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### **ON THE MOVE**

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*Personnel moves in San Diego County*

Marine Group Boat Works, located at the Port of San Diego, has named **Fred Larsson** director of superyacht operations and **Bill Waite** director of business development. Larsson spent the past five years as captain and project manager of the superyacht *Attessa*. Waite has raced sailboats for 30 years and was director of hospitality for the Stars & Stripes when the team won the America's Cup in 1987.

## SIGHTINGS

### size matters

Well, at least it does when you're a shipyard wanting to offer better services to bigger boats. Those were the target demographics which prompted shipyards in the Bay and in San Diego to order up some seriously extra heavy duty hardware, which debuted recently.

Over at Bay Ship & Yacht's Alameda yard (which services primarily commercial vessels, while its smaller yard in Richmond specializes in yachts), they have a new Rolls Royce. Not the car, but a clever apparatus called a Marine Synchronlift. Essentially a huge elevator, the idea is that you drive a ship (or two) onto the Synchronlift's sunken platform, then raise the platform. The vessel(s) can then be moved ashore and positioned using a series of rails.

Bay Ship and Yacht — founded in 1977 by Bill Elliott, who still runs the show — debuted the Synchronlift in suitably dramatic fashion in December, when the yard hauled not one, but two 152-ft, 99-ton passenger ships, the *M/V Sea Bird* and *M/V Sea Lion*. Operated by Lindblad Expeditions, the ships were on their annual passage from Alaska to Mexico for the winter cruising season. The twin haulouts were to perform routine hull maintenance and propeller tuning.

"Working with Lindblad Expeditions has been exciting, and afforded us the opportunity to celebrate the culmination of a seven-year project bringing our dream to life," says Elliott.

Completion of the Synchronlift and its dedicated rail system adds an additional 1,200 tons of hoisting capacity to the yard, as well as storage for up to seven 200-ft vessels.

Down San Diego way, the crown jewel of a \$6-million renovation of the Marine Group boatyard (formerly South Bay Boat Yard) is their new Travelift. But not just any Travelift — at 660 tons capacity, this monster is the largest lifting vehicle now operating in the United States. That means the yard can now haul boats up to 90 feet long and 22 feet wide. And that means superyachts.

"The superyacht market is growing at an incredible rate, said Marine Group VP 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." Some military craft would also be serviced using the new Travelift.

But Roberts was quick to add that they are not forsaking the yard's long-time non-dot-com clientele. "We'll continue to service the customers who have turned to us for years," he said, paraphrasing what could well be the company's next catchphrase: "From 600 pounds to 600 tons, we'll do it all."



Marine Group's new Travelift hardly breaks a sweat lifting this harbor tug. Note the size of the guy (circled) powerwashing the bottom.

COURTESY MARINE GROUP

—jr

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The San Diego Union-Tribune | **THE OTHER TOP STORIES** | Thursday, February 8, 2007

**A3**

**1915**

**THIS DAY IN HISTORY**

D.W. Griffith's silent-movie epic about the Civil War, "The Birth of a Nation," premiered in Los Angeles.

**1974:** The three-man crew of the "Skylab" space station returned to Earth after 84 days in space.

SOURCE: ASSOCIATED PRESS

**MOST E-MAILED U-T STORIES**

As of 7 p.m. yesterday:

1. "Billionaire Ernest Rady, wife attacked in home robbery"
2. "Ex-La Jolla Country Day students charged with burglary"
3. "'River of gold' swells to a flood"

WWW.UTONLINE.COM

**U-T QUOTE OF THE DAY**

**BUSINESS, C1:** "Everything is on a mammoth scale with these things. When they gas up to leave, the bill will be \$50,000 - so there will be a lucky fuel vendor."

- **TODD ROBERTS**, vice president of Marine Group Boat Works, on the mega-yachts that can now be serviced at his company's boat yard in Chula Vista



The \$50 million mega-yacht Ronin sat in a Travellift at the Marine Group Boat Works in Chula Vista. Nadia Borowski Scott / Union-Tribune photos

# The heavy lifting

Facility gets gear to be port of call for mega-yacht fixes

By David Washburn  
STAFF WRITER

Mario Olivarez stood in the shadow of billionaire Larry Ellison's \$50 million super-yacht Ronin, ready to make history.

Strapped to his chest was a tackle box-sized contraption with a dozen switches and a small computer screen. Nearby in a slip at Chula Vista's Marine Group Boat Works, the yacht was secured — via three 90-foot-long straps — to one of the largest travel lifts in the world.

Olivarez looked up, got the "go" sign and flipped a few switches. Slowly, the straps tightened around the 384-ton boat and began to lift it out of the water. After the hull had cleared the edge of the slip, the Marine Travellift, with its four pairs of 9-foot-tall wheels, rolled the boat



A worker directed the movement of the company's new Travellift as it raised the 193-foot mega yacht out of a slip.

away.

A couple of hours later, the 192-foot-long yacht was up on blocks in the boat yard, where it will stay for 12 weeks while Marine Group workers give it new paint, a propeller rehab and dozens of other small fixes and improvements.

The maneuver Monday, accomplished at greater speed and less cost than traditional dry-docking, ushered in a new era at the 30-year-old boat yard and put it on par with other yards worldwide that special-



SOURCE: SanGIS

AARON STECKELBERG / Union-Tribune

SEE **Boats, C4**

## ► BOATS

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### Facility vies against yards across the globe

ize in mega-yacht retrofitting.

"Today is a pretty important day," said Marine Group Boat Works vice president Todd Roberts, who supervised the operation. "It is the christening effort of a six-year struggle to revamp our facility."

The company, which until last year was known as the South Bay Boat Yard, spent \$6.5 million on its recent remodel and expansion. In addition to an extensive cleanup of the facility and construction of several buildings, the company spent \$3.2 million on the Travelift — one of two in the United States that can move boats weighing up to 660 tons.

Roberts said business from the new lift could nearly double revenue, which was \$7 million to \$8 million last year. The company leases 9.45 acres ashore and 8.52 acres of water at the foot of G Street from the San Diego Unified Port District.

Last year Marine Group Boat Works serviced 350 boats; about 60 percent were commercial vessels. This year Roberts said the company will likely service fewer boats, but more will be big ones, including 12 to 14 mega-yachts. He added that the company is hiring and will likely double its staff from about 50 employees to 100.

Others in the industry agree that Marine's investment should pay off. More mega-yachts are being built now than in the past five years, and there is a dearth of facilities on the West Coast to service them, said Anthony Utley, president of the West Coast Boat Yard Association, in Victoria, British Columbia.

"This is pretty exciting," Utley said. "There could be a big wave of business coming through the West Coast ports, and I see San Diego as a great place because it is a jumping-off point for Mexico and Central and South America."

Marine Group Boat Works vies for business against boat yards from all over the world, including big yards in Amsterdam, Netherlands; Barcelona, Spain; and Bremen, Germany. Its biggest domestic competitors are in Seattle, Miami and New Orleans.

The San Diego Port District

is in the midst of a study to determine whether San Diego County is a destination for yachts — and so far the answer is yes, Port spokeswoman Irene McCormick said.

"This is the first port you enter when you come up from the south," Jackson said. "And with boats anywhere from 150 to 250 feet long, the repair facilities need to bring in bigger lifts."

The Knight & Carver Yacht Center in National City and Driscoll Boat Works on Shelter Island also work on yachts. But until Monday, the only way to get a boat bigger than 300 tons out of the water in San Diego County was by using one of three floating dry docks.

Roberts said a travel lift is far more efficient than a floating dry dock. A dry dock is more expensive to operate, takes longer to get the boat out of the water and causes more pollution because work has to be done near the water.

In addition to filling the cofers at Marine Group Boat Works, the refitting of mega-yachts has an outsized economic impact on the region, Roberts and tourism industry watchers said.

Annual expenses for a yacht are typically 1 percent to 10 percent of its value, so Ellison, for example, could be spending as much as \$5 million around the world to keep the Ronin afloat each year.

Ellison, co-founder and chief executive of database-software maker Oracle in Redwood City, has rented downtown San Diego apartments for the Ronin's 14-member crew for the three months the boat is to be out of the water.

And the owners of these types of vessels tend to be big spenders on everything from nights out to flowers for the launch back out to sea.

"Everything is on a mammoth scale with these things," Roberts said. "When they [Ronin] gas up to leave, the bill will be \$50,000 — so there will be a lucky fuel vendor."

Super-yachts sailing the San Diego County coast could help the tourism industry, said Sal Giametta of the San Diego Convention and Visitors Bureau.

"It's not a big enough piece that we would have research on it, but some of these mega-yachts are works of art, and getting close to them is a special experience for a lot of people," he said.

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# Rich, Famous Steer Yachts to Marine Group Boat Works

## Refit, Repair Specialist Taking Business From Overseas Yards

**BY CONNIE LEWIS**

The Marine Group Boat Works built it — the nation's largest lift for mega yachts — and more of the super-rich who own such vessels are coming to town for refitting.

Among them is Oracle Chief Executive Officer Larry Ellison. High on Forbes' list of wealthiest Americans, he's bringing the "smaller" of his two mega yachts, the 192-foot Ronin to the Chula Vista company for some work.

"The boat will be here for 12 weeks, depending on the type of work we'll be doing," said Todd Roberts, the Marine Group's president. "This is not even a full refit, but it's a sizable refit."

*Please turn to MARINE on Page 51*



Marine Group Boat Works

A new lift at the Marine Group Boat Works is the largest of its type in the United States.

# Marine:

*Continued from Page 1*

Another is Howard Leight. Founder of Howard S. Leight Industries, maker of the foam earplug, his 145-foot Leightstar is currently at the yard. Adding to the list, the HMS Surprise, a replica of an 18<sup>th</sup> century Royal Navy frigate used in the 2003 film "Master & Commander: The Far Side of the World," is scheduled to arrive in late February.

Many owners of mega yachts — a term that describes boats exceeding 100 feet in length — insist on anonymity. They don't want the public to know their comings and goings.

"These are rich folks, but they're not necessarily famous," Roberts said. "They're not rock stars and movie stars like you might imagine. They're extremely successful businesspeople, like the guy who owns 50 coal mines, but you never read or hear much about him."

A 228-foot yacht is also due to sail into the boat yard in March, but Roberts declined to give any other details.

"Mum is the word," he said.

People passing by the waterfront company, formerly known as the South Bay Boat Yard, won't be able to miss it, though, he added.

Like owners of smaller oceangoing vessels, their modus operandi is spending time fishing, exploring or participating in water sports, only on a different scale and for a lot more money.

There are no hard numbers to go by, but it's generally assumed that maintaining and operating mega yachts, which are manned by professional crews, costs 10 percent of the value of the boat annually.

Stocking up for departure from port involves purchases of fuel, supplies, copious amounts of luxury food items and liquor, including caviar and champagne and lots of flowers.

"We could make a florist's year when we finish up a mega yacht and it departs," Roberts said.



Marine Group Boat Works

Motorists driving by the Marine Group Boat Works on Chula Vista's bay front can expect to see mega yachts, the toys of the super rich, in dry dock, thanks to a newly installed lift.

Since nearly all of the furnishings and fixtures used in remodeling or expanding a mega yacht have to be custom-made, nothing comes cheap.

"You don't go to Home Depot for this stuff," he said. "We did a granite counter for a boat being remodeled, so we went out to find a granite guy and spent \$20,000 on granite work. Nothing is minor."

Though items such as lumber, sand, paint, plastic shrink-wrap and masking tape used to enclose the boats, are stock, they have to be purchased in bulk.

"We just spent \$10,000 on wood for cribbing to support a yacht coming in," he said.

Art Engle, who co-owns the Marine Group with his brother Herb, said that a key reason for adding the 665-ton lift, which was part of a \$6 million renovation completed this month, was to capture more of the mega yacht repair work currently going overseas.

The new lift is 53 feet wide and has an inside clearance of 50 feet. The closest in size in the United States is a 600-ton machine operating in Connecticut, but it is devoted primarily to ferry construction.

The Marine Group isn't the only local company that works on mega yachts. Others include Knight & Carver Yacht Center in National City and Driscoll Boat Works on Shelter Island.

The big boats aren't new to the Marine Group either, but the only way it could lift them out of the water previously was to

coordinate with the Campbell Shipyard. Then it closed.

"A lot of the owners would prefer to have work done in the U.S. because of the aspect of trust associated with it," Engle said. "And secondly a lot more mega yachts are now visiting the West Coast because they, like the cruise ship industry, are sailing to Alaska.

"They come up from the Caribbean through the Panama Canal."

It's logical to assume that San Diego could be their first U.S. stopping point, he added.

While half of the Marine Group's business is devoted to working on commercial boats, Engle estimated that refitting mega yachts with the new lift could result in revenues increasing to \$12 million this year from \$7.8 million last year. Thereafter, he expects revenue to go up by about 25 percent each year. The company serviced more than 400 boats last year when it had a lifting capacity of 100 tons. It currently operates with a staff of 52, and more people are being hired, Roberts said.

#### A Virtual Tourism Attraction

It's impossible to project the impact that mega yachts could have on the local economy. Their crews might stay in local hotels while the boats are being worked on, or they may jet to their hometowns and back to meet up with the yacht owners and guests who come in to board for a cruise once the work is finished.

With demand for mega yachts exceeding supply — orders can take up to five years to fill from any of the world's 100 or so builders — sales and refitting of used vessels are also on the rise.

"Purchasers of used mega yachts always want to redo them, and often they'll perform maintenance, even if routine maintenance schedules were done," Roberts said.

In places such as South Florida, the Caribbean and Monte Carlo, looking at mega yachts has become a "virtual tourist attraction" for the not so rich, said John Hawkins, a former chairman of the San Diego Convention & Visitors Bureau who

owns Cloud 9 Shuttle.

"If you're lucky to get onto one of them — I think you have to show your balance sheet — it's like a home tour in Rancho Santa Fe," Hawkins said. "Fort Lauderdale has mega yacht row and tourists come out just to look at them. I was in Monte Carlo last summer, and it's the same thing."

Citing recent statistics for Florida's Miami-Dade, Palm Beach and Broward counties, Roberts said mega yacht owners contributed more than \$576 million to the economy — roughly a tenth of San Diego's annual direct tourism spending.

Luring a vast number of mega yachters away from the East Coast, where most live, or from the popular cruising destinations of Florida and the Caribbean, isn't likely, Hawkins said.

But California and the West Coast are sprouting their own crop of super-rich mega yachters and San Diego's bay front has the space to accommodate more of the jumbo-sized slips they require, Hawkins added.

At present, local marinas have about a dozen slips where such yachts can dock. More are in the planning stages, including a two-phase marina project Engle and his brother have slated for downtown.

Though financing has not yet been obtained for the 250-room Spinnaker Hotel the pair plan to build directly behind the San Diego Convention Center, work on a marina containing 15 spaces for mega yachts will precede hotel construction and could begin as soon as November, he said.

Plans call for a second phase with 20 mega slips, but a start date for construction is undetermined.

Hawkins suggests that the tuna harbor adjacent to Seaport Village should be transformed into a mega yacht marina.

"Think of the fun people could have walking from the Star of India to Seaport Village," he said. "It's fun for us regular mortals to look at the glamorous trappings of the rich and famous. It's like Hearst Castle. These things are beautiful."