shows what the General Fund would not be getting. The Sasaki plan shows from year one using today's rates and occupancy (68 percent) that the marina would be cash positive from the first year for some \$44,000-\$45,000. This includes a charge by the City to the marina of \$50,000 annually to offset designated parking areas. The City is requiring a contribution by the marina of 16.67 percent and for the last couple years it has been 17 percent. He suggested one-half or three-quarters of a percent set aside for the next three years. The marina will remain open during the permitting process estimated to be three years. In response to Mayor Seiler, Chairman Flanigan estimated the construction phase to be eighteen months perhaps. Mayor Seiler concluded that depending on the timing, it could be just one season out of service. Chairman Flanigan elaborated upon some phasing ideas to keep some revenue coming in, current occupancy and went on to mention some historical chronology of when the idea was first brought up. Mayor Seiler asked about occupancy dropping with construction going on. Chairman Flanigan drew attention to a similar scenario in Dania Beach. It has not been a problem in other areas. The Board hopes to be able to increase occupancy after the sea grass is addressed. Norbert McLaughlin, Board member, noted his marine construction experience. He served as project manager on Bahia Mar. It stayed at almost full occupancy during the construction. He was also project manager at Westport Marina which was full occupancy during construction. In Stuart, he was project manager at Northside Marina which was full occupancy during construction. Similar logistics were worked out for the Coast Guard Base in Fort Lauderdale. He emphasized the economic impact of yachts being docked in the city. Unlike slips, linear foot dockage makes it possible to accommodate a 20' and a 110' boat. He further explained how revenue can be lost with slips as opposed to linear foot dockage. He did not think the occupancy rate would be negatively impacted. He responded to Mayor Seiler's question about the time required for the construction. Commissioner Rogers wanted to determine the market on the idea and look into a private developer. It is a matter of affording to take the risk now. John Holmes, Board member, emphasized that Fort Lauderdale is all about boating and the City needs to capitalize on this. He elaborated upon the economic impact. He did not favor a private bid approach. Commissioner Trantalis felt the City has to look at the benefit from such an investment. It has been made clear that there will not be a direct dollar for dollar benefit based on rental alone. Therefore, he did not think the private sector will be interested. However, there is an intangible benefit. He suggested another feature be included from which the City could profit. The City needs to find a way to get people to stay in Fort Lauderdale and not go to the islands instead. He referred to floating docks added and other enhancements made in 2004 with the promise that the boat show would stay in Fort Lauderdale forever, yet comments are being made this evening as if it is not forever. Chairman Flanigan noted that the boat show is subject to contracts. Skip Zimbalist (Show Management) has provided a strong letter indicating their desire to stay in Fort Lauderdale and what possible contributions he might consider if the marina is expanded. The same floating dock concept at Bahia Mar would be used for this marina. It would allow for additional larger boats for the boat show.

Vice Mayor Roberts felt this issue needs to be viewed from the perspective of its impact on the city's and county's general economy. He was interested in looking at a public/private partnership. He questioned why it appears the focus is to boats no larger than 250 feet. Chairman Flanigan advised that the greatest segment increase in the industry, some 38 percent in new-builds, is 100 to 132 feet, which he felt will be the bread and butter of the marina. Boats greater than 250 feet will probably not go through the bridge restrictions. He mentioned one example of a 188 foot boat and estimated larger boats would come to this marina if they could navigate the bridge and would be sitting for awhile. He concluded by saying that in years four and five, the revenue would be more than it is today. The City Manager clarified that reference to the Sasaki report is not correct; the economic analysis was performed by Murray & Associates in January of 2013 which is Exhibit 4 of Commission Agenda Memorandum 13-0652. The Sasaki pro forma is out of date and were prepared without any detailed

market analysis. Chairman Flanigan provided the Sasaki pro forma and indicated that this was referenced six months ago at Commission meetings before the Murray report was complete. A copy of the pro forma is attached to these minutes. The City Manager clarified that the 5,025 figure from the Sasaki report is the design linear footage. Murray was asked how much revenue would be generated for that much linear footage. Murray also used the current rate and 72 percent occupancy for the additional revenue that the expansion would provide. Mayor Seiler observed on page 15 of Exhibit 4 that Murray indicates the Sasaki projections are within reason for planning purposes. The City Manager responded to Commissioner Trantalis that expenses are anticipated to be roughly the same. More discussion ensued on the cost and timeline.

In response to Mayor Seiler, the City Auditor advised that he reviewed the Murray report when it was issued, had a number of issues and provided a memorandum. He did not review the Sasaki report because it was conceptual and not a detailed analysis. One of his questions was that the marina is not at full occupancy now yet discussion is about doubling the marina size. He did not think such an expansion could be justified. The City Manager expressed his concern about the \$700,000 debt service and explained to Commissioner Trantalis that this is based upon 72 percent occupancy that Murray believes the industry will support. Chairman Flanigan indicated that he responded to the City Auditor, by stating that the marina occupancy is restricted due to submerged landings, however, the lease will be negotiated and he expects that the new depth will allow up to 17 feet, eliminating the sea grass. Also, parking revenues are not currently part of the existing marina, but the marina is charged \$50,000 annually for parking.

Mayor Seiler felt the question is why does the Board believe that the marina with its current occupancy of less than one hundred percent will have increased occupancy if expanded. Andrew Cuba, Marina Facilities Manager, advised for Mayor Seiler that the year-round average occupancy rate is 70 percent. Robert Dean, Board member, explained something being overlooked is that the expansion is tied to deepening of the waterway which will accommodate larger yachts. This single thing will help drive the increase in occupancy. Referring to Dania Beach where boat repairs are done, he believed the runway expansion will be too loud and boats will want to go elsewhere yet close which he believed will be this marina. St. George Guardabassi, Board member, felt there is a threat of competition with cities to the north and other places. Mayor Seiler explained the dilemma is an annual loss of some \$700,000. He was concerned about risk and expense to taxpayers. Also, sea grass mitigation is complicated.

Commissioner Trantalis presented a rendering from Margaret Croxton of Marina Mile 84 Association that proposes to redevelop the entire north parking lot into a commercial facility. Combined with the dockage, it speaks to the expense justification. It is a new way of thinking. A copy of the rendering is attached to these minutes. Chairman Flanigan advised that the idea has not been presented to any board or association. The City Manager indicated that he met with Ms. Croxton in December. Mayor Seiler referred to the idea of including a parking garage and then convert parking lot to additional marina use.

In response to Mayor Seiler, the City Auditor commented that there are a number of academic studies that point out that almost every public works project under estimates and cost and over estimates utilization. Mayor Seiler felt that the question is the degree of impact from the dredging. The City Auditor pointed out that it will take time for any increase to occur and then be tracked. The City Manager noted that the Murray report only shows a two percent occupancy rate increase. Dredging is mentioned on page 11. Chairman Flanigan felt the City should invest in the future. In years five and beyond, it becomes a cash cow. He elaborated upon encouragement there has been from Florida Inland Navigation District. Other governmental entities have not been consulted as to potential revenue venues. Perhaps an enterprise zone could be created, shared parking revenue or one percent could be taken from the reserve. Mayor Seiler did not think the reserve is an option. If this is a matter of the

best scenario being an annual loss of \$750,000, he did not think it would be wise to pursue. Chairman Flanigan did not think it would be such a loss; the General Fund would not receive the same amount; debt service would be covered. The City Manager noted the City would lose \$450,000 in revenue and need an additional \$300,000 on top of the \$450,000. Commissioner Rogers elaborated upon the expanse of this project and that he would prefer to see the marketplace response. Mayor Seiler did not think that a private sector approach is realistic because they would need to turn a profit.

In response to Commissioner Rogers, the City Manager reviewed Community Redevelopment Agency projects for the beach area. Commissioner Rogers recalled there was some funding identified for redoing the parking lot and marina.

Continued on page 9

### **Boat Show Negotiations – a concern is the boat show will relocate**

Mayor Seiler noted that any Bahia Mar project must include the boat show. The City has been firm on this position.

### **Infrastructure – i.e. seawalls, boat ramps – aging seawalls in the New River and boat ramps elsewhere**

Chairman Flanigan emphasized the necessity. On the north side of the New River, a request was made of the County two years ago, but it was rejected. There is matching grant funding available. The south side was replaced approximately nine years ago. He referred to the 15<sup>th</sup> Street boat ramp. There has been discussion about making the City-owned property on the Dania cut into a City boat ramp and storage area which would remove a great deal of traffic from the 15<sup>th</sup> Street boat ramp area. It is in the Port and there are no associated fixed bridges. Mayor Seiler requested this be looked into.

### **Dredging – Intracoastal Waterway and New River**

The City Manager believed that Community Redevelopment Agency funding was contemplated Florida Inland Navigation District grant local match. Mr. Dean noted that canal dredging is done on a complaint basis. It has been over twenty years since the canal system has been surveyed as to depth. Dredging will allow for bigger boats to be docked behind homes and increase property values and tax base. He felt a comprehensive approach to dredging citywide is needed. The City Manager indicated that the City agrees one hundred percent. Staff is looking at a strategic approach and will be presenting it to the Commission. A special assessment district is under consideration. Mayor Seiler requested a time frame of when a recommendation will be provided.

### **Coordinated Marketing Activity for the Industry**

Mr. Herhold believed that the Marine Industries Association of South Florida has some thoughts on this topic. There has been some coordination with Show Management.

## **IV. PUBLIC COMMENTS**

Margaret Croxton, Marina Mile 84 Association, discussed the marine industry history including denial of the Sails project at 17<sup>th</sup> Street Causeway. She referred to the rendering discussed by Commissioner Trantalis concerning expansion of the Las Olas Marina. She was concerned about the City's competition to the boating center and Venice of America branding. It should not be presumed that such

title will be kept if improvements are not made. There is a need for something to draw boats to a marina. She advocated for the City to pursue the private sector developing a project described conceptually in the rendering.

In response to Mayor Seiler's question about the concept, Gene Douglas of Bradford Marine, described some features that could be included in the expansion: retail, multi-level garage, welcome center with facilities for meetings, exhibitions and showcasing the industry. It is felt it would generate more revenue than a marina alone. He advocated for a request for proposal to be issued to determine the feasibility. Although the concept has not been presented to the Marine Advisory Board, it has been endorsed by the Marine Industries Association and Marina Mile Association.

Chairman Flanigan indicated that he has looked at this rendering over the course of the last year while it was being developed. It is not unusual to see other activities around a marina. Both the Beach Redevelopment Advisory Board and the Central Beach Alliance main concern is the upland development. For this reason, the Marine Advisory Board has stayed out of upland development except for the two City parking garages proposed. He consulted with two local yacht manufacturers and found that they would not be interested in leasing any such space. Generally speaking there is a lot of activity shown in the rendering that is unexplainable from a revenue perspective. Grants would be questionable. The Beach Redevelopment Advisory Board made it clear at one of their meetings that they were not interested in seeing a lot more retail space in this area or in the parking garages. It would be convenient to have a Customs office onsite.

Charles Stephens indicated he is a marine insurance adjuster and has been in this profession since 1971. He noted the significant increase in insurance rates, his thought on why it is occurring and the benefit of training. The industry is being hurt overall.

Jeff Erdmann of Florida Yacht Brokers Association, suggested a stationary camera to monitor the FEC train bridge on the New River. As to expansion of the Las Olas Marina, he suggested exploring potential for federal funding from the Sport Fishing Restoration and Boating Trust Fund. It is taxes collected on motor boating fuel and tackle. He referred to the decrease in the industry during the recent recession and the growth before that. He felt the City should focus on the future instead of the present. He also discussed the state sales tax cap. He believed the marina may have a better revenue opportunity in the future due to growth for a number of reasons.

Former Mayor Jim Naugle noted in the 1970's he served on the Marine Advisory Board. There was a dredging committee wherein the Board helped decide where to dredge. Money was set aside in the Capital Improvement Program for this purpose. All storm drains in the city lead to a waterway. All material that washes from the swales and roadways, including that from leaf blowing machines, finds its way into the waterways. If some ten percent of the stormwater fee revenue was set aside for maintenance dredging, there is a natural nexus to remove material deposited from the storm water system. Mr. Holmes, Board member, commented that City crews could also collect trash from the canals.

Kristina Hebert, president of Marine Industries Association of South Florida, pointed out that the New River is the only access channel to some marine maintenance yard businesses and the train bridge over the New River is a significant challenge. She emphasized the jobs related to these businesses. Public hearings on this topic should be held in Fort Lauderdale. There should be current data on the economic impact. She pointed out that the tide cycle is a factor in deciding on the bridge openings. The Marine Industries Association is very supportive of expanding the Las Olas Marina. She clarified what she believed were inaccuracies about the boat show relocating. The Marine Industries Association wants the boat show to remain in Fort Lauderdale forever. She elaborated upon the number of businesses that are associated with the boat show. With respect to dredging, she suggested there could be streamlining of the permitting process where both the City and County are involved.

Mayor Seiler agreed that it would make sense for only one agency to be involved in the permitting. The City Manager advised that the State has delegated its authority to the County. Apparently it is easier to do this type work in other counties. Mayor Seiler requested this be added to topics to discuss with the County.

Ms. Hebert made concluding comments about the marine industry in general and need to work together.

Fred Carlson, representing Central Beach Alliance, stressed the need to keep pace with needs of the larger boats in order for the City to continue to be the yachting capital. He elaborated upon the economic impact of the marine industry. All boat sizes should be accommodated. He referred to the Las Olas Marina expansion and need to keep pace with the fleet which is getting bigger and longer. He also emphasized the need for canal dredging. Thinking only of marina revenue is not advisable. The marine industry employs thousands of people in the city. In response to Mayor Seiler, Mr. Carlson advised that the Central Beach Alliance (CBA) has not considered the idea of using some Community Redevelopment Agency funds for the marina expansion. The CBA would like to have a presentation on the project. They have not objected to the Aquatic Complex redevelopment but opposed the Palazzo project. He anticipated that the CBA would not object to any infrastructure improvement. In response to Commissioner Rogers, Mr. Carlson indicated that his conversations with people in the area favor the marina expansion depicted in the rendering discussed earlier. However, he felt the retail space would actually be in conflict with the goal of marina space. Mayor Seiler asked Mr. Carlson to report back on the CBA's position on use of Community Redevelopment Agency funds for the marina expansion. Commissioner Rogers asked also that Mr. Carlson report back on the CBA's position concerning the marina expansion depicted in the rendering discussed earlier.

Commissioner Trantalis asked that the Board consider an amendment to the Unified Land Development Regulations relating to dock waivers (30 percent or 25 feet rule). He believed it has become obsolete. He was interested in simplifying the process and having it be more justifiable. Mayor Seiler agreed.

George Coonts, resident of Lauderdale Isles, commented about a proposed mega yacht development that did not come to fruition in Daytona Beach and consequently the best sailboat marina in the southeastern United States was lost. He felt the City should proceed with caution.

There was no one else wishing to speak.

Concerning expansion of Las Olas Marina, Mayor Seiler reiterated that the financial aspect must first make sense. Mr. Cain referred to Vice Mayor Roberts' comments about large yachts. He asked about vacant property at the southwest corner of 17<sup>th</sup> Street bridge. Mayor Seiler did not think the County is willing to work with the City on expanding mega yacht dockage at that location. The City Manager indicated if it is in or adjacent to the Port, the County's answer was an emphatic no. Mr. Cain commented in Monte Carlo, a customer does not get power, water, cable television, etc. He wanted to investigate this vacant area because all of the amenities are not necessary. At Mayor Seiler's request, Steve Hudson advised that he has a leasehold on property where Port Side Yachting Center is situated. In discussions with the County Administrator Bertha Henry, she explained the sticking point was one of security, that is, allowing private vessels inside the Port. Nicki Grossman of the Broward County Tourist Development Council believes this bulkhead belongs to North Port and whatever hotel will be associated with that development. The City Manager commented that concern was expressed at his meeting with Mr. Henry and a representative of the Port about liability and damage to docks. Mr. Hudson interpreted it as being not want to do the work to make it happen. A 300-400 foot vessel could be accommodated at this location and there is no other place in the city possible. He would not object to the concept being pursued. He felt the security issues could be mitigated. He provided three renderings that are attached to these minutes. The concept assumes Terminal One is gone. When this was discussed with the previous Commission, they were emphatic that the point remain as green



space. Vice Mayor Roberts felt it should be pursued. Both Mayor Seiler and Vice Mayor Roberts did not see any need to wait for the hotel development; it could be done independently. Commissioner Rogers agreed.

There was no one else wishing to speak.

## **II. MARINE ADVISORY BOARD DISCUSSION**

### Issues for Immediate Attention

#### **Las Olas Marina Expansion**

Chairman Flanigan wanted to work with City staff to explore funding sources. Mayor Seiler recapped that the project needs to make economic sense.

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### Wish List Opportunities

#### **Barge On-Loading/Off-Loading**

Chairman Flanigan advised that this has not been resolved. The property owner of the southeast section of 17<sup>th</sup> Street Causeway (previously considered Sails development) is somewhat receptive to allowing on and off-loading. It would require a change to the code. The City Manager explained that this has to do with seawall construction. There are a number of marine contractors looking for access to off-load trucks onto barges. Currently, marine contractors are utilizing residential lots for this purpose without permission. The marine contractors are looking for a semi-permanent or permanent solution. In response to Mayor Seiler, Andrew Cuba, Marine Facilities Manager, advised that this was discussed at the most recent Board meeting. Various possibilities are shown in those meeting minutes. Norbert McLaughlin, Board member, explained that this has been occurring for years and was workable when the city was not as densely populated as it is today. Today, even if the contractor has a permit to work on a property, only equipment for that property can be loaded and unloaded. However, a contractor may be working on multiple docks and, or seawalls in a three or four block area. There is no place in the city limits to load or unload. This drives the cost up. Many homes are built lot line to lot line which prevent a truck having access between two homes. One idea would be to use the street ends. Chairman Flanigan suggested there be an annual fee. It was noted that loading and unloading for City projects and the boat show occurs at Las Olas Marina. Commissioner Rogers commented that Harbor Inlet residents would likely object to the Sails location. Mayor Seiler suggested near the bridge. Commissioner Rogers felt there is too much activity in the area to accommodate it. The City Manager indicated that staff is awaiting a recommendation from the Board. Mr. Holmes, president of Bermuda Riviera Homeowners Association and Board member, indicated there is constant barge traffic and associated trash. The contractors unload materials on Bermuda Riviera bridges. It is a real problem. Mayor Seiler asked the Board to recommend a specific area where this could be allowed.

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There were some closing remarks including additional cost statistics concerning various proposals for the Florida East Coast Railroad bridge over the New River.

The meeting adjourned at 10:23 p.m.



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
CONFERENCE MEETING**

**#13-0652**

**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** May 13, 2013

**TITLE:** Marine Industry Report and Community Workshop

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The delivery of a Marine Industry Report is a FY 2013 City Commission Annual Action Plan (CAAP) item.

The purpose of the marine industry report is to provide to the City Commission an update of issues discussed at the 2009 workshop, identify our progress since the workshop, and discuss opportunities and challenges that currently face the Marine Industry.

City staff was originally scheduled to present the Marine Industry Report at the April 16, 2013 City Commission Conference meeting. At that time the City Commission directed staff to coordinate an off-site workshop to permit in-depth discussion about the Fort Lauderdale marine industry between the City Commission, industry leaders and business owners. A public meeting at the Beach Community Center on May 13, 2013 at 7:00 p.m. has been organized in this regard.

**Attachments**

Exhibit 1 – CAM #13-0237

Exhibit 2 – Marine Industry Update

Exhibit 3 – Commission Memo 13-078 Mega Yacht Economic Analysis for the Las Olas  
Marina Expansion Feasibility Study

Exhibit 4 – Mega Yacht Economic Analysis

Exhibit 5 – Meeting Agenda

**Prepared by: Karen Reese, Economic Development Representative**

**Department Director: Greg Brewton, Sustainable Development**



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
CONFERENCE MEETING**

**#13-0237**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** April 16, 2013

**TITLE:** Conference Report - Marine Industry Strategy Report

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To address the City Commission Annual Action Plan (CAAP) item relating to the Development of a Marine Industry Strategy city staff prepared the attached status report on the local marine industry. The objective of the status report is to provide a recap of the issues discussed at the 2009 workshop, identify our progress and successes since that time, and discuss the opportunities and challenges that face the marine industry today.

In preparing this status report, city staff had several discussions and meetings with marine industry business owners, leaders and advocates to solicit input and recommendations for the City Commission to consider. Staff has also met or spoken with leadership from the Marine Industries Association of South Florida, the Marine Advisory Board, the Economic Development Advisory Board and the Marina Mile Association.

Like most industries across the country the marine industry has been impacted by the recession. Data provided by the Marine Industries of South Florida cited a 30% decrease in gross sales from 2005 to 2010. This is in sharp contrast to the significant growth (+150%) seen over the 1995 to 2005 period.

As a result of preparing this status report, city staff recommends seven opportunities for further collaboration between the city and the marine industry in Fort Lauderdale.

1. Host another Marine Industry Workshop in 2013
2. Better utilize existing incentive programs to encourage more investment (QTI, Enterprise Zone, Direct Cash)
3. Marine Industry-specific incentives such as a Brownfield designation or other redevelopment tools available within the Florida Statutes

4. Collaborate more workforce development opportunities with local colleges, universities or public schools
5. Jointly host job fairs and/or large hiring events
6. Work with the MIAF and other groups to develop an industry-specific marketing program
7. Continue to work collaboratively on new models of marine infrastructure planning and development

Recommendation number seven is suggested for more detailed discussion by the City Commission in light of information provided by staff from the Marine Facilities Division. A recently authored report examines the feasibility of expanding the Las Olas Marina to capitalize on the worldwide growth in accommodating luxury yachts of 80' or greater. The report is relevant because it is a response to a proposal by the City of Fort Lauderdale through the Central Beach redevelopment program to expand the Las Olas Marina. In summary, the city estimates the Las Olas Marina expansion project to cost approximately \$20.9M (not including the cost of mitigation which is referenced in Exhibit 1), the revenue projections provided in the independent feasibility analysis suggest that the incremental revenue generated by expanding the marina can only support a \$9M project.

Additionally, after further communication between the Broward County Florida Inland Navigation District (FIND) Commissioner and the City's Marine staff, the Commissioner is proposing a \$3 MM contribution to the Las Olas Marina Expansion, where \$7.8 MM was previously discussed. Once staff has received comments from the various permitting agencies regarding the seagrass mitigation, the draft feasibility study for the marina expansion will be placed on the Commission Conference Agenda.

Upon discussion and direction from the City Commission, staff will proceed in implementing the recommendations outlined above.

**Resource Impact**

No budgetary impact

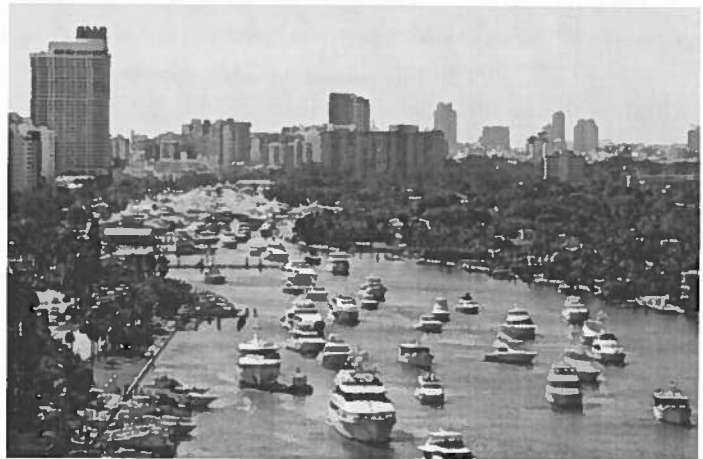
**Attachment**

Exhibit 1 – Marine Industry Update

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Prepared by: Karen Reese, Economic Development Representative

Department Director: Greg Brewton, Sustainable Development



## Fort Lauderdale Marine Industry Update 2013

## **EXECUTIVE SUMMARY**

On December 16, 2009, the City of Fort Lauderdale hosted a Marine Industry Workshop. The workshop provided an arena for an open and honest exchange of information among city officials and marine industry stakeholders. Many topics were covered during the workshop such as business retention challenges, incentives, role of the city's regulatory departments, and the city's role as an owner and operator of marine assets.

Like most industries across the country the Marine Industry has been impacted by the recession. According to the economic impact report by the Marine Industries of South Florida from 1995 to 2005, the local marine industry saw a significant growth in watercraft registration, repair/maintenance work at local marinas and boat yards as well as over 150% growth in gross marine sales in Broward County. From 2005 to 2010, the economic impact report cited a 30.3% decrease in gross sales and a 5% decrease in registered recreation watercraft in Broward County.

A number of issues were directly identified at the workshop for city staff and marine industry supporters to continue to dialogue and develop solutions where possible. More specifically in response to the 2009 workshop an improved boatlift ordinance has been adopted; we have installed floating docks at the New River; the marine industry has been designated as a Qualified Target Industry for Broward County; and boat sales and use taxes have been capped.

However, issues such as the expansion of the Las Olas Marina and more investments to assist with the Fort Lauderdale International Boat Show remain for further discussion for city officials and marine industry advocates. A recently authored report examines the feasibility of expanding the Las Olas Marina to capitalize on the worldwide growth in accommodating luxury yachts of 80' or greater. The report is relevant because it is a response to a proposal by the City of Fort Lauderdale through the Central Beach redevelopment program to expand the Las Olas Marina. In summary, the city estimates the Las Olas Marina expansion project to cost approximately \$20.9M, however the revenue projections provided in the independent feasibility analysis suggest that the incremental revenue generated by expanding the marine can only support a \$9M project.

As city officials and marine industry advocates continue to work on developing comprehensive strategies to support one of the key job industries within Fort Lauderdale it is clear that any long-term decisions need to include discussions on public policy issues such as the Fort Lauderdale International Boat Show and the expansion of the Las Olas Marina. Additionally, the work plan should also include discussions about how to enhance our general business retention and development initiatives focused on the marine industry. In general, more collaboration between city officials and marine industry supporters is needed; and to address this point it is recommended that city officials and marine industry officials jointly host a second Marine Industry Workshop in early summer of 2013.

## **INTRODUCTION**

The history of Fort Lauderdale as a major player in the marine industry can be traced back as early as 1922; when boom-time investor J.C. Turner suggested Fort Lauderdale should be called the “Venice of America”. According to Turner, “Nowhere else that I know of can so many beautiful waterways and bodies of water be found as right here in and about this city. The finger islands off Las Olas Boulevard and later, off the south fork of the New River, all help make boating and water sports a draw for tourists and new residents.”

After Turner’s statement in 1922, several events also share historical importance in contributing to the importance of the marine industry in Fort Lauderdale. For example, in 1949 the Bahia Mar yachting center was opened, in 1981 Winterfest Inc. was formed to manage the city’s annual holiday boat parade, and for the past 53 years Fort Lauderdale has hosted the Fort Lauderdale International Boat Show. When you add these historical events to the fact that there are 165 miles of navigable waterways within the boundary of Fort Lauderdale, there is no question that the city has earned the title of the “Yachting Capital of the World”.

The marine industry has a storied and valued history with the City of Fort Lauderdale, Broward County and the South Florida region. The industry generates over 1.2 billion in gross marine sales each year, creates over 90,000 jobs, increases tourism dollars, and boosts demand and value for waterfront property.

## **2009 MARINE INDUSTRY WORKSHOP**

On December 16, 2009, a Marine Industry Workshop was hosted as a collaborative effort of the City of Fort Lauderdale and the Marine Industries Association of South Florida. The purpose of the workshop was to serve as an opportunity for the exchange of information among marine industry advocates, executives and business owners in addition to approximately 76 attendees. Speakers at this event included Mayor Jack Seiler, Frank Herhold (MIASF), Stephen Scott (City of Fort Lauderdale – Economic Development), Greg Brewton (City of Fort Lauderdale – Planning and Zoning), Cate McCaffrey (City of Fort Lauderdale – Business Enterprises) and Susan Engle (EnviroCare Solutions). The speakers covered a variety of topics such as the importance of the industry to the local economy, business retention challenges, incentives, role of the city’s regulatory departments, and the city’s role as an owner and operator of marine assets.

Workshop attendees highlighted the following issues and opportunities:

- Potential Las Olas Marina expansion offers an opportunity for additional municipal slip inventory.
- Boatlift ordinance too restrictive.
- 100 to 120 foot vessels represent the core segment of revenues to the industry.
- Dania Beach is interested in joining with the City in promoting and supporting the marine industry.
- 40 to 80 foot vessels represent a significant segment of the industry worthy of the same focus the mega-yacht segment receives.
- Dredging of the City’s waterways is necessary for mega-yacht navigation and dockage.

Since the 2009 workshop city staff has continued to work with key industry leaders to address the issues identified above. In preparation of this report, city staff also met with key industry leaders, advocates, business owners, boat show exhibitors and attendees in order to compile a summary of the current state of the industry.



So what has the progress been since 2009? Below is a list of accomplishments:

- Improved boat-lift ordinance, which allowed for an extension from 10% to 25% of waterway width for boat-lifts.
- New River Floating docks installed. This permitted both small and large boats as well as ADA access to the River Walk.
- Dredging – In the spring of 2014, the Florida Inland Navigation District (FIND) will begin dredging the Intra Coastal Waterway (ICW) from Port Everglades to 5000' north of the Las Olas Blvd. bridge to 17' at mean low water. A permit application was submitted for this work and the dredging of the entire Las Olas Marina basin on February 7, 2013. The estimates cost to the City to attain permits not including mitigation is \$298,252. The estimated cost to the city to dredge is \$2,842,695 (not including the cost of mitigation). Sea grass mitigation estimated cost is \$1,000,000 to \$2,000,000. This is a conservative estimate and heavily dependent on what the regulatory agencies require of the City for acceptable mitigation.
- Fort Lauderdale International Boat Show – support during redevelopment proposals and commitment to future redevelopment support.
- The Marine Industry is now considered a "Qualified Target Industry" by the City, Broward County and State of Florida and is eligible for job growth incentives
- Statewide an \$18,000 Boat Sales and Use Tax cap took effect in 2010. The Florida boat sales-use tax cap limits the 6 percent Florida state sales tax on any vessels purchased or the use tax for currently owned vessels to \$18,000.
- Beach Master Plan projects include the expansion of the Las Olas Marina, Mega Yacht economic analysis currently under staff review.

### **ECONOMIC IMPACT OF THE MARINE INDUSTRY**

The Marine sector has an impact on the Fort Lauderdale economy in three ways:

- ❑ **Direct impact;** relates to goods and services purchased and employment generated by businesses directly dependant on the waterway.
- ❑ **Indirect impact;** consists of goods and services purchased by marine industry businesses.
- ❑ **Induced impact;** comes from households and purchases of goods or services by employees of marine businesses.

Much of the economic impact information we know about the South Florida Marine Industry is pulled from the reports conducted by the Marine Industries Association of South Florida (MAISF). In 2005 and 2010, the MIA SF utilized Thomas J. Murray and Associates to prepare economic impact reports on the recreational marine industry in the tri-county area. These reports are commonly referred to as the most comprehensive economic impact analyses on the South Florida marine industry.

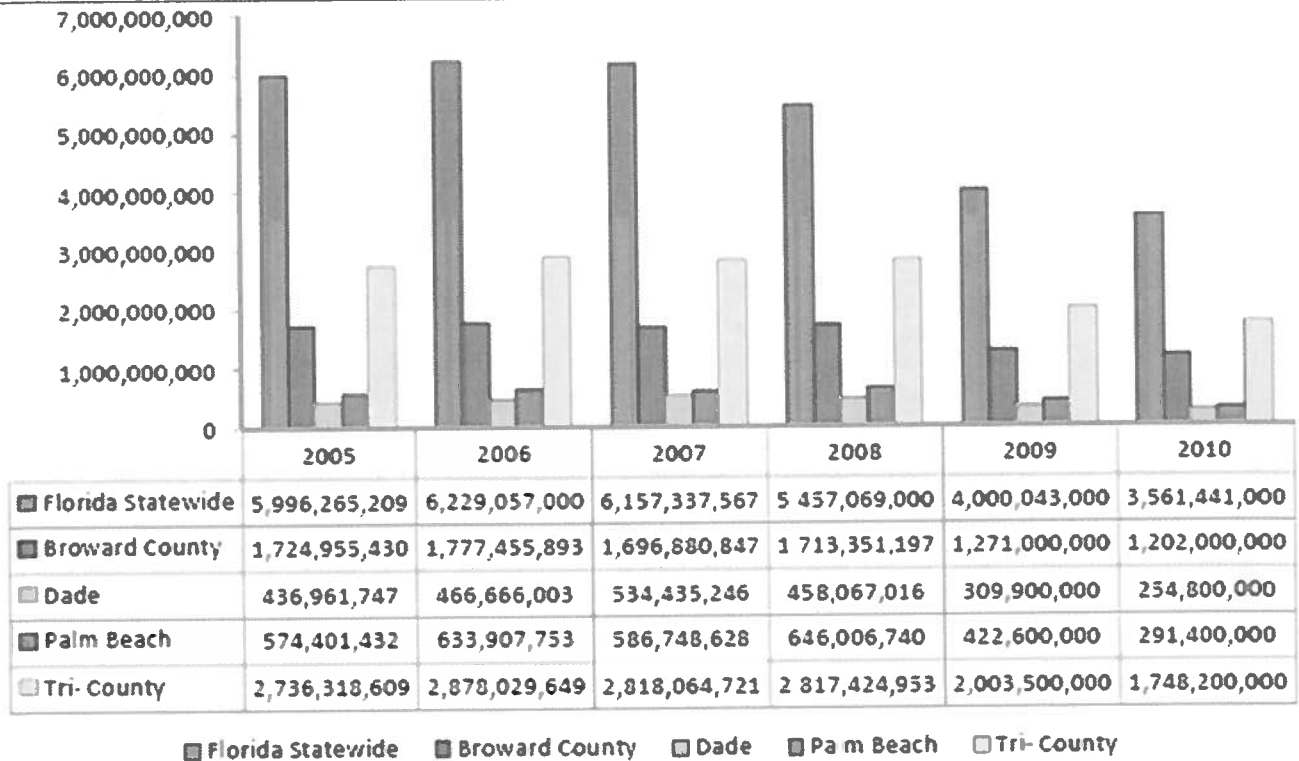
#### **1995 to 2005**

During this 10-year stretch, the **overall growth in marine related retail sales in Broward County was 153%**. Over the same period, the State saw an overall increase of 164%, and the Tri-County region saw a 156% increase in gross marine sales, with Palm Beach County leading the way with 287% and Miami-Dade County at 80%. Taken as a region the Tri-County marine industry sales grew an estimated 156% over the same period. In Fiscal Year 2005, Florida realized gross marine sales of \$5.9 billion, with the Tri-County region having represented nearly half of that amount (46% at \$2.71 billion).

#### **2005-2010**

From 2005 to 2010 dramatic declines in the marine industry have occurred throughout the State and Tri-County region, as illustrated in **FIGURES 1 and 2**. Over the 5-year period, the overall decline in marine related sales in **Broward County was 31%**, Miami-Dade County 42%, and Palm Beach County 49%. Comparably, Tri-County marine industry sales fell an estimated 36%, and 41% Statewide. In fiscal year 2010, gross retail sales of boat and motor products equaled \$3.5 billion statewide, a decline of \$2.4 billion from 2005. The Tri-County region continued to represent 49% of Florida's gross marine sales during the 2010 fiscal year, but reduced by 36% (to 1.74 billion) from 2005.

**FIGURE 1: Gross Sales \$ (Kind Code 28) State of Florida and Tri-County FYs 2005-2010**



**FIGURE 2: Trends in Marine Gross Sales \$ (Kind Code 28) For Selected Counties FYs 2005-2010**

County	2005(\$)	2005 % State	2010 (\$)	2010 % State	% Change 2005-2010
Broward	\$1,724,955,430	28.8	\$1,202,000,000	33.8	-30.3
Palm Beach	\$574,401,432	9.6	\$291,400,000	8.2	-49.3
Dade	\$436,961,747	7.3	\$254,800,000	7.2	-41.7
Pinellas	\$477,785,167	8.0	\$238,100,000	6.7	-50.2
Manatee	\$231,071,580	3.9	\$239,000,002	6.7	3.4
Lee	\$266,666,149	4.4	\$125,900,000	3.5	-52.8
Martin	\$299,395,934	5.0	\$51,010,897	1.4	-82.9
Hillsborough	\$243,619,036	4.1	\$145,000,000	4.1	-40.5
Monroe	\$163,351,044	2.7	\$140,800,000	4.0	-13.8
Collier	\$173,699,462	2.9	\$90,420,000	2.5	-47.9
Top Ten Counties	\$4,591,906,981	76.6	\$2,778,430,899	78.0	-39.5
All other Counties	\$1,404,358,228	23.4	\$783,010,582	22.0	-44.3
Florida Total	\$5,996,265,209	N/A	\$3,561,441,481	N/A	-40.6

According to information from the MIAF economic impact report and illustrated in **FIGURE 3**, Broward County boat registrations declined by 5% (from 43,168 in 2005 to 41,049 in 2009), dropping from its position of the 3rd highest county in the State to 4th. Interestingly, while gross marine sales dropped during this time frame (Broward -31% and Miami-Dade -42%), Miami Dade was the only County in Florida to have realized an increase in the number of registered watercraft.

**FIGURE 3: Recreational Watercraft Registered in Florida's Leading Marine Industry Counties 2005-2009**

County	2005 (#)	2005 % State	2009 (#)	2010 % State	% Change 2005-2009
Broward	43,168	4.7	41,049	4.8	-5.0
Palm Beach	37,579	4.1	36,895	4.3	-1.8
Dade	48,566	5.3	56,624	6.6	16.6
Pinellas	47,446	5.2	43,650	5.1	-8.1
Manatee	17,437	1.9	17,026	2.0	-2.3
Lee	44,138	4.8	41,749	4.8	-5.4
Martin	14,669	1.6	13,631	1.6	-7.1
Hillsborough	40,638	4.4	42,161	4.9	-3.7
Monroe	23,820	2.6	21,087	2.4	-11.5
Duval	29,297	3.2	28,106	3.3	-4.0
Top Ten Counties	346,758	3.8	341,978	39.7	-39.5
All other Counties	574,010	62.3	519,919	60.3	-9.4
Florida Total	920,768	N/A	861,897	N/A	-11.5

**FIGURE 4** illustrates Broward County's marine industry estimated economic impact of \$7.4 billion in gross output – a decline of \$3.3 billion from \$10.7 billion in 2005. Wages and earnings are also down to \$2.6 billion; almost a billion less than wages and earnings of \$3.7 billion in 2005. Lastly, in 2010 there were just over 92,000 associated jobs identified in the marine industry; down from the 134,539 marine industry jobs identified in Broward County back in 2005.

**FIGURE 4: Summary of Estimated Economic Impact of Marine Industry, Broward County 2010**

Sector	Total Employment (Jobs)	Total Earnings (\$)	Total Output (\$)
Manufacturing	18,766	\$285,755,056	\$1,177,774,366
Wholesale Trade	15,469	\$475,694,886	\$1,248,525,258
Retail Trade	29,248	\$1,135,075,140	\$2,769,192,673
Dockage	9,315	\$272,824,324	\$878,636,337
Marine Services	20,034	\$424,612,704	\$1,366,023,572
<b>Total Marine Industry</b>	<b>92,832</b>	<b>\$2,593,962,110</b>	<b>\$7,440,152,206</b>

There might be several reasons to explain some of the concerns echoed by marine industry advocates. A correlation might be made between the downturn in the global economy and the decline of jobs and retail sales in the South Florida marine industry. Some of the decline in the economic impact may be due to the fact that South Florida has lost some boatbuilding and related marine industry activities to other areas such as North Carolina, California and Maine. There has also been a loss of waterfront boatyards to housing/condo units. In total, there may be too many concerns expressed by the marine industry to list, but one thing is clear: marine industry businesses are concerned about their long-term needs in Fort Lauderdale.

### **MARINE INDUSTRY | 2013**

After review of several studies and reports there are still a number of issues of concern to business owners, recreational users and water enthusiasts. As city staff reviewed the studies and reports we had several conversations with marine industry experts. As a result of those meetings we asked for a list of issues that require immediate attention and a wish list of opportunities.

#### **Issues for Immediate Attention**

- ☐ Florida East Coast Railroad Bridge – the marine industry feels this will disrupt commercial flow
- ☐ Las Olas Marina Expansion
- ☐ Boat Show Negotiations – a concern is the boat show will relocate
- ☐ Infrastructure – i.e. seawalls, boat ramps – ageing seawalls in the New River and boat ramps elsewhere
- ☐ Dredging – Intracoastal Waterway & New River
- ☐ Coordinated marketing activity for the industry

#### **Wish List of Opportunities**

- ☐ City-wide canal dredging
- ☐ Las Olas Marina Expansion
- ☐ Maintain designation as Yachting Capital of the World
- ☐ Barge on-loading/off-loading
- ☐ New River Dockage Upgrades
- ☐ Development of City-Owned Parcel on Dania Cut-Off
- ☐ Marina Industry Welcome Center
- ☐ Super Yacht Dockage
- ☐ Marine training and education opportunities

A recently completed economic feasibility report by Thomas J. Murray & Associates, examines the viability of expanding the Las Olas Marina to capitalize on the worldwide growth in accommodating luxury yachts of 80' or greater. The report provides critical information for city officials and the community to evaluate the revenue and expenses needed to expand and operate a new and improved Las Olas Marina. The proposed marina expansion would increase the linear footage (LF) for boat dockage from 3,427 LF to 5,025 LF allowing for 75 to 100 more vessels at 80' or larger. The revenue projections offered with the economic feasibility report closely align with the pro-forma estimates provided by Sasaki Associates, the City's consultant on marina design, who projects an increase of \$600K to \$650K in annual revenue. A preliminary review of the actual and projected revenue suggests the feasibility of marina project of approximately \$9M, which is less than the budget estimate developed of approximately \$20.9M. More discussion on the prospect of expanding the marina is anticipated as City staff continues to work with the marine industry community on issues and projects that require City involvement and collaboration.

## **ADDITIONAL OBSERVATIONS AND RECOMMENDATIONS**

Carefully planned mega-yacht facilities in neighboring municipalities may also impact our current customer base. The City needs to likewise address our dockage needs – particularly for the larger vessels (Captain Keith Moore of the “Lady Sheridan”, February 7, 2013 Marine Advisory Board Meeting). Mega-yacht owners send their boats to our area service yards and have a tremendous impact on the local economy. According to the MIAF, approximately 1,500 mega-yachts visited South Florida in 2006; compared to only 800 mega-yachts visits in 1997. Just as important is the fact that on average a mega-yacht may spend an average of \$500,000 on each visit just on repairs, brokerage fees, and charter commissions.

Retention of the largest in-water boat show in the world, which comes back to the City every year is of absolute importance. The Fort Lauderdale Boat Show economic impact has commonly been compared to the impact associated with hosting a Super Bowl or the BCS National Championship game. Unlike those events boat buyers typically return to our region to use or repair their vessels on an on-going basis, which may result in an economic impact that lasts much longer than the weekend associated with either of the sporting events.

As a result of the downturn in the economy the marine industry as a whole must continue to be forward thinking on the most cost-effective way of doing business. Marine commerce continues to show that it is a key industry in Broward County, rivaling tourism, manufacturing, retail, and service industries. The marine industry is vital to the economic success of Fort Lauderdale and therefore an aggressive collaboration of industry leaders and public officials is needed to maintain the economic success is in place. The City needs to ensure that the attraction, retention and expansion of our local marine industry is a core philosophy at all levels of City government.

Important challenges exist as the City of Fort Lauderdale evaluates its position in the marine industry in the South Florida, the State of Florida and the United States. Moving forward there are three areas where collaboration can directly result in the continued growth of the marine industry in Fort Lauderdale: 1) Facilitating more growth and development of the marine industry in response to the loss of economic impact from 2005 to 2010; 2) Master-planning for long-term industry success by identifying properties for physical growth and industry expansion; and 3) Long-term growth and success of the Fort Lauderdale International Boat Show.

It is further recommended that the City of Fort Lauderdale work with marine industry businesses, advocates and other interested parties to maintain a strong relationship. A collaborative relationship will be strengthened by utilizing the information discussed at the 2009 Marine Industry Workshop and the issues identified by city staff in this report as a starting point. Furthermore, city staff specifically recommends seven opportunities for further collaboration between the city and the marine industry in Fort Lauderdale.

1. Host another Marine Industry Workshop in 2013
2. Better utilize existing financial incentive programs to encourage more investment
3. Develop marine industry-specific incentives, such as a Brownfield designation or other redevelopment tools available within the Florida Statutes
4. Collaborate with local colleges, universities or public schools for workforce development opportunities
5. Jointly host job fairs and/or large hiring events as jobs become available
6. Develop an industry-specific marketing program in collaboration with MIAF and MAB
7. Continue to work collaboratively on new models of marine infrastructure planning, permitting and development

## **REFERENCES**

1. Marine Industry Workshop (2009) – City Commission Memorandum 10-055
2. Broward County – Marine Industry Task Force Report (2008) – Broward County Office of Economic Development/Industrial Development Section
3. Marine Industries of South Florida (MIASF) Master Plan
4. “Small City Creates Big Marine Industry Plan” – Michael Cannon, Integra Realty Resources (2010)
5. “Oceans of Opportunity: Managing Future Uses of Florida’s Ocean Spaces (2011) – Florida Ocean Alliance
6. EXTRA! Interview – “7 Questions for Jack Seiler, Mayor of Fort Lauderdale” – *Southern Boating* (October 2011)



CITY OF  
**FORT LAUDERDALE**

City Manager's Office

**Memorandum**

**Memorandum No: 13-078**

**Date:** March 18, 2013

**To:** Honorable Mayor and Commissioners

**From:** Lee R. Feldman, ICMA-CM, City Manager

**Re:** Mega Yacht Economic Analysis for the Las Olas Marina Expansion Feasibility Study

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On October 9<sup>th</sup> 2012 the Commission was presented with an update on the feasibility of expanding the Las Olas Boulevard Marina. At the time of the meeting, two supplemental information elements of the study were still being investigated to finalize the economic and environmental feasibility including; 1) a study of the number of additional mega yachts (vessels over 80' in length) that would utilize the expanded facility and revenue projection and 2) the cost of seagrass mitigation from deepening the marina basin as part of the expansion.

As a result, staff requested Thomas J. Murray & Associates, Inc. to prepare the attached Mega Yacht Economic Analysis Study as a supplement to the Las Olas Marina Expansion Feasibility Study. Thomas J. Murray has recently completed various marine studies for the tri-county area including *"Economic Impact of the Recreational Marine Industry-Broward, Dade, Palm Beach Counties, Florida – 2010"* and *"Recent Growth, Current Activity, and Economic Impacts of Mega Yachts in South Florida — 1997 – 2007"* for the Broward Alliance & Marine Industries Association of South Florida.

The specific scope of the study includes the following:

1. **Capacity Utilization** - Evaluate trends in related dredging and infrastructure developments, e.g., marinas, provisioning, and boat repair and supply facilities, as they may impact *Las Olas Marina's* future capacity utilization. Identify competitive disadvantages, gaps and impediments to growth in *Fort Lauderdale's* yacht sector as they may relate to *Las Olas Marina*.
2. **Demand and Revenue** - Determine Fort Lauderdale's current and future competitive position in the region's yachting sector (The immediate region includes Broward, Dade and Palm Beach Counties). Estimate future demand and annual revenues for the expanded Las Olas Marina dock slips.

Conclusions to the study can be found in the executive summary of the report. The study also confirms the revenue projections that had been submitted by Sasaki Associates Inc., as part of the Las Olas Marina Expansion Feasibility Study.



**The City's consultant URS Corp. has submitted dredge permitting plans for the Las Olas Marina in an attempt to determine the order of magnitude of environmental and economic impact to the feasibility of expanding the marina. Once Staff receives comments from the permitting agencies, the overall feasibility study of expanding the marina, including uncertain FIND Grant funding and reducing the current contribution from the marina to the general fund, will be placed on the Commission Conference Agenda.**

**C: Stanley D. Hawthorne, Assistant City Manager  
Susanne M. Torriente, Assistant City Manager  
Harry A. Stewart, City Attorney  
Jonda K. Joseph, City Clerk  
John C. Herbst, City Auditor  
Chaz Adams, Public Affairs Manager  
Hardeep Anand, P.E., Acting Public Works Director  
Greg Brewton, Sustainable Development Director  
Jenni Morejon, Deputy Sustainable Development Director  
Al Battle, Economic & Community Re-Investment Manager  
Beach Redevelopment Board  
Marine Advisory Board  
Economic Development Advisory Board**

**Mega Yacht Economic Analysis for the Las Olas Marina  
Expansion Feasibility Study  
Fort Lauderdale, Florida**

*Prepared by*  
**THOMAS J. MURRAY & ASSOCIATES, INC.**

January 2013

*On behalf of*  
**CITY OF FORT LAUDERDALE**

*Assumptions and Limiting Conditions*

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# **Mega Yacht Economic Analysis for the Las Olas Marina Expansion Feasibility Study Fort Lauderdale, Florida**

*Prepared by*  
**THOMAS J. MURRAY & ASSOCIATES, INC.**

December 2012

*On behalf of*  
**CITY OF FORT LAUDERDALE**

## **EXECUTIVE SUMMARY**

### ***The Luxury Yacht Market Situation***

The Fort Lauderdale region<sup>1</sup> is at the forefront of the worldwide growth in business associated with luxury yachts of 80 feet or greater in length. For the past 25 years, the “mega yacht” industry has undergone a dramatic expansion in new construction, the brokered sale of new and previously owned mega yachts, and in the activity of existing yachts for charter.

- Fort Lauderdale represents the world’s most significant cluster of professional services and talents necessary for the world’s growing mega yacht sector.
- As of December 2012, 692 mega yachts were under construction worldwide. The average size of the new vessels is increasing and is most recently estimated to be 135 feet.
- An estimated 15 of every 100 newly built mega yachts will frequent the Fort Lauderdale region for cruising, repair and maintenance and dockage.
- An estimated 1,500 mega yachts were present in the region’s waters during 2012.
- Specifically of relevance to the Las Olas Marina proposal is the increasing size of mega yachts under construction. The U.S., Italy and the combined production of Holland and Turkey account for 2/3 of the world’s total yacht production.
- The average new build measures 180’ in Holland, 143’ in Turkey, 131’ in U.S. yards and 127’ in Italy.

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<sup>1</sup> Unless otherwise denoted, the term “region” refers to the southeastern Florida “Tri-County” region, including Dade, Broward, and Palm Beach Counties.

### ***Las Olas' Competitive Situation & Revenues***

Fort Lauderdale currently provides the foremost base for an expanding worldwide mega yacht sector. The mega yacht support sector requires a wide range of talents. The region's clustering of a broad spectrum of necessary talents has positioned it at the forefront of mega yachting worldwide. Fort Lauderdale's prime east-coast position is a major location advantage, affording a singular opportunity to service the vast majority of the world's mega yacht fleet.

- Competition for the mega yacht business, from both U.S. and foreign regions, is increasing dramatically. Las Olas is well-suited to meet such competition.
- The owner of a mega yacht would, on average, save 15% of the total project cost by employing the Fort Lauderdale boat yards rather than competing European shipyards. This activity will help drive demand as well for large vessel berthing, such as proposed at Las Olas.
- The two major limiting factors identified by the mega yacht related industry, are the limitations of existing dockage and lift facilities in the U.S.
- Las Olas is well positioned to grow by virtue of the impediments facing established marinas in the region.
- Virtually all of the critical issues facing the regions' existing facilities are, at the same time, Las Olas strengths. The issues of limited ocean access and dockage for larger mega yachts; are industry constraints, which the Las Olas redevelopment specifically builds upon.
- The potential for new construction of competitive marinas is not significant in view of existing coastal regulatory constraints.
- Las Olas will benefit from established linkages between both local and non-local suppliers to the maritime industry. This leverages Fort Lauderdale's existing resources and capabilities.
- It is estimated that in the first year of expanded operations Las Olas will provide berthing to 75-100 mega yachts, approximately 5-10 % of the fleet currently cruising the region. Forty percent of these vessels will be 80'-100'; 20% will be 101'-120'; 19% will be 121'- 140' and the balance greater than 140'.

Fort Lauderdale has an extensive endowment in the servicing of complex vessels. This experience will be a considerable strength in serving the larger more complicated vessels, which contain systems of guidance, communication, hydraulics, etc., which are beyond the capabilities of many existing luxury yacht yards.

Currently large mega yachts visiting the region must pass by Fort Lauderdale due to a lack of suitable depths and berthing to accommodate this existing and growing market.

**Mega Yacht Economic Analysis For the Las Olas Marina Expansion Feasibility Study-Fort Lauderdale, Florida**

After the first year of expansion Las Olas will generate \$2.2- \$2.3 million in revenue from dockage and associated services. That level will continue to grow as larger vessels are berthed increasing the average slip rates by 2-4% per year in conjunction with increased occupancy growing at 1-2% per year.

The strategic location of the Fort Lauderdale facility on the east coast of the U.S. places it at the center of the Atlantic's mega yacht activity. As has been identified throughout this and related reports, the South Florida region of the U.S. is dominant in mega yacht presence. Further, its central position affords access to the largest charter mega yacht fleet — that which typically crosses the Atlantic to cruise both the Mediterranean and the Eastern U.S./Caribbean waters.

# **Mega Yacht Economic Analysis for the Las Olas Marina Expansion Feasibility Study Fort Lauderdale, Florida**

*Prepared by*  
**THOMAS J. MURRAY & ASSOCIATES, INC.**

January 2013

*On behalf of*  
**CITY OF FORT LAUDERDALE**

## **INTRODUCTION**

This study has been completed on behalf of the City of Fort Lauderdale. The analysis concerns itself specifically with the proposed expansion of the Las Olas' marina facilities ("the marina") at Fort Lauderdale, Florida.

The main objective of the study is to review the economic estimates of the expanded marina facility that have been provided by the City and its consultants. Additional market research is provided here to offer a broader context with which to assess the potential demand for the expanded dockages. Those findings are used to analyze the revenue projections being considered by the City.

Estimates of market demand for expanded berthing are reached by completing the following tasks:

- Characterization of the existing fleet of "mega" yachts (defined herein as pleasure vessels 80 feet and greater in length) in the market areas relevant to the Fort Lauderdale area.
- Reviewing databases, trade literature, and business intelligence.
- Extensive interviewing in the region associated with this inquiry and recently published industry studies.
- Updating the mega yacht demand analysis contained in a series of periodic reports from 1995-2008 prepared by the author.<sup>2</sup>

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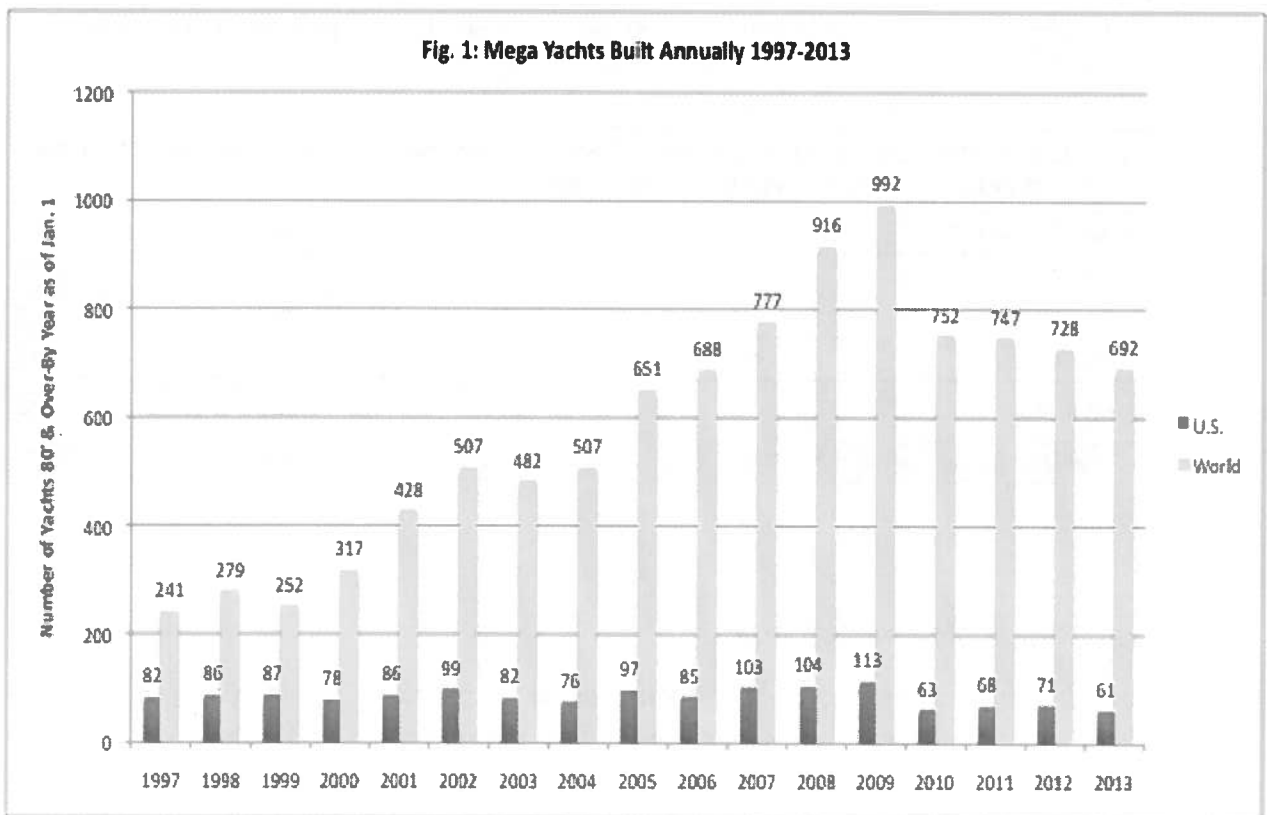
<sup>2</sup> Entitled "Recent Growth, Current Activity and Economic Impacts of Mega yachts In South Florida 1997-1998" the benchmark report was the first performed of the luxury yacht sector. Completed in October 1998, the study was performed on behalf of the Marine Industries Association of South Florida, Inc. and the Broward Alliance, Inc. It was further updated in 2007. Portions of those studies have been updated herein.

## EVALUATION OF LAS OLAS MARINA MARKET POTENTIAL

### ***The Luxury Yacht Market Situation***

The yacht industry has experienced cyclical expansions and contractions throughout the twentieth century. Evident by numerous indicators, expansion continues in terms of the numbers, sizes, and cost of luxury yachts under construction, reconstruction, and use worldwide and in the U.S. Nowhere has such growth in the activity of luxury yachts measuring 80' or longer ("mega yachts") been experienced more dramatically than in the southeastern U.S.

As shown in the following graph (Figure 1), as of December 2012, Showboats International (a leading periodical and authority on mega yachts worldwide) reported 692 yachts under construction worldwide. The same source reported the greatest growth in the 100-149' range.<sup>3</sup>



<sup>3</sup> ShowBoats International December 2012.



**Mega Yacht Economic Analysis For the Las Olas Marina Expansion Feasibility Study-Fort Lauderdale, Florida**

At the end of 2012, the U.S. ranked fourth overall in the world, in numbers of yachts under construction. In 2012, seventy-one yachts with an average length of 131' were reportedly built in the U.S. yards.<sup>4</sup> Specifically of relevance to the Las Olas facility proposal is the increasing size of mega yachts under construction. The U.S., Italy and the combined production of Holland and Turkey account for 2/3 of the world's total yacht production. The average new build measures 180' in Holland, 143' in Turkey, 131' in U.S. yards and 127' in Italy.<sup>5</sup> The rate of increase of new mega yacht construction has declined as depicted above, however in terms of the overall size of the sector, within the period reflected above, the number of mega yachts operating worldwide increased by nearly 10,000 including over 1,400 estimated to have been built by U.S. yards over this period. To summarize for every 100 new mega yachts constructed worldwide an estimated 15 will cruise in South Florida.

Table 1 depicts the pace of accrual in the fleet of larger mega yachts, which constitute a major portion of the dockage market sought with the proposed Las Olas Marina expansion.

<b>TABLE 1: ESTIMATED NUMBER OF MEGA YACHTS CONSTRUCTED WORLDWIDE MEASURING AT LEAST 80 FEET IN "LENGTH OVERALL" (1998-2013)<sup>6</sup></b>				
<b>Length Overall</b>	<b>1998</b>	<b>2006</b>	<b>2009</b>	<b>2013</b>
80-99 feet	122	302	403	213
100-119 feet	58	146	190	142
120-149 feet	41	110	193	151
150 feet +	41	130	206	186
<i>Total Number</i>	262	688	992	692

***Basis for Projected Demand***

For this analysis, the mega yacht "market region" is primarily considered to include vessels of 80' in length and greater, positioned in the East Coast of the U.S., Western Mediterranean and Caribbean waters.

As with the worldwide numbers, there is no definitive, readily available method for tracking operations or the numbers of mega yachts entering the region. In view of this, available government associated and private documentation is used. Such sources serve both as

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

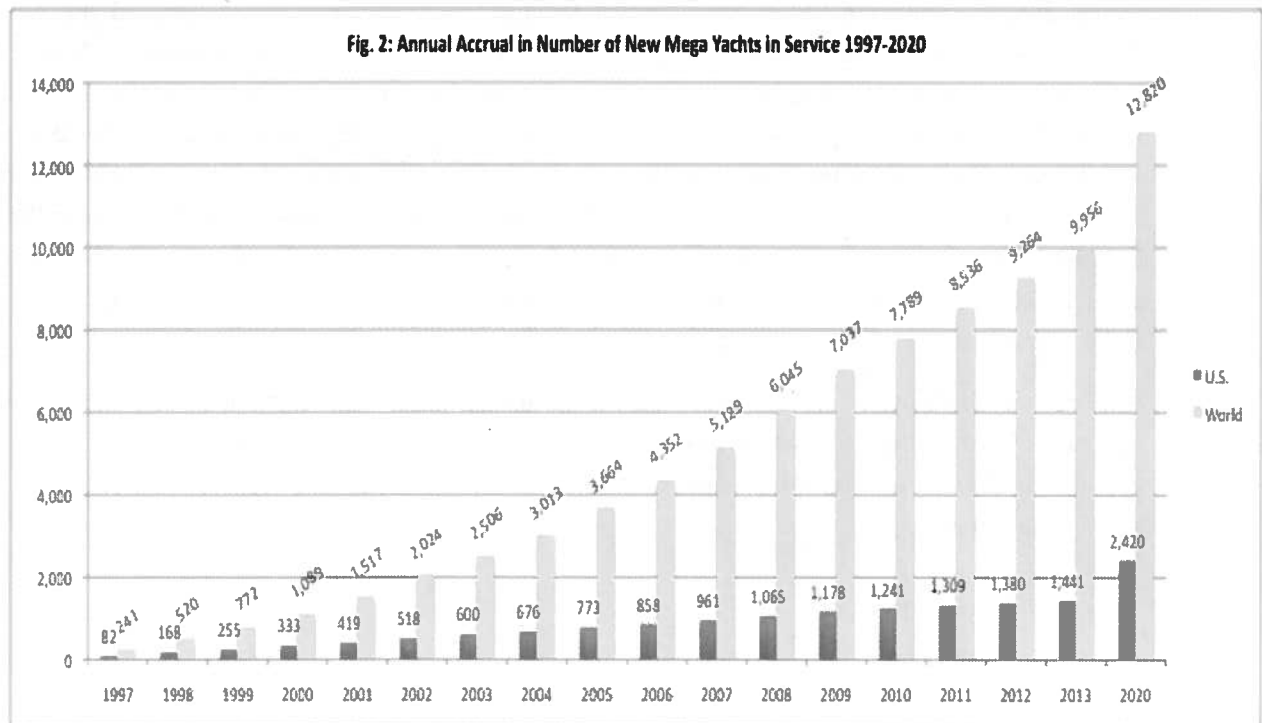
**Mega Yacht Economic Analysis For the Las Olas Marina Expansion Feasibility Study-Fort Lauderdale, Florida**

indicators of overall trends in numbers of mega yachts, and also provide a “control” in the estimation of the absolute numbers of these vessels in the region.<sup>7</sup>

The following sources were utilized to develop the estimated fleet of mega yachts active in the Fort Lauderdale region:

**U.S. Army Corps of Engineers**

A 1997 study by the Army Corps of Engineers indicated that the fleet of “mega yachts” numbered approximately 5,000 worldwide. According to the study, at any given time 10-15% of these vessels would be operating in the South Florida region. The same study noted industry estimates that during the 1970’s, between 200 and 250 mega yachts were under construction annually worldwide.<sup>8</sup> As documented above, those numbers have more than doubled over the past 15 years. Worldwide an estimated 10,000-15,000 mega yachts are operating with approximately 1,500 active in the South Florida region.



<sup>7</sup> For a variety of reasons, sometimes business-related sometimes personal, vessels which may be home based in the region, may actually be documented or registered outside of particular states.

<sup>8</sup> “Palm Beach County IWW Limited Reconnaissance Report” Limited Reevaluation Report. U.S. Army Corps of Engineers. Jacksonville District, South Atlantic Division. March 1997.

As seen in Figure 2 above, the annual growth in the number of mega yachts has been quite significant in terms of expanding the overall fleet from the estimated 5,000 operating in 1997. While it is reasonable to expect that some of that original fleet has been removed from service over the years, the growth in new vessels has added greatly to that base number. Nearly 10,000 new mega yachts have entered service over this period. While the rate of growth has slowed in recent years, growth has been robust nonetheless. For the sake of projection it is assumed that the next 7 year period (to 2020) will exhibit the same relative growth as seen over the prior 7 year period. This would bring the worldwide number of mega yachts built since 1997 to nearly 13,000; significantly adding to the remaining vessels included in the 5,000 worldwide mega yachts estimated in 1997. South Florida can be expected to continue to share in this growth which will mean an estimated 2,000 mega yachts will constitute the relevant market for local marinas, boat yards and industry who are increasingly well positioned with enhanced dredging and access depths to meet the needs of the world's mega yacht fleet.

**U.S. Customs Service — Miami, Port Everglades, Palm Beach**

Non-published information provided by the U.S. Customs Service is reflected in the following Tables 2 & 3. This data indicates that 904 foreign registered vessels completed the required "License to Cruise in the Waters of the U.S." (*Cruising Permit*) for Port Everglades during 2012, with the Port of Miami documenting 366, and Palm Beach 383. Overall, it is estimated that about 50% of those 1,854 cruising vessels are in the "mega yacht" category, and enter the waters primarily to cruise and have work completed at boat yards and docks at available marinas in the area. A second class of mega yachts, which do not file the cruising permits, but rather pay Custom's duty, are included in the "Formal Entrance Totals." In summary, based upon this data, 1,854 foreign flagged vessels obtained cruising permits to enter the South Florida region and an additional 1,093 purchased formal entry.<sup>9</sup>

A third source of mega yacht activity in the South Florida region, are the vessels which cruise and have work completed which are neither local nor foreign, but rather are U.S. owned mega yachts domiciled outside of the region. No available current estimate of those additional mega yachts is available.

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<sup>9</sup> Personal communications U.S. Customs Ports: Port Everglades, Miami, and Palm Beach, Florida. In order to enter the U.S., recreational vessels must complete a document, which allows it to arrive and depart from the U.S. and to cruise in U.S. waters for one year from date of issue. Mega yachts, which do not file the cruising permits, but rather pay Custom's duty, are included in the "Formal Entrance Totals" also estimated above. The CY2012 numbers did not include the last two months of the year and a linear expansion is used here to estimate the final total.

<b>TABLE 2. CRUISING LICENSE ISSUANCE TOTALS<sup>10</sup></b>			
	<b>CY 2010</b>	<b>CY 2011</b>	<b>CY 2012</b>
Port of Palm Beach	364	368	383
Port Everglades	935	906	904
Port Miami	345	365	366
Port of Key West	76	73	76
Port of Fort Pierce	120	118	126
<i>Totals</i>	1,840	1,830	1,854

<b>TABLE 3. FORMAL ENTRANCE TOTALS<sup>11</sup></b>			
	<b>CY 2010</b>	<b>CY 2011</b>	<b>CY 2012</b>
Port of Palm Beach	22	30	29
Port Everglades	668	699	716
Port Miami	281	285	305
Port of Key West	1	1	0
Port of Fort Pierce	55	30	43
<i>Totals</i>	1,027	1,045	1,093

This positive trend in transient yacht activity in the Fort Lauderdale region is particularly important to the proposed marina expansion as most of the transient vessels will require dockage and related services, while in the Fort Lauderdale region.

One additional indicator of the importance of the region to mega yachts and the growth in such vessels was the 53<sup>rd</sup> Annual Fort Lauderdale International Boat Show. As reported in the Official Show Directory this past year, the show hosted the largest single gathering of mega yachts in one location. Over 212 mega yachts from around the world were present, with the largest reported to be the 284' "Cakewalk". The Las Olas Marina location hosted primarily mega yachts with the largest being the 175' "Proteus". Sixty-seven vessels with at total length of 6,062 feet were displayed at the site's 7 docks, including the temporary floating "X Dock". Two thirds of the boats displayed were mega yachts.

#### **Florida Boat Yard & Marina Surveys**

In order to gain descriptive and financial information for use in market analysis and related impact modeling, interviews with boat yards directly involved in building, maintaining, and

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<sup>10</sup> Ibid

<sup>11</sup> Ibid

refitting vessels of the mega yacht category have been conducted periodically by *Thomas J. Murray & Associates*.

There are 37 firms in Broward County, 31 in Dade County, and 14 in Palm Beach County reported to have the NAICS classification as recreational boatyards. Of this total (82), an estimated 17 companies have the dockage and lift capacities to handle mega yachts up to 130'. Recent upgrades in lift capacity such as at "Derektor of Florida" in conjunction with dredging have made the haul out of even larger vessels possible in Fort Lauderdale. The Las Olas Marina facility will be well suited to accommodate these *larger* mega yachts" as the controlling depth of the ICW in front of Las Olas increases to the planned 17'.

### ***Mega Yacht Chartering***

Another important indicator of the level of potential mega yacht business in the South Florida region is the level of yacht chartering, which has for nearly two decades been a rapidly growing component of the worldwide mega yacht business. While Fort Lauderdale is not considered to be a leading charter destination, its central location for the Atlantic charter fleet has implications for Las Olas potential market. Fort Lauderdale is acknowledged to provide a gateway to the Caribbean region for mega yachts transiting from Europe en-route to southern cruising grounds. Similarly, it serves as point of departure for those yachts transiting the Atlantic to return seasonally to the Mediterranean cruising grounds.

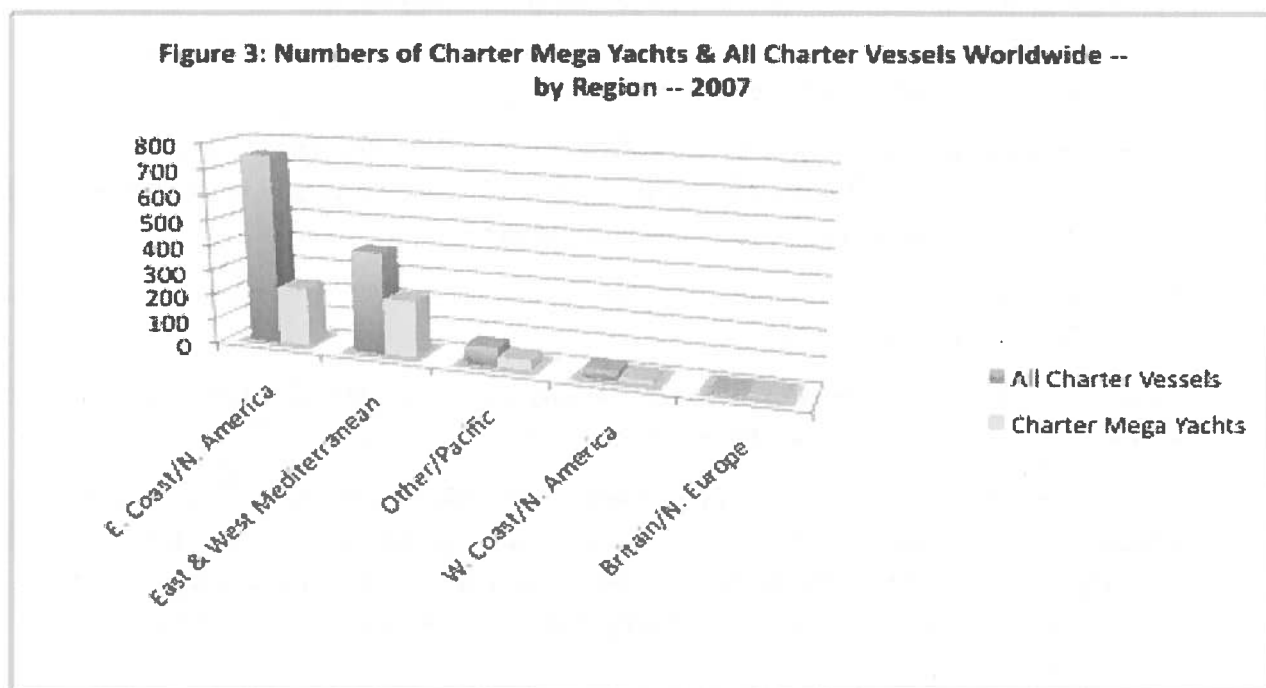
Today the charter industry is having a significant value-added impact on the major yacht industry.<sup>12</sup> Overall, there are generally considered to be about 4-5 "clearinghouses" of mega yacht charters in the South Florida region. Consensus estimates are that approximately 500 mega yachts are chartered worldwide, or about 5% of the fleet.<sup>13</sup>

Of the world total, the region is home base of repairs and maintenance to an estimated 250 mega yachts (50% of the worldwide fleet) as shown in Figure 3, and detailed in Table 4. In general, the charter fleets' necessary annual yard work will occur roughly October through November and then again in the spring. On average, chartered mega yachts would be in the boat yard for about 2 months per year.

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<sup>12</sup> Capital Ship OpCit. Volume VII, Number 3. March 31, 1997

<sup>13</sup> The use of the word charter does not include the extensive "Bareboat Chartering" businesses, which operate fleets of generally "standardized" smaller craft focusing mostly on the Bareboat sailing charters of craft 30-50 feet.



While operating conditions and management of charter mega yachts vary, typically vessels take an average of 4-6 weeks per year for normal repair and maintenance. Further, every 4-5 years such vessels require much more extensive refurbishing, repair and maintenance. Many of the chartered vessels transit the Atlantic for the summer season in the Mediterranean; returning to the southeastern U.S. again in the late fall for the winter season; which is centered in the Caribbean. With enhanced dockage and water access, Las Olas Marina will provide a new and strategically located "gateway" to vessels of this type.<sup>14</sup>

The period of time a vessel is chartered generally ranges from 6-24 weeks. On the average, such charters would reasonably be expected to employ the vessel for 14 weeks annually. The Caribbean season generally begins around Christmas, and the Mediterranean and New England seasons in the summer. The amount of time spent in the region's boat yards and marinas is also dependent upon the ultimate cruising destination.<sup>15</sup> In any event, during these seasonal passages, Las Olas Marina will be positioned to provide ample mega dockage at controlling depths not provided by other facilities.

<sup>14</sup> There is also considerable migration of such vessels to the northeastern U.S. and Canadian provinces for the summer season. Similarly, they will return to the southeast for the refit season and winter operations.

<sup>15</sup> It should be restated that the periods in the boat yard outlined here, pertain to "routine" repairs and maintenance. Such periods increase dramatically during refitting, major overhauls or capital repair, interior refurbishing, paint work etc.

**Estimated Number of Charter Mega Yachts in the South Florida Region**

Information provided by charter industry professionals reflects the leadership if not dominance of the region in the mega yacht chartering sector.

Of the 96 charter brokers listed worldwide in the "Charter Data Bank International, Inc." ("CDBI"), 27 companies are located in the Fort Lauderdale region or about 28% of the number of CDBI registered charter companies worldwide.<sup>16</sup>

In total, South Florida regional firms chartered 216 vessels — 34% of the mega yachts listed for charter in the international CDBI data.

A total of 348 vessels chartered worldwide were 80' and over. 118 of the yachts chartered by charter brokers in the region were 80' or larger.<sup>17</sup>

Another indicator of the region's importance to the charter industry is the location and membership of the largest trade organization representing charter brokers in the U.S. The Ft. Lauderdale based "Charter Yacht Brokers Association" ("CYBA") membership consists of 85 member companies involved in yacht chartering; of which 74 are located in the region.

<b>TABLE 4: ESTIMATED NUMBERS OF CHARTER YACHTS AND CHARTER MEGA YACHTS AVAILABLE WORLDWIDE — BY VESSEL'S PRINCIPAL CHARTER REGION —</b>			
<b>Charter Region</b>	<b>Mega Yachts</b>	<b>All Vessel Sizes</b>	<b>% Fleet Mega Yachts</b>
<sup>18</sup> E. Coast N. Am.	229	750	31%
E. Mediterranean	111	180	69%
W. Mediterranean	110	220	62%
Britain/N. Europe	6	9	67%
W. Coast N. America	13	34	38%
Pacific/Ind. Oceans	22	42	52%
S.E. Asia	12	15	80%
Other	5	14	36%
<i>Total</i>	508	1264	40%

<sup>16</sup> Discussions with industry members suggest that about 40% of the mega yacht charter business is conducted by businesses in the region. Worldwide it is estimated that about 80% of the mega yacht charter business is conducted by 10% of the charter brokers. Similar concentration is noted in the bare boat charter industry where 4% of the firms conduct 52% of the charter weeks booked.

<sup>17</sup> Based upon statistics developed by Charter Data Bank International, Inc. Murray(3)

<sup>18</sup> The South Florida region is the most immediate source of vessel haul out, maintenance and repair services such as will be provided by the new facility. The region includes the Bahamas.

**Mega Yacht Economic Analysis For the Las Olas Marina Expansion Feasibility Study-Fort Lauderdale, Florida**

While over one-half (54%) of all of the estimated crewed charter vessels listed in the CDBI record the South Atlantic as their primary location, this region hosts about one half (45%) of the mega yachts available for charter.<sup>19</sup>

The summary in Table 5 below depicts typical charter mega yacht operating expenses and shows an average of actual year-end financial information for three charter yachts. Of immediate interest is the dockage expenditure representative of larger mega yachts.<sup>20</sup>

<b>TABLE 5: ANNUAL OPERATING COSTS 130' CHARTER POWER YACHT</b>		
<b>Mega Yacht Cost Category</b>	<b>Cost (\$)</b>	<b>Percent of Overall Cost</b>
Shipyard Expense	217,134	20%
Boat Supplies	52,254	4%
Repair & Maintenance	74,593	7%
Fuel & Oil	43,397	5%
Vessel Insurance	50,795	5%
Temporary Help	31,138	3%
<b>Dockage</b>	<b>45,257</b>	<b>4%</b>
Capital Equipment	17,265	2%
Gross Salaries (Crew)	329,424	30%
Other Fees & Owner Expense	48,326	5%
Food Crew, et. al.	84,448	8%
Communications	34,093	3%
Captains Petty Cash	24,599	2%
Transportation	23,954	2%
Uniforms & Laundry	10,350	less than 1%
Crew Insurance	7,461	less than 1%
Flower Expense	4,633	less than 1%
Entertainment Library	1,613	less than 1%
<b>Total Expenses</b>	<b>\$1,100,734</b>	(equals more than 100% due to rounding)

<sup>19</sup> The Mediterranean charter fleet represents the largest concentration of mega yachts chartered worldwide (43%). The Mediterranean charter fleet listed in the CDBI consists of 56% mega yachts.

<sup>20</sup> Typically, mega yacht charter agreements are based upon a listed charter fee "+ all expenses". Such highly variable and significant costs may include fuel, liquor, etc. As noted, the partial economic impact calculations herein do not include these vessel expenditures.



### **Brokering of Mega Yachts**

Much of the business related to local marinas and boat yards is actually generated by the activities of the South Florida region's yacht brokerages. Both in terms of the sale of "new builds" and existing mega yachts, the region leads the world in the brokerage sector.<sup>21</sup> Reportedly the brokered sale of new-builds surpassed the sale of used mega yachts during the past two years.<sup>22</sup> The yacht brokers in the overall mega yacht sector provide considerable synergism. For example, the broker's key role in the merchandising of mega yachts strongly influences the positioning of these vessels worldwide. The influence of the brokerage link between buyer and seller (including builders) cannot be overstated.

### ***Las Olas' Competitive Situation & Revenues***

Clearly the strategic location of the Fort Lauderdale facility on the east coast of the U.S. places it at the center of the Atlantic's mega yacht activity. As has been identified throughout this and related reports, the South Florida region of the U.S. is dominant in mega yacht presence. Further, its central position affords access to the largest charter mega yacht fleet — that which typically crosses the Atlantic to cruise both the Mediterranean and the Eastern U.S./Caribbean waters. In summary, Las Olas Marina's location affords opportunity to host the vast majority of the world's luxury yacht fleet.<sup>23</sup>

### **Depth**

Logistical issues facing other mega yacht centers, also serve to enhance Fort Lauderdale's competitive position. For example, planned and ongoing dredging projects will significantly enhance the current depth of Fort Lauderdale's New River and Dania Cut Canal. Depth constraints have previously restricted larger vessel access to the area. Access provided from the north and south by the Atlantic Intracoastal Waterway (ICW) will allow 15' controlling depth to enhance large vessel access. Larger mega yachts will continue to be provided access through the Port Everglades Inlet, connecting the Atlantic Ocean to the ICW. By virtue of these improvements and maintenance of this access, Las Olas Marina will manifest relatively unlimited access for mega yachts in terms of controlling water depth, access to the open ocean,

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<sup>21</sup> A 1991 study estimated that sixty percent (60%) of Florida's 527 yacht brokerage firms were located in the southeast principally the southeastern coast of Florida. It was estimated that the Florida yacht brokerage industry generated \$109 million in gross commissions and charter commissions in 1990. The study did not include the sale of new vessels, but did estimate that 5% of the total economic impact of the boating industry in Florida was attributable to this sector.(4)

<sup>22</sup> Independent brokerage houses are considered the most important source of new yacht orders for shipyards. Capital Ship Volume VII, Number 3.

<sup>23</sup> Vessel managers estimate the South Florida share of the Caribbean/Mediterranean mega yacht fleet is about 2/3rds of the overall traffic between the Eastern and Western Atlantic yachting centers.

a sheltered location, and particularly relevant to Europe and the northeast, a year round ice-free facility.<sup>24</sup>

Previously due to draft constraints, only vessels less than 160-ft. have been able to berth at local marinas and be serviced at area boatyards. As the waterways are deepened (with the current 15'-project conditions), larger vessels, up to 280-ft., may access these marinas and boatyards for services. Recent assessments of the ICW dredging projects in Broward County contain projections on large vessel growth and activity.<sup>25</sup> As the world fleet continues to expand --both in numbers and size--the deeper draft capabilities emerging in Fort Lauderdale will accommodate the larger and more numerous vessels. Such development will add demand to local infrastructure such as Las Olas Marina, local boat yards, and related trades.

### **Storage/Occupancy**

The targeted marketing focus upon the mega yachts can reasonably be expected to draw upon an existing pool of target vessels. An expanded Las Olas Marina would have a unique opportunity to differentiate itself from competitors within the region - principally by virtue of the Las Olas deep water access. Such a clear logistical advantage would enhance the likelihood of achieving current berthing projections in terms of both occupancy and rates. The proposed expansion is in keeping with the overall trend at marinas in Florida and nationwide. As reflected in the new vessel build reports above, marinas are adapting to larger slip capabilities to accommodate the growing size of yachts while also responding to the increased storage of larger watercraft on land. For example dry storage complexes, such as in Fort Lauderdale are now accommodating vessels in the 50' range.

The current occupancy profile at Las Olas Marina, reflected in the table below, would shift to a larger vessel mix--as new floating docks are developed providing slips for the larger mega yachts. The current plan would expand the vessel dockage footage from the current 3,427 linear feet to 5,025 linear feet.<sup>26</sup> By all accounts, such yachts are already frequenting the region but finding limited controlling depths in some areas and associated limited berthing options. Industry sees the shift to larger slip capabilities as its future. As one marina operator indicated, by expanding the size of berths available, if needed, they could continue to be able to accommodate smaller boats in the larger slips, but current configurations limit the dockage available for increasingly larger fleet of mega yachts active in the region. The current vessels docked by size are reflected in Table 6 below. The average size of vessels docked at Las Olas currently is estimated to be 57'.

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<sup>24</sup> Reportedly access to the very largest super yachts in excess of 300' may be limited by channel width and bascule bridge opening restrictions.

<sup>25</sup> *Economic Evaluation of the Deepening of Portions of the Intracoastal Waterway in Palm Beach and Broward Counties, Florida*. Florida Inland Navigation District. Jupiter, Florida. April 2011.

<sup>26</sup> "Intracoastal Option 2: Marina Expansion Assumptions". City of Fort Lauderdale

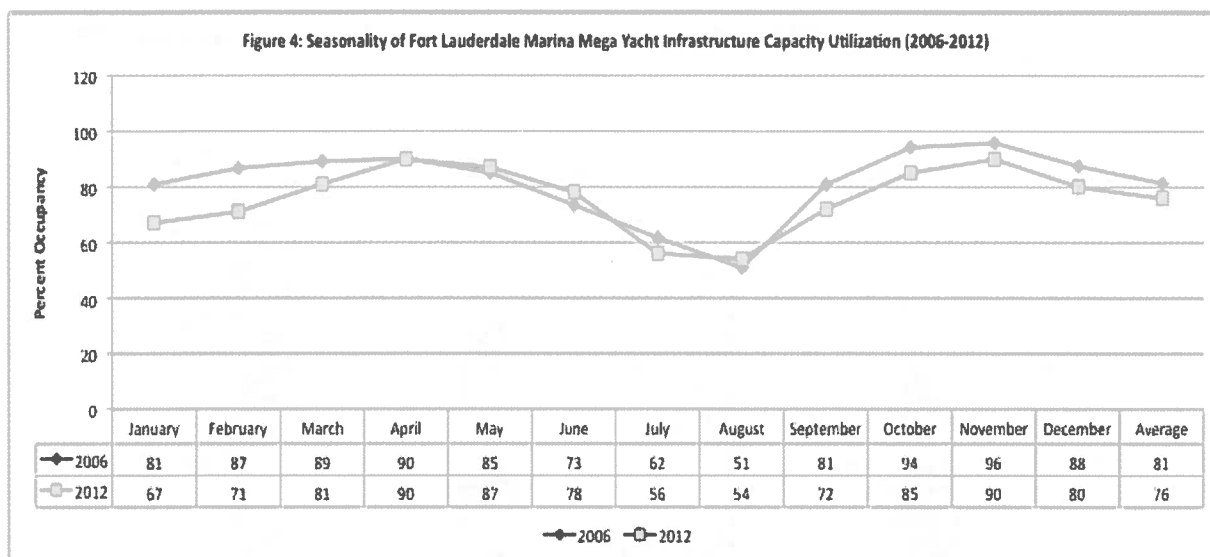
<b>TABLE 6: LAS OLAS MARINA CURRENT USAGE – DECEMBER 2012<sup>27</sup></b>		
<b>Las Olas Marina (Current) Sizes (linear FT.)</b>	<b>Number of Boats</b>	<b>Total Berth Feet Occupied</b>
30-40	15	525
41-50	9	405
51-60	3	165
61-70	7	455
71-80	2	150
81-90	2	170
91-100	0	0
101-110	3	315
111-120	0	0
121-130	0	0
131-140	1	135
141-150	1	145
<b>Totals</b>	<b>43</b>	<b>2465</b>

As reflected in Figure 4 below, typically Fort Lauderdale marinas experience their highest occupancy from October through May, then lower occupancy in June-September. Current improvement in hurricane insurance availability have mitigated more recent concerns and allowed the continued operation of such vessels in South Florida during the “hurricane season”. Nonetheless vessels will continue to heed what has become a rather traditional migratory schedule. The overall annual capacity utilization of mega yacht berthing in Fort Lauderdale was 81% in 2006 and is estimated to be 76% in 2012 somewhat higher than the current occupancy rate at Las Olas (72%).

Las Olas Marina’s orientation toward the larger ultra mega yachts of 150’ and greater (with very few exceptions such berths are not currently available in Fort Lauderdale marinas due to limited water depth access), will provide an increasing portion of its revenues, while likely constituting less than one half of the number of berths.

<sup>27</sup> Personal communication Jonathon Luscomb. Supervisor of Marine Facilities. City of Ft. Lauderdale. 12/5/12.

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Based upon a 3-year average of actual financial data provided by the City Marina Staff, the Las Olas Marina generated total revenues of \$1,436,088 at an average occupancy rate of 71.9%. 84% of total revenue was direct dockage revenue of \$1,200,278. This translates to an effective overall berthing rate of \$0.96 per foot per day in its existing traditional slip layout and capacity of 3,427 linear feet.

With the same occupancy percentage assumptions applied, an expanded and more efficient Las Olas Marina of 5,025 lf will attract and provide dock space for an expected 75 to 100 visiting yachts with size ranges over 80'. These vessels will command a higher rate per foot as shown below in the Las Olas marina's current published rate schedule. This translates reasonably to an expected effective overall berthing rate of \$1.05 per foot per day and generates dock revenues of \$1,918,850 and total revenues of \$2,233,964 for year- 1 (FY 14/ 15) of marina expansion.

This is reflected in the dockage revenue shown in Figure 5 below, which includes actual and projected for Year 1 of marina expansion.<sup>28</sup>

<sup>28</sup> The FY14/15 (year 1) expansion scenario is an extrapolation from actual occupancy rates/revenues per linear foot of dock most recently generated by existing foot print (3,427 linear feet) to the expanded footprint (5,025 linear feet). The dockage revenue is also assumed to constitute 84% of overall revenues in the first year of the expansion.

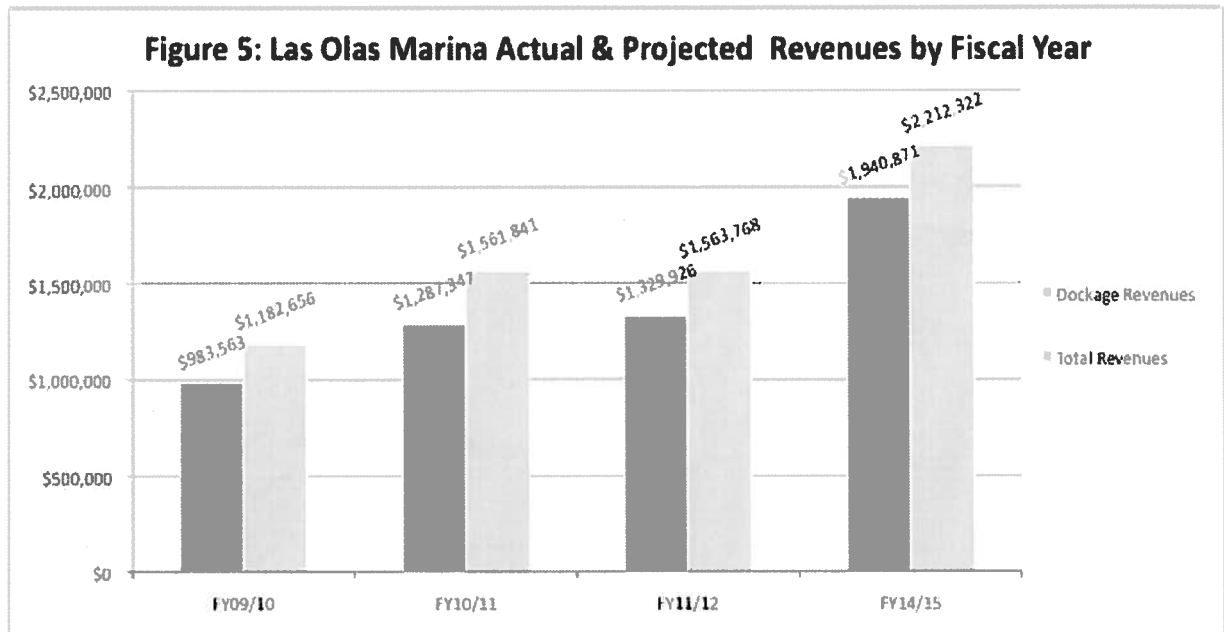


Table 7, reflects the current Las Olas dockage fee structure.

	<i>Daily</i>	<i>Monthly</i>	<i>3-Month</i>	<i>6-Month</i>	<i>Annual</i>
Floating Docks – 30'-35'	1.45	1.23	1.09	0.94	0.84
Slips – 36'to 70'	2.15	1.83	1.61	1.40	1.18
Slips – 51'to 50'	2.37	2.02	1.78	1.54	1.28
Slips – 71'to 90'	2.65	2.25	1.99	1.72	1.44
Slips – 91, and over	3.15	2.68	2.36	2.05	1.52
Face Piers A,B & C	5.15	4.38	3.86	3.35	2.77

This reconciles closely with the marina pro-forma estimates derived by *Sasaki Associates*, the City's consultant on marina design.<sup>29</sup> That firm's estimate of dockage fees to be collected in the first year following expansion is \$2,212,322 based upon a projected 74% occupancy and dockage revenues making up 86% of total revenues or \$1,940,871. This translates into an effective dockage rate of \$1.06 per foot per day. Based upon these estimates, and the overall status and growth trends shaping the future of the Las Olas Marina, it is felt that the revenue forecasts provided by *Sasaki* are within reason for the sake of planning projections. Further, by virtue of

<sup>29</sup> Personal Communication--"2012-09-18\_Marina Option 2 Performa -30 Year. xlsx". Jon Tremontozzi, Sasaki Associates. December 7, 2012.

**Mega Yacht Economic Analysis For the Las Olas Marina Expansion Feasibility Study-Fort Lauderdale, Florida**

a growing mega yacht presence at the marina, with associated higher linear foot rates, as well as a 1-2% annual increase in occupancy it is felt that the assumptions regarding growth in the average dockage rates are reasonable. Relative to the existing and future overall market for mega yacht docking there is a shortage of berthing at accessible marinas for these vessels. Nonetheless there is some competition for the berthing from existing facilities including those located in Fort Lauderdale. A review of the published berthing rates by marinas suggests that Las Olas will be competitive in terms of pricing based upon existing structure and the estimate positive cash flow noted by Sasaki.

Comparisons among marinas are complicated by rate structures that are based upon different size classes used by marinas to estimate the cost per foot to dock. In addition to the common offering of daily berthing rates, individual marinas increasingly offer monthly, six month and annual rates at a relative discount to the daily rates. For example, "Bahia Mar Marina", which currently offers 100 mega yacht berths, quotes rates in mega yacht size classes of 80'-89', 100'-124' and 125'-149'. Las Olas Marina publishes rates for mega yachts including 71'-90', 91'-120', 121' and over, etc.

In order to normalize these rates for the sake of simple comparison, respective daily rates for all vessels over 70' is used to evaluate relative berthing costs.<sup>30</sup> While clearly there are difference in location and access among the other Fort Lauderdale facilities comparing Las Olas and Bahia Mar are thought to provide the most comparable facilities and with the proposed expansion of Las Olas, will represent the vast majority of mega yacht berths. On average for vessels 70' the current published *daily* rate at Las Olas is approximately \$3.65 compared to \$4.98 per foot at Bahia Mar.

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<sup>30</sup> Published rates were obtained from personnel at Las Olas Marina and Bahia Mar Marina.

## CONCLUSION

As outlined above, Las Olas Marina's location represents a region of diverse maritime capabilities; and as such, it is well-suited for the development of the expanded dockage.

Las Olas Marina is well positioned to grow by virtue of the impediments facing established marinas in the region. Virtually all of the critical issues, which face competitive region industry, are at the same time specific Fort Lauderdale strengths. The issues of limited ocean access and dockage for larger mega yachts for example, are areas where Las Olas will gain a comparative advantage.

Las Olas Marina builds on existing local resources and capabilities. The marina management involved, exhibit extensive background in the dockage of complex vessels. Clearly the growth in mega yachts relevant to the region is greatest in the larger more complicated vessels which contain systems of guidance, communication, hydraulics, etc. which are beyond the capabilities of many existing luxury yacht yards outside of the South Florida region. As such there are established linkages between both local and non-local suppliers to the maritime industry. The local industries unique capabilities are well-suited for a worldwide mega yacht sector, which currently reflects an unrelenting drive for product quality and cost competitiveness.

The forecast for the industry from a strategic position such as Las Olas' is, on balance, quite positive and in line with evolving industry environments. Other local maritime assets relative to the competition include advantages in labor costs and the general operating environment.

There are an increasing number of yachts looking to come to the U.S. for boat work between seasons, and seeking locations that have the ability to accommodate them in terms of water access and clustered expert service capabilities. With increased dredging and expansion of large vessel berthing, Fort Lauderdale will meet that market. With the current favorable exchange rate with primary European competitors, Fort Lauderdale is in a strong position to compete for vessel maintenance, repair and supply contracts, however without the availability of dockage for the larger mega yachts, vessels will have no choice but to *continue* to pass by Fort Lauderdale on the way to and from the Caribbean. For example, there are less than ½ dozen existing berths for vessels of 280' and greater in the Fort Lauderdale area. Larger mega yachts have stayed from time-to-time in Port Everglades; however, logistically it is complicated for the continual movement of cruise and commercial shipping activity within the Port. Reportedly additional costs of agent fees, trash removal, security guards, line handlers, and the like make that option relatively expensive as nearby marinas, which together have only 3 berths capable of handling a 280' yacht. In view of this, it is to be expected that the expanded Las Olas Marina will provide a missing link to the yachting sector while helping to further enhance the entire local marine industry.

## REFERENCES

1. *"Economic Evaluation of the Deepening of Portions of the Intracoastal Waterway in Palm Beach and Broward Counties, Florida."* Florida Inland Navigation District. Jupiter, Florida. April 2011.
2. *"Economic Impact of the Recreational Marine Industry-Broward, Dade, and Palm Beach Counties, Florida – 2010."* The Broward Alliance and Marine Industries Association of South Florida. Fort Lauderdale, Florida. November 2010.
3. *"Recent Growth, Current Activity, and Economic Impacts of Mega Yachts in South Florida – 1997 – 2007."* The Broward Alliance & Marine Industries Association of South Florida. October 2007.
4. *"Broward's Recreational Marine Industry –Economic Activity Associated with In-Water & Dry Stack Boat Slips–August 2006."* Marine Master Plan Committee. Marine Industry Association of South Florida, Inc., Fort Lauderdale, Florida. August 2006.
5. *"Recent Growth, Current Activity and Economic Impacts of Mega Yachts in South Florida 1997 – 2003."* The Broward Alliance and Marine Industries Association of South Florida. Fort Lauderdale, Florida, 2003.





**Marine Industry Community Meeting  
Monday May 13, 2013  
7:00 – 9:00 pm  
Beach Community Center  
3351 NE 33 Avenue**

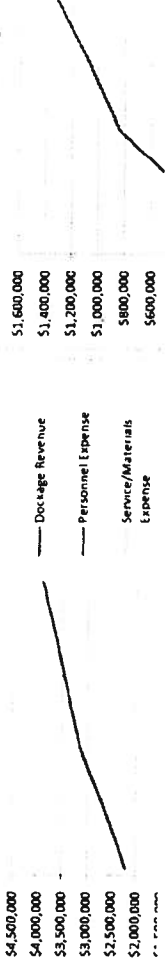
**Agenda**

- I. Presentation – Marine Industry Update**
- II. Marine Advisory Board Discussion**
- III. City Staff Updates - Las Olas Marina Expansion**
- IV. Public Comments**



Dockage Revenue:	1	2	3	4	5	6	7	8	9	10	11	12
Dockage Revenue	5,025	5,025	5,025	5,025	5,025	5,025	5,025	5,025	5,025	5,025	5,025	5,025
# of Linear Feet	74%	76%	78%	80%	82%	84%	86%	88%	90%	90%	90%	90%
Factored Utilization	3,719	3,815	3,920	4,020	4,121	4,221	4,322	4,422	4,523	4,523	4,523	4,523
Rate per LF	1.63	1.66	1.70	1.73	1.76	1.80	1.84	1.87	1.91	1.95	1.99	2.03
Dockage Revenue	\$ 2,112,322	\$ 2,317,556	\$ 2,426,116	\$ 2,538,090	\$ 2,653,573	\$ 2,772,660	\$ 2,895,450	\$ 3,022,041	\$ 3,152,539	\$ 3,279,901	\$ 3,345,489	
<b>Parking Expenses</b>												
Funds to City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Return on Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service on Bonds	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	
Personnel Expense	\$ 231,829	\$ 236,466	\$ 241,195	\$ 246,019	\$ 250,939	\$ 255,958	\$ 261,077	\$ 266,299	\$ 271,625	\$ 277,057	\$ 282,588	
Parking Expense	\$ 90,250	\$ 91,255	\$ 92,280	\$ 93,326	\$ 94,392	\$ 95,480	\$ 96,590	\$ 97,721	\$ 98,876	\$ 100,053	\$ 101,254	
Service/Materials Expense	\$ 585,463	\$ 597,172	\$ 609,115	\$ 621,298	\$ 633,724	\$ 646,398	\$ 659,326	\$ 672,513	\$ 685,963	\$ 699,682	\$ 713,676	
Total Maine Expenses	\$ 2,167,319	\$ 2,184,670	\$ 2,202,368	\$ 2,220,420	\$ 2,238,833	\$ 2,257,614	\$ 2,276,771	\$ 2,296,310	\$ 2,316,241	\$ 2,336,570	\$ 2,357,308	
<b>NET OPERATING INCOME (LOSS)</b>	\$ 45,002	\$ 132,886	\$ 223,747	\$ 317,670	\$ 414,740	\$ 515,047	\$ 618,679	\$ 725,731	\$ 836,298	\$ 949,019	\$ 1,066,181	
DCR	\$ 1,344,780	\$ 1,432,664	\$ 1,523,525	\$ 1,617,448	\$ 1,714,518	\$ 1,814,824	\$ 1,918,457	\$ 2,025,509	\$ 2,136,075	\$ 2,249,797	\$ 2,368,820	
NPV of Cash Flow	\$ 1,108,259	\$ 1,110,000	\$ 1,117,000	\$ 1,124,000	\$ 1,132,000	\$ 1,140,000	\$ 1,148,000	\$ 1,156,000	\$ 1,164,000	\$ 1,172,000	\$ 1,180,000	
Discount Rate	30.0%											
Impact to General Fund	\$ (604,998)	\$ (517,114)	\$ (426,253)	\$ (332,330)	\$ (235,260)	\$ (134,953)	\$ (31,321)	\$ 75,731	\$ 186,298	\$ 279,019	\$ 372,595	
Total unit breakeven							\$ (12,282,228)					

Net Operating Income



Dockage Revenue



NET OPERATING INCOME (LOSS)



13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025	5.025
90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523	4.523
2.07	2.11	2.15	2.19	2.24	2.28	2.33	2.37	2.42	2.47	2.52	2.57	2.62	2.67	2.73	2.78	2.84	2.89
\$ 3,412,409	\$ 3,480,657	\$ 3,550,211	\$ 3,621,216	\$ 3,693,701	\$ 3,767,576	\$ 3,842,927	\$ 3,919,786	\$ 3,998,181	\$ 4,078,145	\$ 4,159,706	\$ 4,242,902	\$ 4,327,760	\$ 4,414,315	\$ 4,502,601	\$ 4,592,634	\$ 4,684,507	\$ 4,778,197

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778	\$ 1,299,778
\$ 294,015	\$ 299,896	\$ 305,893	\$ 312,011	\$ 318,252	\$ 324,617	\$ 331,109	\$ 337,731	\$ 344,486	\$ 351,375	\$ 358,403	\$ 365,571	\$ 372,882	\$ 380,340	\$ 387,947	\$ 395,706	\$ 403,620	\$ 411,692
\$ 63,729	\$ 66,004	\$ 68,304	\$ 70,630	\$ 72,992	\$ 75,392	\$ 77,831	\$ 80,309	\$ 82,824	\$ 85,383	\$ 87,985	\$ 90,630	\$ 93,319	\$ 96,054	\$ 98,834	\$ 101,659	\$ 104,530	\$ 107,447
\$ 742,508	\$ 757,358	\$ 772,506	\$ 787,956	\$ 803,715	\$ 819,789	\$ 836,185	\$ 852,906	\$ 869,967	\$ 887,366	\$ 905,114	\$ 923,216	\$ 941,680	\$ 960,514	\$ 979,724	\$ 999,318	\$ 1,019,305	\$ 1,039,691
\$ 2,400,030	\$ 2,422,035	\$ 2,444,481	\$ 2,467,375	\$ 2,490,727	\$ 2,514,546	\$ 2,538,841	\$ 2,563,622	\$ 2,588,899	\$ 2,614,682	\$ 2,640,980	\$ 2,667,804	\$ 2,695,164	\$ 2,723,072	\$ 2,751,538	\$ 2,780,573	\$ 2,810,189	\$ 2,840,397
\$ 1,012,379	\$ 1,051,622	\$ 1,105,790	\$ 1,163,901	\$ 1,202,975	\$ 1,253,030	\$ 1,304,086	\$ 1,356,163	\$ 1,408,282	\$ 1,463,463	\$ 1,518,728	\$ 1,575,098	\$ 1,632,566	\$ 1,691,243	\$ 1,751,064	\$ 1,812,081	\$ 1,874,318	\$ 1,937,800
\$ 2,312,157	\$ 2,358,400	\$ 2,405,569	\$ 2,453,679	\$ 2,502,763	\$ 2,552,808	\$ 2,603,864	\$ 2,655,941	\$ 2,709,060	\$ 2,763,241	\$ 2,818,506	\$ 2,874,876	\$ 2,932,374	\$ 2,991,021	\$ 3,050,841	\$ 3,111,858	\$ 3,174,095	\$ 3,237,577
178%	181%	185%	189%	193%	196%	200%	204%										

\$ 362,379 \$ 408,622 \$ 455,780 \$ 503,901 \$ 552,975 \$ 603,030 \$ 654,086 \$ 706,163 \$ 759,282 \$ 813,463 \$ 868,728 \$ 925,098 \$ 982,596 \$ 1,041,243 \$ 1,101,064 \$ 1,162,081 \$ 1,224,318 \$ 1,287,800



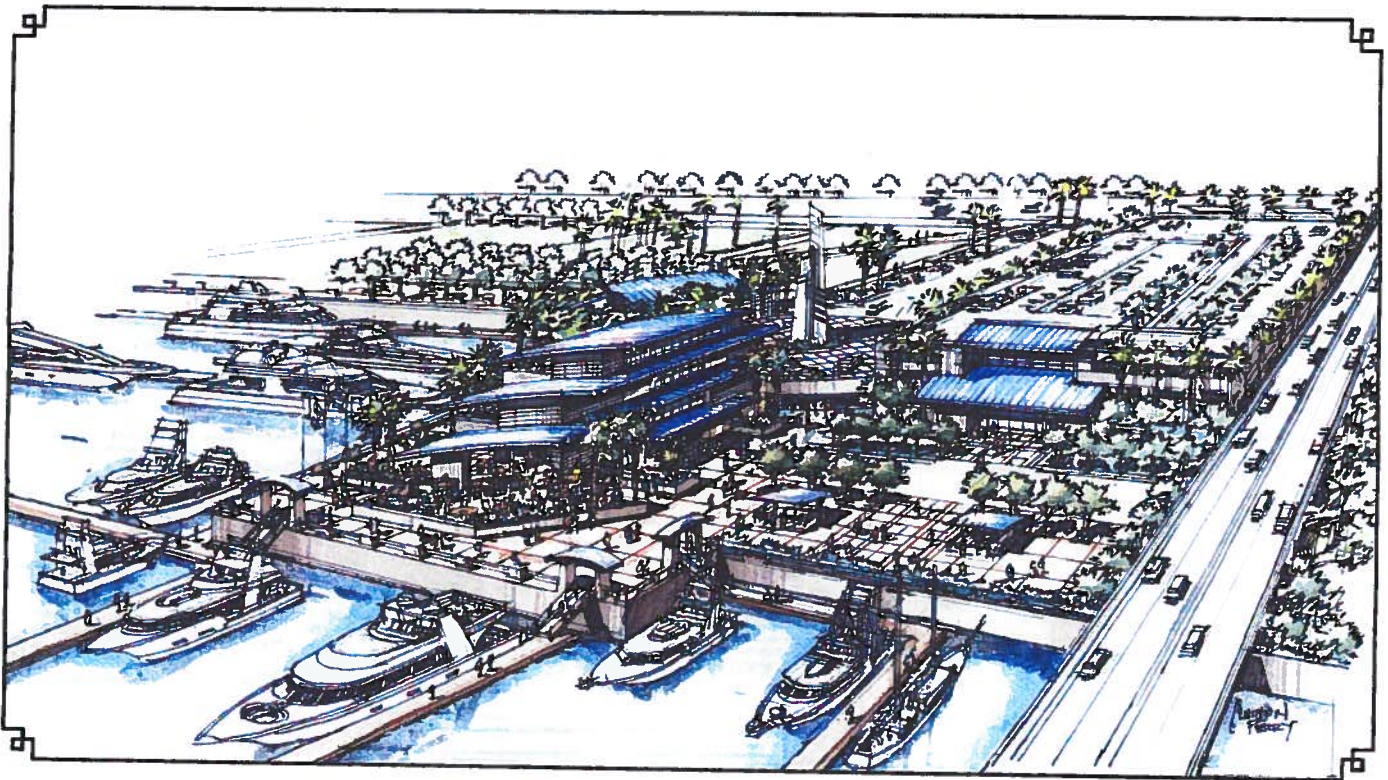
5-13-13  
WORKSHOP

PROVIDED BY  
COMMISSIONER TRANTALIS

## **Yachting Center of America – Las Olas Marina Expansion**

Gateway to the Fort Lauderdale International Boat Show

MARGARET  
CROXTON







# **Yachting Center of America – Las Olas Marina Expansion**

## **Gateway to the Fort Lauderdale International Boat Show**

### **General Thoughts:**

- A. Cities throughout the world would like to be recognized or identified by a particular trade, industry, tourist attraction, etc. Fort Lauderdale is identified by many of its attributes, including being called the "Yachting Capital of the World". However, in order to maintain and promote this title, the city needs to do more than just provide dockage. Something exceptional is needed.
- B. Broward County has transformed Port Everglades into a major hub for the cruise ship industry. Similar results could be had by the yachting industry if we work together to showcase and promote Fort Lauderdale as a major world hub for yachting. Something is needed as has been done for the cruise ship industry to help accomplish this.
- C. The annual Fort Lauderdale International Boat Show is a significant contributor to our local economy, and we should consider means available to promote its growth and enhance its economic impact.
- D. The marine industry in Fort Lauderdale and South Florida is a significant economic force generating many jobs and significantly contributing to the area's economy. However, the industry is historically comprised of many smaller-sized companies, and a unifying catalyst is needed to collectively promote the marine industry.
- E. The marine industry in Fort Lauderdale and South Florida is represented by at least six trade associations, each representing a particular facet of the industry and over 5,000 members. A facility is needed to provide meeting, exhibition, office, and other support facilities for these trade associations and enable marine industry meetings and mini-conventions, and this will increase their collective effectiveness and increase their impact on our local economy.

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### **Overview of the Yachting Center of America Concept:**

The Las Olas Marina expansion project should be a multi-faceted marina with facilities which would:

- Focus on and promote Fort Lauderdale's identity as the "Yachting Capital of the World"
- Promote the growth and enhance the economic impact of and become the "Gateway to the Fort Lauderdale International Boat Show"
- Promote tourism by creating a "destination" marina
- Exhibit the significant marine-related resources we offer, including world-class service and support capabilities
- Serve as a unifying force and a catalyst to promote marine-related business and jobs and provide a cohesive vision for the future
- Provide meeting, exhibition, office, and other support facilities for the marine industry's trade associations and become a draw for marine-related meetings and mini-conventions
- Serve as a valuable resource for the community and a source of civic pride for the people of Fort Lauderdale.



# Yachting Center of America – Las Olas Marina Expansion

## Gateway to the Fort Lauderdale International Boat Show

Although the current Las Olas Marina expansion proposal provides additional docks,

- The location is one of the last premier waterfront locations in Fort Lauderdale available for redevelopment.
- Consideration should be given to redevelopment in a way that realizes the facility's full potential, promotes the marine industry in Fort Lauderdale and causes the marina to become the "Gateway to the Fort Lauderdale International Boat Show."
- The redevelopment should include enhancements which would result in the Las Olas Marina with a Yachting Center of America becoming a landmark centerpiece for boating and the marine industry in Fort Lauderdale.
- An inclusive, industry-focused, well-designed Las Olas Marina with a signature Yachting Center of America would draw more yachts and marine industry meetings and mini-conventions to Fort Lauderdale and promote related business.

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### **Yachting Center of America Facility:**

- Traditionally, chief ports of call throughout the world have facilities to receive crews from distant or foreign places.
- *The Yachting Center of America would*
  - Showcase Fort Lauderdale's identity and role as the "Yachting Capital of the World" and the city's immense waterway resources;
  - Emphasize the importance of boating and the marine industry in Fort Lauderdale and South Florida;
  - Provide meeting, exhibition, office, and other support facilities for the marine industry's trade associations
- *The Yachting Center of America could also*
  - Become draw for boats of all sizes, including megayachts, and their owners, managers, captains, engineers, and crews throughout the world;
  - Act as unifying force in a traditionally fragmented industry; and
  - Serve as a catalyst to globally promote boating in Fort Lauderdale and South Florida.
- *This could be accomplished in the following ways:*
  - Facilities: The Yachting Center of America facility would
    - Have first-class dockage and hospitality facilities strategically focused in the center of the complex.
    - Be designed as a logical northward expansion of the Fort Lauderdale International Boat Show.
    - On year-round basis, provide a host of in-water yacht services through participating businesses, plus services and facilities like:
    - Reception and hospitality facilities with concierge, internet, and other services for visiting yacht owners, managers, captains, engineers, and crews;
    - Referral services facilities, e. g. health care providers, banking, currency exchange, legal and professional, travel, etc.;
    - US Customs and Immigration facilities, including information distribution and guidance; and
    - Meeting, exhibition, office, and other support facilities for the marine industry's trade associations.
  - Yacht-Inclusive Website: The Yachting Center of America would have a state-of-the-art website that would serve as a recognized resource for yacht owners, managers, captains, engineers, and crews throughout the world. This Would encourage feedback via a continual survey feature to discern the needs of yacht owners, managers, captains, engineers, and crews. This will be used as a promotional tool by giving South Florida marine industry businesses the opportunity to promote their goods and services to visiting yachts and others throughout the world.
  - Advertising: The Yachting Center of America would be promoted as a prime port of call and would be used to intensively promote Fort Lauderdale and South Florida as the major yachting center through strategic world-wide advertising in a variety of venues such as yachting magazines and other media.





# Yachting Center of America – Las Olas Marina Expansion

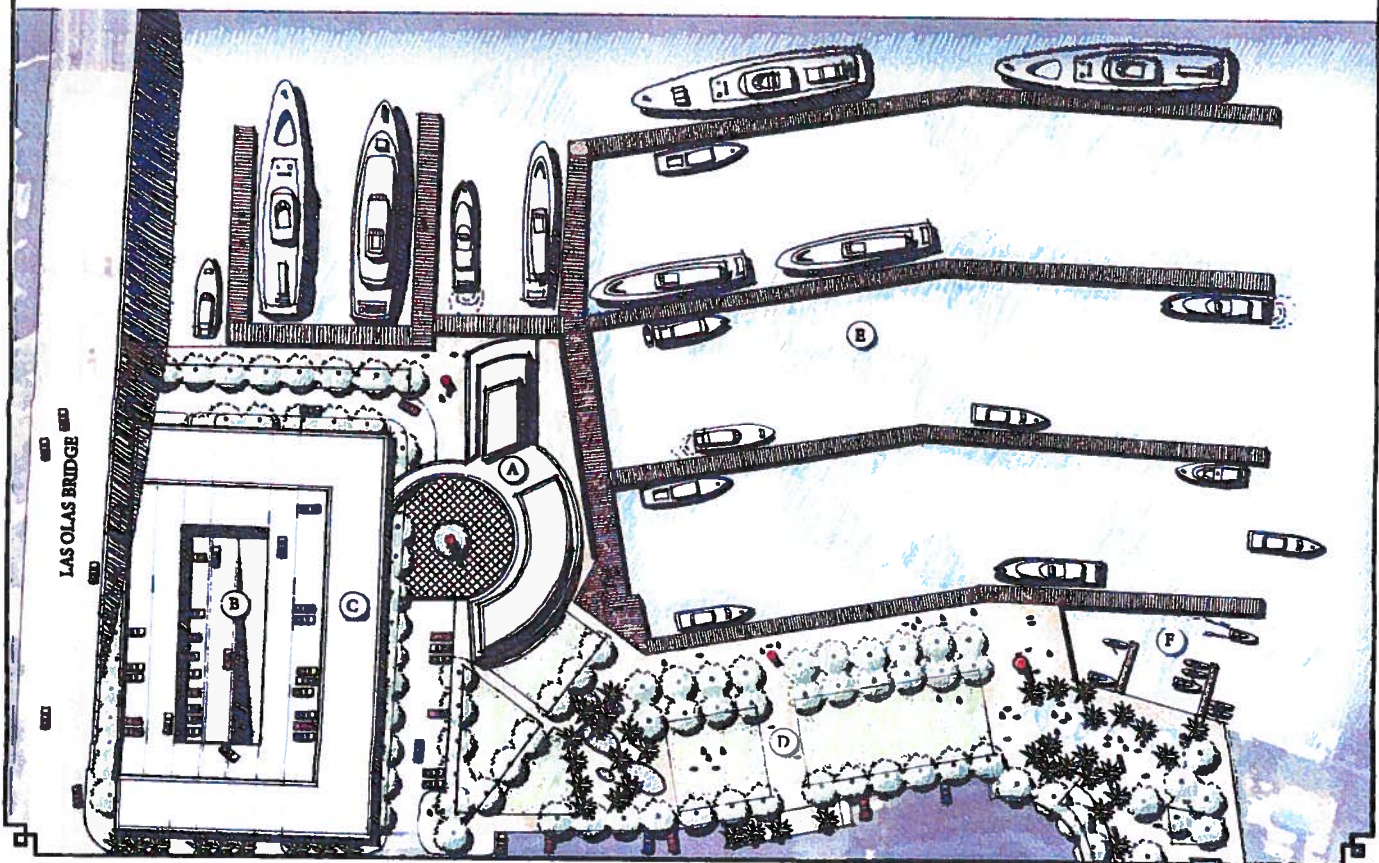
## Gateway to the Fort Lauderdale International Boat Show

### Additional Features:

- The Yachting Center of America would include an Exhibition Center which could display yachting-related information and objects from all over the world and showcase the history, vitality, and contributions of Fort Lauderdale's yachting industry. This Exhibition Center could be a unique venue drawing domestic and international yachting enthusiasts and tourists.
- The Yachting Center of America's Exhibition Center would have meeting rooms and conference and display facilities for use by the marine industry in South Florida and host marine industry meetings and mini-conventions.
- The Yachting Center of America's Exhibition Center could include an Education Center that would be used to hold classes for boating education, marine safety, and marine ecology awareness. College-level, maritime-related classes could also be held in conjunction with a local university.
- One of the industry trade associations could perhaps take the lead role in the management of the facility.

### Multi-Level Parking Garage with "Liner" Retail and Office Facilities:

- The Yachting Center of America would include multi-level garage which would provide parking for the facility and also provide much-needed parking for the beach area in general.
- This garage would include surrounding aesthetically-pleasing "liner" retail and office facilities which would be high-demand accommodations for retail stores, boating-related restaurants, and marine industry-related offices.
- This facility would draw crowds to the expanded Las Olas Marina complex and promote its community recognition and could result in the Las Olas Marina and its Yachting Center of America being a positive revenue generator for the City.







5/13/2013  
MARINE  
WORKSHOP  
IV. Banded out  
Commission MAY 13, 2013 Public ~~Committee~~ ~~of~~ Stone Hudson  
PROVIDED BY STEVE HUDSON



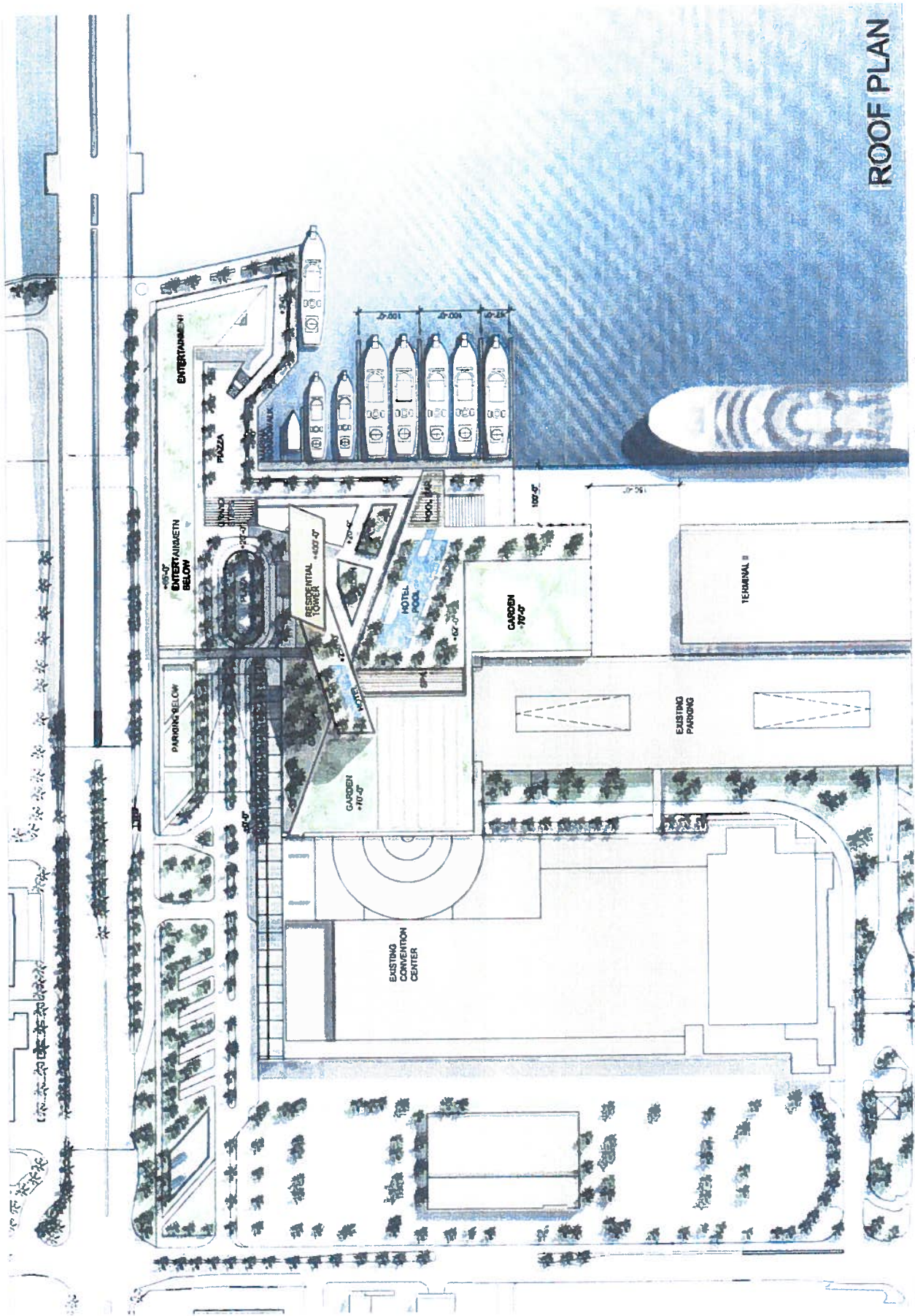












ROOF PLAN

SCALE 1"=150'-0"