

Resolution for Council Consideration – Adopted 11/03/10

Tidelands Resource Council Resolution Residential Licenses

Preamble:

The Tidelands Council is asked to approve this resolution providing a new fee system for residential dock licenses that replaces the former policy adopted in the Council meeting minutes of February 6, 2008. The formula adopted in 2008 set fees based on a statewide base rate of \$0.49/s.f./yr, applied to the area of submerged tidelands occupied by structures and associated buffer areas. This method sought to reduce the disparities in fees due to the wide variation in property values from locality to locality across the state and the variation in lot sizes, which resulted in different unit values per square foot for the same license areas. This gave one base rate for the entire State. However, that method failed to keep fees fair over the entire state. The fees rose dramatically for many licensees, as a result the Bureau has been flooded with complaints.

The proposed changes will correct some of the negatives of the current method. Fees for water-flowed areas in residential licenses will continue to be based on a state wide base rate of \$0.49/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.

The proposal also eliminates the need for a specific tidelands survey from the applicant. The cost of an average property survey is \$500.00 to \$1,500.00. By accepting a survey sent in for a Waterfront Development Permit, we significantly cut costs to applicants by not requiring additional revisions for Tidelands specific survey requirements.

The Bureau will no longer attach engineering drawings to license documents, therefore relieving the engineering staff of extreme backlogs. The application process will be overhauled, processing time will be cut dramatically and the process will be easier for applicants and the Bureau.

The Bureau is extremely understaffed and we will not be able to hire new staff for the foreseeable future.

Resolution:

This resolution, regarding a formula to determine compensation for the lease of tidelands of the State of New Jersey for residential docks and practices regarding same, upon approval by the Tidelands Resource Council, will replace the fee schedule for “residential licenses” last updated and approved by the Council on February 6, 2008.

Applicability:

The provisions of this resolution shall apply to all residential dock license applications technically complete 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 5th year revaluation. A new license document will not be drafted after the fee is reassessed in the 5th year. All modification applications that are technically complete as of October 14, 2010 will also be covered under this resolution.

The following practices concerning Residential Dock 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 residential dock 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:

The license area shall be obtained by measuring the dock and associated moorings. Mooring piles and the areas they define will be included in the license area. Boat lifts and Jet Ski lifts will be included in license areas.

3) Compensation:

The following schedule of compensation for licenses applies to any residential dock structure including floating docks, Jet Ski and boat lifts and berthing areas. A minimum annual fee of \$100.00 shall apply to all licenses. There is no maximum fee. All licenses will be for fixed 10 year terms. The applicant has the right to renew the license at the end of its term. An annual payment equal to the total square footage of the project multiplied by an initial base rate of \$0.49 per SF shall be applied to the first year of the license. 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 initial base rate for new licenses, currently \$0.49 shall be adjusted annually. The minimum fee shall remain consistent moving forward. See rate schedule on page 5.

- 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 all residential 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 residential license fees

October 14, 2010

	Began in 2008	2010
	<u>Current</u>	<u>Proposed</u>
Minimum Fee	\$100, \$220, \$340	\$100
Average License Fee	\$0.49/sq. ft. with buffer	\$0.49/sq. ft. without buffer
Payment Schedule	Annual	Annual
Term	7 years/ 10 years	10 years
Annual Inflation Adjustment	0	+2.5%

RATE SCHEDULE

Base Rate in 2010: \$0.49/sqft

Minimum Fee in 2010: \$100

Increase of Base Rate Per Year: 2.50%

Year	Base Fee	Minimum Fee
2010	\$0.49	\$100
2011	\$0.50	\$100
2012	\$0.51	\$100
2013	\$0.53	\$100
2014	\$0.54	\$100
2015	\$0.55	\$100
2016	\$0.57	\$100
2017	\$0.58	\$100
2018	\$0.60	\$100
2019	\$0.61	\$100
2020	\$0.63	\$100
2021	\$0.64	\$100
2022	\$0.66	\$100
2023	\$0.68	\$100
2024	\$0.69	\$100
2025	\$0.71	\$100
2026	\$0.73	\$100
2027	\$0.75	\$100
2028	\$0.76	\$100
2029	\$0.78	\$100
2030	\$0.80	\$100
2031	\$0.82	\$100
2032	\$0.84	\$100
2033	\$0.86	\$100
2034	\$0.89	\$100
2035	\$0.91	\$100
2036	\$0.93	\$100
2037	\$0.95	\$100
2038	\$0.98	\$100
2039	\$1.00	\$100
2040	\$1.03	\$100