



Assessment of Hurricane Sandy's Damage to Recreational Marine Businesses in New Jersey

The Marine Trades Association of New Jersey (MTA/NJ) is working on a number of critical items to assist businesses in their recovery and rebuilding efforts. As part of this effort, the MTA/NJ conducted a survey to assess the damages to marinas and recreational boating related businesses impacted by Hurricane Sandy. 676 surveys were mailed to MTA/NJ members, including all marinas throughout the state. The survey was also distributed via email and posted on the MTA/NJ website. 109 businesses completed the survey. Below is the data that was captured from the survey responses.

1. Total # of Buildings on property: **342**
Total # of slips: **9,712**
2. BEST ESTIMATES of the damage suffered as a direct result of the storm:

	Destroyed (75-100%)	Heavy (35- 75%)	Damaged (15-35%)	Minimal (5-15%)	None (<5%)	N/A
a. Office (including equipment & furniture)	32	24	9	14	25	5
b. Other permanent buildings excluding personal residence	16	25	22	20	21	5
c. Permanent docks & pilings	14	30	22	14	20	9
d. Floating docks	12	23	13	10	34	17
e. Inventory/Products	23	23	16	17	23	7
f. Equipment (i.e. gas pumps, pumpout, vessel waste system, etc.)	34	23	9	9	23	11
g. Property	6	23	25	21	26	8
h. Trucks/Trailers	15	10	15	16	42	11
i. Shop tools/Employee tools	28	31	11	13	23	3



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3. Estimated Cost of Cleanup:
 - Out of pocket costs: **\$7,382,227.78**
 - Internal Labor Hours: **227,372 hours**
4. Number of damaged vessels: **3,782**
5. Number of vessels damaged beyond repair (total losses): **934**
6. Number of abandoned vessels attributable to Sandy: **176**
7. Total losses of inventory, equipment, supplies: **\$19,181,953.85**
 - Damages to Facility including building(s), property, docks: **\$35,501,922.35**
 - Total losses** (inventory, equipment, supplies + buildings, property, docks): **\$54,683,876.20**
 - Percentage (%) that is uninsured: **72% (average)**
 - Dollar amount (\$) that is uninsured: **\$39,348,481.56**
8. Revenue losses as a result of the storm:
 - Loss to date: **\$11,102,036.00**
 - Estimated future loss of revenue: **\$14,913,700.00**

Summary:

Recreational boating is an important pastime that allows people access to the waterways where they can spend time with their friends and family enjoying nature, fishing, dining, hunting, cruising, swimming or water sports. Spending summers on the water and enjoying all that New Jersey has to offer is a way of life for so many residents and visitors alike. It offers enriching opportunities for self-discovery, whether it's simply enjoying the warm glow of an evening sunset on the water, fishing or enjoying water activities with children, friends and family. Recreational boating is a great way for families to spend time together and, more importantly, can be a very valuable experience for children that provides plenty of learning opportunities. Exposing children to fresh air, sunshine, marine life, and the environment offers quality bonding time for everyone involved.

New Jersey's boating history and culture has deep roots in the community. Many of New Jersey's boating related businesses have been in operation for generations. A significant number of these businesses are small, family-owned, and family-operated employing hundreds of trade laborers in the mechanic and service shops. Recreational marinas are the backbone of the industry. They provide the access and services needed to recreate and enjoy the waterways. They provide boat slips, public boat ramps, fuel, fishing access supplies, restaurants, boat maintenance and more. Families tend to return to the same marina, year after year, because they have formed relationships with neighboring boaters and marina staff. New Jersey's rich boating culture includes New Jersey built boats as being among the most sought after in recreational boating across the nation. It is an industry that must be preserved and protected for future generations.



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In addition to providing enjoyment, the recreational boating industry and the small businesses which comprise much of the maritime community, contributes substantially to local and state economies. The industry provides jobs in many sectors of the work force, attracts tourism, and provides tax revenues. In 2008, the Marine Trades Association of New Jersey released the results of An Economic Impact Analysis of Recreational Boating in New Jersey. The study, the first of its kind, directly measured expenditures related to recreational boating and their impact on the state's economy. The economic impact of New Jersey boating supports approximately 18,000 jobs and 2.1 billion in spending. After accounting for leakages to other states' economies, in-state recreational boating contributes 1.8 billion to New Jersey's economy.

Hurricane Sandy devastated marinas, boat yards, recreational fishing and boating businesses, and destroyed countless boats. Many of the buildings where marine mechanics, carpenters, fiberglass workers, painters and others, who apply their trade and skills, were destroyed or significantly damaged.

Many of the small businesses that completed this survey have been devastated and are struggling to continue to operate or re-open their businesses. **Utilizing the information provided from the surveys submitted, it is estimated, based on damages to other marinas that did not complete the survey, that uninsured losses are in excess of \$100 million.**

In addition to the significant destruction to New Jersey's marine coastal infrastructure, as indicated by the above survey results, the storm greatly reduced the recreational boating fleet. According to BoatUS, the nation's leading advocate for recreational boaters, it is estimated that 25,000 boats were damaged from the storm. Dollar damage to recreational boats is estimated at \$242 million in New Jersey alone.

These losses will have a direct negative impact on the industry's small businesses and the employees who rely on the boating industry for their livelihood and subsistence. There are currently 167,926 registered vessels in New Jersey. In 2000, there were 240,281 registered vessels. Therefore, in a little over a decade, the industry has lost 72,355 registered vessels. These losses combined with a slow economic recovery have severely strained recreational marine businesses located all over the state. The additional challenges and issues that the storm has added now place the recreational boating industry, and the thousands of people it employs, in an extremely vulnerable situation. If financial support and assistance is not provided to the businesses that have suffered significant losses from the storm, it is likely that many of them will be unable to continue to operate which will result in immediate job losses, loss of services and a loss of access onto the waterways.