



ASK TOM LEWIS OR DON DAVIS:
**WHY BUY
 A SHIPYARD?**

STORY **JAMIE WELCH** PHOTOS **SCOTT PEARSON AND JEROME KELAGOPIAN**

IT'S NO SECRET THAT THE SUPERYACHT CONSTRUCTION BUSINESS IS IN MANY WAYS A LABOR OF LOVE—EVERY YEAR SHIPYARDS CLOSE THEIR DOORS DUE TO THE SHEER DIFFICULTY OF COMPLETING THESE ENORMOUS PROJECTS ON-TIME AND ON-BUDGET.

In the U.S. David Ross of Burger Boat and, more recently, Palmer Johnson owner Tim Mohammed, are businessmen who have come from other industries and brought two legendary Wisconsin shipyards back on the scene, subsequently rejuvenating the lives of their proud craftsmen in the process.

Two of the more recent buyers of North American shipyards have been Don Davis, who bought Sovereign Yachts two years ago and renamed it Richmond Yachts; and Tom Lewis, who bought Broward Marine last April. Ironically, both were in the market for yachts—not shipyards—when they started looking, and then ended up—each for different reasons—buying the shipyard in the process.

New Broward owner Tom Lewis has been a successful real estate attorney and entrepreneur for more than 30 years. He's owned commercial real estate in Atlanta, Florida, California and Aspen after growing up around boats and the water in Florida and Lake Michigan. After much success in business he spent lots of time in the Bahamas on a 54' Hatteras. An adventurer and helicopter skier who lives in Coral Gables, Florida, Lewis doesn't have any reason for buying Broward other than his simple quest for a new yacht.

"If this turns out to be a huge success and it works out really well I suppose I could make up some fantastic story," Lewis joked. "But in all honesty I wasn't out looking for a new business or even a shipyard. I was looking for a yacht, found a shipyard, and a hunch told me I should buy Broward. Only time will tell if my intuition was right."

Lewis' story goes back to last summer when he wanted a 100-footer. He

also went looking for a place with sufficient water depth where he could keep his boat—Coral Gables canals wouldn't do—so he started looking in Fort Lauderdale. After talking with lots of people inside and outside the industry and doing lots of homework, Lewis discovered Broward, and pretty soon he knew he was onto something.

"Broward has so many things going for it," he said. "It's got a great location right next to the Fort Lauderdale International Airport, it's close to the open water with no bridges, has 14' water depth and an excellent marina. And then of course there's the history."

History indeed: Broward Yachts was the number one yacht builder in the world during their heyday in the late 1980s and early 1990s, when they produced 10 or more megayachts every year. But after the original owners, the Denison family, sold the yard to real estate investor Glen Straub in 1998,

Tom Lewis
 enjoying his new
 shipyard last April



**Don Davis on his
138' Richmond
at the Miami
Boat Show**

Broward seemed to disappear from the yacht building landscape, although they quietly built about two yachts per year.

After just two months of ownership Lewis has already expanded the workforce, which had been whittled down to 20 people, and will soon be introducing three new models that reflect the Browards of the past, with new design elements by Evan Marshall.

"It's exciting to be starting something new," Lewis said. "When I went from an attorney to a real estate developer I found there were some similarities that helped with that transition, and now I'm finding similarities between real estate and yacht construction. This is a passionate business, but it's also very serious. The biggest difference is that in real estate you're always dealing with subcontractors, while here all our workers are on staff. It's very vertically integrated, like a family. The workers are the real key to success because of the level of craftsmanship, and I'm not just talking about the interior finishers—I'm talking about the welders and hull finishers; as well as the wiring and engine room installers. The standards are very high, probably higher than in any other industry."

Lewis wants to expand the refit and repair business and will introduce three all-aluminum designs that will clearly define Broward's target market: a 120' raised pilothouse with 24' beam, a 135' tri deck with a 26'6" beam and a 155' with a 28' beam. Although Lewis queried many leading designers, Evan Marshall was his most obvious choice. "I have built a lot of things over the past 30 years and have hired a lot of architects and engineers," Tom Lewis said. "We liked Evan's designs and we really loved his responsiveness. You ask Evan to come up with one great idea and he comes back with ten."

A monumental day during the first two months of ownership for Broward Yachts came in late April, when a \$250,000 shipment of aluminum plating arrived. "It was a very symbolic event because everyone usually clocks out at five, but our entire staff stayed well after closing time to see the material arrive. It was a very poignant moment for everyone."

Just like Lewis, Don Davis was interested in a yacht, not a shipyard, when he bought Sovereign Yachts a couple of years ago and changed their name to Richmond Yachts. After contracting the yard to build a 138' tri-deck in 2001, Davis took over the Canadian shipyard after they failed to meet his delivery time and subsequently filed for bankruptcy in 2003.

It wouldn't be a huge leap to assume Don didn't imagine he'd be building luxury yachts in British Columbia while growing up in Dallas, Texas, where his parents owned and operated a grocery store next to their home. A gifted businessman, Don learned everything he could about his parent's store, and before he graduated from High School he already owned a successful food brokerage company. He shortly added a pizza business and a restaurant chain to his portfolio, which grew exponentially throughout the 1980s.

He did have a deep love for boats from a young age, and bought his own ski boat while he was still a teen. About 15 years ago Don bought property in Florida and a 60' sportfishing yacht—the first of many successively larger yachts—then in 1996 he sold his business, Texas Smokehouse, to ConAgra Foods before taking up a new hobby: buying and selling superyachts.

In 1998 he bought Spanish Cay, a Bahamian Island that was owned by the

original owner of the Dallas Cowboys. Davis soon decided he needed a bigger yacht for his island, so he contracted Sovereign to build *Cloud Nine*, a Ward Setzer-designed, MCA compliant 138' trideck with a Pavlik Design interior.

The boat went into construction in 2001 but by late 2003 it became obvious that Sovereign were in over their head. The yard missed their contracted delivery date in the Summer of 2003. In fact, *Cloud Nine* was sadly still in its inchoate stages, and Davis ended up buying the shipyard in order to get his yacht. He changed the company name to Richmond after the British Columbia town where the shipyard is located.

"Shipbuilders are always trying to sell custom yachts too fast—which is a huge mistake," Don said. "They don't realize that yacht owners are quite savvy and have teams of lawyers who know everything there is to know about a contract. They know it's not good business to promise something in writing unless it's 150-percent guaranteed."

Davis bought Sovereign and retained about 70 percent of the workforce. He kept yard manager Keith Kiselback and invested in new fiberglass tooling for the six-acre yard. Don says he is modeling his business after Westport, a Pacific Northwest shipyard that has had great success in the semi-production market.

"What Westport is doing makes sense to me," Davis said. "You have to build yachts on a semi-production basis if you're going to do well. It's simple: custom change orders cost too much, and for 99-percent of the people who buy yachts there's no need. People, in my opinion, just want to get in their yacht and go. They want to enjoy the journey of boating, not the construction process. At Richmond we want to build on a semi-custom basis and we feel we can make a great yacht. Our Ward Setzer hull designs are seaworthy and strong, and we use a ton of interior wood and spend over 100,000 man-hours creating a world-class, luxury interior. And the boats perform on the water, too."

Don Davis finally got his beautiful 138' Richmond tri-deck *Status Quo* last year and keeps it in Spanish Cay's 81-slip megayacht marina, which stores most of his impressive fleet of about 11 boats and yachts. "We also had a 78' Navy landing craft that was perfect for shipping things from Florida until Hurricane Francis blew it away last September," Don says. "Never did find the thing."

Tom Lewis, by the way, is also going to get his boat: a 106' with a 20' beam that will be launching in a few months. "When we launch it we will have the framing done on our first 'new' 120' Broward. That will be a great day for us." □