

Boat plants face varied futures

**While Boston Whaler
grows in Edgewater,
Sea Ray awaits its
fate in Flagler**

By Aaron London

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It's full steam ahead at the Sea Ray Boats plant in Flagler County, even as the prospect of new ownership clouds the horizon.

While Boston Whaler employees celebrated the beginning of a \$42-million expansion project in Edgewater last week, workers at the Sea Ray Boats facility in Palm Coast are focused on getting the new year off to a strong start.

The two boat manufacturing companies owned by Mettawa, Illinois-based Brunswick Corp. are facing

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A Sea Ray 460 Fly sits on the assembly line at the company's Flagler County manufacturing site. Brunswick Corp., which owns Sea Ray Boats, announced in December that it is seeking a buyer for its Sea Ray brand, known as the builder of high-end custom boats and yachts. [NEWS-JOURNAL FILE/DAVID TUCKER]



Tim Singley, manager of the Sea Ray plant in Flagler County, said the 440 employees there are focused on "starting fresh" after an annual two-week shutdown at the end of December. [NEWS-JOURNAL FILE/DAVID TUCKER]



Amanda Waldman, an electrician at Sea Ray Boats in Flagler County, says she is "hopeful" that the announced sale of the boat builder by parent company Brunswick Corp. will result in new opportunities for workers there. [NEWS-JOURNAL/AARON LONDON]

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different futures after Brunswick officials announced plans in December to sell the Sea Ray division.

Boston Whaler President Nick Stickler said during the Jan. 16 groundbreaking that the boat builder is "more than a boat company" and the Boston Whaler brand "represents possibilities." The expansion is expected to create between 50 and 100 new jobs at the Edgewater plant and follows a 60,000-square-foot expansion in 2015.

Fifty miles to the north, Sea Ray plant manager Tim Singley said the 440 employees there are focused on "starting fresh" after an annual two-week shutdown at the end of December.

"Overall, folks are very positive," Singley said. "They think with this change comes great opportunity. We are waiting to hear more news, as everyone else is, as we progress with the sale."

Amanda Waldman, a front-line electrician at the Flagler County plant, said she hopes the sale of Sea Ray will lead to bigger and better things for the manufacturing facility.

"We kind of saw it coming," she said of the impending sale. "There had been a lot of rumors. It doesn't really worry us because a company like Sea Ray is not going anywhere."

Brunswick spokesman Daniel Kubera said the sale process is moving forward but he declined to identify any potential buyers.

"We have had good inbound interest from a number of potential buyers and are working through the process with our investment bankers," he said. "With the holidays and

that expected lull behind us, the sale process is proceeding on track and should be completed sometime in the first half of 2018 as we anticipated."

Kubera said the expansion project at Boston Whaler reflects Brunswick's ongoing commitment to its Boat Group, and that includes Sea Ray.

"That (ground-breaking) ceremony is indicative of the investments we continue to make in our Boat Group, investments that have continued at all brands, including Sea Ray," he said. "Our continued investments in process, plants, products and other facets of our operations is one of the reasons Sea Ray is so desirable. It has a strong brand, good products, good momentum and some of the most up-to-date product development and manufacturing capabilities in the marine industry."

That "momentum" will be on display Feb. 15-19 at the Miami International Boat Show, one of the premier marine showcases of the year. Singley said the Flagler County Sea Ray plant will be well-represented in Miami.

"We do Miami and Fort Lauderdale every year," he said. "Folks at the plant here are involved with both. We will have folks on-site at the Miami show."

The pending Sea Ray sale comes at a time when boating industry professionals in general are brimming with optimism. The National Marine Manufacturers Association is projecting up to a 6 percent increase in sales in 2018 after a strong showing last year.

"Those of 2017 marked our sixth consecutive year of growth in new boat sales and recreational boating expenditures and we expect that trend to continue through 2018 and possibly beyond," association

President Thom Dammrich said in a recent email. "On the horizon, if economic indicators remain favorable to the recreational boating market with strong consumer confidence, a healthy housing market, rising disposable income and consumer spending and historically low interest rates, the outlook is good for boat sales."

The passage of the tax reform package also bodes well for the Sea Ray sale, according to Sean Snaith, director of the Institute for Economic Competitiveness at the University of Central Florida.

"I think the tax law is going to catalyze a lot of transactions," Snaith said. "The reduction on corporate income tax is going to create an incentive to invest here in the United States instead of abroad, and the provision of the law that allows for repatriation of profits currently held overseas could represent a second source of significant capital to invest here domestically."

As far as the sale's impact on local employees, plant manager Singley said the company is meeting regularly with employees to keep them apprised.

"Whatever we know, we'll put out there in front of folks," he said. "The company is good at getting back to us and the town hall format we are setting up is to try to keep the rumors down."

Waldman, the electrician, said the efforts at transparency and openness regarding the sale are a positive.

"They are also offering retention bonuses to keep morale up," she said. "For the most part, everybody's hopeful."

Staff writer Jim Abbott contributed to this report.