



MAY 2026

NEWPORT HARBOR STAKEHOLDERS' UPDATE

***WORKING TOGETHER FOR FAIR AND
TRANSPARENT TIDELANDS RATES
AND REGULATIONS***



MAY 2026

Agenda

- 1. Recap of where we are***
- 2. SLC Report***
- 3. Potential Impacts***
- 4. Community input/questions***
- 5. What is the Benchmark Solution?***
- 6. Upcoming events***
- 7. How you can get involved***



BACKGROUND AND CURRENT SITUATION

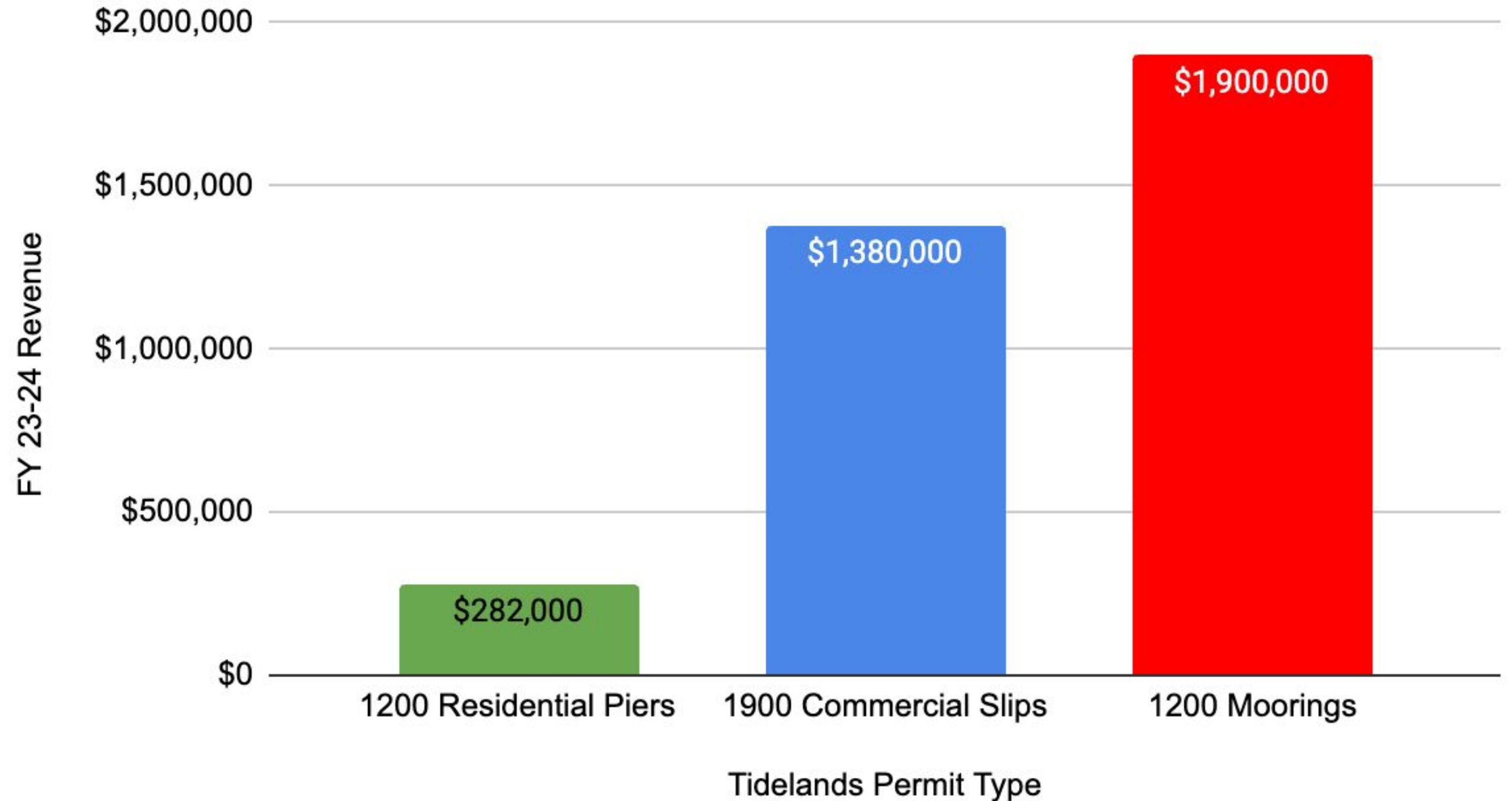
- **City of Newport Beach manages Newport Harbor on behalf of all Californians under the *Public Trust Doctrine*.**
- **Increased oversight from the State Lands Commission (SLC) prompted review of tidelands rates for permit holders**

New rates currently under consideration will impact both piers/docks & moorings

Recap

Moorings contribute **more** in fees than other tidelands users, yet Harbor Commission moved to **increase** these rates by an **additional 300-500%+**

FY 23-24 Revenue by Tidelands Permit



Recent Events Impacting Mooring Holders



2022

+1000% rate hike proposed for shore moorings



Mooring "buyback" program was floated by City for \$1,000,000 per year



2023



Mooring Permittees publicly **assured** by City Harbormaster and Officials, that Permits would remain transferable.



City **approved** mooring realignment.



2024



January–June community **opposed** 300–500% rate increases for offshore moorings.



Last-minute proposal over **4th of July weekend** to raise rates AND convert all mooring permits to licenses.



2025



Mooring Field Reconfiguration Proposal **voted down 9-1** by CCC.



SLC Tidelands Management Review finds potential **violations of public trust**.



SLC Report on Management of Public Trust Lands in Newport Harbor released.

I'M HEARING THAT RATES FOR DOCKS AND MOORINGS MAY CHANGE.

WHAT ARE THE CURRENT NEWPORT BEACH TIDELANDS RATES?

**RESIDENTIAL
PIER PERMITS**



\$0.58 square foot

**MOORING
PERMITS**



\$~1.39 square foot

***These rates are set by
the City**

***Currently under review
due to State Lands
Commission oversight**

Meeting Date: 12/16/25
Grant File Number: 09-02
Staff: B. Johnson
J. Plovnick

I heard an SLC
report came
out in
December.

Where can I
find it?

Staff Report 105

SUMMARY:

At the August 21, 2025 Commission meeting, staff presented their draft *Report on the City of Newport Beach's Public Trust Lands Management* ([Item 66, August 21, 2025](#)). This report was prepared to provide information on the Commission's jurisdiction over Newport Beach tidelands and to present a draft version of staff's findings and recommendations regarding limited topics related to the City's mooring permit and residential pier permit programs in response to concerns expressed by staff and members of the public. The draft report was made available for public review and comment in advance of the August 21, 2025 Commission meeting, and staff accepted public comment on the report through October 31, 2025. Staff have continued to receive comments related to the draft report into December and have continued to review these comments as they have been received.

The attached *Report on the City of Newport Beach's Public Trust Lands Management* is the final version of staff's report and presents staff's final findings and recommendations after public input. Also attached are staff's responses to public comments. The final report also includes an additional section with staff's responses to public comments. Comments received after the public comment period could not be incorporated into the ~~report's~~ formal responses; however, the late comments reiterated points already raised during the comment period and have been addressed in responses to earlier comments or within the final report itself.

COMMISSION JURISDICTION IN NEWPORT BAY

The Legislature granted the state's sovereign lands in Newport Bay to the City of Newport Beach (The City) in 1919, and amended the grant several times, with the operative grant being Chapter 74, Statutes of 1978, as amended. The City is responsible for managing its legislatively granted lands and has discretion in

What Does The SLC Report Say?

The Report Suggests:

- ✗ Ending mooring permit transfers
- ✗ Reevaluating waterfront homeowner rental rates/implement City monitoring
- ✗ Increased focus on “market rate” pricing for recreational leases
- ✗ Greater City fee levels/oversight/regulation of tidelands uses

What This Could Mean

- ◆ Potentially Much Higher Costs for tidelands users
- ◆ Increased levels of City regulation/mandates
- ◆ Changes to long-standing harbor practices & coastal access

Does the Report Mandate Specific Outcomes?

No. Report uses inconclusive language:

“Staff is not suggesting that the City must use the above numbers – which are only rough calculations– or that other approaches to valuation are not reasonable.” –SLC Report

- “may violate”
- “appears inconsistent”
- “potential concern”
- “could be viewed as”

Important–

This **report** makes policy **recommendations** and **offers interpretations** — **not** fact based final legal findings or court rulings.

SLC Report does not Mandate or Require Specific Actions – but City Survey Suggests Otherwise

Private transfers are deemed prohibited under the State Lands Report. What should happen to current mooring permit holders? *

- Allow a transition period
- Allow those who have held a permit for more than 5 years to be grandfathered so they can transfer their permit one last time
- Allow anyone with a mooring permit to one last transfer
- End it immediately to comply with state law

The State Lands Commission found that rates for residential piers and mooring permits are below fair market value. If the upcoming appraisals confirm this finding, how should the City approach changes? (select all that apply) *

- Implement changes immediately
- Phase in changes gradually over time
- Protect long-term permit holders from major changes
- Apply changes uniformly to all users
- Other _____ (field for free type)



How could dock permittees be impacted?


Report Recommends

- Current rates may need to double or +
- Fees should begin to be assessed on impact area.
- Monitor & charge more for subleasing

How could this impact dock permittees?


- Potential Example for 1,200 sq/ft dock

 → Current rate = $\$0.58 \times 1,200 = \$696/\text{year}$

 $\times 2$ Doubled = $\$1,392/\text{year}$

 + Impact Area = $\sim \$2000/\text{year}$

 \$\$\$ Small marina rate? = \$\$\$



How could mooring permittees be impacted?

- City wishes to end transferability– no current discussion of compensating permit holders
- Future rates are unknown, previous appraisal had 40' mooring @ \$600 a month, tied to future BYB rates (*No more CPI increases*)
- Liveaboard permits are at extreme risk

FAQs

1. Can we still transfer our permits and mooring tackle?
2. If the City turns mooring permits into licenses, what happens to transferability? Will mooring permittees be compensated?
3. Aren't permits transferable elsewhere in the state?
4. I'm a dock permittee. Why is the City saying I have to pay more for my dock when I already pay property taxes?
5. What solutions is the NMA is proposing?

WHAT IS THE STATE BENCHMARK RATE?

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Benchmarks are used to establish uniform rental rates in specific geographic regions with large concentrations of similar facilities, mostly private recreational improvements within the Commission's jurisdiction. (Cal. Code Regs., tit. 2, § 2003, subd. (a)(5).) The use of benchmarks improves the consistency, transparency, and efficiency in how the Commission establishes rent for large numbers of similar leases, saving time, resources, and money for both the applicant and the State. Periodic benchmark adjustments assures that the people of the State are fairly compensated according to current market rates for the private use of State-owned land, consistent with the California Constitution. Generally, staff recommends updates to the benchmarks every 5 years.

SOUTHERN CALIFORNIA RATE

Southern California Benchmark rate including
Newport Harbor, for moorings and docks
→ **\$0.45 per square foot**

WHY SHOULD NEWPORT HARBOR USE THE BENCHMARK RATE FOR RESIDENTIAL PIERS AND MOORINGS?

- ❖ **Predictable & State Compliant**
- ❖ **Prevents improper gifting of public lands**
- ❖ **Fair, transparent, & non-discriminatory**

What are California State Lands Commission

Benchmark Rates for Tidelands?

SIMPLE - TRANSPARENT - FAIR - RELIABLE



The City of Newport Beach must manage Newport Harbor fairly on behalf of the state. Due to increasing pressure from the State Lands Commission (SLC), the City is reviewing their tidelands management and are considering new rates for tidelands users including pier and mooring permit holders. We believe the City should adopt the SLC Benchmark Rates, which are state-approved "uniform rental rates" that ensure consistency and fairness across the harbor.

Why should Newport Harbor use Benchmark Rates?

- Complies with CA Statutes, the Public Trust Doctrine, & SLC guidelines
- No more expensive, questionable appraisals
- Avoids improper gifting of public lands
- Avoids discrimination between user groups (e.g., piers vs. moorings)

Benchmark Rates For Docks and Moorings

- SLC's Category 1 rate applies to **private docks, piers, and moorings**
- Current Category 1 Benchmark Rate for Southern California, including Newport, is **\$0.45/sq ft**

Wait-Isn't that less than the current City rates in Newport Harbor?

- Yes! Rates are already higher and could increase exponentially. Recent City appraisals recommend mooring rates of **\$6.00/sq ft** or more, with similarly increased dock rates possible.
- Current Newport Beach Rates:
 - Piers..... **\$0.58 sq ft**
 - Moorings..... **\$1.39 sq ft**

✓ Attend the City's Townhall Meeting

May 27th @ 5:00pm
Oasis Senior Center
801 Narcissus Ave

→ Contact City Council and tell them you support fair tidelands fees for all!

citycouncil@newportbeachca.gov



Visit our Website or scan the QR code for the Benchmark Rate Informational Flyer

An aerial photograph of a marina. In the foreground, several white motorboats are docked at a wooden pier. The water is a deep greenish-blue. In the background, a residential neighborhood with houses and palm trees is visible under a clear sky.

What other factors should be considered?

- City has broad discretion
- Riddle v. Vallely – no title to tidelands
- If City ends transferability for moorings after assuring the public, what does this mean for other tidelands permittees?

Q & A

Who specifically are the people who are determining what will happen? And what is the timing of the final decision

“Community Meeting” will be held by City and SLC at 5:00pm on May 27th @ the Oasis Senior Center to discuss potential changes

Survey:

- What are your questions or concerns?
- What would you like the City or SLC to know?

Are you interested in participating in the SLC meeting?

Important Points to Keep in Mind:

- Reform City's management of, don't eliminate transferability**
- Benchmark Rates: Fair Fees for all**
- Liveboards are our eyes on the water & 1st responders 24/7/365**

THANK YOU

Contact your City Council

Tell them you support the SLC Benchmark Rate

→ citycouncil@newportbeachca.gov

Attend the Community Meeting

→ May 27, 2026 5:00pm @ Oasis Senior Center

801 Narcissus Ave

Working Together for Fair and Transparent Tideland Rates

www.newportmooringassociation.org

HOW DOES THE STATE CALCULATE BENCHMARK RATES?

- Based on the principle of substitution using commercial marina berth costs.
- Surveyed 42 Southern California marinas, including several in Newport Harbor
- Average berth calculation: $37 \text{ linear feet} \times \$23.40/\text{ft} \times 12 \text{ months} = \$10,389.60$ annual income.
- Applying 5% return on income = $\$519.48$, divided by 1,153 sq ft = $\$0.45$ per square foot.

STATE BENCHMARK VS. APPRAISALS

- **Moorings** *SLC deemed recent City appraisal acceptable– suggesting mooring rates of \$6.00+ per square foot—over 13x the State benchmark rate*
- **Docks** *City commissioned a dock appraisal in 2025, but has declined to release the results – why?*
- **Broad Discretion:** The SLC benchmark rate of \$0.45/ sq ft is also reasonable, and **removes potential political interference in rate setting**

FUTURE IMPACT

- **Appraisals could follow the previous methodology resulting in similarly dramatic increases for all tidelands users.**

Long-Standing City Practices Now Under Review

The SLC Report Questions:

- Mooring transfer practices
- Residential pier valuation methods
- *Possible* Below-market tidelands rents
- Subleasing and private income on tidelands

Important –

Many of these systems/policies were:

- **created by the City,**
- **openly administered by the City for decades, with compelled compliance,**
- **and relied upon by permittees making long-term decisions.**

