

# A Luxury Line

Christensen Shipyards goes out on a lake in building the largest, most expensive private yachts in the world

**Tellico Lake is no coastal community. Locked in the middle of East Tennessee,** hundreds of miles from the nearest coast, the Monroe County body of water is an unlikely place to catch a glimpse of multimillion dollar mega-yachts piloted by the upper crust of the global economy. But in recent years, a burgeoning boating industry has cropped up along the lake's 373 miles of shoreline, and soon a new 400,000-square-foot facility in the area will begin turning out a fleet of luxury boats the likes of which the world has yet to see.

Vancouver, Wash.-based Christensen Shipyards is currently in the middle of constructing a new \$20 million facility on the lake. Capitalizing on the area's location, Christensen hopes to have a hurricane-proof production facility on the eastern side of the country to meet a growing

demand for mega-yachts. Despite the daily headlines on American economic troubles, the demand for floating palaces such as Christensen's is only growing, in part because foreign clients are increasingly turning to U.S. manufacturers for boats.



RENDERING COURTESY OF CHRISTENSEN SHIPYARDS

“It’s a market that’s extremely hot,” says Joe Foggia, Christensen’s president. “With every country that prospers, there’ll be these kind of boat buyers.”

Christensen’s plan for a Tennessee facility first broke in the pages of *BusinessTN* in the summer of 2006. Chattanooga multimillionaire and Christensen part-owner Henry Luken was responsible for identifying the Tellico Lake location as a suitable site. According to Foggia, the company wanted to locate to an area with easy access to the Gulf of Mexico but less vulnerability to the weather troubles that face the coast.

“Primarily, shipyards are located on the actual coast, in Florida or on the Gulf,” Foggia explains. “But even if they don’t get hit by a hurricane, it’s usually the employees that end up taking the beating. If they’re affected—their homes lost—then they end up leaving the area.”

The new facility is only a week’s journey from the Gulf of Mexico, which means the company will be able to deliver boats to the Caribbean faster. (From Washington, boats must travel down the West Coast and over the Panama Canal.) The new facility will also allow Christensen to produce larger yachts than it currently does at its Vancouver site. Once up and running, the West Coast facility will continue to produce boats under 164 feet; the Tellico Lake site is designed for yachts anywhere from 165 feet to 260 feet.

Christensen’s staff designed the new facility themselves, basing the plans on the Vancouver site. “The primary tweak is that there is plenty of room for expansion,” Foggia says. “We’re building the building on a big scale that anticipates the expansion capacity that we need.” Once opened, the plant will employ around 500 workers, but in the following years that number could grow to 1,200.

The Tellico site will begin with the construction of 230-foot yachts, which the company is currently in the process of contracting with buyers. Built one at a time, these yachts are constructed from composite materials such as carbon fiber and kevlar, and they take 160 workers eight months to build. Foggia predicts the facility will begin a new boat every six to eight months.

As far as the price tag goes, Christensen is sailing into uncharted waters. “We haven’t built anything that big with composite materials—nobody has,” Foggia explains. “They’ll be the biggest in the world, and we’re not 100% sure what they’re going to cost. For the 230-footers, the retail price could be somewhere around \$100 million each.”

Boat enthusiasts around the world are willing to pay such prices, especially to American companies. European yacht yards are seeing such a demand for business that the wealthy from growing economies such as Russia and Saudi Arabia are turning stateside, according to Kim Kavin, editor of *CharterWave.com*, an online magazine that covers the luxury yacht industry.

“There’s at least a two-to-three-year waiting list at many of the yards in Europe if you want a brand-new mega-yacht built from scratch,” she explains. “And it’s interesting because the dollar is so weak against the Euro right now that American yards are getting perhaps more opportunities than they used to.”

The demand for American-produced boats is so great, Foggia predicts that in the near future his company will build boats of this size without having a contracted buyer beforehand.

The new plant will add a significant boost to East Tennessee’s boating industry, which today includes factories for Brunswick Boat Group and MasterCraft Boat Co. “The economic impact will be tremendous as far as the number of jobs that this one facility will create—not only the Christensen jobs, but other companies that will be moving into the area that manufacture parts related to the assembly of these mega-yachts,” says Ron Hammontree, executive director of the Tellico Reservoir Development Agency. Other companies in the industry have already bought land in the area, Hammontree says.

Christensen is currently working to contract a hull mold for the Tennessee facility, and Foggia expected construction on that central piece of the property to begin in early fall. From the start of the mold construction, Foggia predicts the facility will be ready in five months to start production. **tn**

▶ feedback: [ruble@businessstn.com](mailto:ruble@businessstn.com)

**“The economic impact will be tremendous as far as the number of jobs that this one facility will create.”**

—Ron Hammontree, Executive Director, Tellico Reservoir Development Agency

**Monroe County**



3-Star COMMUNITY Economic Development Award Recipient for Economic Preparedness  
Shane Burris, Director

103 College Street - JPK Building, Suite 6,  
Madisonville, TN 37354  
Fax: (423) 442-7933 Phone: (423) 442-3652  
Email: [shaneb@monroegovernment.org](mailto:shaneb@monroegovernment.org)  
Website: [www.monroeeconomicdevelopment.com](http://www.monroeeconomicdevelopment.com)

**Bring Your Family & Friends To:**

**Open Year Round!**

**THE LOST SEA ADVENTURE!**

Seven Miles off I-75 at Sweetwater, TN

423.337.6616 • [www.thelostsea.com](http://www.thelostsea.com)

