San Diego Boatyard Awarded San Francisco Bay Ferry Contracts Valued Over \$22 million, Keeps, Creates Jobs in California

M.S. San Francisco, Bay Breeze Ferry Sail to Marine Group Boat Works for Complete Refurbishment



(Chula Vista, Calif., October 15, 2013): Marine Group Boat Works, LLC, ("Marine Group") a family-owned boatbuilding and repair facility with two locations on the San Diego Bay, was recently awarded two separate contracts to fully refurbish San Francisco Bay area commuter ferries: the 97-foot *Bay Breeze* owned by the Water Emergency Transportation Authority (WETA) and the 180 foot-*M.S. San Francisco* owned by the

Golden Gate Bridge Highway and Transportation District. The *Bay Breeze* contract, valued over \$4 million, was awarded by WETA in March 2013; and the <u>M.S. San Francisco contract</u>, valued in excess of \$18 million was awarded in June 2013 by the Golden Gate Bridge Highway and Transportation District Board of Directors. Both vessels are currently out of the water and docked for refurbishment at Marine Group's facility in South San Diego.



"San Diego—specifically the South Bay—has become a mecca for working waterfront opportunities for working families and vendors alike. Having infrastructure, capacity and facilities are critical for keeping a balanced and healthy waterfront," said Todd Roberts, vice president of Marine Group Boat Works. "It was our Chula Vista facility that exceeded the minimum capabilities to even qualify us to bid on the contract. We're privileged to be in a port city that has good weather year-round, existing infrastructure and an extensive marine services and

supplies network to be able to compete with other port cities nation-wide. We're happy to say work in California is staying in California."

Economic Impact

Although 100 percent of the work will be performed locally at Marine Group's 15-acre waterfront facility, the economic impact is nationwide according to the report titled, "Economic Importance of U.S. the Shipbuilding and Repairing Industry," released by the U.S. Maritime Administration (MARAD). The report evaluates 2011 data from private shipbuilding and repair sector. According to the study, each job in the industry leads to another 2.7 jobs nationally. For every dollar worth of goods and services spent leads to another \$2.66 in the wider economy.

To put the statistics into perspective, the two refurbishment projects will utilize Marine Group's team of inhouse tradesmen consisting of ABS-certified welders, shipfitters, pipefitters, mechanics and painters to perform a majority of the work with the remaining portion subcontracted out. The economic impact as a result of the contracts is as follows:

 More than \$15 million will be spent in materials and subcontractors over the life of the two contracts. While a majority of the specialty subcontractors, original equipment manufacturers, naval architects and engineering firms are/will be sourced locally; several will come from as far away as Germany and Australia.

- Well over \$250,000 is expected to be spent on flights, hotels and car rentals to accommodate ferry contract representatives, crew, naval architects, manufacturer representatives and other technicians involved in the refurbishment.
- More than 50 jobs were created in-house—up by about 45 percent from 2012.

"These figures are only the numbers we're able to track. We're not counting the indirect costs that incur throughout the supply chain or simply how many of the business trips are extended to include leisure time in San Diego and the tourism impact from that. We're also generating interest from San Francisco and state dignitaries who want a tour of our yard. At the end of the day, any opportunity to promote San Diego's maritime fleet support capabilities is invaluable to not only us, but the working waterfront community overall," said Roberts.

Project Completion Status



The *Bay Breeze* was built in Washington and delivered to California in 1994 to service San Francisco Bay area commuters. It operated between the City of Alameda's Harbor Bay and San Francisco before WETA awarded the refurbishment contract earlier this year. Shortly thereafter, the ferry was towed to Marine Group's facility where it was hauled out of the water and structural modifications began. Upon completion, the *Bay Breeze* ferry will have a newly installed conventional propeller system, brand new interior, systems upgrades among other refurbishments and a whole new paint scheme to match the current look of the fleet. The contract is approximately 80 percent complete.

M.S. San Francisco was built in San Diego and delivered in 1977 to the Bay Area for service. After 36 years of commuting passengers to and from Larkspur, California, the ferry returned to San Diego and hauled at Marine Group's Chula Vista facility by use of its 665-ton mobile lift. Upon completion of the contract, *M.S. San Francisco* will nearly have all new components; machinery, electrical and auxiliary systems replaced and/or upgraded; brand new interior and a new paint job. Estimated completion time is 14 months.

About Water Emergency Transportation Authority

<u>WETA</u> was established in 2007 by the State of California with a mandate to operate a comprehensive San Francisco Bay Area public water transit system, and to plan and coordinate the water transit response to a regional emergency. Under the brand "San Francisco Bay Ferry", WETA carries over 1.6 million passengers per year on routes serving the cities of Vallejo, Oakland, South San Francisco, Alameda and San Francisco.

About Golden Gate Transportation District

Based in San Francisco, the <u>Golden Gate Bridge, Highway and Transportation District</u> operates the Golden Gate Bridge, and two public transit systems: Golden Gate Transit buses and Golden Gate Ferry. In 2012, 38 million vehicles crossed the Golden Gate Bridge and over 9 million customers rode the transit systems.

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About Marine Group Boat Works

<u>Marine Group Boat Works</u> is a full-service, boatbuilder and repair company with two facilities on the San Diego Bay and one facility in Los Cabos. Its headquarters in Chula Vista consists of 15 acres of land and water; 2,100 feet of docks; a 665-ton travelift; fabrication and welding environments for both steel and aluminum and several mobile and production equipment to accommodate vessels up to 220 feet. Its sister yards in National City and San Jose del Cabo encompass over 300,000 square feet of land and water and feature 300- and 150-ton travelifts respectively. Between the three facilities, it employs over 150 ABS-certified welders, shipfitters, pipefitters, mechanics, painters and equipment operators. Commercial customers include Crowley Maritime, Foss Maritime, Pacific Tugboat, U.S. Navy, U.S. Coast Guard, Port of San Diego, and San Diego Harbor Police.

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