

Workshop: Implementing Harbor Charges Public Comments Received

Thursday, August 15, 2013
OASIS, Classroom #1
3-5:00 pm

Mooring Comments – Thursday, August 15, 2013

1. When using the basket of marinas to determine the mooring fees, the City used the “book rate” (published rate) from each marina instead of using the actual (negotiated) rate that marinas offer. There is a difference. The City should ask the marinas what their actual slip prices are, and also ask to see their revenue.
2. The current rules allow a permittee to leave the mooring “vacant” (i.e. they still keep the permit, but don’t have a boat). If the mooring is vacant, the City may rent the mooring to visiting boaters. Question: Why does the rental fee go the City rather than the mooring permittee who is responsible for the buoy, tackle and weight?
3. Why are residential pier permittees allowed to rent their pier, but mooring permittees are not allowed to rent their mooring?
4. The rate charged to moorings is not equitable with the rate charged to residential piers (i.e. the mooring rate is too high). Moorings are meant to be affordable and accessible, and as an alternative to marinas. It appears that moorings are paying more than residential piers.
5. Per the Resolution, if a mooring is transferred to a person on the wait list today, that person shall pay the fully phased in 5-year rate. Instead, they should pay the current mooring rate.
6. Please see additional comments submitted at the end of this document.

Residential Pier Comments – Thursday, August 15, 2013

1. Why not charge a flat rate for residential piers? (i.e. \$1,000 which is higher than the current rate). More equitable. Do not carve out the buffer area.
2. Charge a residential pier permit fee for every pier, even those not on City tidelands.
3. Call the charge a “fee” or some other name. The term “rent” is not tax deductible.
4. I was told by Harbor Patrol that I was not allowed to use the end of my residential pier. So, why am I charged for it?
5. The local realtors requested a residential pier summary fact sheet to give to their clients.
6. If I choose to rent out my residential pier, I shouldn't be charged the commercial pier rate which is too high. The residential rate for renting should be different.
7. The residential pier rate causes a loss in property value. I am paying taxes on my pier.
8. The residential pier rate should be reduced to mitigate possible equity loss of my property value.
9. Why do we need a residential permit at all? Eliminate the permit and the buffer area. The City has lien rights. Charge a flat rate instead.
10. Newport Island area is a restricted area due to tides and bridge. Not all boats can navigate in those channels. This area needs to be readdressed for a lower residential pier rate.
11. The buffer area for residential piers should be the beam of the boat that is at the dock, not a standard 10' area. The average beam in the harbor is 6'.
12. There should be a minimum buffer zone for residential piers. If the maximum is currently 10', there should also be a minimum like 5'. (i.e. If there is 5' or less to the property line, then don't charge for that area.) Some buffer areas are unusable.
13. Can we use a better term than “buffer”? It's not nautical, and might cause problems.
14. The pier transfer fees for residential piers should be waived if it is for inter-family transfers.

15. If I am only using one side of my float on my residential pier, why am I being charged for all 3 sides?
16. If I have no boats on my dock, why do I have to pay?
17. If I choose to rent one slip of my multi-slip residential pier, will I be charged for all of the slips, or just that one slip?
18. The Grand Canal residential piers should not pay for the 10' buffer because they can't tie a boat to those docks.
19. What are the rental rights for residential piers? Is there a way to enforce the use?
20. Since we are paying fees for use of the tidelands at our residential pier, can we therefore restrict access to the public for using that space? (i.e. under the pier, in the water next to the pier etc...) Fishermen in inner tubes use my water space all the time. Young sailors use my dock as well. Can the 10' buffer be enforced?
21. What if there is a mooring buoy within the 10' buffer of my pier. (i.e. on-shore moorings on Balboa Island). I shouldn't be charged for this buffer area if I can't use it.
22. If I rent my dock for a fraction of the year, can I revert back to regular residential billing when not renting it?
23. There is no equality between the mooring permit which can be cancelled in the event of a default vs. the residential pier which can also be confiscated. The pier is worth up to \$1 million vs. the smaller value of a mooring.
24. If I am renting the house which comes with a pier, is the pier then considered commercial or residential?
25. Maybe give residential piers a longer term lease instead of a permit.
26. Please see additional comments submitted at the end of this document.

Commercial Pier Comments – Thursday, August 15, 2013

1. Why are HOA's in the commercial category? Many HOA marinas are only open to their members, and not open to the public. Should be considered residential piers.
2. Why not reduce the rent by the percentage of the marina vacancy in the harbor?
3. It's unfair to use the Irvine Company as an example of the 20% rate.
4. Commercial marinas should not pay for the dock space that they are not using.
5. Please see additional comments submitted at the end of this document.

General Comments – Thursday, August 15, 2013

1. Why not charge other users of the harbor (i.e. paddle boarders, fishermen etc...). Create a user fee.
2. City needs to be consistent in their methodology for charging all three user groups. Moorings are based on linear footage, but residential and commercial piers use square footage. Using linear feet of tidelands would be a consistent approach – reduces ambiguity.
3. What is the liability in the tidelands if someone gets hurt? Private vs. City? Where does it stop? At the Bulkhead Line, or the Pierhead Line, or...?
4. Incremental revenue from harbor fees should be shown as a line item on Tidelands Expenditures and Revenue balance sheets.
5. Please see additional comments submitted at the end of this document.

Miller, Chris

From: Miller, Chris
Sent: Wednesday, August 21, 2013 12:19 PM
To: Miller, Chris
Subject: Yesterday's Harbor Charge Workshop

From: Pete Palette
Sent: Friday, August 16, 2013 12:33 PM
To: Miller, Chris
Subject: Yesterday's Harbor Charge Workshop

Good day, Chris,

As agreed yesterday, I'll address herein a couple of my "talking points." But first, let me note that this enormous expenditure of energy could have been avoided if only the City had taken a more acceptable approach to the subject of adjusting harbor fees by embracing stakeholders in a "constructive" way a long time ago. The vast majority of us are passionate about our community, and willing to "pay our way" if it is equitable. But this program has been jammed down our throats, and most of us are livid. Now, on to clarification.

A lady opined that there was (at 14%) debatable equality between mooring and residential dock rent charges. Be that as it may, my point spoke to the fact that there is no equality between the mooring permit which allows the City to cancel a mooring-holder's rights in event of default - and thereby retake the mooring as its (sole?) remedy, whereas in the event of default by a dock owner the City can confiscate an asset (pier and dock) worth as much as \$1 million. In the first case, it only costs the mooring-holder his investment in the ground tackle, and a place to keep his boat. In the second, the cost to the dock-owner is (potentially) enormous, can cause a mortgage default by taking underlying collateral, and can result - in extreme cases - in the loss of a domicile. This isn't even remotely close to parity (equality). And how do you quantify (and justify) the impact on a waterfront business if the confiscatory process eliminates a livelihood? Not right, not fair!

Later in the discussion, I tried to offer a solution which could defuse some of the tension we continue to experience. That solution advocated scrapping the onerous - and extremely controversial - permit which unilaterally expands the City's rights to our personal assets (piers and docks) by threatening to confiscate them in the event of a (perceived) default. The City already has a right to lien a property in the event of a default, and - as you pointed out - has for decades done business (satisfactorily) with the residents pursuant to the prior permit which provided reasonable remedies in the case of default. Why change a system that works? In brief, "If it ain't broke, don't fix it." So let's simply adjust fees appropriately, and use the old permit. It works, and should mitigate the hostilities. Short version: adjust fees, scrap new permit.

Sadly, this topic has opened Pandora's box. The potential conflicts are endless. The process is, at best, cumbersome, and probably closer to impossible to apply equally to all since there seem to be nuances which accrue individually to each property. The City, in the opinion of many of us, has failed to negotiate in good faith with the community, and by so-doing has unwittingly invoked the law of unintended consequences. As some sage once noted, "The biggest problem could have been solved when it was small." Let's deal with this while we can!

Cordially,

Pete Palette

Miller, Chris

From: Miller, Chris
Sent: Wednesday, August 21, 2013 12:20 PM
To: Miller, Chris
Subject: Photos from Aug 15, 2013

From: gail rosenstein
Sent: Friday, August 16, 2013 9:02 AM
To: Dept - City Council
Subject: Photos from Aug 15, 2013

the 10ft. waterway from our dock

The action going on in the ten foot waterway around our Dock. We will never have a boat blocking our view so why are we paying the city and the public is using it free ? Outrages!! just because the city needs money !!!???



Miller, Chris

From: Miller, Chris
Sent: Wednesday, August 21, 2013 12:22 PM
To: Miller, Chris
Subject: Meeting today at Oasis

-----Original Message-----

From: Jane Farwell
Sent: Thursday, August 15, 2013 6:55 PM
To: Miller, Chris
Subject: Meeting today at Oasis

Dear Chris,

I first want to compliment you on diffusing a potentially volatile meeting made up of people mostly unhappy with recent dock fees, tax or what ever you call it.

I did not speak, as others said most of it for me. I think a key item said by Pete Pallette was the fact that the City is supposed to do what is best for its community. This current tax is certainly putting a very large wedge between a large portion of the community and the City Council. This is not a good thing.

After hearing everyone's comments I became aware that there are too many inequities. The rules for all the situations will take up a book to address. You are making a "mountain out of a mole hill" I do not think we mind an increase in the pier tax (fee) as much as the complexities of each persons situation. Not to mention what this is costing in time and personnel energies that could go toward something more constructive.

The HOA's alone on Lido Isle will cause a lot of concern and inequities:

- 1 The Question of the true property values less a leasehold attachment, may cause a reduction in property tax for many, The city might have to ask for insurance naming them as additional insured and so on.. The problems will escalate and there will be no assurance of a permanent situation. The problems of lawsuits could increase.
2. Consider the many Association managed piers and docks on Lido Isle, plus boat gardens and launch areas are in question. Any increase in tax will be past on as additional Association dues to all Lido residents. How do you decide who pays if many do not use these facilities. A nightmare.
3. This will detract from people wanting to live here

Please have the Council consider a straight fee based on one formula for private mooring and residences.

Jane Farwell

CNB Private/Residential Dock Rental User/Area/Calculation Methodology Issues

Background

Newport Harbor has had a long history of informal shared no-cost use and rentals of private docks by dock permit holders/waterfront property owners to a number of user groups: (categories defined by this analysis, not CNB)

- a. waterfront and interior street neighbors with boats (most prevalent on Balboa Peninsula, CDM, Balboa Island, Lido Isle, other islands, frontages;
- b. family relatives-both NB resident and non-resident, using property owner home/dock as seasonal or holiday base of activities;
- c. non-relative/neighbor/NB resident renters (both private/recreational use and quasi-commercial use categories), and rental “agents” .

Docks as Means of Meeting SLC, CNB Water Access

One of the important CA and CNB policy document goals achieved by all of these user categories is the optimization of the use of docks as means of achieving access and use of the public waters by the general public using existing facilities, both public and private. Range of vessel usage is from paddleboards to megayachts. Some dock owners do not have boats.

Some Private Docks Used For Revenue Purposes, No CNB/SLC Compensation

It is recognized that the historical demand vs supply for NH dock facilities has created a secondary financial market and usage activity driven by user category “c” above. This occurred without appropriate “pass-throughs” to the CNB of proportionate rental rates and revenues for the use of public waters from the overall income of the dock’s owner/permittee.

CNB New “Small Commercial Marina” Dock Definition & Fee Approach Not Flexible

CNB has attempted to address this secondary market/loss of revenue in the initial efforts of dock fee-setting by defining this “user category c” use as a “small commercial marina” use and assigned that new rate structure to these docks. Several issues are created by this approach which need further consideration and refinement by CNB:

- CNB definition of “marina” is five (5) boats/berths+-most private docks/boat use not this big
- Defines a “commercial use/operator” rather than a “private dock with multiple user groups”
- Creates confusion for insurance companies/lenders/taxing agencies regarding owner/user
- Use of comm'l rate to all dock/water area, does not allow for partial private dock use/rate
- Imposes commercial rate to entire area of shared-owner docks, even if only one rents out
- Under “sm. comm'l marina” vs “private dock” definition, could require new design, fire, elec.
- Could encourage hidden, illegal rentals as in past, because of big gap in definitions, rates

- Could negatively impact older property owners on limited/fixed incomes w/ inflated value homes

CNB Private/Residential Dock Rental User/Area/Calculation Methodology Concepts

Base upon the above-described private-dock history and issues regarding use, user groups, commercial vs private, marina vs private dock/multiple users and the related legal and fee issues, the following concepts, possible solutions are suggested for CNB consideration:

- 1: Do not use initial CNB definition of “small commercial marina”, but use “private dock with non-owner rentals or mix of owner/renter use” or some similar more accurate description.
- 2: Do not characterize as a “commercial use/operator “ but as a “private dock with multiple uses/user groups”, avoiding confusion for insurance companies/lenders/taxing agencies and CNB Harbor deign regs, regarding owner/user and dock type.
- 3: Develop new accurate dock definition and rate category (“private dock with multiple uses/user groups” or similar) with new rate between small commercial and private dock rates
- 4: Limit potential rental area/length of dock and water to not more than 49% of total, or some similar percentage, to retain intent of “private dock used for multiple purposes/partial rental”
- 5: Apply new dock definition and rate only to portion of dock and water area actually used for rental rather than to entire area of dock and water, irrespective of use. Owner/owner boats also using dock are penalized under this “one definition/rate fits all” approach.
- 6: As in 5, above, distinguish rental vs owner areas on shared-owner docks, so that if only one owner on a shared dock rents, the other is not penalized above a “private dock” rate.
- 7: Clarify CNB dock design, fire code, etc. under “private dock with multiple user groups” use (rental vs private owner use, etc)” to determine if it would require new design, fire, elec. requirements-avoid if possible. Where major/total rentals occur, require written solutions to parking, restrooms, noise, etc. to prevent commercial/charter operations and usage.
8. Consider allowing older property/dock owners with limited/fixed incomes and without boats, to rent entire dock if they can show hardship. Not everyone who has been living on the NH waterfront in the same house since the 40’s or 50’s is a cash millionaire and some want to stay there till the end. We as a City should honor this social aspect/reality of our waterfront use and history along with getting the money for CNB/SLC, since this approach generates funds for both owner and public agencies. Outreach may be needed-many are not mobile or capable of responding to a new issue like this.

To: Harbor Resources
From: Patricia Newton

Date: August 21, 2013

I received notification of the August 15th & 21st meetings on August 10th and have had limited time to review this situation with respect to fairness and consistency prior to these meetings. The postmark on the envelope was August 9th for a letter dated August 8th. This constitutes inadequate notification.

I have focused my analysis on only two of the stakeholders, offshore mooring permittees and residential pier permittees. I did not have enough time to include commercial Marinas, other commercial uses, etc. I would like a reply to my comments below and the graphs included on the following:

- Comparison of Tideland Charges and Allowed Transactions for Mooring Permittees vs. Residential Pier Permittees. There is an inconsistent application of the concept of Fair Market Value and the interpretation of what constitutes a “gift of public funds.”
 - By 2016 a 50’ mooring permit will be over 3 x a residential pier permit (moorings have no parking, water or electricity available).
 - Residential pier permittees retain effective control and benefit from the real value of a residence with rights to a pier permit – i.e. capital gains and potential rental income.
 - Comparison of accumulated **cost** to 2020 for a mooring permittee is approximately **\$80,758** vs a residential pier permittee who elects to charge rent could realize a **profit** of approximately **\$139,300** over the same period.
- Newport Harbor Index is not a fair market index for the calculation of mooring permit fees. If the 2013 index was charged at 14%, the fee would be 27% higher than Shelter Bay in San Diego.
- Limitation on transfer of mooring permits is not applied to families, which is discriminatory – they potentially could hold this scarce permit into perpetuity under current rules.
- Limitation of the transfer of mooring permits is shortsighted as it represents a loss of potential income to the city. The city could take a percentage of the transfer fee – historically there have been approximately 50 per year (or so).

Issues:

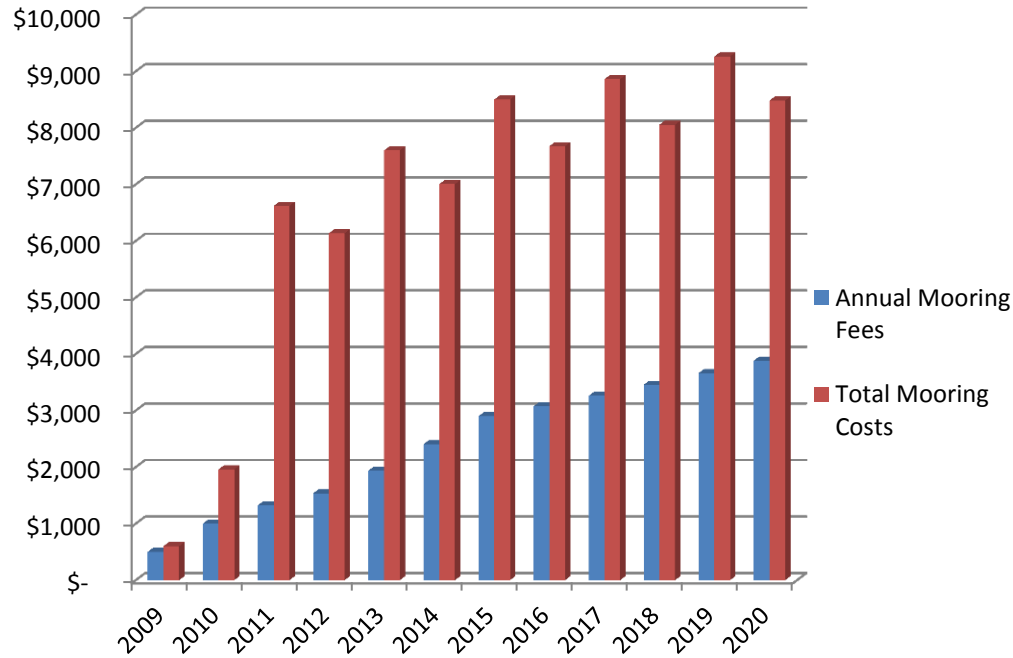
“Gift of Public Funds” & Fair Market Value Inconsistencies

- The reason given for changing the rules regarding transfer of mooring permits was based on the notion the transfer of permits was a gift of public funds as the moorings are located in Tidelands. It is inconsistent that residential piers are freely traded with the sale of property and the potential capital gain accrues to the seller.
- There is an inconsistency in allowing residential pier owners the right to charge rents for piers located on Tidelands to offset the cost of their fee which are substantially less than mooring fees.
- The fees charged for a mooring are based on a contrived Marina Index and the residential pier fees are based on two appraisals. This is an inconsistent application of the concept of Fair Market Value and the interpretation of what constitutes a “gift of public funds.”

- Data should be made available annually to determine the impact of the adopted changes and whether an adjustment should be made to the allowed period of transfer given the financial burden imposed on permittees who are in a position of financial loss due to the changes in the transfer practice.

Mooring Fees & Harbor Index –

- City should make available annually a transparent analysis of fees including the data for the harbor index, which is independently verifiable.
- Public forums should be held annually to discuss the fairness of the index and the resulting changes to mooring permit fees.



50' Offshore Mooring:

Accumulated Mooring Costs **\$80,758**

Mooring Fee in 2017 projected to be \$3,260 (over 3 X Res. Pier)

No allowed sale of mooring tackle/permit after 2020

Within Families transfer permits is allowed indefinitely

Marina Index is tied to Cal Rec Marinas - 5.7% increase in index

Marina Index is not FMV - it's contrived to get 6% increases

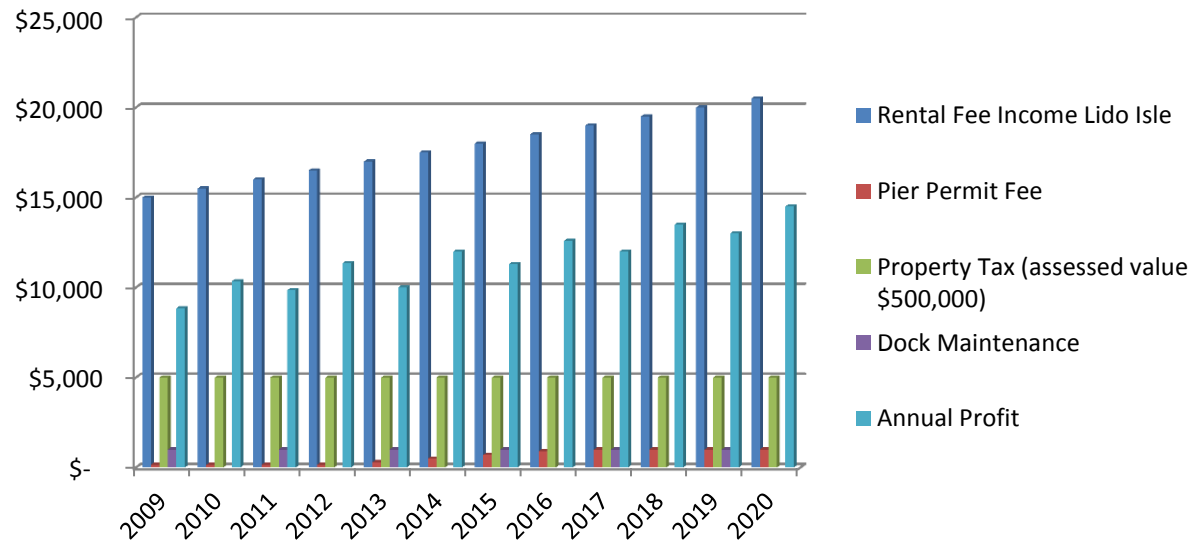
Residential Pier Lido Isle:

Accum. Profit from rental of res. slip **\$139,300**

Res. Pier Permit \$1,000 (less than 1/3 of mooring permit)

Home values increased by \$500K - \$1MM

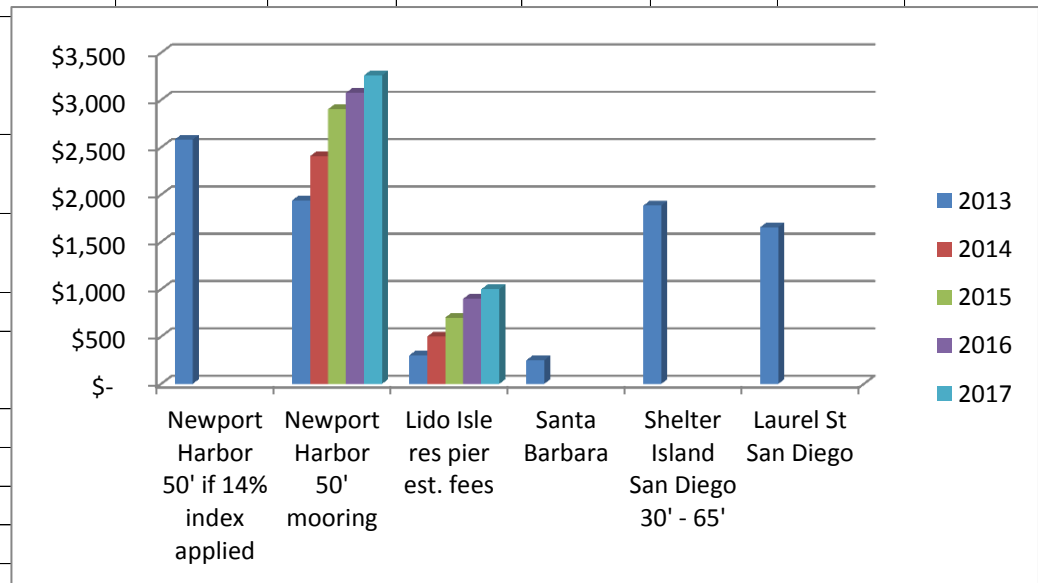
Substantial capital gains possible due to the pier



Comparison Marina Index to Cal Rec & CPI						Projected						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Base rate for Marina Index			\$ 26.52	\$ 29.08	\$ 30.74	\$ 32.58	\$ 34.54	\$ 36.61	\$ 38.81	\$ 41.14	\$ 43.61	\$ 46.22
Ramp up of % of index			7.10%	8.80%	10.50%	12.30%	14%	14%	14%	14%	14%	14%
Fee 50' Mooring	\$ 501	\$ 1,000	\$ 1,326	\$ 1,536	\$ 1,937	\$ 2,405	\$ 2,901	\$ 3,075	\$ 3,260	\$ 3,456	\$ 3,663	\$ 3,883
Percentage increase Marina Index	0	0	0	0	5.7%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Cal Rec/Irvine Co. % increase 40' slip	4.99%	0.00%	6.55%	6.07%	5.71%							
Consumer Price Index	-0.30%	1.60%	3.10%	2.10%								

Due to the holdings of Cal Rec, they can command above market price increases
Use of this index guarantees at least a 6% increase per year

Comparison Mooring Fees & Newport Residential Pier Permit					
	2013	2014	2015	2016	2017
Newport Harbor 50' if 14% index applied	\$ 2,582				
Newport Harbor 50' mooring	\$ 1,937	\$ 2,405	\$ 2,901	\$ 3,075	\$ 3,260
Lido Isle res pier est. fees	\$ 300	\$ 500	\$ 700	\$ 900	\$ 1,000
Santa Barbara	\$ 250				
Shelter Island San Diego 30' - 65'	\$ 1,884				
Laurel St San Diego	\$ 1,656				



If the full 14% Marina index were applied 2013
Cost of 50' mooring would be \$2,582 - 27% higher than Shelter Island San Diego



The Dock Tax

www.StopTheDockTax.com

A Project of THE NEWPORT BEACH PRIVATE DOCK OWNERS ASSN.
Bob McCalfrey = Chairman

HOW WE GOT HERE & OUR PLAN GOING-FORWARD

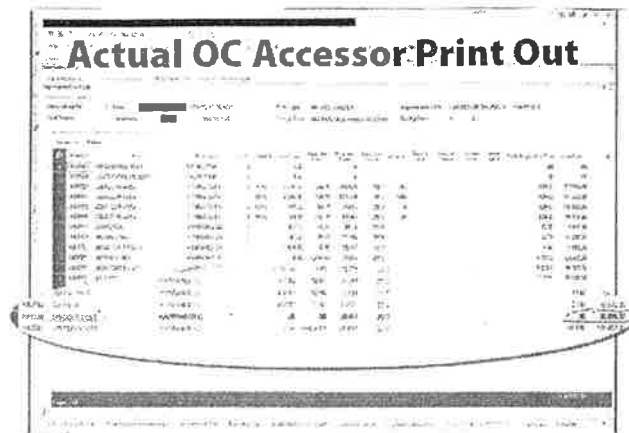
The city council of Newport Beach has done a wonderful job of convincing the public that the Bay Front owners have not paid our fair share of harbor costs. Consider the taxes we already pay that should be credited to the Tidelands Fund:

1. Property tax on the increased value the Dock creates [Dock's increase value up to \$1 million]. The city receives 17% of this increase in property tax payments because a Dock exists.
2. Boat taxes. There are 9,000 registered pleasure boats in Newport Harbor, including the boat(s) tied up to your Dock. Each is assessed an unsecured property tax bill. The City receives a 17% of the unsecured property tax.
3. Possessory Interest Tax. Some are on long-term leases that trigger "Possessory Interest Tax" – a tax similar to property tax. The City receives a percentage of this tax.
4. Annual permit fee. We're not sure what we received for paying this fee, but we paid it for decades.

The City's budget does not reflect any of these revenues in the Tidelands Fund.

To claim we don't pay our fair share is absurd. This is an outrageously false statement due to the City's lack of homework on the issue.

If they done their homework prior to assessing the Dock Tax, they would have realized that in that the County Assessor's data contains a line item that shows the value of the dock, and what the Assessor is charging dock owners. This information has been available for decades – and the city has been aware of it.



For decades they have received 17% of this amount – without ever properly crediting it to the Tidelands Fund. Instead millions have been inaccurately (possibly illegally) applied to the General Fund for salaries, benefits, pensions, and city operations. This is likely violation of the of the State of California law.

Therefore, Bay Front owners have paid their fair share plus via multiple taxes and additional yearly permit fee. The outrage of this approach is that the Bay Front homeowners have been blamed for the wrong reasons have paid more than their share and additionally, the money has gone to the wrong fund. All these years the city has complained that the general fund has had to bail out the Tidelands while keeping these funds.

STEALING OUR EQUITY

In their haste to levy the Dock Tax, the politicians stripped us of our "property right" to our docks. The second issue is that the City and the general public do not understand the financial effect on the bay front property owners. In forcing us to accept the new annual permit triggering the Dock Tax, there is language allowing the city to confiscate your dock for a "cause." Translation: Your property right to your dock is removed. Future city councils can take this further and by legislative fiat deem your dock a public asset and confiscate it.

Let me explain. If own a vacant lot without a dock on the bay front it could maybe worth x, if your neighbor had basically the same lot, with a dock, lot b could easily be worth \$500,000 to \$1,000,000 or more. By establishing a yearly permit, the city at any time, can cancel your permit, or charge huge yearly funds, and who knows what future councils may demand?

The owner no longer has any rights to the dock that they paid for and the equity they paid for, at purchase. The city has taken a valuable asset, the owner paid for, and the owner is expecting to recoup that equity at sale time. So in essence, the home owner has been stripped of the equity value of the dock and what does he do when he wants to sell?

The seller cannot guarantee a secured dock future. What will that do to property owners? What will lenders do if the future of the dock is unknown? How does that affect loan amounts to the future buyer? Valuations will go down and if values go down, taxes go down and that is not good for the city. And what will the buyer now offer?

ONE BBI HOMEOWNER LOSES \$800,000 DUE TO DOCK TAX

We have already seen a case of a bay front in escrow to close for almost \$5,000,000, until the buyer reviewed the Dock Tax Permit and subsequently reduced the offer to \$4,200,000. The buyer quickly surmised that the dock is no longer the property of the upland owner and counter-offered accordingly.

Basically what the city has done is to take away property rights by legislative fiat. It's a clever way of "taking" your property without triggering an adverse

possession, which they would lose in court. This will certainly affect the thinking of potential buyers think considering buying a Bay Front Home in Newport Beach.

My personal opinion as a Bay Front owner, is that the city did not realize the Bay Front owners were already paying way more, and for years, more than the city knew about and did not give any consideration as to the stripping of the owners dock equity, and therefore the value of the Bay front itself.

It's been eight months since the City crammed down the Dock Tax. Now they have agreed to take a look back at this situation in two public meetings. There are two basic issues, between the dock owners and the City that I feel can be resolved by coming back to the negotiating table, and addressing these two issues in a professional, non-contentious atmosphere on both sides.

We want our equity back, and we understand the need to financial support the Bay.

ATTEND THE CITY SPONSORED DOCK OWNERS COMMUNITY MEETINGS

It's been eight months since the City crammed down the Dock Tax. Now they have agreed to take a look back at this situation at two public meetings. There are two basic issues, between the dock owners and the City that I feel can be resolved by coming back to the negotiating table, and addressing these two issues in a professional, non-contentious atmosphere on both sides. We want the our equity in our docks back, to understand that we pay our fair share, and we understand the need to financially support the Bay.

Thursday, August 15, 2013

3:00 – 5:00 p.m.

OASIS Senior Center

Classroom #1

801 Narcissus

Corona Del Mar

Wednesday, August 21, 2013

6:00 – 8:00 p.m.

OASIS Senior Center

Classroom #1

801 Narcissus

Corona Del Mar

Sincerely,



Bob McCaffrey Chairman,
Stop The Dock Tax

www.stopthedocktax.com Please check with our web site for the latest information

Your donations keep us in court and communicating with the community. You can safely **donate on line** [here](#) to help continue our campaign to Stop the Dock Tax.

YARD SIGNS ARE AVAILABLE

Miller, Chris

From: Miller, Chris
Sent: Monday, August 26, 2013 2:12 PM
To: Miller, Chris
Subject: Harbor Charges Look-Back Workshop on Thursday, August 15

From: Patricia Newton
Sent: Friday, August 23, 2013 7:45 AM
To: Miller, Chris
Subject: Re: Harbor Charges Look-Back Workshop on Thursday, August 15

Hi Chris,

Can you please include the remarks I made in the first workshop in **your notes**. I think they are important points and deserve to be highlighted "up front".

The concept of what constitutes a "gift of public funds" and fair market value is not applied consistently across the harbor users. In the case of transfer of permits mooring holders lose the right in 2020 whereas residential pier owners can sell and take the capital gain. It has been said a pier can add 1 million to the value of a bay front home.

It is inconsistent with the concept of a "gift of public funds" to allow residential pier owners to rent their docks at a profit. The mooring permittees are only in a position to lose, and in our case a substantial sum despite following the guidance of the harbor resources and DMV when we acquired our permit in 2009.

The use of different methods of determining fair market value for the Tidelands is inconsistent and has resulted in a very unfair valuation for the calculation of mooring fees compared to other users.

Thank you
Patricia Newton