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A STEP ABOVE THE REST: FIVE-STAR HOSPITALITY FOR MEGAYACHTS

Andrew Farkas Outlines his "Grande" Vision

ENTREPRENEUR ANDREW FARKAS, FOUNDER AND CEO OF ISLAND GLOBAL YACHTING, IS A YACHTSMAN WITHOUT A YACHT AND A JET OWNER WHO WOULD RATHER NOT FLY. THESE APPARENT CONTRADICTIONS HAVE EVERYTHING TO DO WITH FARKAS' SHARP FOCUS ON THE TASK AT HAND, DEVELOPING A WORLDWIDE NETWORK OF LUXURY MARINAS THAT WILL CHANGE THE WAY YACHTSMEN AND THEIR CREWS EXPERIENCE THE WORLD'S MOST SOUGHT-AFTER YACHTING DESTINATIONS.

Story Cecile Gauert Photos Matthew Carlin and IGY

"I don't have time for a boat," Andrew Farkas says graciously taking an hour of his time to speak with *Yachts International* magazine during the Fort Lauderdale International Boat Show. "But I will have one again as soon as I can slow down a bit." Slow does not seem to be part of this energetic 47-year-old New Yorker and Harvard graduate's personality. In 2003 he finalized the sale of Insignia, a real estate firm he built over 13 years to real estate giant CB Richard Ellis, a transaction reported to have been worth an estimated \$415 million. "My original intent had been to kick back for a while and take it easy, but I don't do that very well," says the father of a well-traveled 15-month-old toddler. Farkas walks fast and talks even faster, especially when the subject is Island Global Yachting, his current passion—at least when it comes to business.

"There are thousands of yachts in the water right now, and the yards are turning out about 1,000 more a year; there are no new venues to which they can go that are properly developed, properly merchandised, have the right technology, offer the right experience with everything from dockside instant-fueling, instant pump-out, instant oil disposal, 600 amps of three-phase power, telephone lines, high-speed internet, concierge service, everything you can possibly imagine, adjacent to an upland facility that is an oasis that provides numerous dining experiences, nightlife experiences, all kinds of retail, ice cream parlors, waterfront esplanades, tennis courts, swimming pools, putting greens, beach volley ball all these things--

you know, everything. And that is what a yachting resort should be."

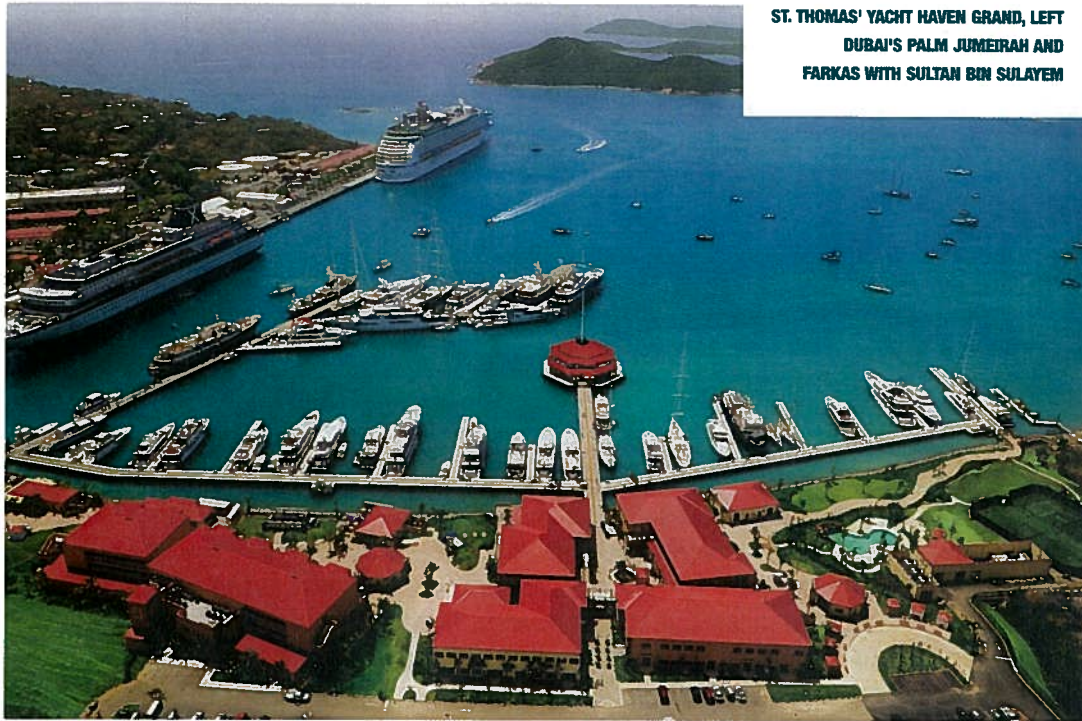
Creating a network of world-class yachting-oriented resorts was the idea that spurred the birth of Global Island Yachting. "When you get on the boat, you want to go when you want to go and where you want to go. The problem is there is such a dearth of space, it is infuriating," he says.

IGY, a division of Farkas' New-York-based Island Capital Group, a company with a portfolio of prestigious addresses, started with the transformation of a U.S. Virgin Island anchorage near St. Thomas' Charlotte Amalie Harbor. Natural beauty was always part of the famous St. Thomas harbor, but its marinas lacked facilities. Farkas recalls spending a Thanksgiving where Yacht Haven Grande now stands, anchored at the old docks and looking for a spot to watch a football game. He perched himself on a stool at the lackluster upstairs bar--the kind that may have attracted salty dogs and envisioned something better for megayacht owners. "The Virgin Islands had always been at the crossroads of yachting. It was sad to see that place just lie fallow the way it did," he says. The experience inspired him to create what he calls the "absolute state-of-the-art yachting-oriented resort in the world," a 48-megayacht marina complemented by stores, restaurants and services for provisioning and chandlery. But as yachts seldom stay in one anchorage during the whole season, the company turned its attention toward other favorite yachting destinations. In addition to holdings in the Caribbean, the company is working on finding

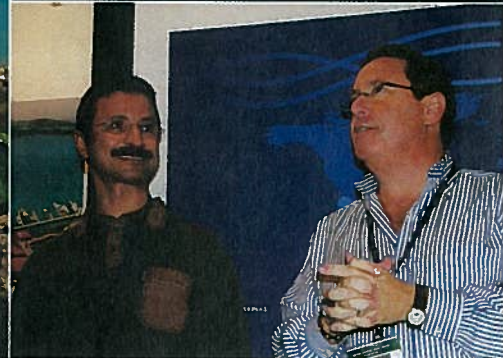
locations along the U.S. East Coast where it recently acquired the Hamptons' Montauk Yacht Club. It is working on establishing partnerships in Turkey, Greece and in Croatia, too. "By this summer IGY will have facilities in all of these locations," he says.

Impossible? That does not seem to be part of Farkas' vocabulary, to wit the Dubai projects. There, the two-year-old company now employing close to 800 people worldwide has an associate with impeccable credentials, to say the least. It has partnered with Dubai's Nakheel L.L.C. and its chairman, Sultan Ahmed bin Sulayem, Dubai's Ruler His highness Sheik Mohammed bin Rashid al Maktoum's right arm and the chairman of Dubai World, in the development of 40,000 boat slips along Dubai's coast. With the government of Dubai as a major shareholder, IGY became the exclusive designer, developer, operator and manager of most of Dubai's main marine facilities, including Palm Jumeirah, the World and Dubai Waterfront City, Farkas says. The seemingly daunting project of raising islands from the water and sand of the Persian Gulf is moving forward, and with it the opening of new marinas necessary to the expansion of Dubai's boating industry, the vision of Sheikh Mohammed. "The first quarter of next year, IGY Anchor Marina at Palm Jumeirah will open," Farkas says, crediting Sultan bin Sulayem for much of the progress. "Sultan is a very close partner and he is literally my brother through this endeavor in Dubai; he makes sure things go smoothly."

Some of Farkas' ideas for his international network



ST. THOMAS' YACHT HAVEN GRAND, LEFT
DUBAI'S PALM JUMEIRAH AND
FARKAS WITH SULTAN BIN SULAYEM



I like to do things
that no one
has ever done before

of luxury marinas stem from his observations of the luxury hospitality industry, which he knows well. In fact, one of his closest friends was Butch Kerzner, former chairman of Kerzner International, which owns and operates The Atlantis in the Bahamas and the soon-to-open Atlantis, The Palm in Dubai. Kerzner, who died in a helicopter accident last year, introduced Farkas to Sultan bin Sulayem in Dubai. The three men were good friends, he says. "We were like the three musketeers. I miss him ever day."

Risks of all kinds, of course, are part of the entrepreneurial lifestyle. Intense travel schedules require entrepreneurs to fly at the drop of a hat to far corners of the world; and as the head of a company with an increasingly international dimension, Farkas himself spends much of his time onboard private jets. He makes light of his self-confessed fear of flying and marked preference for boating. Logic implies planes made out metal are heavier than air and should not fly, he says. "My friends tell me, if you go with that logic, boats made out of steel are heavier than water and should not float,

and I say, that's true, but I can swim."

So with a number of financially-rewarding business deals behind him and a young family at home why is he pushing himself so hard with IGY? "It's exciting. It's new. I like to do things that no one has ever done before," he says. He recognizes that some are skeptical of his plans and might even find his ideas crazy. "When I start to hear that, I generally know that I am on the right track," he says. For a yachtsman like himself, even one without a vessel, this idea just makes sense.

"If you can develop world-class facilities in each of the major yachting venues around the world, and each of the facilities can be culturally and architecturally consistent with the locale--so that you bring the beauty and culture of that venue to the waterfront and to the real estate you develop around it--if you can do that but deliver a consistently high level of service in a seamless way(...), why would not those who are sufficiently privileged to enjoy the most extraordinary lifestyle not demand that type of service?" he asks.

Farkas foresees all IGY facilities to be computer-assisted to keep track of crew and owners' names, so that dock hands can greet everyone by name, and all forms and permits are ready when the yacht pulls into its slip. The IGY database would also keep track of menu preferences for proper provisioning. In addition to providing the kind of five-star service yacht owners should expect, the goal also is to assist crew and captains in their jobs to keep them happy and help minimize turnover, which is an issue for yacht owners, Farkas says. Finally, developing such a network would provide added security when traveling the world oceans. "Why would you not want to know when you are out cruising somewhere that within some proximity there is a place that is part of a network and that can take care of you instantaneously?"

So there you have it, despite the contradictions of a yachtsman without a yacht and a world traveler who dislikes flying, is the impeccable logic of an entrepreneur with a vision.