

>> SOLUTIONS FOR A BETTER BOATING FUTURE <<

JANUARY 2008 WHITE PAPER

# Boating INDUSTRY

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REAL RESULTS.

## Securing our Future

*Why you need to get involved in the fight  
to preserve and grow water access.*

**Public  
Water  
Access**



Tackling access in your backyard  
Making marinas more profitable  
How to lobby for water access  
Planning on purpose

Presented by





“Through this e-white paper, *Boating Industry* shares expert advice on the many ways individual companies and organizations from one end of the industry to the other can move this issue forward.”

# A window of Opportunity

## Why you need to get involved in the fight to preserve and grow water access today.

There is almost always more than one way to look at a situation.

Even in the darkest of times, opportunities abound. The leaders are the ones who have the vision to find them and the initiative to pursue them.

Today’s economic conditions, under which many marine businesses are struggling, may make it difficult to look beyond the present moment. However, those who make the effort to consider and plan for the future will likely find several paths to success they can begin walking today.

One such path is that of preserving and growing water access. While the decline in the housing market has had a negative impact on boat sales, it has had a positive impact on water access. The demand for residential waterfront development has lessened in popular boating communities in Florida and California, for example, making marinas and boatyards a more desirable option for developers.

This is a window of opportunity for the industry in its quest to provide an affordable, hassle-free boating experience to today’s and tomorrow’s boaters – one you can’t afford to pass up.

In the past, the complexity of water access has proven intimidating to those without the time, money or expertise to fully research and understand the problem. It manifests itself differently in some regions than others and involves issues ranging from real estate valuation, dredging and marina permitting to economics, succession planning, marina and boatyard design and profitability and community and government relations. It’s understandable therefore that many marine businesses have been content to let their federal and state associations wrestle with this problem. But water access is largely a local issue – one best tackled in your backyard boating community and one in which you and your boating business can easily make a difference, whether you’re a boat dealer, a marina operator, a boat builder or an OEM or aftermarket supplier.

Through this e-white paper, *Boating Industry* shares expert advice on the many ways individual companies and organizations from one end of the industry to the other can move this issue forward. Each of your efforts today, added together, will go further than ever in helping to preserve the boating business.

As George Bellwoar, chairman of the Water Access Alliance, puts it in one of the many articles within this e-white paper, “Ultimately, the question is not whether a water access issue will affect each of our businesses; the question is when it will happen. Being proactive ... is the best way to defend the future of your business, our industry and the pastime our customers love.”

Liz Walz  
Senior Editor  
*Boating Industry*

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Public  
Water  
Access





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# Education, Promotion, Passion

## How to preserve and grow water access by sending a message about the value of marinas.

*By Kirby Cay Scheimann*

**The marine industry is sending out an “SOS” signal**, which in this instance stands for “Save Our Slips!”

There are many ways each of us can make a difference in the effort to preserve and grow water access – several of which are included in this white paper. Turning this information into legitimate, on the ground success is a challenge that may not be easily overcome, but clearly is worth the effort.

The more you know about your topic, the better opportunity you will have for success. I firmly believe the value marinas bring to any community goes well beyond dollars and cents. But at the same time, the economic impact of marinas also plays a critical role in decision making, particularly in regards to local legislators, planners, their staffs, and a multitude of other “players” in any community.

### Presenting the facts

In the past year, our ability to educate ourselves, and in turn educate others as to the economic value of marinas and boating has taken a huge step forward. Through years of effort and funding, which included the National Marine Manufacturers Association, the Association of Marina Industries, and Dr. Ed Mahoney of Michigan State University, for the first time in our history, comprehensive, statistically valid economic information is available for every area of the country. The ability to document and present actual dollars and jobs marinas and boating provide for communities in a substantiated format is a powerful tool. Taking the time to localize and understand the available information is the first step. The ability to take this information and use it as an educational tool opens up a myriad of opportunity to accentuate the value of marinas and water access.

This type of information plays especially well with legislative representatives and their staff, which goes hand in hand with Dylan Jones’ efforts at the NMMA. At the same time, this same educational/self-promoting effort can take place locally with presentations to community groups, Chambers of Commerce, local clubs, etc.

### Making the time

Granted, who really has the time? I believe when something is really worth the time, we make the time – and water access is worth the time. Introduce members of your community to your facility; show them the economic and social importance you bring to the area. I recently made a presentation about marinas to a local Rotary Club, only to meet a County Commissioner and a Bank President who were part of the audience and approached me for more information. These are the places where you can have an impact on your community leaders in regards to the benefits and needs of water access for boating.

Speaking of promoting, I believe the success of industry efforts like Grow Boating, Discover Boating, Marinas 101, and National Marina Day over the past handful of years are having a positive effect. But as great and exciting as these efforts are, we are still a decade behind the RV



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Industry, and even further behind golf, tennis, and other recreation orientated competition for discretionary dollars. This is where the current economic adjustment we are all going through could play to our favor. History clearly shows those who promote the most during an economic downturn produce the greatest growth when the economy improves. Self promotion of boating now at every level will not only help put us on a higher playing field when economic conditions adjust, but could also elevate boating as a lifestyle in the minds of all the decision makers we would like to influence.

**Sharing the passion**

Of course, it helps if you are passionate about the industry and therefore about finding a solution to the water access challenge. A person can have all the information and education in regards to the benefit of boating access, be in front of the decision makers that help influence its future, and still leave the room without having accomplished much. Just as an employee who is passionate about their work will routinely exceed expectations, your passion (or lack of) in regards to educating others and promoting marinas and the importance of water access may be as important as the information you are sharing.

I'd like to share a quick story about one of the reasons I

will always be passionate about the importance of what we do. This may seem strange at first, but it relates to the weekend following the tragedies of September 11th. At that time, I managed a marina that stored over 2,000 boats. Historically, after Labor Day, business at the marina fell off, and we would proceed with minimal staff. But that weekend after 9/11, we had as much activity around the docks as we had any weekend all summer. It obviously was not the partying atmosphere that accompanied normal summer weekends. Most boats never left the dock. People needed to re-group. They needed to "re-create," to recreate. They could have gone anywhere, but they wanted to be at the lake. They wanted to be around the water. People naturally come to the water to re-create. I have yet to share that story with any person or group that, afterward, didn't share a better understanding of marinas and our purpose. As you know, it goes well beyond making a buck. And we can't fulfill that purpose without water access.

Our water access issues did not get to this point overnight, and the fix will not come quickly. As we continue to educate ourselves and others, each do our part to promote our industry, and remain passionate about marinas and boating, we will likely be moving toward a solution rather than surrendering to the situation. ■



# Tackling access in your backyard

## How to get involved in your community to have an impact on local water access.

By Tom Murray

**Water access is largely a local issue.** Battles over waterfront development often take place between a community's businesspeople, its government and its residents.

For that reason, becoming more involved in your community may be the most effective strategy to preserve and grow water access, whether you're a marina operator, a boat dealer, a boat builder or a marine industry supplier. Here are some tips for businesses embracing this strategy:

- Engage local government officials, particularly planners and recreation departments.
- Get to know and stay in touch with local tourist development and visitor bureaus to keep your business top of mind.
- Join the Chamber of Commerce, Rotary Club and other business leagues as a conduit for expressing your businesses issues.
- Provide tours to local economic development organizations to learn more about your business and its issues.
- Consider serving on a speaker's bureau list of presenters.
- Enlist your local Sea Grant university program to help facilitate and convene meetings to deal with issues and build coalitions.
- Join your local, regional and/or state marine industry trade association.
- Locate the closest federal congressional delegate that is a member of the Boating Caucus and let them know of your views and needs.
- Identify and communicate directly with your state's Boating Law Administrator and staff.
- Form and become involved with coalitions.

Forming coalitions with other groups of similar values, interests, and goals allows members to combine their resources and become more powerful than when they each acted alone. Coalition members could be marinas, boat builders, paddling clubs, echo tours, environmental NGOs, fishermen, hunters, tournament and boat show organizers and sponsors, or boat retailers.

The benefits of being involved in a coalition are numerous. A coalition can bring more expertise and resources to bear on complex issues, increasing the impact of each organization's or individual's effort. Each member gains access to the contacts, connections, and relationships established by other members. In addition, the activities of a coalition are likely to receive more media attention than those of any individual organization. A successful coalition is made up of people who have never worked together before and who often have diverse backgrounds and different viewpoints.

In addition to the water access benefits you may achieve through such community outreach, you'll likely generate increased exposure for your business, form stronger relationships with other local marine businesses with which partnership opportunities may exist and meet business professionals in other lines of work who may be able to help you in your efforts to improve and grow your business. ■



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# Help your customers preserve their water access

## How to build a network of boaters who are informed, interested and ready to react to water access problems.

By George Bellwoar

**Are you seeing a decrease in availability of public access** to water where you live, work and like to boat? For boaters living in some areas of the country, this is a mere inconvenience. But for others, finding easy access to water is becoming a major challenge. In the long run, public access to water is going to become an issue for all of our customers.

Very few boaters know what they can do to help preserve their own access to water. Yes, they talk to each other on the docks and probably to their boat dealers or yard and marina owners, but they are really only crying on each other's shoulders. Boaters would be much better served if those of us in the marine industry offered guidance on how to help preserve the boating lifestyle for generations to come.

Dealers, boatyards and marinas are on the frontlines of the battle for water access. While water access is a national issue, specific types of access problems are unique to local communities. For example, an access problem in California might mean restrictions on where in the ocean you can drive your boat. Along the Massachusetts coast or in South Florida, it might mean waiting for months to get a slip before you can even buy a boat. And at popular inland lakes, access problems can be reflected by how early boaters have to get up to wait in line at a ramp. In each of these cases, the local dealer, yard or marina is at the heart of the problem.

In addition, boaters visit dealers, boatyards and marinas nearly every week to use their boat, get it fixed or buy boating products and accessories. Where better to inform boaters of issues and help them unite to find solutions than the place they spend the most time?

Dealers and marinas can act as a local communications system for water access issues. Even simple things such as setting up a "Water Access" bulletin board in your marina or dealer lobby can be a great first step toward educating boaters on the importance of this issue. Scan your local newspapers and the boating trade publications for articles about water access.

Sign up to receive *Boating Industry's* e-newsletter for the latest updates on water access issues:

[www.boating-industry.com/member/register/index.cfm?action=form&newsletter=1](http://www.boating-industry.com/member/register/index.cfm?action=form&newsletter=1)

When you start looking, you may be surprised at how much attention this issue is getting. Make sure your employees read these articles so they will also be informed. Remember, the goal is getting your customers to start thinking about and talking about the issue.

Begin asking your customers about their own access availability experiences. Invite them to post notes on problems, available access points and articles they come across. This will help



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inform you about the issues they face in using the products you sell to them. It also has the added business benefit of showing your customers that you are interested in them and their boating experience.

In addition, you can easily add a water access section to your Web site. Make it an area where visitors can post information and include the option for others to respond. Browse through this section yourself. Print out interesting information and post it on your bulletin board.

As interest and participation grows, you can expand your efforts. One of the best things you can do is to host events that focus on access issues. Invite local government representatives to speak. Elected officials love events where they can meet many of their constituents, and people enjoy the opportunity to meet and discuss issues directly with the decision-makers they elect. This has the added benefit of helping gain the support of local officials, which is critical in addressing access issues.

As your efforts increase, you will likely reach the point where a local access problem is directly affecting your customers. That's where the "Water Access Alliance" steps in.

Along with the Discover Boating Campaign and the Boat Certification and Dealer Certification Programs, the Water Access Alliance is a major component of the Grow Boating Initiative. It is staffed nationally by people experienced in dealing with water access issues. The Alliance has resources that can help you establish local

coalitions to fight access problems, convert Brownfields (i.e. contaminated abandoned industrial sites) into public water access points, work with local government officials to develop local water access plans, help deal with the often confusing and conflicting access permitting process and advocate to local, state & federal officials on behalf of your customers so that their opinions are shared with decision makers. The Alliance even has an Internet-based economic impact model you can use to show local officials the effect that changes in access will have on your community, both in real dollars and in actual jobs.

In the coming weeks, the Water Access Alliance will begin a campaign to inform the industry of their efforts. The Alliance is working with marine representatives and distributors throughout the country to inform dealers, boatyards and marinas about the workings of the Alliance and the tools it offers to help local boating communities address access issues. It is the perfect complement to an effort on your part to bring the local boating community together.

Ultimately, the question is not whether a water access issue will affect each of our businesses; the question is when it will happen. Being proactive and building a network of boaters who are informed, interested and ready to react to a problem when it occurs is the best way to defend the future of your business, our industry and the pastime our customers love. ■





# Planning on purpose

## A guide to creating a well conceived development plan for water access facilities.

*By Tim Keogh*

**The future of water access** depends on the usefulness of existing and new facilities. The success of these facilities relies heavily upon developing and maintaining the physical infrastructure. Therefore, preserving existing water access facilities and growing water access with new facilities require a well-thought-out plan for development.

Marine industry professionals must take the lead in the planning, development and operation of these water access facilities. Governments and private developers must reach out to marine professionals for assistance in the identification, design, development, and operation of such facilities. The goal must be to expand and improve access to our nation's waterways through a deliberate process.

Clear identification of the parameters for the development and redevelopment of these facilities is critical to the future of water access. A poorly designed facility, with rough waters, silting issues, inadequate vehicle or pedestrian access will negatively impact the boating experience. A facility designed without understanding the market will be under-utilized and will eventually deteriorate.

In either scenario, a failed project leaves the owner with little incentive to maintain water access as a primary use; making other uses more attractive. Addressing the following topics will guide the planning process and maximize project success.

### Select the right site

The requirements for successful water access facilities limit the amount of natural, suitable locations for development. These specific requirements include calm, deep water; adequate upland for parking and amenities; neighborhood compatibility; and a market that will support the facility. There are different approaches for identifying the development potential of existing and new sites.

For existing facilities, where the site is already suitable for water access, the challenge lies in altering the facility to meet changing markets. The strategy for redeveloping existing marinas must focus on maximizing the property's footprint for water access.

New sites for water access present a unique set of challenges. Too often lands ear-marked for water access are poorly located – seemingly leftovers of the available waterfront. Local governments should be encouraged to conduct a systematic examination of potential sites for water access development – one that considers the requirements for such facilities, identifies suitable areas, and creates zoning codes that support development. It is important that government incorporate this information into the master plans.

Once the site is selected, the next step in the planning process is to gain a full understanding of the development potential of the site. The goal is to create a framework for all additional work in the planning process. This includes identifying realistic development opportunities that take into consideration the space available for development.



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## Work with experts

Don't assume that personal boating experience or operating experience qualifies you to design and develop a new facility. The planning process is a collaborative process that should involve experts in their respective fields.

Depending on the size of the project, expert consultants are required to evaluate a variety of potential technical solutions and develop recommendations. Conducting workshops or "charettes" with all involved parties will provide the best opportunity to create a comprehensive plan. Roundtable discussions on issues including the market, physical limitations, permitting, local/regional zoning, regulatory compliance, operational design, and economic feasibility are all important topics for review.

The following disciplines are examples of those that should be involved in the planning process:

- Architects
- Civil engineers
- Land planners and landscape architects
- Coastal and environmental engineers
- Dock and building manufacturers
- Marina operation consultants
- Legal representation and local zoning experts

The goal is to produce an economically viable and profitable project without negatively affecting the opportunities for future development or neighboring property. This master planning approach helps avoid costly mistakes and problems in the future. Leaving any one discipline out can undermine the feasibility of the project.

I have worked on several projects that had difficulty expanding or reconfiguring because previous development decisions were made that restricted the property's footprint. Because they developed without a master plan, buildings were placed in such a way on the site that new additions were difficult or impossible. Therefore, costly demolition had to be undertaken to accommodate the redevelopment.

## Know the market

There should be a proportionate amount of market research conducted before making any development decisions. The focus is to identify if the project makes sense and adds value to the surrounding area.

There is a significant difference in the amount of research involved in putting in a picnic area as compared to building a dry stack storage building. Be realistic when conducting and reviewing the research.

The objective is to identify services and amenities that the market perceives to have value. Boaters don't like to pay for amenities or services that they don't use. If they feel that the dockage rates are helping to support amenities, like a pool, which they do not use, then eventually the boater will move on. Conducting market research should also identify unmet needs that represent new development opportunities for the market.

The first step in framing out a market for review is to identify the boating activities to which the facility will provide access. The boating activities in a particular area will not change with the addition of a new facility. If the marina is 1.5 hours to the nearest ocean inlet, then that facility will not cater to an active sport fishing community. If there are fixed bridges or restrictive waterways, then the size of boat will be determined by those limitations.

Recognizing that different boaters have different needs is an important step in the planning process. For example, a fishing customer base and a family cruiser customer base will drive activity to the property at different times of the day. The services provided and the hours of operation must be matched to the customer base.

Having an existing customer base in the market makes research much easier than targeting potential customers in an emerging market. To identify demand in emerging markets, those with limited or no water access infrastructure, that takes qualified expertise. There are a number of empty, dilapidated marinas in obscure locations that were developed on unrealistic market expectations. A proper amount of research may

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have shown that resources should have been spent in better locations or targeted to a different market.

The best ways to conduct research is to assume that you don't know anything about the customer or the market. Let the market tell you what it wants. Don't try to force personal expectations or ideas out into the market. It will not work. Projects are often hampered when decision-makers impart their concepts of boating or the market onto the facility.

For example, we once worked with owners who were having a problem with their restaurant tenant. The owners had solicited an upscale restaurant operator to sign a long-term lease based on the owners' preference for dining. The restaurant was failing.

After reviewing the market and speaking with boaters, it became clear that there was more demand for a casual dining experience than a high-end restaurant. The owners' expectations were not in line with the market, and the restaurant struggled to survive. If the market had been systematically reviewed with an open mind, the marina could have avoided a costly mistake and delivered the services demanded. The lesson here is: Don't assume you understand the market and, in some cases, hire an unbiased party to review the market.

Conducting market research goes beyond asking the marina across the lake what the cost of dockage is this season. Take an inventory of the services provided in the market and identifying the services that the facility could provide to the overall market. Take some time to identify any new marina developments, or the expansion and reconfiguration of existing facilities. Keep in mind that no two marinas are alike – and that the services and amenities that the neighbor offers, or is adding, may not be what every marina needs. The goal is to identify where the facility fits in, or will fit in, to the overall market.

Some items to look for on the waterways include the location of fuel docks, haul out and service facilities, successful restaurants and popular destinations.

Once you have identified these items some important questions to ask are: What makes this property different? What are the limitations of the property that become clear during the market assessment? Are there services that every marina is providing that you are not?

Start to think about what should be provided to meet the demands of the market.

As mentioned earlier, it is important to match the level of research to the size of the project. Large projects should conduct a full, formal feasibility study that can be used as the tool to make informed decisions. Some banks, lending institutions, or investors will require a full market feasibility study. If this is the case, it is important to utilize a firm with

hands on experience with marinas and water access facilities. For smaller projects, a less formal approach to reviewing feasibility can be utilized.

In any scenario the approach to reviewing the market should incorporate the following components:

- Talks with marina owners, boaters, and other marine industry professionals. Boat dealers and brokers can be great resources of information, if they are willing to talk.
- A review of boat registration statistics for the area.
- Talks with dock manufacturers and marine contractors in the area.
- Visits to other marinas to review services and amenities offered and how they conduct business.
- Participation in local and national industry associations. These are great opportunities to find out what is going on in the market – and in other comparable markets.

Be systematic about the data collected; take notes during conversations, and immediately follow up with a summary of the findings. Knowing the market will help you make informed decisions.

### Identify goals and objectives

The opportunities for development and redevelopment are limited, which makes it essential that projects are built with a clear set of goals and objectives. Take some time to ask yourself what you are trying to accomplish as a developer, a business operator, or a government agency. To expand the business? To maximize return on the investment? To create a greater good for the community?

Whatever the answer is, create a well-thought-out business plan that identifies specific goals and objectives; benchmarks for analysis. Don't set objectives for specific development programs that may limit the openness for new ideas. Committing to a launch ramp or dry stack before knowing if it works on all levels may steer the project in a wrong direction. Researching to a specific end is a recipe for disaster. A well-written, specific statement of goals will guide implementation and provide a clear map for decision-making as the project progresses.

The final water access facility may end up different than the original concept or goal for the project. Realize that going through a thorough investigative process may yield results different than the initial opinion of the project. A comprehensive review of the project may uncover new and unique opportunities. Take a feeling of comfort in moving forward with the project, knowing everything was analyzed in an educated and efficient manner. You will be armed with the facts and data to ensure that the project makes sense and will efficiently provide access to the water. ■





# Making marinas more profitable

## How to preserve water access by increasing your business' profitability.

By James L. Frye

**One of the greatest threats** to recreational boating access is the loss of marina slips as marinas are sold to developers converting waterfronts to non-water dependant uses like residential condominiums. Marina businesses are often managed as a lifestyle and as such many are viewed as marginally profitable.

When it comes to the waterfront land that marinas occupy, that value equation is looked at very differently. Marinas are being valued as real estate by upland developers, and marina operators are selling out to those developers for higher rates than they could sell their marina businesses alone. Oftentimes the marina business and the land that it occupies is the single family asset of the owner, and so when it comes to the disposition of that asset, a sale to the highest bidder just makes sense. Many developers do not view marina operations as profitable and so don't perpetuate them in development plans. Those marina slips are lost as waterfronts are converted to private uses and so access to those waters for recreational boating is diminished.

One way to preserve water access is to increase the profitability of marina operations. Increasing profitability may forestall the sale of a marina for conversion or at the very least encourage the buyer to retain the marina in their development plan. There are a number of ways to increase profits at a marina, and a return to basics is a good place to start.

### Finding the right price

There are essentially two ways to increase profits: make more money and spend less! Let's explore a couple of ways to increase storage prices and sales; make more money.

Understanding your position in the marketplace is the best way to examine your pricing structure. A solid "Competitive Analysis" is fundamental to a good pricing structure. Find out what area marinas are charging, and see where you fall on that continuum. First, see where your existing rate structure puts you and then decide where you want to be in the market.

Do you want to be a price leader, setting the rate in the market by having the highest rates? If that's the case, then you better be certain that your facility, services and amenities rank highest among your customers perception of the market. If they don't, then you should be drafting a plan to get you there.

When examining rates, don't forget to include a measurement of occupancy; setting a target for occupancy should be a part of your pricing strategy. I often hear a marina operator boast of 100-percent occupancy and always wonder why they haven't increased rates high enough to drop that number to 85 or 90 percent. Give yourself some room for growth and increasing income by raising rates and creating space for new customers.

A Competitive Analysis may reveal an opportunity to create a tiered pricing structure. Oftentimes, space for larger boats is at a premium, and larger boats are paying higher rates per foot for slips or racks. Are some parts of your marina more desirable than others? Can you charge more for those slips? Ease of access to and from the water as well as proximity to parking and a shorter walk to the boat are all advantages that some might pay a premium for over other choices. Sometimes price creates value; people often times perceive that if they are paying more, then it's worth more.

If you are competing for customers at comparable facilities, one can also look at "bundling"



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services as a part of the pricing strategy. Some marinas are offering an annual rate that includes summer dockage, haul out, blocking and winter storage all in one rate. It's typically discounted when compared to purchasing each of those services separately. This may create value for a customer while securing that business for the entire year.

Conversely, if you've bundled your offering, take a look at how the marketplace may have changed in recent years and see if you may increase your earnings by separating those fees, especially if your occupancy is maxed out. You have earned customer loyalty, so go ahead and charge for it.

Adding a "Customer Survey" to your regular correspondence with customers is a great way to make sure that you're selling them everything that they are looking for. Knowing what products and services your customers want gives you an opportunity to expand your offering to meet their needs. At the same time, it's important to know how they perceive your performance in delivering the products and services that you already offer. If you're doing a great job, they may be willing to pay a little more; if not, then at least you know what and where you need to improve. Expanding the amount of business that you're doing with an existing customer is much more economical than creating new customers.

### Budgeting your way to success

There are times when pricing is topped out and increasing profits necessitates a look at expenses or spending less money.

A solid spending plan is a part of a sound budgeting process. An annual forecast of income and expense is essential to managing spending against revenue. The only way to curtail spending is to have a measurement tool to use in managing spending. Strong marina operators use an annu-

al budget and a monthly review of actual performance against that budget to manage expenses effectively. You can't call the right plays if you don't know what the score is and where you are on the field. A regular review of income and expenses is the only way to save money and increase profitability.

Some of the things to look at in the budgeting process and to review as you set spending thresholds include:

1. Take a look at the "fixed" expenses or overhead items like property and personal taxes, insurance, and management expenses first. From time to time an appeal of tax assessments or tax rates makes sense. This is common practice in commercial property management. As real estate values continue to climb municipalities are reassessing properties and sometimes those assessments can be successfully challenged. This is especially true where waterfront lands are being converted to "higher valued" denser uses like residential development and marinas are being taxed on those higher uses.

2. The cost of insurance represents a significant part of overall costs for marina operators yet many don't make the time to shop for the best and most affordable policies. Are you participating in "buying groups" like those offered by state and national marine trades associations; often times these groups are offering better policies at more affordable rates. Adding qualified risk management resources to your operating plans can produce large savings when mitigating costly losses from accidents or storm events. Credit card processing is another example where participating in a larger credit pool may result in a reduction in the rate paid for cred-

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**Making marinas more profitable** CONTINUED FROM PAGE 13

it card processing fees. A couple of percentage points can translate into a significant savings especially if your customers are trending toward paying with credit, and many are.

**3.** With regard to management overhead, take a look at your staffing plan and look for efficiency. Are all the positions and jobs in your plan still necessary to delivering your operation? Have some positions grown redundant or can some be combined under one employee. Often times combining two jobs allows one to increase the compensation to a good employee and improve your employee retention overall. Consider retaining professional marina management services under a fee arrangement. There are an increasing number of professional marina management firms available and taking advantages of their economies of scale can translate into increased profitability for marina owners.

**4.** Part of your planning and budgeting process should include a review of significant repair and renewal projects at your marina. Larger projects should be capitalized on your books rather than just expended under repairs and maintenance. Check with your accountant to verify the appropriate thresholds for this distinction but it's probably set at a lower dollar value than you think.

**5.** Take a look at marketing and advertising expenses; it's possible that you've added new strategies for e-commerce or

others but may not have dropped the cost of doing the old things that aren't working as well. Are you getting the best pricing available for newspaper and magazine ads? Can you improve your placement at the same rates?

**6.** Look hard at all the "things that we've always done." Are they all still necessary or appropriate? Make certain that spending isn't automatic, especially spending outside of the budget that has been set out as a road map for the year.

Increasing professionalism and profitability in marinas is an important strategy to preserving marinas and water access. Therefore, increasing certification among marina operators is an essential goal for the marina industry. The number of marina operators certified around the world is less than 300. Marina manager certification is offered by the International Marina Institute and should be an objective for every professional marina manager. Marina operator education is a valuable tool in growing the sustainability of marinas and the marina industry overall.

Marinas play a critical role in delivering water access to the recreational boating community. Any initiative to preserve boating access should include a goal to increase professionalism and profitability from marina operations; that's one way to stem the tide of marina operators selling out to developers. Marina operations should be included among "highest and best uses" for waterfront properties. ■





# Optimizing marina and waterfront project permitting

## How to avoid common mistakes in your quest to receive the necessary permits to turn your water access facility concept into a reality.

*By Peter C. Peterson*

**The loss of water access for the general public** is fast reaching critical conditions. While many properties are being sold to private developers, one of the common complaints by existing marina operators is that the permitting process for renovations and redevelopment has become so complex that it is not worth the effort. In addition, the time lag between developing an idea or master plan and obtaining the permits to do the work can drive many planned projects to the brink of financial disaster before the first pile is driven.

Regardless of whether a dock is fixed or floating, a renovation or new construction, the permit process for marinas is identical. Obtaining the necessary permits is a time-consuming and complex process in which, even with the long approval times, the awarding of final permits is never assured.

For coastal marinas within the United States, the permits must be acquired from federal, state and local agencies. Currently, marina permits in Florida can take from 2 to 5 years from the initial submission to the final approval. Other states have similar if not longer time frames to secure permits.

The different agencies have overlapping authority and, as a result, it is often unclear which agency makes the final decision regarding the permitting of a marina. All agencies need to receive a prospective marina application, and each agency can make comments and approve or deny the application irrespective of the other agency's comments. While many of the state and even local agencies have statutory time periods in which they must respond to and comment on a prospective applicants permit application, the U.S. Army Corp of Engineers, which has to approve every coastal marina, has no statutory time period in which it needs to respond to a permit application. Dependent on the size and magnitude of the project, and the condition of the proposed site, the agencies involved may include:

**Federal:**

- U.S. Army Corps of Engineers (USACE)
- National Marine Fisheries (NMFS)
- U.S. Fish and Wildlife Service (USFWS)
- U.S. Environmental Protection Agency (USEPA)



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### State:

- Department of Environmental Protection (name varies by state)
- Water, river or reservoir management districts (varies by state and water body)
- State fish and wildlife agencies
- State lands

### Local:

- Planning and zoning boards (name varies by state)
- Storm water management districts (varies by state and water body)
- Building department

## Avoiding common mistakes

When beginning the permit process, avoiding common mistakes is the first step in optimizing the process. Some of these include:

- **The “I know someone at the agency, and he/she says this will be no problem” mistake.** Many times, municipalities are the most guilty of this mistake, thinking they will get special privileges because they are a public entity. Rest assured, the permit application will receive the same scrutiny as every other application. Because of the numerous agencies involved, it is a guarantee that someone else will take issue with something in the application.
- **Sticking your head in the sand.** Many times, applicants know there is an issue with the site and hope no one will notice. Are there any previous permit violations? Is there a potential for contaminated sediments? Do you have seagrass in your basin? Is your storm water draining into the basin untreated? Bring this to the table in the beginning of the process instead of getting 6 months into the application and realizing the agencies weren't fooled.
- **Hiding the big picture.** Honesty really is the best policy. Shortcutting the process by not revealing the real plan will only create problems down the line. Submitting a permit application to dredge to 12 feet and nothing else will likely invoke the question of what the future plans for the boat slips are.

## Taking the optimal approach

If the project is truly worthwhile and appropriate, following the correct steps will shorten the application process, and surely will save money in the long run. It will also allow the project to show measurable progress in the permit process. In some cases in which the application was filed in the incorrect manner, the applicant is further behind after 18 months than the day they started. The following steps should be taken to optimize the process:

- **Know the process and all the parties involved.** Prior to starting the process, it should be fully understood who all the parties involved are and their timelines.
- **Make contacts with the agencies and conduct pre-application meetings.** Bring everything to the table, and be prepared to discuss each issue. At the end of the meeting, there should not be any questions as to what the agencies are expecting to see as part of your application.
- **Hire a consultant if the project is difficult.** A good marina consultant should know the process from start to finish and what level of effort is necessary. Most experienced consultants know the regulatory staff and the intricacies of dealing with the regulations.
- **Prepare a complete permit package with clear figures and information.** If the permit reviewer can not clearly understand the project and the applicant's intent, they are less likely to spend time on the review and will respond with more questions. Don't try to hide the unknowns as they are likely to appear later down the road.
- **Be prepared for questions, and respond in a timely manner.** If the questions are not clear, contact the reviewer directly and ask the intent of the question. When discussing the issues, remember this is not personal. The reviewing agency is following the guidelines and checklists that they have been directed to use.
- **Be realistic about timeframes.** While fast-tracking a project is commendable, the regulatory agencies are not subjected to the intended project schedule. If time is of the essence, make sure the issues can be addressed sufficiently before moving forward. Sometimes it may be possible to begin certain parts of the construction (i.e. demolition, etc.) prior to full permit approval.
- **Don't let the permits expire.** Once the permit has been obtained, it usually has a time limit. If the project is not complete, ask for an extension BEFORE it expires.
- **Finally, make sure and submit all post-project requirements such as completion notices and as-builts.** For some dredging projects, this could be the difference between allowing for future maintenance dredging and having to apply for new permits all over again.

Navigating the permit application process can be confusing, complicated, and time consuming. However, knowing the process and avoiding the common pitfalls can make the difference between a successful project and a failure. By educating oneself to the process and being pragmatic, the permit hurdles can be overcome. ■



# How to lobby for water access

Dealers and boatyard/marina operators, who are at the forefront of the water access, can serve as strong advocates to their federal, state and local officials.

*By Dylan Jones*

**For some time now**, the loss of access to waterways for boaters all across the United States has been a major concern. There are many reasons for this crisis, including population increases, rising coastal property values, increasing residential development and burdensome permitting processes for marinas, among many others.

While the reasons for diminishing access are easy to identify, the solutions often are not. Water access is a national issue occurring at the local level. The most significant challenges in the access fight include: adequately informing elected officials and decision makers at all levels of government about the current threat to water access; conveying the need for comprehensive water access preservation and expansion plans; and explaining the negative economic consequences resulting from the loss of water access.

Federal, state and local governments play a vital role in boating access, including funding, development planning, land use determinations and permitting requirements. Land use planners, economic development interests and politicians must be equipped with the right information to make informed and accurate decisions about waterfront development in relation to recreational boating and boating access needs.

Dealers and boatyard/marina operators are at the forefront of the water access issue and can serve as strong advocates to their federal, state and local officials.

## Get involved

One of the best ways to have your voice heard is to work closely with regional, state, and local marine trade and industries associations. These organizations are politically active and have established relationships with key decision-makers that can impact water access. Dealers should reach out to their trade associations to ensure water access issues remain at the top of political agendas and that efforts are being made to contact the appropriate people.

Regional associations can amplify issues for dealers. Local associations are familiar partners for dealers and should be comfortable working with the infrastructure and association bureaucracy. This is an efficient way to champion the cause of water access and deliver a consistent, nationwide message formed at the local level.

## Make it personal

Additionally, dealers and boatyard/marina operators should make individual efforts to reach out to their elected officials, and, more importantly, take steps to encourage their customers – the boating public – to do the same.



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[www.nmma.org/government/wateraccess/](http://www.nmma.org/government/wateraccess/)





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They should engage customers in the access discussion through flyers or handouts, a bulletin board dedicated to access postings located in a prominent part of their business, or even provide a forum for access issues on their respective Web sites. Working with customers to identify potential access issues, informing them of the proper communication channels and helping them explain their concerns will ensure the people responsible for protecting and preserving access are hearing about the problem and being urged to do something about it. A concerned and vocal constituency still elicits the strongest response from elected officials.

### Research the economic benefits

Perhaps the most vital information for elected officials to be apprised of related to water access involves the economic benefits boating bestows on their communities. It's important to stress that boating is more than just money spent purchasing a boat and renting a storage space; boaters spend thousands of dollars each year on related expenses such as fuel, groceries, accessories and fishing equipment. In addition, boaters provide significant secondary economic benefits to business like restaurants and hotels. All of these economic activities support jobs and employment opportunities throughout the community.

In an effort to provide water access advocates with this crucial information, the boating industry, in partnership with Michigan State University, has created an online boating economic impact model for boating access advocates to use. This tool can be found at [www.MarinaEconomics.com](http://www.MarinaEconomics.com).

The model is an estimate of boater spending and economic impacts in terms of jobs, sales, income, and value-added benefits associated with the ownership and use of different sizes and types of recreational boats. Economic impacts can be estimated for a marina, harbor, boat ramp site, or for all registered powerboats and sailboats in a designated region.

The primary input for the model is the number of boats with different types and sizes. The model then applies national or regional averages for: (1) the number of days the boats are used; (2) annual spending per boat on storage, accessories, insurance and other craft-related expenses; and (3) the average spending per day of boaters on boating trips for meals, fuel and other items.

Economic impacts are estimated by applying the spending estimates to a set of multipliers representing the structure of the local region where a marina or boat access/launch site is located. Statistical multipliers convert boater trip and craft spending into the associated jobs,

income and the value added in boat-related and tourism-related businesses. When these numbers are presented to access decision-makers, positive changes can be made and policies adopted.

### Know where to find help

Because water access is a challenge coast to coast, finding ways to expand and preserve access requires the cooperation of many diverse groups and the coordination of information, tools and resources. That's why those on the access-fight frontlines should use broad, national resources available to them to advocate on their behalf.

Two years ago, a Grow Boating Initiative Water Access Task Force was established and charged with examining access issues and developing solutions. The magnitude of this problem quickly became clear, and new, innovative ideas were necessary. As a result, this past summer the Water Access Alliance (the Alliance) was created.

The Alliance is a means to involve all segments of the boating industry and to effectively obtain input from the boating public. The Alliance works closely with all levels of government to ensure decision makers are receiving, considering and adopting the correct strategies to address the growing need for boating access.

Examples of government outreach by the Alliance include: Lobbying for the successful passage of legislation to fund vital navigational dredging projects across the country; the drafting and introduction of the Keep Our Waterfronts Working Act in the U.S. House of Representatives, which would allow coastal states to invest in the protection, preservation and expansion of their waterfront access; and a partnership with the U.S. Forest Service to promote and encourage recreational boating on Forest Service lands.

By building upon these successes, the Alliance will ensure government stakeholders consider boating community interests when making waterfront development decisions. The Alliance's ongoing relationship with government interests at all levels will ultimately result in a louder voice for boating interests and increased boating access across the country.

There are many ways dealers and boatyard/marina operators can become politically active on the access issue. The goal is to inform and encourage the grassroots boating public as part of the entire boating community's efforts to reach decision makers and address growing concern over diminishing access and effect positive change.

Together, we can all achieve this goal and grow boating for many generations to come. ■



**BEST  
PRACTICE**

# Galati Yacht Sales

## This yacht dealer created an entire company in an effort to find a solution to its customers' water access challenges.

By Liz Walz

**Anna Maria, Fla.-based Galati Yacht Sales** has proven that where there is a gap in its customers' boating experience, it will fill it, whether within a dealer's traditional sphere or not.

Water access is no exception. When its customers began experiencing a shortage of marina slips, the Galati family put their heads together and came up with the concept for Coastal Marina Management (CMM).

In 2006, the Galati brothers partnered with marina operations guru Scott Burt to form the management and consulting firm. Today, the company, which has 42 employees, operates and manages six facilities throughout Northwest Florida and has plans to grow throughout the Southeastern U.S.

"We were very passionate about it because we were worried about how many slips were going away," says Joe Galati, Galati Yacht Sales president. "We subsidized it through our sales department psychologically. We didn't care how much money we made at it"

The idea behind CMM was that, since the Galati family couldn't compete with real estate developers to buy marinas, it would partner with them to help them operate marinas, yacht clubs, dry storage facilities and boat yards on their waterfront properties as healthy businesses capable of exceeding customers' expectations. That way, the developers would be more likely to retain the boating facilities as amenities for their clients and the community, and perhaps even invest in improving and expanding them over time.

One example of such an alliance is its relationship with The St. Joe Company, the largest private landholder in the state of Florida, according to Galati. CMM has a strategic alliance with St. Joe in which it manages two of its marinas and hopes to manage more in the future. The company also manages three dry stack facilities.

What CMM didn't anticipate was developers' need for consulting services – an aspect of its business that has become quite successful. Before the waterfront real estate boom, most marinas were designed and built by marina owners and operators. In recent years, however, some real estate developers have hired designers without experience in marina operations, resulting in what Joe calls "terrible designs." In some cases, the marinas were designed with slip sizes that didn't match boat size trends, with-

out the proper power for customers' boats, with inconvenient placement of restrooms and showers, and without a hurricane plan. Another common mistake, according to Galati, is building a marina with the same number of slips as the site has homes or condos, failing to take into account local demand for boat slips or transient boaters.

Today, CMM helps developers design boater-friendly marinas, which often gives the company a foot in the door when it comes time for the developers to hire marina managers. In fact, in the wake of Florida's housing market crash, CMM is helping several companies that purchased marinas and boatyards with the intention of tearing them down and building condos renovate the boating facilities.

"Marinas, yacht clubs and dry stack facilities are once again becoming appealing to developers," comments Burt. "While they might not represent highest and best use of the property, marinas are viable options in this economic climate."

Only two years after its creation, CMM has "definitely opened up a lot of slips in the area," says Galati, and has served as an "exceptional water access solution" for the dealership. Galati Yacht Sales doesn't have exclusive access to those slips, but it clearly has benefited from them.

While it hasn't been a huge profit center, it's in the black, hasn't required a cash infusion and pays quite a few employees' salaries, Galati suggests. In addition, CMM has paved the way for additional exposure for the dealership. It often has a sales presence at tournaments, festivals and other events held by the marinas it manages, for example. And CMM has helped to improve many boat owners' experiences, including some Galati customers. Right now, the company is working to provide connectivity between the marinas it manages, encouraging slip renters or tenants of one facility to visit the other facilities.

It all comes back to the experience the industry provides to its customers. Many of Galati's customers can afford to buy every boat the company sells. How much they allocate to their hobby often comes down to the quality of the boating experience their families enjoy.

CMM is one more way for Galati Yacht Sales – ranked No. 1 in *Boating Industry* magazine's Top 100 Dealer Program – to ensure it's exceeding boaters' expectations. It's a strategy that's paying off tremendously for the company – and for the industry. ■