

Orange Beach Weighs Marina

This article discusses an important decision in the makin in Orange Beach, AL. Times are tough, but "the show must go on". In theory, money spent now will pay for itself down the road.

ORANGE BEACH - It might cost \$20 million for Orange Beach to help preserve the city's past, but elected officials learned this month that they are right to believe they'll recoup that money.

A Tampa-based consultant has suggested that a municipal marina catering to Orange Beach's storied charter fishing fleet would likely lose money in its first year, profit by year two and eventually pay for itself in the end.

The City Council decided to purchase storm-battered Walker Marina on Terry Cove for about \$9.6 million in early 2005 and has since then contemplated building a homeport for the charter fleet, which has steadily lost dock space in the last decade as marinas were converted to condominiums with private moorings.

On Wednesday evening, a capacity crowd attended the report's unveiling. Authored by Linwood Gilbert Jr., a Florida appraiser who specializes in marinas, it concluded that 66-slips, a restaurant, a few thousand square feet of retail space, a banquet hall, underground fuel tanks and a parking deck would be a prudent investment should the currently cash-strapped city wish to proceed.

In effect, boat captains, deck hands and others whose livelihoods revolve around the health of the for-hire fishing business asked the council to make haste. Construction could last two years and elected officials were urged to start now while the real estate market is slow and redevelopment pressures - not to mention building costs - are relatively low.

With 301 licensed charter boats on Alabama's Gulf Coast - many of which are without dock space or working out of inconspicuous spots, like their homes - the city shouldn't have trouble finding 66 occupants, said Bobbi Walker, president of the Orange Beach Fishing Association.

"It is a sanctuary, and that's what they need," Walker said. "I wouldn't be sitting here begging you for it, nor would these captains be standing here begging you for it if there was not a need."

All told, 17 people in the fishing business spoke in favor of the project Wednesday. The sentiment was split between those who were content with their current docking arrangements but saw the project as a boost to the entire fleet, and those who were eager to sign leases.

"I'm going to need a home to finish up my career here," said Joe Garris Jr., a 37-year captain who is also a councilman in neighboring Gulf Shores.

In short, representatives of two existing marinas, however, said that taxpayer-subsidized competition could squeeze their already hurting businesses. Patti Link, who is general manager at the 55-slip San Roc Cay and also oversees the 74-slip Bear Point Marina, said city officials are underestimating the expenses of running a marina and are foolhardy in their assumption that retail and dock space will always be full.

"Marinas around here are crying for boats, they're losing money," Link said. "(The city) will not make money there, I can guarantee it."

The marina property is nestled between the 115-slip Sportsman's Marina and the private Mess-about-Marina on a sloping, oak-dotted seven acres. The boat basin aligns neatly with the opening of Perdido Pass offering a straight shot to the open Gulf.

Walker Marina was splintered in 2004's Hurricane Ivan, and the property was bought by former HealthSouth CEO Richard Scrushy, who planned a condo project there. When those development plans fell through amid Scrushy's fall in the HealthSouth accounting scandal, the property became available through one of his relatives. Seeing a chance to lock up a slot of waterfront to ensure the charter fleet's future, Orange Beach bought the property using \$7.6 million in cash and a lot on Wolf Bay that was valued at \$2.1 million.

Since then, elected officials have vetted various designs, deciding on what was then a \$17.4 million plan last June. Officials now expect the price to come closer to \$20 million, and Gilbert's analysis accounts for the higher cost.

Mayor Pete Blalock said bids will be sought so that officials have precise numbers on which to base a decision, and warned against interpreting that as a sure sign the marina will be built.

The appraiser's 61-page report is detailed. It recommends a 4,000-pound capacity icemaker so that ice may be sold cheaply, but still at a profit, for instance. It also assumes some things: that City Hall would oversee the property, that captains would pump gas and tidy the fish-cleaning stations, that the slips and the shops stayed leased.

"The bottom line is that based on the cost and the bond issue amount that the marina, under normal circumstances, would break even to a small loss the first year," Gilbert said. "The second year, all things being equal, it should be marginally in the black and continue in the black thereafter."