

July 9th, 2024

Re: NMA Comments - City Council Meeting Agenda Item #13 (Mooring Rates) - City Council July 9th, 2024

Dear Mayor O'Neill and Honorable Council Members,

The Newport Mooring Association (NMA) respectfully opposes both the mooring rate recommendations put forth by the Harbor Commission (Draft Resolution 2024-46) and the alternate recommendation proposed by City Staff (Draft Resolution 2024-47). We believe both resolutions are flawed and very much would like to partner with City Staff to work on a resolution amenable to all stakeholders.

Draft Resolution 2024-46 Harbor Commission Mooring Rate Recommendation: The NMA believes the proposed increase in mooring rates by as much as 500% does not align with the City's commitment or its longstanding practice of providing moorings as an essential and affordable access point to our harbor. Among numerous issues, we find it unjust to tie rustic (water-only) mooring permit rates to the full-service slip rates at Balboa Yacht Basin Marina, as these are fundamentally different arrangements.

Draft Resolution 2024-47 City Staff Mooring Rate Recommendation: The NMA has not had sufficient time to carefully analyze the City Staff recommendation, which involves converting privately owned mooring tackle permits to city-owned mooring licenses and establishing new restrictions on transferability despite promises as recently as November 2023 that permit transferability would remain intact. Further, it appears this proposal would require mooring holders to eventually surrender their privately owned mooring tackle to the City. Such a significant proposal warrants a thorough public review process. We note with concern that this staff proposal was only made available for public review less than one business day ago (July 5th). While we appreciate the effort to provide an alternative to the contentious Harbor Commission recommendation, the complexity of the staff proposal demands careful public scrutiny. We are particularly surprised by the suggestion that the City take over all moorings in the harbor, a concept previously unheard of directly from the City Staff, City Council, or the Harbor Commission. We seek clarity on the intent and objectives behind this recommendation. If Council is interested in this alternate recommendation, we respectfully ask Council to hold a study session on this alternative prior to voting on it.

Discussion: In determining mooring permit rates, it is important to recognize that mooring permit holders bear the costs related to moorings, including equipment, tackle, and maintenance. Therefore, a fair mooring rate should reflect the cost of occupying a small area of water surface, with no additional charges for amenities not provided by the City. It is unfair and unreasonable to base "water only" mooring permit rates on full-service marina slips or yacht club mooring rents, which include provided berthing structure and other amenities not applicable to moorings.

It is worth noting that mooring permit rates are already significantly higher than rates for most other tideland permits in the harbor. For instance, private pier/dock permit rates are \$0.56 per square foot, while mooring permit rates equate to \$1.36 per square foot for using the same water surface for the same purpose. Furthermore, mooring permit holders collectively contribute more

to the City tidelands fund than holders of other permit classifications. In 2023, approximately 750 offshore mooring permit holders contributed \$1,187,000, whereas about 750 residential pier permit holders contributed only \$278,000 to the tidelands fund, which supports harbor activities. This demonstrates that mooring permit holders already pay more than their fair share of permit fees both individually and collectively.

The Newport Mooring Association has expressed significant concerns regarding the flawed appraisal and methodology used to develop the Harbor Commission's recommendation, as detailed in the attached letter sent to the Harbor Commission on February 14th, 2024.

We respectfully ask Council to direct staff to work with the stakeholders on finding common ground on the mooring rates in Newport Harbor.

Thank you for considering our concerns regarding the proposed mooring rate adjustments. We recognize and appreciate recent efforts by Mayor O'Neill and Mayor Pro Tem Stapleton to connect with NMA board members, and respectfully request the Council's continued careful deliberation on this matter to ensure fair and equitable outcomes for all stakeholders involved.

Sincerely,

The Newport Mooring Association Board of Directors