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Builders Put Squeeze on Boaters; Marina Slips in Tight Supply as Condos Encroach

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By IVER PETERSON
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Tony Sa considers himself lucky to have a spot for his boat this summer at Hoffman's Marina, which is next door in Brielle and is one of the Jersey Shore's legendary sports fishing marinas. But he knows what is waiting for him next spring: a night on the floor of the Manasquan Township municipal building with all the other boaters hoping to snag a scarce municipal boat slip.

Next summer or soon after, Hoffman's will become the latest in a long line of Jersey Shore marinas to rip out the boat sheds and machine shops and storage yard to make way for a waterfront luxury condominium development.

"It's all the condos," Mr. Sa said as he pulled his boat, the Three Amigos, out of the water to have the motor serviced. "Every year, there's less and less boat slips and more and more people who want them. And next year I'm going to be one of them."

Recreational boating is a major part of the summer scene along the Jersey Shore, on Long Island, in Connecticut and along the Hudson River. But with federal excise taxes on yachts repealed and sales representatives reporting more people buying with a post-9/11 "live for the moment" eagerness, a common complaint is that places to keep, fuel, repair and store boats over the winter are being eaten up by the boom in waterfront real estate.

In Florida, where so many boating trends begin, the problem is so acute that yacht sales representatives report buyers putting down a deposit on Friday and demanding it back on Monday, after a fruitless weekend search for dock space.

"The tough thing is, this isn't a business you can make a lot of money in, but you're sitting on a gold mine in terms of the value of the land," said Tom Kowalsky, a dockhand at Oceanic Marine on the Navesink River in Rumson, N.J.

No one knows how many boat slips there are in the New York region, or how many fewer there are than before, but the complaints have become so loud that the New Jersey Marine Trades Association has started a survey of member marinas to find out.

"Obviously, I've seen and heard the same thing," said Melissa Danko, executive director of the association. "So it's on our radar screen and we are trying to reach out and find out what's what."

One response has been the rise of the dockominium, an idea that started in Florida's year-round boating environment. Marinas sell boat slips like real estate, assuring the owner perpetual ownership, tax write-offs for interest paid if the boat docked in the slip is used as a second home, and, the idea's promoters say, a chance to cash in on the shortage.

"There's a huge shortage of slips, especially deep-water slips," said Steve Plotkin, an owner of Half Moon Bay Marina, a 173-slip dockominium marina in Croton-on-Hudson, N.Y., about seven miles north of the Tappan Zee Bridge on the Hudson River, where boat owners buy dock space by the linear foot.

"Real estate along the river is just hotter than ever, and a lot of these developers are buying marinas and just phasing things out. So there are many more boats than there are boat slips."

Mr. Plotkin was shy about giving his prices, but he said that as an example, the owner of a 27-foot boat would pay \$36,000 to buy a dockominium, a figure that works out to \$1,333 a foot. He charges a flat fee of \$800 a year for water and electricity, and, he pointed out, town taxes are \$117 a year, which are tax deductible.

Kevin Cassidy, an energy broker who lives in Briarcliff Manor, N.Y., is one of his customers.

"It was an easy decision for me because there just aren't any others, especially with any depth of water," Mr. Cassidy said. He said he paid \$59,000 for his first dockominium at Half Moon Bay, to dock his 47-foot yacht, Orion, and then \$65,000 for a second one, which he is reselling at a huge profit.

"The prices are incredible because, believe me, there are just so few of them, and they're not making any more," Mr. Cassidy said.

Pete Pawlikowski, the owner of Oceanic Marina in Rumson, tried to convert his marina to a condo project without losing his boat slips. He received clearances to build seven condos where his yard is and hoped to keep his 110-slip marina open. But zoning rules require two parking spaces for each boat slip, and he soon realized he would not have room for both condo and marina parking.

Other condo developers retain only enough boat slips for a few of their condo owners, reasoning that the owners do not want to share their backyards with transient boaters.

In the end, Mr. Pawlikowski decided to keep the marina as it was, comforted by the fact that the slip scarcity was keeping rental prices high. "I charge \$160 a foot for a year, and I could double that price and still have every spot filled," he said.

Christopher DeFilippo, the owner of River Plaza Marina on the north shore of the Navesink in Middletown, N.J., said no to condos. He said that a developer had offered him \$12 million for his deep 12-acre lot with its long stretch of waterfront but that he had turned the offer down in favor of a \$4.2 million deal from town, which will preserve the land as open space -- and a marina.

"This used to be the Garden State, and now it's the condo state -- that's why there are no slips," Mr. DeFilippo said when asked by what logic he could turn down almost \$8 million. "Besides, I'm 82. What am I going to do with more money?"

Marina owners also complain that stringent coastal environmental rules governing even seemingly trivial matters like boat washing make the prospect of cashing out to a developer tempting. But after a decade of booming coastal development and diminishing public access, some towns want to protect their

remaining marinas and their crucial boat storage space on land by putting a stop to further developments.

Brick Township, in Ocean County, N.J., rezoned all 53 miles of waterfront on Barnegat Bay two years ago to exclude condo developments. But town planners decided recently on an exception for Traders' Cove Marina, a rundown wreck of a place where Jeffrey Fernbach, the president of Paramount Homes, hoped to build a 52-condo, restaurant and marina complex.

"This wasn't a case of removing boat slips," Mr. Fernbach said. "We were going to add 50 of them -- it was one of the first things the Department of Environmental Protection wanted to know about." Yet an outcry from environmentalists over yet another shoreline condo development prompted the town board to reverse itself and deny a permit for the project.

Paramount is suing the town to win its permit, while other developers are looking for other marinas that might make likely condo sites. Kevin Burns, who operates Strictly Marine on land he rents by a small cove on the Manasquan River, said he hoped to buy out the landlord, to assure that he could stay in business. But he is worried.

"I made an offer for a fair price and we had a kind of old-fashioned handshake deal, you know?" Mr. Burns said. "But now the landlord is saying he's got someone else interested, and that can only mean someone's looking to bulldoze this place and put condos on it."