

# ANOTHER UEBERROTH DOING DEALS

Peter's Son  
Making a Name in  
Marina Business



Photo by LAUREL HUNGERFORD

Joe Ueberroth: "Marinas have traditionally been parking lots."

■ By DAVID ORLOFF

Joe Ueberroth runs close to half the boat slips in Newport Harbor. Now he wants to run a whole lot more slips across the country and in foreign waters.

If the 31-year-old Joe's last name sounds familiar, it should—his dad is Peter Ueberroth, the former Los Angeles Olympics czar, ex-baseball commissioner and current head of Newport Beach-based investment firm, The Contrarian Group.

Even though the pair have a sizable interest in the marina and boating industry, neither are big-time boaters. "I like to kayak. I like surfing better," Joe said.

But the Ueberroths know an opportunity when one floats into view. Joe Ueberroth said he had been working on deals as one of the principals in his dad's Contrarian Group for five years, when the marina deal came along. "I love the business," he said. "It's a great environment."

So in 1998, Joe Ueberroth started Bellport Group as a joint venture with marina industry veteran Richard Stevens and Bellingham Marine International, one of the largest marina and dock construction firms in the nation.

Bellingham Marine had just formed a marina management company; Joe Ueberroth and Stevens

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## Bellport

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bought half of the company with financial backing from The Contrarian Group. A year later, Joe Ueberroth and Stevens bought the other half of the company from Bellingham.

Their game plan: to establish the first national brand name in the highly fragmented marina management industry.

### Ripe for Consolidation

According to Joe Ueberroth, the four or five biggest players in the marina business (he counts Bellport in that group) only control about 5% of the market; 85% of the marinas are run independently. Many are seat-of-the-pants operations with little if any emphasis on customer service or amenities.

"Marinas have traditionally been parking lots," Joe Ueberroth said.

In other words, here's a business that looks like it might be ripe for some consolidation.

Bellport wants to expand, either by buying outright or by taking over the management services of marinas. The company is offering service and products designed to make the name Bellport as familiar among boaters as Hilton or Marriott is among travelers.

Bellport currently has 50 employees and manages 40% of the 2,500 commercial slips (slips for lease) in Newport Harbor. In the harbor, which has about 10 larger marinas and several smaller ones, Ueberroth said, Bellport manages five wet marinas and one dry stack, a facility that pulls boats out of the water for storage on land. Bellport has partnered with boat service companies, fuel providers, shipyards and restaurants in the harbor for special discounts. Bellport has also partnered with Bank of America for boat financing services.

Bellport is also expanding its operations up the coast, managing marinas in Marina del Rey and in the Bay Area. It is looking at going into Hawaii, Florida, Oregon and the

San Juan Islands just north of Seattle. "The San Juans are a big mega-yacht place," Joe Ueberroth said.

### Thinking Big

He said the mega-yachts, which are 100 or more feet in length, are a growing market Bellport wants to take advantage of.

"It's a very vibrant market. A lot of the builders are two to three years out ... because they are so custom and there is a big demand for them," said Greg Porteau, a spokesman for the National Marine Manufacturers Association.

Bellport is currently working on a mega-yacht marina in the Bay Area, Joe Ueberroth said.

Bellport has also gone international, with a joint venture in managing a marina in Uto City in Japan. It has been asked to manage another marina that is being built in Sapporo, Japan, Joe Ueberroth said.

Bellport's plan to purchase marinas is just

now starting to come to fruition. The company had intended to buy marinas from the get-go, but Joe Ueberroth said he and Stevens later decided that for starters they should focus strictly on managing them.

"We wanted to make sure that we could prove our ability to operate marinas," Joe Ueberroth said.

Besides, Ueberroth said, marinas are typically a labor of love for their owners, who have an emotional attachment to boating and the lifestyle it affords, and hence inflate the sales price of marinas beyond what makes sense from a bottom-line perspective.

### Owners Starting to Exit

But now that attitude among marina owners is changing, Joe Ueberroth said. Because of increasing environmental regulations, more marina owners are giving exit strategies a second thought, or are at least receptive to the idea outsourcing the operations.

The booming economy is having an impact, Joe Ueberroth said. That's because more people are buying bigger boats, and that puts increased demand on marina operators to have the facilities and the services to accommodate them — a tall order for many independent marina operators.

As it expands, Bellport is updating its marinas. The company typically institutes or upgrades accounting and inventory control, begins preventive maintenance and puts in safety and training programs.

The operations of most marinas, Joe Ueberroth said, "are archaic."

Stevens serves as the company's chairman. He is former CEO of Fisher Island, which is a few golf swings away from Miami, Fla. and one of the premier boating facilities in the nation. Before that, Stevens was president of the Balboa Bay Club.

Joe Ueberroth also brought in as director of operations Jim Nicoletti, who was the marina and club manager at the Kona Kai Club in San Diego.

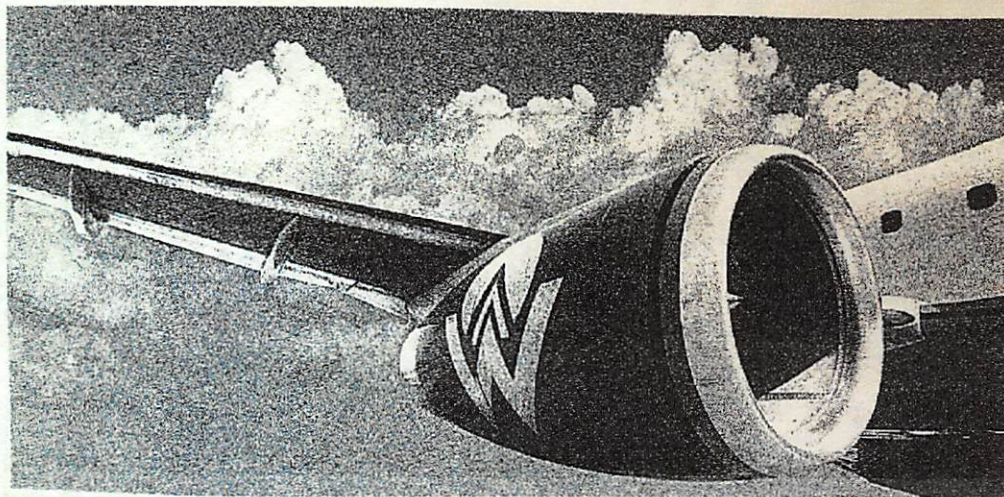
Ueberroth serves as president and runs the systems and operations side, while Stevens runs the hospitality and marketing end.

As for being Peter Ueberroth's son, Joe said, "He is a wonderful father and a great person. He is a great resource to bounce ideas off of. And he's someone I can trust. ... Do people ask me about him? Sure they do. ... I don't mind."

But one thing does bug Joe:

"He gets to play a lot more golf than I do."

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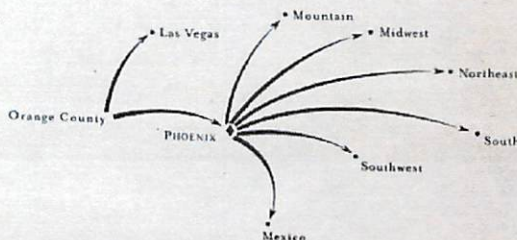
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