

## **Resolution for Council Consideration – Adopted 11/03/10**

### **Tidelands Resource Council Resolution Boat Clubs**

#### **Preamble:**

“Marina” is defined in the Resolution Concerning License Fees Assessed by the Tidelands Resource Council as “any dock, pier, bulkhead, mooring piles/poles or similar structure or a collection of adjacent structures providing permanent or semi-permanent dockage for rent to five or more vessels”; however, the Council has historically differentiated boat and yacht clubs. According to the Council marina policy “License fees for boat/yacht clubs providing dockage below fair market value will be set on a case-by-case basis. In general, the Council will charge fair market value for such facilities”.

Based on this policy, the license fees for “boat/yacht clubs” have historically been based on the municipally assessed value of the upland lot divided by the square footage of upland property.

Due to the real estate market’s rapid increase in value from 1999 through 2005, many municipalities throughout New Jersey ordered a complete revaluation of all taxable real estate for taxing purposes, resulting in much higher license fees, and creating greater disparity between property values along the bay and ocean shore and property values along the Delaware River and tidal tributaries.

In response to the drastic increase and disparity in assess property values, and in an effort to establish a fair and uniform basis to formulate license fess for residential property owners, the Council adopted a new formula on February 6, 2008 for residential dock licenses, based on a state-wide base rate of \$0.49/s.f./yr, which would be applied to the area of the submerged tideland occupied by structures and associated buffer areas, with a tiered approach for smaller license areas.

Since adoption of the new methodology for residential dock licenses the Bureau of Tidelands Management began using this same method as a basis for establishing the license fees for “boat/yacht clubs”. The use of the new method has resulted in dramatic fee increases for many boat/yacht clubs along the Delaware River and its tidal tributaries. Use of the upland land value method for older licenses and the new residential method for newer licenses has caused much confusion among boat/yacht clubs.

The proposed changes will correct some of the negatives of the current method; fees for water-flowed area in boat club licenses will now be based on a state wide base rate of \$0.33/s.f/yr; however it will only be applied to area of submerged tidelands occupied by structures. The new method will no longer require licensees to pay for a buffer area around structures.

Resolution:

This resolution will define a boat club and establish a fee structure which reflects the unique character and culture of boat/yacht clubs, considers the value and contributions which they provide to the recreational boaters, and which can be applied fairly, uniformly and predictably to all boat/yacht clubs.

Applicability:

Boat/Yacht Clubs - are working organizations created under a non-profit status, for the primary purpose of promoting safe boating opportunities for recreational boaters that operate boat ramps, moorings and or docking facilities for a least ten watercraft maintained by the membership of the organization. These clubs charge dockage fees that are at less than similar fees charge by commercial marinas within the same geographical area in which the organization is located.

The provisions of this resolution shall apply to all boat club license applications received on or after October 14, 2010. Additionally, this resolution shall apply to any existing license, which will be transferred to the new fee structure during its 5<sup>th</sup> year reevaluation. A new license document will not be drafted after the fee is reassessed in the 5<sup>th</sup> year. All modification applications that come in as of October 14, 2010 will also be covered under this resolution.

The following practices concerning Boat Club Licenses shall be effective immediately upon approval by the Council (NOTE: This is not an all-inclusive list):

1) Staff's Discretion:

The formulation, addition, deletion, modification and interpretation of written and unwritten practices concerning boat club licenses are made at the discretion of the Bureau of Tidelands' staff subject to review and ultimate approval of the Tidelands Resource Council or its successors.

2) Measurement:

License fees shall be based on the actual square footage of the area occupied by the licensed boat/yacht club. The license area will be measured by a licensed surveyor or licensed engineer. No structure will require a two foot buffer.

3) Compensation:

The license fee for the first year shall be based on state-wide base rate of \$0.33/s.f./yr, which would be applied to the area of the submerged tidelands occupied by structures. Structures shall be allowed to be clustered in the license area.

This is approximately 33% less than the residential rate of \$0.49/s.f./yr. Each year, for the full term of the license, the annual payment shall be subject to an adjustment of plus 2 and ½ percent (+2.5%).

The license shall be for a ten year period.

License fees for moorings fields shall continue to be based on the current policy of \$60.00 per mooring. A metes and bounds description of the boundaries of the mooring field shall be plotted by a licensed surveyor or licensed engineer.

- 4) Existing applications already received by the Bureau of Tidelands Management but not yet deemed technically complete, will be held until January 1, 2011 to fall under the new policy with the following exceptions;
  - a. When an applicant or agent specifically requests the license be issued under the current policy.

The Bureau is holding all license applications until the new policy is established so that we may get support documents in place. Examples of support documents are: updating the Bureau's web site (guidance documents, policies, instructions, forms etc.), establishing a standard language for boat club licenses, setting up a fee structure electronically, ensuring Land Use Regulation documentation consistencies and revising the format of the Bureau's license price letter.

***Table 1: Proposed changes to Tidelands boat club license fees***

***October 14, 2010***

	Began in 2008	2010
	<b><u>Current</u></b>	<b><u>Proposed</u></b>
Minimum Fee	\$100, \$220, \$340	\$100
Payment Schedule	Annual	Annual
Term	7 years/10 years	10 years
Annual Inflation Adjustment	0	+2.5%

RATE SCHEDULE

Base Rate in 2010: \$0.33/sqft

Minimum Fee in 2010: \$100

Increase of Base Rate per Year: 2.50%

Year	Base Fee	Minimum Fee
2010	\$0.33	\$100
2011	\$0.33	\$100
2012	\$0.34	\$100
2013	\$0.35	\$100
2014	\$0.36	\$100
2015	\$0.37	\$100
2016	\$0.38	\$100
2017	\$0.39	\$100
2018	\$0.40	\$100
2019	\$0.41	\$100
2020	\$0.42	\$100
2021	\$0.43	\$100
2022	\$0.44	\$100
2023	\$0.45	\$100
2024	\$0.46	\$100
2025	\$0.47	\$100
2026	\$0.48	\$100
2027	\$0.50	\$100
2028	\$0.51	\$100
2029	\$0.52	\$100
2030	\$0.54	\$100
2031	\$0.55	\$100
2032	\$0.56	\$100
2033	\$0.58	\$100
2034	\$0.59	\$100
2035	\$0.61	\$100
2036	\$0.62	\$100
2037	\$0.64	\$100
2038	\$0.65	\$100
2039	\$0.67	\$100
2040	\$0.69	\$100