

NATCHEZ ON THE WATERFRONT

COASTAL ZONE MANAGEMENT – IS IT WORKING?

The protector or death of marinas

Coastal Zone Management is a term that is spreading throughout most coastal countries. Simply stated – it is a blueprint and in many areas a set of laws and/or regulations for how to manage activities along the coastline. Born in the environmental regulatory world, many marinas were wary of CZM and many still fear that its increased regulation will make life more difficult and perhaps regulate them right out of existence. Others are strangely finding that Coastal Zone Management may be the future protector of the working and recreational waterfront.

CZM got its birth in the US through an Act of Congress in 1972 (with subsequent reauthorizations and amendments) that simplistically said that any states that had coastal waters (on the Atlantic, Pacific, Arctic and Gulf of Mexico coasts and the Great Lakes) were to come up with a plan for the implementation of the federal vision for the future of the coastline, and that any project that required a federal permit had to be consistent with the state's program for such implementation.

In other countries and nations CZM runs the gambit of an approach for environmental preservation to providing access to the public to a blueprint for active waterfront development. In fact, the overall US plan attempts to incorporate all of these perspectives, ultimately with considerable variation on emphasis from state to state and as time goes by.

So what is happening today? In the most developed areas around the world, many marinas and boatyards have disappeared and are giving way to condominiums, shopping centers and office parks. Yet one can wonder if this is really true? After all, we open all the marina magazines that are filled with glitzy pictures of new and regenerated facilities around the world.

So what is really happening? To really understand the issues one has to go beyond the surface.

There is a trend for more and more people wanting to live by, on and overlooking the water. There is not a waterfront community that has not seized upon the redevelopment of its waterfront areas. Some waterfront development plans are government initiatives, but most actual projects are being driven by private enterprise or developers.

The common denominator on both is typically the profit motivation or, as some might suggest, GREED.

There is nothing wrong with the profit motivation – but it often can develop into a feeding frenzy, not unlike a school of hungry piranhas set loose to prey upon the older as well as the smaller marinas and boatyards.

Think about it, if you have a facility that is aged, needs major renovation to become up-to-date, would take 7 to 15 years to recover the costs of updating the marina, and on top of that, you have the privilege of dealing with numerous governmental regulatory agencies looking over your shoulder and delaying the timeframe to go through all of the regulatory hoops as well as the local government imposing

regressive real estate taxes that discourage improvements rather than encourage them and taxing the facility not as a water depended use but as a full upland development use - *what would you do???* What would you do if the renovation would cost a million or more dollars and someone came along and offered you ten times what you could earn over the next 20 years, *what would you do?* The answer does not take a rocket scientist – ***you'd sell!***

Look at the pressures a marina operator faces. Delays for approvals range from 18 months to 4 years in the US, over 5 to 8 years in Spain, 4 to 10 years in Ireland, and a few years in Japan. Layers and layers of environmental reviews, requirements, inspections and controls, severe shortages of mechanics and skilled employees, skyrocketing insurance, fuel and operating expenses. And these are but a few of the horrendous burdens upon and hurdles being placed in front of existing marinas as well as those desiring to create new marinas.

And who is buying? Developers who believe that they could overpay for the property, build condominiums, and recoup the purchase price and make a *substantial profit in less than a couple of years.*

Will the *entire* waterfront fall victim to the condo approach. The answer is ...well ... maybe not, but the long term approach will have to do with the vision of the area, which is both what the government believes is desirable as well as what the market is demanding.

A revised and more meaningful Coastal Zone Management program can be one answer. Some coastal states within the US have seized upon the preservation of water dependent business through the regulatory process. The programs differ from state to state and region to region. Unfortunately, the program is usually only effective when a federal and sometimes a state permit are needed. *Most condo developments on uplands of marinas and boatyard properties do not require state or federal permits and, therefore, this is the developer's favorite and major loophole in the Coastal Zone Management program.* Local communities many times desire the additional real estate and other revenues that defer other municipal budget issues as well as needed housing and, therefore, allow or, in some cases, actually seek the developments.

In point of fact, the issues become ***what is the vision for the waterfront by any or all of the local, state or federal government entities.*** Chicago is a great example of a municipality with a vision to maintain and expand publicly owned and controlled waterfront access for the public. They have indeed created a public private partnership (governmental owned and privately managed) which has overhauled, expanded and modernized their marinas while making them economically sustaining. In fact, many of the Great Lakes and inland river communities in the US are in the forefront of encouraging marinas and marina developments.

Some of the most aggressive CZM programs are in the states of California and Connecticut. But what has happened is that their regulations, studies, and bureaucratic approaches have resulted in tremendous burdens for new stand-alone marinas, tremendous restrictions on expansion of existing marinas, and significant economic burdens on smaller marinas. Just walk in and suggest that you want to create a *large new* marina and watch the reactions. In fairness, there have been some significant renovations and reconfigurations of existing facilities. While some could argue that the regulators actually want new facilities, the reality is that few if any of the proposals can see the light of day. The regulators would

argue that all the environmentally reasonable sites are gone and the new sites are just not conducive for such development.

What one finds is that the smaller marinas, particularly with upland (usually supporting service operations) as well as the larger marinas with lots of upland are indeed an endangered species. This is particularly true in highly urbanized areas whether in the US, Canada, Europe or other very developed nations. While this trend was first noticed in the cities and suburbs it is quickly expanding to the second home country areas. Bottom line, if the marinas have upland, they are prime candidates for overpayments for the land to develop residential complexes. If you are a small marina in a highly urbanized area, then you are a prime candidate for a new residential complex with a modern marina serving the condos, which in effect reduces the number of boating slips available.

On the other hand, almost every waterfront community is looking to redevelop their waterfront as their crown jewel. This is particularly true in communities with previously industrialized ports where the industry has long since left. Many these ports have become the major developer in the area and while some are providing marinas, they too have frequently fallen victim to the greed factor and an overwhelming number of pure residential complexes are being developed, some better, some worse. WHY? Usually because of governmental greed of revitalizing a downtown area when their budgets are otherwise strained. The answer – bring in a developer. That does not necessarily have to be bad. The larger question is not should rejuvenation and development take place, but how should it take place – what is the *LONG TERM VISION*?

As part of a firm that specializes in developing marinas and waterfronts, what we are concerned about and promote is ***maintaining, enhancing and expanding marinas and marina opportunities***. With more and more people with larger disposable incomes wanting to live on the waterfront, we understand and appreciate the demands and desires for housing as well as marinas.

But the reality is one can get approval and build housing in a fraction of the time and with substantially more economic rewards than trying to create or expand a stand alone or even integrated marina.

In many regions within Europe, CZM is a term that is seeking direction and is typically split between those that believe it means NO MARINAS and development, and those who believe that you can keep what you've got but no more. Few in the European regulatory world subscribe to expand or create. Just look at the track record in the UK, France or Germany as examples. Throughout the world, the best approach to new or expanded marinas is with local governments as the sponsor or partner.

One of the issues that many of the Coastal Zone Management programs has tried to come to grips with is not only seeking to maintain the marine and water dependent facilities but adding meandering green buffers and walkways along the shoreline. In some countries such as in Sweden and Japan the entire shoreline is owned by the government. The adding of buffer areas connecting the shoreline's marinas, parks and residential developments has proved to actually enhance real estate values, which spurs more rejuvenation and development, particularly near but not actually on the waterfront.

Government, when it sets a real goal, can accomplish a great deal. Years ago, Japan came up with the national policy that they wanted more real waterfront access in the form of marinas, beaches and parks.

The more access provided, the more land area and density that would be available to the developer.
What a vision!

This author has very strong views as to what the vision should be for the future. I believe that marinas and water dependent facilities are endangered but far from extinct, and with some real vision for the future will be retained and enhanced. However, it takes a concentrated effort. The WATER ACCESS TASK FORCE sponsored by NMMA (National Marine Manufacturers Association) and AMI (Association of Marine Industries), which is part of the Grow Boating Initiative, is part of their approach to maintain and increase the need for marinas and is clearly a step in the right direction.

There are some cities, states and countries in the world that have seized upon marinas as the focal point of their waterfront development. Such visions should be understood and welcomed. One needs to think of the future, not just the next three to five years but the next 20 to 50 years.

Our challenge to the CZM program and all waterfront communities is *to create a real maritime vision for the future*, establish the priorities encouraging the marinas – both new and expanding existing, provide incentives to the marina industry such as lower property taxes (as opposed to being taxed at full residential or commercial development rates), smooth out the naysayer roadblocks while at the same time insuring environmental enhancement.

With such vision greed can be tailored to yield the access and the programs that are needed to retain and enhance the marina industry, which is the most significant access to and into the water for the public at large and will meet the demands of the public for the future.

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