

# 2008 – A very active year for the Newport Mooring Association



Over the past decade your NMA Board has provided respected and active leadership in areas impacting the moorings, and the tidelands in general, of Newport Harbor. 2008 was a typically active year for the NMA Board. Please join the NMA Board, fellow NMA members and mooring permit holders, along with other key individuals concerned with Newport Harbor at the 2009 NMA Annual Meeting. This year's Annual Meeting will be held at the Newport Beach City Council Chambers, 3300 Newport Blvd., Newport Beach, March 4, 2009 at 6:00PM.

## **NMA Annual Meeting Slated for March 4, 2009, 6PM New Venue: Newport Beach Council Chambers**

### **Update: Fees and Transferability Changes Still In Flux**

Visit [www.newportmooringassociation.org](http://www.newportmooringassociation.org) for the latest on these topics.

### **Report on Mooring Transferability Sub-committee Progress**

Transferability – The Mooring Master Plan Subcommittee on Transferability delivered their product to City Attorney well over a year ago. After a year, the City Attorney made changes to the draft and was finally able to meet the group with her thoughts in December 2008. At that meeting with the City Attorney were

NMA Board members, MMPSC Transferability sub-committee members, Chris Miller and the City's Revenue Manager, Glen Everroad. Ultimately, agreement was reached on all major points. The City Attorney incorporated the changes into the proposal then delivered a final product to the sub-committee as well as city  
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### **Three Year Effort Seen as Flawed by Many**

## **Long-Awaited Harbor Fees Study Submitted to City Staff, Public**

The Board of the NMA has been closely following the progress of the Harbor Fee Study since its inception back in June of 2006. The study incorporates three separate, but related, consultants' reports: (1) An Appraisal of Tidelands Assets and businesses by Netzer and Associates, (2) A Cost of City Services Study by Maximus, Inc., and (3) An Economic Analysis by two UC professors, Hanemann and DeShazo.

The Netzer appraisal was completed in November of 2006, the Maximus Cost of Services Study in July of 2007, and, finally, the Economic Analysis was finished and released in November of 2008, thereby completing the Harbor Fee Study. The study was then introduced at the City Council Finance Committee in December of 2008 (more information on this is available at the NMA website).

Newport Beach has long maintained that the Tidelands (harbor and oceanfront beaches) "cost" the city over \$18 million more than what is brought in from tidelands fees and rents. The Harbor Fee Study attempts to outline new and existing sources of revenue,  
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### **Elements of Harbor Fees Study:**

1. *Appraisal of Tidelands Assets and businesses, Netzer*
  2. *Cost of City Services, Maximus*
  3. *Economic Analysis, Hanemann and DeShazo*
- *Questionable City accounting maintains the Tidelands operates at a net loss of \$18,000,000 per year*
  - *Outlines increased fees for existing permits. Netzer Appraisal recommends 435% increase in mooring permit fees*
  - *City could collect 5% of tidelands based business gross – driving their charges up*
  - *Marine Activities Permit - a new permit to be required by city of any entity doing business on tidelands from bottom cleaners to mechanics - up to \$1000/year*

### **New and higher tidelands fees "hit-list":**

- *New higher residential dock and dredging fees*
- *New fees paid to city up to 20% for private dock rentals*
- *New fees paid to city up to 27% for commercial docks*
- *Live aboard permit fee – could be quadrupled*

**For the latest news, links, and helpful information on Harbor Tidelands  
Visit: [www.newportmooringassociation.org](http://www.newportmooringassociation.org)**

**Keep the  
NMA strong!**

**Renew your NMA membership now with this form.  
Maintain your representation for 2009!**

Use the enclosed self-addressed envelope to mail your check  
and this form back to the NMA, P.O. Box 1118, Newport Beach, CA 92659

Your \$25 helps protect your interests. The NMA board members, who are mooring holders like yourself, voluntarily represent the Mooring permit holders at City, County, and other meetings. Please help them help you.

**YES!** I support the NMA. Please accept my check for \$25, one year's dues. Below is my information:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Phone: \_\_\_\_\_ Mooring #: \_\_\_\_\_

Email (Important!): \_\_\_\_\_



# **NMA Annual Meeting Slated for March 4, 2009, 6PM**

## **New Venue: Newport Beach Council Chambers**

### **Harbor Fees Study Concerns** *continued from front page*

and recommends increases in fees to bring them in line with "market" rates. For example, the Netzer appraisal recommends an increase in mooring rates to \$87 per foot per year (a 435% increase over present).

There are also new rates suggested for marine related services and supplies. An example of this is the proposed 5% of gross sales to be levied on fuel docks, and the imposition of a "Marine Activities Permit" (MAP) fee on just about anyone who does business on the water (eg., boat cleaners, mechanics and electricians, boat rentals and charters, bottom cleaners, marine contractors, etc.). But, as we all know, it is the boater who will ultimately pay.

The requirement for a MAP was added to the Harbor Code (Chapter 17) last year. The Maximus Cost of Services Study suggests the rate for a MAP at just over \$1000 per year. In certain cases, there are provisions within the Marine Activities Permit that allow the City to enter into a profit sharing lease or franchise with the business. The Netzer Appraisal and Maximus Cost of Services Study more fully outline which businesses will be chosen for this special treatment.

And the list of new and higher tidelands fees goes on: Substantially higher residential dock and dredging permit fees; new fees for residential docks rented to others (20% of gross) and commercial docks (up to 27% of gross); a four fold increase in live aboard permits fees; and percentages of gross revenues levied on restaurants and charter and party fishing boats.

It appears to NMA Board members that serious flaws exist within the Harbor Fee Study. Primarily, the study ignores the State mandate of the City's Tidelands Grant that all revenues derived from the tidelands go back into special funds designated only for improving and maintaining those tidelands. Instead, several revenue streams from the tidelands seem to be going into the General Fund. In addition, there are many questionable expenses charged to the tidelands. This "overcharging" results in a huge tidelands fund deficit, and therefore the call to increase harbor fees.

So, what does all this mean to you? If the Harbor Fee Study is adopted by the City Council, it will, of course, cost you plenty. Your annual mooring fee could potentially quadruple. The rates you pay for fuel and services would go up. And, if you happen to dine at any of the restaurants on tidelands (eg., the Balboa Pavilion, Ruby's, Galley Café), know that a share of your tab is going to the City.

The NMA Board believes that before any fee increases are imposed on tidelands users, the City must accurately account for all tidelands related revenues and expenses. The City's current justification of simply stating a net tidelands cost to the General Fund of over \$18 million per year is not good enough. As previously stated, the cost allocations to the tidelands fund are grossly flawed, and tidelands revenues are misdirected resulting in a huge apparent deficit. These facts must be driven home to the City Council before they accept and begin to implement the recommendations of the reports. And here is where you can help us help you.

If you are a resident of Newport Beach, please write or send an email to your City council member asking that the Harbor Fee Study be sent back for a more thorough

review before being brought before the full council for a vote. Residents and non-residents alike can stay informed about developments with the HFS by visiting the new and improved NMA website. In addition to links to all the studies, you will also find a prewritten email to the City Manager describing basic flaws within the appraisal as it relates to the proposed mooring fee increases. Sure, he's seen this letter before. But the more times he sees it, the more he knows how many people really care about this issue. Or, if you are truly inspired, write your own. Let him know how the proposed fee increases will affect you and your love of boating.

And finally, please, renew your NMA membership! Times are tight, and it might be easier to toss the NMA renewal in the trash rather than writing a \$25 check. But before you toss it, consider this: The NMA Board members donate hundreds of hours of their time each year to represent YOU. They read all the City documents (and much more), they attend and speak at City Council meetings and all Harbor Commission meetings, as well as the Mooring Master Plan Subcommittee and various other committees. They provide a website in order for you to stay informed. And, when necessary and appropriate, they hire knowledgeable professionals to help review and advise them on issues as varied as the Cost of Services Study, the State Tidelands Grant, and the Orange County Grand Jury report on moorings in Newport Harbor. Your membership renewal will help keep the NMA strong.

While we certainly cannot guarantee that your mooring rates will remain the same, your \$25 membership is still the best investment you can make toward keeping the cost of boating affordable.

### **Report on Mooring Transferability Sub-committee**

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staff and the Harbor Commissioners. Assistant City Manager, Dave Kiff, is currently against the basic principals the sub-committee (which included his Harbor Resources Department staff) had been laboring under for three years with his full knowledge. To address his concerns, the transferability sub-committee met with Dave to no avail. Despite Kiff's objections to the document on transferability, the proposal continued on its slated path. The next stop was the Harbor Commission; they considered the draft at their January 2009 meeting. Many mooring permit holders were in attendance, several spoke at the podium to have their viewpoints heard. Eventually, the Harbor Commissioners voiced their unanimous support for the document, however, they voted to send the document back to the sub-committee for some rewording of technical areas. The group had a meeting in mid-January where new verbiage was discussed. Currently the document is still a work in progress. Once the sub-committee drafts its final wording it will be considered by the MMPSC, the new City Attorney, then it will be presented to the City Council for their action. It is hoped that enough support for the long studied process, and much crafted document, will be garnered to have it approved by the city's elected officials for the good of all. Any new developments on this topic will be discussed at the annual meeting.