

The Howarths have hired 16 former Cabo employees to build their first boat — a \$278,000 33-foot twin-outboard center console — in a shop only two blocks from the former Cabo plant in Adelanto, Calif.



# 'A GENTLEMAN'S CENTER CONSOLE'



Mike Howarth and his 27-year-old son Barrett. Working with his son and famed designer Mike Peters is "kind of like going home," says the elder Howarth, a co-founder of Cabo Yachts.

Cabo co-founder Mike Howarth returns to boatbuilding with his son and the Peters-designed 33 Mag Bay

By Chris Landry / Executive Editor

**M**ichael Peters Yacht Design in Sarasota, Fla., has been behind some boatbuilding projects that have garnered a good amount of media coverage lately, including the new Hinckley 34R runabout and the new 35- and 58-foot Bertrams. But he's also working with a lesser-known company, Mag Bay Yachts of Adelanto, Calif.

Mag Bay had its first Peters-designed boat — a 33-foot, twin-stepped center console — at the Suncoast Boat Show in Sarasota, Fla., this spring. Peters has teamed with Cabo Yachts co-founder Mike Howarth and Howarth's 27-year-old son Barrett on the project.

Mike Howarth and Henry Mohrschladt founded Cabo Yachts, building a series of diesel-powered express fishboats from 1990 to 2006 that were known for quality construction, fit and finish, and meticulous electrical and plumbing installations. After a 16-year run they sold Cabo to Brunswick.

Peters began designing for Cabo in the early 2000s and went on to design Cabos from 32 to 52 feet. Peters has remained a family friend of the Howarths since Cabo was sold.

"I was taking summer vacations on Catalina Island [in California] for the past eight to 10 years, and Mike and Barrett would periodically bring their Cabo over so we could go boating," says Peters, who spent summers on Catalina as a youth.

## Like 'going home'

Barrett expressed a strong desire to build boats during this period.

"When I work with Mike and Barrett, for me, it's kind of like going home," says Peters. "It's a reconnection with that part of my life. Barrett reminds me of myself at that age, so it's special to work with someone who really loves this stuff. It reminds me of why I got into this business."

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running tally of expenses versus budgeted line items for the yachts it manages, and provides computer-based project management and crew payroll services to yacht management clients who contract with the company to provide crew on an as-needed basis rather than hire full-time crew.

"The [owners'] CFOs and accountants really love us because of that," Kerrigan says.



The Yacht Management crew prides itself on handling everything from simple maintenance to complex repair work.

The company's youthful face does not always go down well with grizzled captains and crew. "They tell me, 'You're just a bunch of kids. We've been doing this for 20 years,'" Kerrigan says. "But we know what we're doing. We have all the training, we've earned all the licenses, we have all the hands-on experience" to do the job.

Kerrigan began managing the 14-year-old yard on Marina Mile in October 2013 as a lease-to-purchase from Alex Nichols, who acquired it out of bankruptcy in August 2008. "It was one of the scariest days of my life," Kerrigan says, but he has done well, with mentor-

ing from Nichols. Sales have jumped from \$1 million to \$3 million in two years.

The summer of 2015 "was our best ever," he says. "Our average-size boat was 60 feet, up 10 feet over last year, and we're hiring 10 more people."

Kerrigan late last year finalized the purchase of the New River yard with a bank loan guaranteed by Nichols. The \$9.4 million deal closed Dec. 3.

The yard works on boats from 40 to more than 100 feet and is the service center for its yacht management business. It serviced 263 boats in 2014; the mobile service department answered 617 dockside service calls. "We do 500 wax jobs a year, and we have five paint jobs as we speak," he says.

Kerrigan has 150 boats under management and contracts to perform service work for other management companies. As if that weren't enough, the company also manages three marinas in Delray Beach — the 44-slip Yacht Club at Delray Beach, the 46-slip Delray Harbor Club and a condominium association marina. Kerrigan is eyeing management deals for two more 100-slip marinas that could be inked this year, and he wants eventually to have a bigger service center and larger Travelift.

On any given day, five yachts are out cruising with a Yacht Management captain at the helm, four of them in the Caribbean, Kerrigan says. "Many of our boaters are absentee, so they like us to handle everything" — maintenance, repairs, crew as needed when they cruise, provisioning. "When they want to use the boat, they just call us up."

Kerrigan grew up in Pompano Beach, Fla. He used to go out with his father on their 24-foot fishing boat. At 13 he got a 17-foot center console, his gateway to the water. "I was on the water every day after school, and on week-

ends I was out fishing, diving or snorkeling at 7 a.m. and didn't get home until 8 p.m. My friends and I were real water people."

After he turned 14, Kerrigan worked as a dock boy at a waterfront restaurant, graduated to the fuel dock at Sands Harbor Resort & Marina and started a business washing down, detailing and looking after absentee owners' boats. By his junior year of high school he was tending 75 boats and employing five full-time workers.

After high school he continued to service and look after yachts at marinas and private docks, took over the management of a small marina on Hillsboro Inlet owned by one of his yacht-care customers and earned a 200-ton captain's license, which enabled him to captain charters and deliveries. As his yacht management and mobile marine service business grew, Kerrigan saw that if he owned a boatyard he could do a lot of the more involved work on his managed yachts himself rather than refer the business to yards.

Nichols says Kerrigan "was very honest" at their first meeting. "He said, 'I'd like to buy this boatyard, but I don't have any money. I said, 'OK. I'll get back to you,' " which was less a promise to call back than a brush-off.

"[Nichols] originally saw me as a 25-year-old kid — a nice guy, aggressive," Kerrigan says, but one who was out of his depth. Nichols didn't encourage him, but the young entrepreneur persisted, kept pestering Nichols and pressed his case.

"He told me, 'I manage all these boats. If I had this boatyard I could bring all my repairs here, fill these empty slips and keep the yard busy,'" Nichols recalls.

After many hours of vetting at breakfasts, lunches and dinners, the two developed a relationship of respect, and Nichols eventually decided that Kerrigan not only had a good plan, but also was a savvy and determined operator.

"I look at him, and he reminds me of me," Nichols says. "I would never take 'no' for an answer. He's very persuasive. He's a great person to work with."

Kerrigan sank several hundred thousand dollars into the yard at the outset to spruce it up, Nichols says. It was money he had saved because he lives at home, has few personal expenses and was earning a six-figure income when he was just 20 years old in his yacht management business.

Success has not spoiled him. Kerrigan says he still plows all of the profits back into the business.

"We're going to get bigger," he promises. ■

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ness. A lot of what we do is just 'business,' but sometimes it gets personal, and that's nice."

Barrett Howarth was devastated when his father and Mohrschladt, who wanted to retire, sold the business. "This kid caught the boating and fishing bug early on, and he took it hard," says Howarth, president of Mag Bay.

Barrett Howarth clearly recalls the morning that Cabo was sold. He was a 17-year-old junior in high school. "It was 10:17 a.m., Feb. 15, 2006," says Barrett, Mag Bay Yachts' vice president. "I actually told my teachers some important family business was going on and I might have to step out of class. I remember getting the message — 'the deal is done' — and I broke down in the middle of class."

### At the helm again

A decade later Barrett Howarth and his father are back in business with a new company and Peters, one of the pioneers of the modern stepped hull, pushing their product hard and poised for growth.

The trio decided to begin in the popular center console market, first coming up with drawings for a 29-foot single-diesel model. But they realized there was much more market demand for outboard-powered vessels, so they followed up with drawings of a 32-foot outboard-



The Howarths went back to an old friend, stepped hull pioneer Michael Peters, to design the 33 Mag Bay.

powered cuddy. "But there was not enough appeal to go forward, so we went to the center console with outboards," says Barrett Howarth.

I took a ride on the new 33 Mag Bay, powered with twin 300-hp outboards, the day after the Suncoast show. Mag Bay vice president of sales and marketing Phil Bourque — the son of former Cabo sales manager Greg Bourque — set up the demo ride.

After inspecting the boat I would say the Howarths have built a vessel with the same level of craftsmanship and attention to detail as the Cabos. It's a good-looking boat, too. The sheer line slopes gently, with a subtle drop

amidships, transitioning to a distinctive tumblehome transom, which adds to the boat's unique look.

"We wanted to build a gentleman's center console with a modern running surface," says Barrett Howarth. "We wanted a boat that we could completely unbadge and put it in a crowd, and it would stand out. We did not want to reinvent the wheel, but bring a lot of the big-boat aspects into the center console world." Mag Bay is building hull Nos. 8 and 9, he says.

The company plans to build larger center consoles, and eventually sportfish-style express and flybridge boats, says Mike Howarth.

"Every one of the employees I now have used to work for Cabo," says Howarth. "I've kept in touch with these people. And almost daily, people are coming by here applying for jobs. If we are fortunate enough to do well, I would love to hire more of these guys."

The company continues to add dealers, with about a half-dozen as of this summer in locations in the Northeast, Southeast, West Coast, and in Mexico and Hawaii, says Bourque. The Marine Group, which has a 30-plus-year history of serving boaters from New Orleans to Panama City, Fla., joined the team this spring. The Marine Group has more than 10 brokers. Its principal sales location is in Orange Beach, Ala. In June, Fox Yacht Sales, in Port Aransas, Texas, came aboard, he says. "They were formerly a Cabo dealer and have ordered hull No. 10, which will be delivered late in July," says Bourque. ■