

Annual Mooring Fees - Tidelands Value Method

by Paul Bahan

This report introduces a third method for establishing the annual mooring fees for Newport Harbor. I believe the three most defensible methods for establishing annual mooring fees are:

1. CPI adjustments in line with historical CPI adjustments,
2. Comparable Approach, with adjustments for cost of maintenance and lack of access, and
3. Value of Use of Tidelands.

In other reports submitted to the Harbor Commission, the CPI and Comparable Approach established that the annual mooring fees should not exceed approximately \$25 per foot. The following is a third defensible method for establishing the annual mooring fees.

Tidelands Value Method

This method starts with the same assumption used in establishing the fees to be charged for other uses of tidelands, namely the value of the use, which was established by appraisal, is approximately 50 cents per square foot for the area taken out of the public's use or navigation.

As I've contemplated the actual uses of the mooring fields from the perspective of use by boaters, I've found myself with two logical analytical approaches. I've called the first the Exclusive Tidelands Use. It assumes an entire row of moorings is out of use by the public for navigation and most recreational purposes. I've called the second the Non-Exclusive Tidelands use. It assumes that there is an area between the individual moorings in a row of moorings where some public use is still made of the tidelands such as kayaking and paddle boarding.

The Exclusive Tidelands Use Method. In this approach, an area is calculated which represents the area of tidelands occupied by a row of moorings, with the idea that this row interferes with other public uses of tidelands and is not very navigable. Winds and tides may shift boats side to side within the row. Therefore this approach assumes the entire row is out of use by the public. (footnote 1) But the public does use some of the area, so a second approach has also been used.

One of the more crowded rows in the J field is approximately 566 feet long with 16 moorings. This can be seen on Google Earth, with measurements taken on Google Earth, as shown in the satellite photos below. If each of the moorings in the row were 40 feet, and allowing 10 feet of forward space and 10 feet of space to the rear of the boats, then each mooring would take up 60 feet in length. However, the average actual average length of boats on a 40-foot mooring is only 37.5 feet, so the effective total length to be used is 57.5 feet (37.5 + 10 + 10). (footnote 2).

Exclusive use Calculations: The 566 foot long row, with 16 moorings with an effective length of 57.5 feet, buoy to buoy, interferes with 32,545 sq. ft. of tidelands. Dividing this by the 16 moorings in the row, each mooring interferes with 2,034 sq. ft. of tidelands, assuming exclusive use and no other recreational use between the moorings. At 50 cents per foot, that would be an annual fee of \$1,017 for a 40-foot mooring, which is \$25.43 per foot.

The Non-Exclusive Tideland's Use Method. In this method or approach, an area is calculated which represents the area of tidelands occupied by a row of moorings with the idea that *only part of the row interferes with other public uses* of tidelands and is not completely navigable.

As in the Exclusive use, we will look to one of the more crowded rows in the J field, which is approximately 566 feet long, with 16 moorings. However, we assume that there is a 12-foot wide area between the individual moorings that can be used for *some, but not all*, recreational purpose, such as kayaking, and paddle boarding. It is understood that this area will not accommodate other uses such as sailboat racing or large powerboat navigation at normal speeds, etc. Because of the restricted use, we use only 50% of this 12-foot wide area for our calculation. We use, therefore, 6 feet, instead of 12 feet for this area.

Non-Exclusive Use Calculations: There are 15 such areas (between the 16 boats). $15 \times 6 \text{ feet} = 90$ feet in the row that is available for some recreation. The 566 foot long row, is therefore reduced by 90 feet, for an effective semi-exclusive use of 476 feet by the moorings in the row. Again, assuming a 37.5 foot boat with 10 feet in front and in back of the boat to the mooring buoy, that is 57.5 feet ($57.5 \text{ feet} \times 476 = 27,370$ sq ft of tidelands). Dividing this by the 16 moorings in the row, then each mooring interferes with 1,710 sq ft of tidelands. At 50 cents per foot, this would mean an annual fee of \$855 for a 40-foot mooring, which is an annual fee of \$21.38 per foot.

Conclusion.

Using the Tidelands Value Method, the appropriate annual fee for a mooring is between \$21.38 and \$25.43 per foot, depending on the extent to which the public may still have some use of the area between moorings.

Respectfully Submitted,

Date: April 5, 2015

Paul Bahan

Paul Bahan,
Commodore South Shore Yacht Club

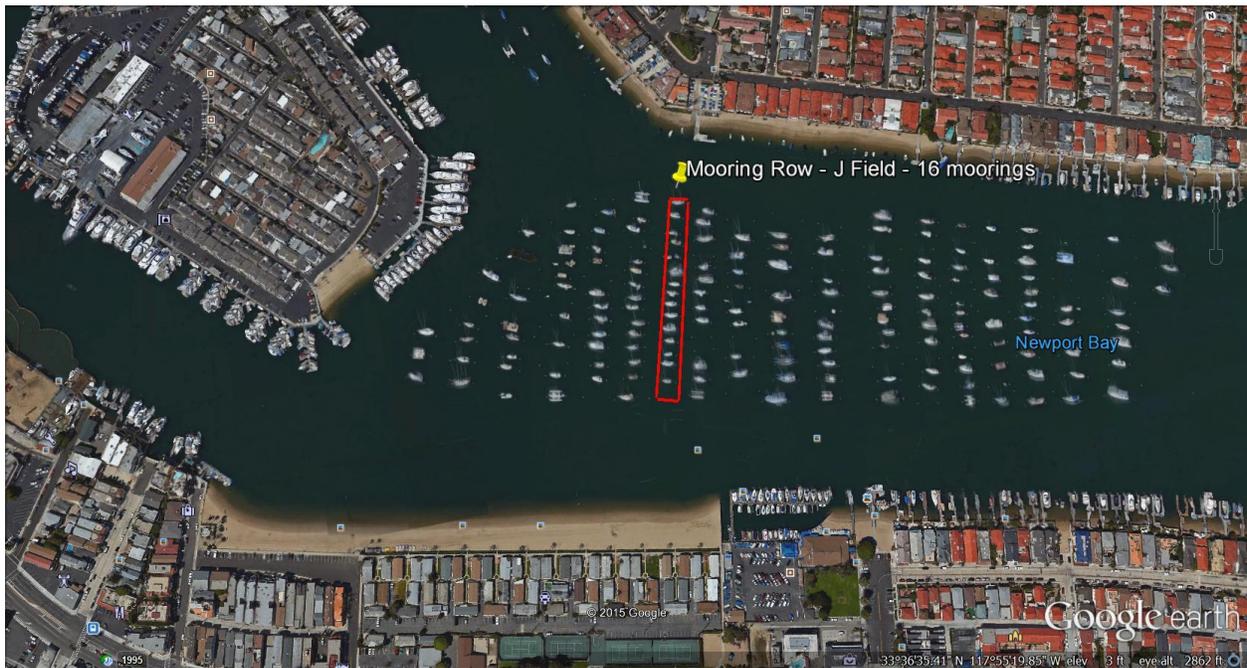
(I've included some personal biographical background in footnote 3)

Footnotes and Photos:

1. **Piers and Moorings.** This method uses the same valuation as one method used for piers, but applies the valuation to the particular facts and considerations that apply to moorings. However, this approach acknowledges that there are significant differences between moorings and piers and floats. These differences include the fact that boats on moorings move with winds and tides, and the fact that piers are close to the shoreline, and at low tide, piers are in areas that are less navigable. Additionally, there is nearby access from these pier area tidelands to the shore. However the fundamental use is the same: the in-water storage of boats on the tidelands.

2. **Adjustments.** A 40-foot mooring will have a smaller vessel moored to it, more often than not. This is because the current mooring regulations do not allow for any "overage." A 41-foot boat is not allowed to be moored to a 40-foot mooring. Likewise, a 36-foot boat, is not allowed on a 35-foot mooring. It is allowed only on a mooring which is 40-feet or larger. Therefore, there is likely a 10%-15% reduction that should be factored. The above analysis assumes a length of 37.5 as the average boat length for a boat moored to a 40-foot mooring.

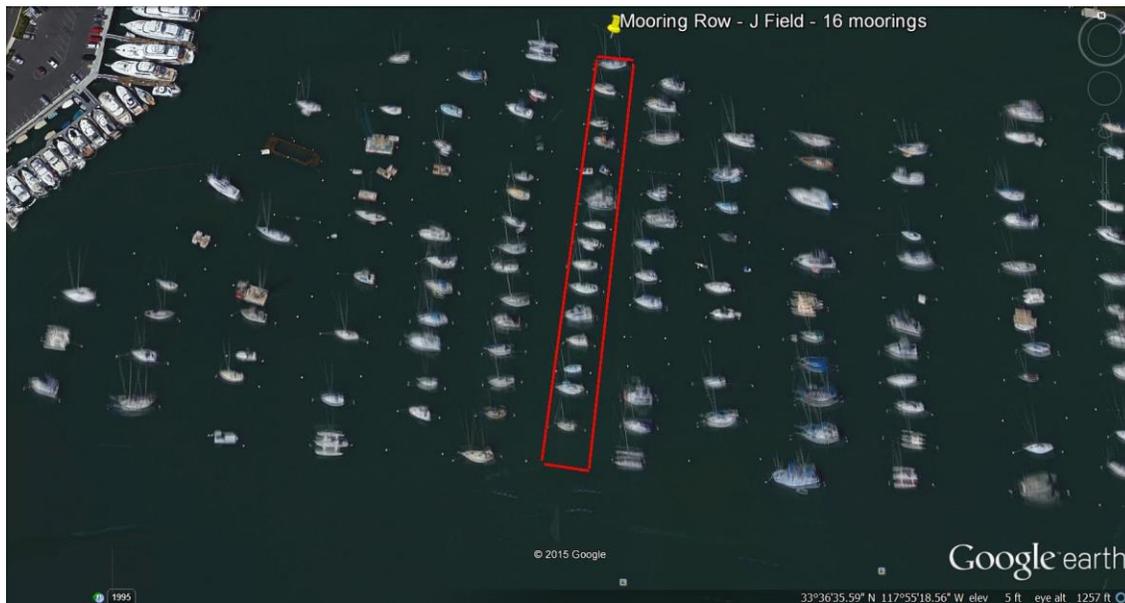
Satellite Picture of J field – American Legion and 15th Street at bottom, Lido Island at Top
566 feet long by 57.5 feet wide



(See next page for close-up satellite picture of sample row in J field)

Close-up satellite picture of sample row in J field

(566 feet long by 57.5 feet wide)



3. Paul Bahan – Biographical Notes

I am the current Commodore of South Shore Yacht Club, one of the three oldest yacht clubs in Newport Harbor, founded in 1957. Many of our members keep their boats on moorings in the harbor so we have broad experience with the conditions and water usage in the harbor.

I'm a businessman, an attorney, and a former City Attorney for the City of Santa Monica. I'm also personally a long time mooring permittee. So I have some familiarity with moorings, as well as valuation of city assets and the valuation of the use of public property.

I hope my thoughts will be of use to you.