

## **South Bay Boat Yard To Undergo Major Transformation: New Look, New Name, New Capabilities!**

### **Construction about to begin on new mega-capacity facility, opening San Diego to worldwide repair operations**

**Chula Vista, Calif., June 9, 2006):** It's a Cinderella story of sorts for **South Bay Boat Yard**. Since the early 1980s, it has made its home on one million square feet of land and water along the Chula Vista waterfront and quietly it became San Diego's largest boat yard. The yard's services have always been top-notch, but the site has been far from glamorous.

All that is about to change as South Bay Boat Yard re-invents itself in many ways – including developing an entirely new state-of-the-art facility, drastically enhancing its equipment capacity, and even changing its name to reflect its new image. When 2006 draws to a close, the era of South Bay Boat Yard will come to a close and **The Marine Group LLC** will reveal itself on a worldwide stage as one of the largest capacity boat yards in the United States.

To put the massive transformation into perspective, South Bay Boat Yard has a current lifting capacity of 100 tons (90 feet long and 22 feet wide). When the new equipment is operational later this year, the facility will be able to accommodate loads up to 665 tons (220 feet long and 54 feet wide). This is only the second lift over 500 tons ever to be made in the U.S. and will be the largest operating in the U.S.

So why did South Bay Boat Yard make the decision to increase its capacity? Quite simply, because the boating world is changing – for the bigger. The market for "super-yachts" – the term used to describe yachts in excess of 100 feet in length – is breaking statistical records worldwide, with demand growing by an unprecedented 80 percent in the last six years.

"The 'super-yacht' market is growing at an incredible rate," said Vice President Todd Roberts. "There are currently 650 of these boats under construction worldwide, and the repair capacity for them is simply inadequate. Owners had to take their boats to places like the Far East, Australia and Europe for repairs. We're going to be able to offer them the chance to stay right here on the West Coast for their repair needs. That's a boon for us, but also great news for San Diego."

According to some industry estimates, for every \$1 spent on yacht repairs, another \$7 goes into the local economy, as owners and crews seek hotel rooms, restaurants, shopping and entertainment during the repair process, which can take anywhere from a few days to over a year, depending on the scale of the project. The payoff potential for local coffers is huge, as yacht owners can expect to spend at least 10 percent of the vessel's purchase price in routine maintenance. For example, in Florida's Miami-Dade, Palm Beach and Broward Counties, super-yacht owners contributed \$576 million to the local economy.

It is estimated that up to 75 percent of the decision-making process about where to have repairs done is driven by the location of the facility. The Marine Group is confident about San Diego being a major draw for owners and crews now that a high-capacity facility will be

available.

Construction on The Marine Group's new \$6 million facility will begin on April 15, and will involve three major construction phases:

Phase one, which will involve demolition of 20,000 square feet of structures and paving of four acres, and will take approximately two months to complete.

Phase two, with an estimated start date of June 20, will include the construction of a new office complex and workshops, totaling about 25,000 square feet.

Phase three, expected to begin in September, will involve the construction of a 150 ft pier that the massive machine will operate on. The lift will be transported to Chula Vista from Wisconsin in pieces aboard 19 18-wheel trucks. Completion is scheduled for mid-December.

The boatyard will remain operational during the entire construction process, while maintaining the highest levels of environmental responsibility it has prided itself on for decades. It will continue to service vessels of all sizes, estimating that approximately 50 percent of its business to be represented by yachts and the remaining 50 percent from Navy or other commercial boats.

"From 600 pounds to 600 tons, we'll do it all," added Roberts. "While we will become a destination for some of the world's most expensive yachts, we want to emphasize that we will always continue to service the customers who have turned to us for years, from small personal boats right on up to high-performance special forces vessels operated by the military."

The Marine Group, formerly known as South Bay Boat Yard, is a full-service repair facility located in Chula Vista, Calif. (south San Diego County). Located at 997 G Street in Chula Vista, the facility's services include repair, retrofit, conversion and custom painting for yachts, military and commercial vessels up to 600 tons. For more information, visit [www.marinegroupbw.com](http://www.marinegroupbw.com) or call (800) 281-5565 or (619) 427-6767.

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