

The production line at North Carolina's new Cobia facility in Marion, NC.

# Boat Builders Flocking to North Carolina

BY BILL MORRIS

In the last few years several major boatbuilders have moved to North Carolina from other states. Mike Bradley has been involved in most of those relocations. A long-time resident of Beaufort and a serious boater himself, Bradley operates a unique shop as the state's office of Boating Industry Services. That office is part of the N.C. Small Business Technology Development Center, a business development service of N.C. State University and The University of North Carolina operated in partnership with the U.S. Small Business Administration.

Although that may sound like a lot of bureaucratic mumbo-jumbo, Bradley's mission is one that he pursues with a personal touch. Having already helped countless boatbuilders and marine-services companies with everything from regulatory issues to marketing, Bradley's most recent activities have focused on handling inquiries from boating-related businesses thinking about setting up shop in North Carolina.

*NCboatinglifestyle* magazine sat down with Bradley to talk about the latest developments in our state's boatbuilding and marine-services industry.

## Which big-name boat companies have you recently lured to North Carolina?

Three nationally recognized builders have moved from Florida. Chris-Craft is moving from Sarasota to Kings Mountain in Cleveland County, and Cobia moved from Ft. Pierce to Marion, in McDowell County. Two brands owned by Tracker Marine Group, Mako and Sea Craft, moved to Forest City.

In addition, Rampage Boats moved from Oconto, WI to Navassa in Brunswick County, and True World Marine came to Beaufort from New Jersey. Another big 'get' was Moores Marine moving to the Jarrett Bay Industrial

Park outside Beaufort. Moores Marine does restoration for Trumpy yachts.

This all started with the very first company I worked with, back in the mid-'90s which was then called Logic Marine. They re-located from Indonesia to Durham where they are now hugely successful as Triumph Boats, a Genmar brand.

## What does that mean to the average boat owner who reads *NCboatinglifestyle*?

There is quite a bit of state pride involved. North Carolinians really like to buy North Carolina boats. So part of what we're seeing as more and more of the companies move here is that they are expanding their market. I predict you'll see more Chris-Crafts and Cobias on both our inland and coastal waters.

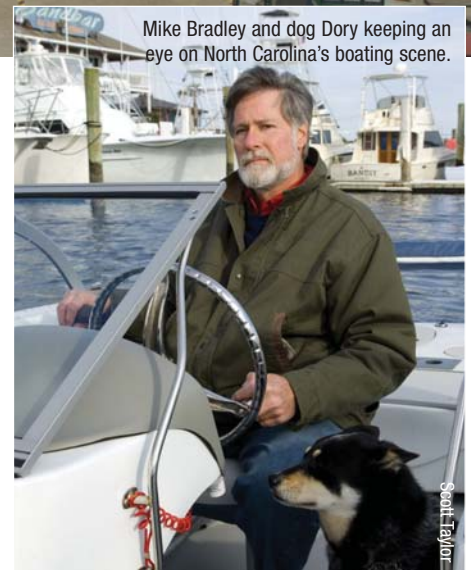
Also, I think we like being a boat-friendly state. We are the only state that has a job like mine, an agency that does this. And the competing states can't build the capability overnight, because we've been at it over 16 years. It's the networking we have that makes it work.

## What's the value in terms of jobs?

In the last several years, we've attracted about 2,500 new jobs and \$125 million in investment. Right now we have another 15 boatbuilders we are working with who are interested. Recently, in one week we had three companies visiting North Carolina.

There are another 45 marine-related companies on the line, too. If all the boating companies the Department of Commerce and I are working with came here, that would be 2,300 new jobs and about \$200 million in new capital into the state.

But there's more to it than just dollars and cents. Having nationally recognized and respected brand names like Chris-Craft and Cobia has a lot of intrinsic value.



Mike Bradley and dog Dory keeping an eye on North Carolina's boating scene.

Scott Taylor

## What's North Carolina's attraction?

First, we have great homegrown companies like Hatteras, Fountain, Parker and Grady-White, who are respected in the industry and have a reputation for quality.

Second, we have a reputation that our state cares about the boating industry. Over the years we have created awareness in our regulatory agencies of what boatbuilders need and the ability to work constructively with the companies who may want to relocate. That's a big plus.

Transportation is another factor. We have great road connectivity north, south, east and west. Our central location on the East Coast is a logical win. For example, we can help companies that move from Florida gain market share farther north, maybe in New England.

Then there's what I call the feel-good factors. Quality of life. If I show the president of a company how he can live on the shores of Lake Norman and have a 15-minute commute to his manufacturing plant, that gets his interest. For one executive's relocation I was researching where his daughter could pursue her ballet lessons.

### Why have so many companies moved to the mountains?

Companies like Chris-Craft and Cobia are looking at where the workforce is. Unfortunately, our western counties lost a lot of jobs when the furniture industry moved overseas. But the workers are still there and they have many skills that boatbuilders are looking for. There are also unused manufacturing buildings that can be adapted to boatbuilding. But the real key is they have a ready-to-go workforce, experienced with the hands-on business of making things.

### How do our in-state companies feel about attracting potential competitors?

The boatbuilding industry is incestuous in the best sense of the term. It's a fraternity and a sorority. (We have more women as presidents than any other state.) The presidents and owners of these companies are willing to share because they often benefit from having certain information shared. They share processes, how to do regulatory and processing and manufacturing better. Sometimes they share workshops.

Of course there's stuff that's confidential. They won't disclose what a new prototype looks like or marketing plans. I don't share competitive information, but I can share information that helps other people see the

advantages of being in North Carolina, like supply chains and service suppliers.

### What about tax incentives?

I'd love to work on an incentive-free basis. But unfortunately South Carolina, Tennessee and Georgia don't work that way. In reality we're competing with other states and we have to play that game. People get upset but the math is pretty simple. If that company doesn't move here, we have zero.

You have to understand that nothing is paid up front. They only get incentives based on what they actually deliver. In other words, if they promise to create X number of jobs over Y years, and they fall short, then they don't get the tax savings.

### What do you do in addition to the economic development part of your job?

Since 1993 my job description has been to assist anyone who builds or services boats. It could be a product that goes into making the boat, or services like marinas and boatyards, repair people, restoration people, you name it. It's really a state-funded small business counseling center, which is the agency I work for – the Small Business Technology Development Center.

Recently we changed the name of our program, to NC Boating Industry Services.

### How big are the marine industries in North Carolina?

There are more than 3,500 businesses involved. We have about 100 boatbuilders in the state, from the largest, Hatteras, to people who build one boat a year. Every one of those companies has subcontractors. Sometimes dozens. We have about 100 haul-out boatyards, 450 marinas, and 490 boat sales or brokerages. There are 200 marine construction companies and 1,500 companies in repair and service. My best guess is that there are 30,000 people across the state employed in marine industries.

### Where does North Carolina rank?

Except for Fountain, all of our boatbuilders are privately held companies that don't release sales figures. So it's really hard to compare state-to-state. However, in 2005 we were ranked sixth in the U.S. in boat sales, spending \$625 million on boats, motors, trailers and accessories. We were ranked 11th in numbers of registered boats, with 363,000.

In case you're wondering, Florida is number one in everything. Except the growth of new boating companies – I think we are first in that.

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