

## **ATTACHMENT B**

**HARBOR COMMISSION PACKET – PROPOSED RENTS AND FEES FOR MARINA  
PARK MARINA AND THE HARBOR DEPARTMENT**



== CITY OF ==

# NEWPORT BEACH

## Harbor Commission Staff Report

August 8, 2018  
Agenda Item No. 1

**TO:** HARBOR COMMISSION

**FROM:** Carol Jacobs, Assistant City Manager - 949-644-3313,  
cjacobs@newportbeachca.gov

Theresa Schweitzer, Senior Accountant - 949-644-3140,  
tschweitzer@newportbeachca.gov

**TITLE:** Proposed Rents and Fees for Marina Park Marina and the Harbor Department

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**ABSTRACT:**

On July 1, 2017, the City took over responsibility for managing harbor operations from the Orange County Sheriff. Since that time, the City has utilized the fee schedule from the County of Orange to charge for fees and rents. Over the last year, staff has evaluated the services provided and completed an appraisal of rents charged at Marina Park and Guest/Transient Slips throughout the harbor, and selected rents at the Balboa Yacht Basin as well as a fee study for various tasks the Harbor Department performs.

**RECOMMENDATION:**

1. Find this action exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.
2. Recommend to the City Council approval of Rent and Fees Schedule (Attachment C) for Marina Park and the Harbor Department.

## **FUNDING REQUIREMENTS:**

There are no funding requirements for this item. If City Council approves the attached Rent and Fees Schedule for Marina Park and the Harbor Department, the revenues will be approximately as follows:

Fee Name	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budgeted	Proposed Annual
Guest Moorings	\$179,080	\$198,143	\$150,000	\$588,000
Dinghy Racks	\$5,375	\$5,450	\$5,000	\$ 7,400
New Fees	N/A	N/A	\$0	\$440,000
Total	\$184,455	\$203,593	\$155,000	\$1,035,400

## **BACKGROUND:**

As part of the City taking over the harbor from the Orange County Sheriff's Department, the City has evaluated both the rents and services provided to harbor users. The City engaged Netzer and Associates to review and provide a current appraisal of the harbor rents in November of 2017 (Attachment B). At the December 11, 2017 Harbor Commission meeting, the Commission had some additional questions and concerns regarding the rents and asked Netzer for some additional information. Netzer completed an addendum in March of 2018 (Attachment C). In addition, the City's fee study consultant, MGT performed an analysis of fees in the harbor and are shown as Attachment C. Rents and Fees are defined separately in the Municipal Code and are further explained below.

## **DISCUSSION:**

### **Rents**

The Beacon Bay Bill, California Constitution Article 16, Section 6, Newport Beach Municipal Code, Section 17.60.060(D), Section 17.60.020(E), and City Council Policy F-7(D) (Income Property) require that the rent received by the City from third parties using the Tidelands be based in part upon an appraisal, and reflective of the fair market value related to such uses.

In order to determine the Fair Market Value of rents related to the Harbor, staff engaged Netzer & Associates, Real Estate Appraisal and Consulting. A Fair Market Rent – Guest/Transient Moorings, Newport Harbor, California was completed on November 27, 2017 (Attachment A). The Harbor Commission received the report at their December 11, 2017 Commission Meeting. At that meeting, the Harbor Commission requested additional information regarding fair market value of the slips at Marina Park, rents for dinghy racks at both Marina Park and the Balboa Yacht Basin. In addition, Netzer studied Daily "Guest Anchorage Rates of Non-City Owned Tackle and Large Vessel fees for the West

Anchorage (if approved sometime in the future). This addendum was completed on March 26, 2018 (Attachment B). Both reports provide the complete analysis.

### Fees

The Newport Beach Municipal Code (NBMC) Section 3.36, City Council Policy F-4 (Revenue Measures) and Item 12 of the Fiscal Sustainability Plan (FSP) provide staff and the City Council with policy guidance related to setting cost recovery targets and updating user fees. User fees, or cost-of-service fees are charged to a private citizen or group for services performed or provided by a government agency on their behalf. If the service benefits primarily an individual or group of people, then the burden of that cost should be bore by the person receiving the benefit.

NBMC Section 3.36 sets the cost recovery for user fees at one hundred percent (100%) with the exception of the subsidized fees listed in Exhibit "A" of that same section, as well as those limited by California or Federal statutes. A recommendation for less than a hundred percent (100%) cost recovery rate occurs, for example, when a service is beneficial to the community at large along with specific individuals or groups, and/or when there is an economic incentive, or disincentive, to do so. In these cases, the General Fund is essentially subsidizing the service.

The City has been managing the City's mooring fields since July 1, 2017. During this time, staff has identified a number of services that the Harbor Department performs for those using the harbor. Harbor staff and the Finance Department along with the City's fee consultant, MGT, have evaluated the services provided and calculated the cost of service to individual users of the harbor.

The proposed Rent and Fee Schedule is Attachment A. Should the Harbor Commission approve the rent and fee schedule, staff will then present the fee schedule to the City Council for consideration. Any newly proposed fee that is not approved will be absorbed through General Fund subsidy.

### **ENVIRONMENTAL REVIEW:**

Staff recommends the Harbor Commission find this action exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

### **NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the Harbor Commission considers the item).

**ATTACHMENTS:**

Attachment A – Netzer Appraisal – November 27, 2107

Attachment B – Netzer Appraisal Addendum to File No. 2017-30

Attachment C – Proposed Rent and Fee Schedule

**APPRAISAL REPORT**

FAIR MARKET RENT – GUEST/TRANSIENT MOORINGS  
NEWPORT HARBOR, CALIFORNIA

DATE OF VALUE  
NOVEMBER 27, 2017

PREPARED FOR

LAUREN WOODING WHITLINGER  
REAL PROPERTY ADMINISTRATOR  
CITY OF NEWPORT BEACH  
COMMUNITY DEVELOPMENT DEPARTMENT  
100 CIVIC CENTER DRIVE  
NEWPORT BEACH, CALIFORNIA 92660

PREPARED BY

NETZER & ASSOCIATES  
170 E. SEVENTEENTH STREET, SUITE 206  
COSTA MESA, CALIFORNIA 92627  
FILE NO. 2017-030

# NETZER & ASSOCIATES

Real Estate Appraisal & Consulting

November 30, 2017

File No. 2017-030

Lauren Wooding Whitlinger  
Real Property Administrator  
City of Newport Beach, Community Development Department  
100 Civic Center Drive  
Newport Beach, CA 92660

Re: Appraisal Services  
City Tidelands  
Fair Market Rent – Guest/Transient Moorings (“Sub-Permits”)

Dear Ms. Wooding Whitlinger:

In accordance with your request and authorization, I have undertaken the investigations and analyses necessary to estimate the Fair Market Rent, Fee Simple Interest, in the above referenced real property, which is the subject of this report. James B. Netzer conducted inspections of a representative sampling the subject properties in October and November 2017.

Based upon the work undertaken and my experience as a real estate analyst and appraiser, I have formed the opinion, as of the 27<sup>th</sup> day of November 2017, subject to the Assumptions and Limiting Conditions contained in this report, that the subject has the following market values:

Daily Fair Market Rent for the Off-Shore Guest/Transient Moorings (“Sub-Permits”)  
**\$1.25 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent for the On-Shore Guest/Transient Moorings (“Sub-Permits”)  
**\$0.625 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent “Premium” for Multi-Hull Vessels on Guest/Transient Moorings  
**Between \$0.25 per Linear Foot of Vessel and \$0.50 per Linear Foot of Vessel, depending on the beam of the multi-hull vessel, which is between 20- and 40-Percent of the Base guest/transient mooring fee, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent for “Large Vessel” (100+ LF) Off-Shore Guest/Transient Mooring  
**\$1.55 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

“Standard Practice” associated with Fair Market “Booking Fee” for Guest/Transient Moorings  
**I have concluded there is no “Standard Practice” beyond the City’s “cost recovery” basis**

Lauren Wooding Whitlinger  
November 30, 2017  
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This letter of transmittal must remain attached to this Appraisal Report, which contains 21 pages plus related exhibits, in order for the value opinions set forth to be considered valid.

I invite your attention to the following Appraisal Report that has been prepared in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and is in compliance with the USPAP standards, and sets forth the data and analysis which my opinions are, in part, predicated. Thank you for the opportunity of serving you in this matter.

Respectfully submitted,

  
James B. Netzer, MAI  
California General Appraiser No. AG003143



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### CERTIFICATION

To the best of my knowledge and belief, I certify that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved in the assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of a representative sampling of the property that is the subject of this report.

In accordance with the USPAP Competency Provision, I certify that I have the knowledge and experience to complete this assignment and have appraised this property type before.

Disclosure of the contents of this appraisal review is governed by the Bylaws and Regulations of the Appraisal Institute. In furtherance of the aims of the Institute to develop higher standards of professional performance by its Members, the appraiser may be required to submit authorized committees of said Institute copies of this report and any subsequent changes or modifications thereof.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, James B. Netzer has completed the requirements under the continuing education program of the Appraisal Institute.

I have personally conducted an inspection of a representative sampling of the off-shore moorings located in Newport Harbor, which are the subject of this report. Based upon my investigation and analysis, I have formed the opinion that the Daily Current Fair Market Rent for Off-Shore Guest/Transient moorings ("Sub-Permits") in Newport Harbor, as of November 27, 2017, is: \$1.25 per linear foot of vessel, adjusted annually based on the change in the CPI.

Based upon my investigation and analysis, I have formed the opinion that the Daily Current Fair Market Rent for On-Shore Guest/Transient moorings ("Sub-Permits") in Newport Harbor, as of November 27, 2017, is: \$0.625 per linear foot of vessel, adjusted annually based on the change in the CPI.

Based upon my investigation and analysis, I have formed the opinion that the Daily Current Fair Market Rent "Premium" for Guest/Transient moorings in Newport Harbor for multi-hull vessels whose beam is greater than a "typical" mono-hull, as of November 27, 2017, is: between \$0.25 per Linear Foot and \$0.50 per Linear Foot, depending on the beam of the multi-hull vessel, which is a premium of 20-percent to 40-percent of the Base guest/transient mooring fee, adjusted annually based on the change in the CPI.

Based upon my investigation and analysis, I have formed the opinion that the Daily Current Fair Market Rent for "Large Vessel" (100+ LF) Off-Shore Guest/Transient mooring in Newport Harbor, as of November 27, 2017, is: \$1.55 per linear foot of vessel, adjusted annually based on the change in the CPI.

Based upon my investigation and analysis, I have formed the opinion that the "Standard Practice" for "booking fees" associated with the administrative costs of frequent renewals, as of November 27, 2017 is: There is no "Standard Practice" beyond the City's "cost recovery" basis.

Respectfully submitted,

  
James B. Netzer, MAI  
California General Appraiser No. AG003143

## INTRODUCTION

### Purpose of Report

The purpose of this report is to set forth the data, analyses, and conclusions relative to my opinion of: 1) the Current Fair Market Rent for the “Guest” or “Transient” moorings (“Sub-Permits”) located upon City managed tidelands throughout Newport Harbor; 2) the Current Fair Market Rental “Premium” for multi-hull vessels whose beam is greater than a “typical” mono-hull; 3) the Current Fair Market Rent for Large Vessel (over 100 LF) Off-Shore Guest/Transient mooring; and, 4) the “Standard Practice” for “booking fees” associated with the administrative costs of frequent renewals.

### Function of Report

The function of this report is to estimate the above Fair Market Rent and/or procedures associated with the “Guest” or “Transient” moorings for the City’s internal purposes. The appraisal is made at the request of the City of Newport Beach by Lauren Wooding-Whitlinger, Real Property Administrator, Community Development Department, who is the intended user of this report. In the event that this matter proceeds to trial or other governmental or administrative hearing, the Trier-of-Fact will become an intended user.

### Date of Value

The date of value presented in this report is October 24, 2017. Given the number of properties involved in this report not every property was inspected individually and inspections of a representative sampling of the off-shore moorings and the surrounding environs were completed during October 2017.

### Scope of Investigation

This report conveys the results of my investigations and analyses concerning the subject property. The report includes a summary of the information utilized and the methodology used in determining an estimate of value.

### Interest Appraised

The interest appraised and considered in this appraisal include the Fee Simple Estate, under the assumption that the subject moorings will eventually be leased. The term “Fee Simple Estate”<sup>1</sup> is defined as follows:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

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<sup>1</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago, 2002), p. 113.

### Market Rent Defined

The term "Market Rent"<sup>2</sup>, as used in this report, is defined as follows:

*The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including, term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from the lessor to the lessee under conditions whereby:*

1. Lessee and lessor and are typically motivated;
2. Both parties are well-informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure on the open market;
4. The rent payment is made in cash in United States dollars, and expressed as an amount per time period consistent with the payment schedule of the lease contract; and
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by any one associated with the transaction.

### Probability of Change

The opinion of value is based upon my knowledge of conditions as of the date of this report. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a review based on differing market conditions.

### Legal Descriptions

I have not been provided with the legal description of the property; however, this does not impact the analysis or conclusions presented.

### Owner of Record and Property History

It is assumed that title to all of the submerged tideland properties being appraised is vested in the City of Newport Beach or the State of California and administered by the City of Newport Beach. Unless specifically addressed in this report, none of the properties have transferred or been encumbered with long term leases in the recent past.

### Assumptions and Limiting Conditions

The analyses and opinions in this report are subject to the following assumptions and limiting conditions:

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<sup>2</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago, 2002), p. 176.

### **Specific**

The Fair Market Rent analysis presented is completed on a "global" basis for all off-shore guest/transient moorings and applies to all moorings located upon the tidelands in Newport Harbor under the jurisdiction of the City of Newport Beach. The current use set forth in the report is assumed to be the Highest and Best Use, as it is beyond the scope of this assignment to assess the Highest and Best Use of each submerged tideland property. I reserve the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

### **General**

No investigation of title to the property has been made, and the premises are assumed to be free and clear of all encumbrances, leases, use restrictions, easements, cases or actions pending, except as specifically discussed in this report. Title is assumed to be good and marketable, and that the property is under responsible ownership, competent management and available for its highest and best use.

No survey, legal, or engineering analysis of this property has been made by the appraiser. I assume no responsibility for any condition not readily observable from the customary inspection of the premises, and that there are no hidden or unapparent conditions of the property, subsoils or structures that render it more or less valuable, except as noted herein.

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocation for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

The maps, plats, photographs, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

I assume no responsibility for economic or physical factors, which may affect the opinions herein, stated which might occur at some date after the date of value. I reserve the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Information contained in this appraisal has been gathered from sources, which are believed to be reliable, and where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.

No opinion is expressed as to the value of sub-surface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as expressly stated.

The property is appraised assuming to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.

The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.

The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of the ADA in estimating the value of the property has not been considered.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If the client is aware or becomes aware of any conditions, the appraiser should be consulted immediately to assess the impact, if any, upon the market value.

The appraiser reserves the right to make such adjustments to the valuation herein reported, as may be required by consideration of additional data or more reliable data that may become available.

No opinion is intended to be expressed, or implied, for matters, which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

I shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made with me relative to such additional employment.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser. I do not authorize out of context quoting, or partial reprinting of the report. In the event the report is placed in the hands of a third party, it is requested that such party be made cognizant of any and all limiting conditions resulting in the basis of my employment and the discussions thereto, as well as those set forth herein.

The submission of this report constitutes the completion of the service authorized. It is submitted upon the condition that the client will provide the appraiser customary compensation relative to any subsequent required deposition, conferences, additional preparation or testimony.

The appraiser respectfully requests that neither all nor part of the contents of this report shall be disseminated to the public through advertisement, public relations, news, sales, or other media, without written consent and approval of the author, particularly the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.

In the event the appraiser is subpoenaed for a deposition, judicial or administrative proceeding, and is ordered to produce his appraisal report and file, the appraiser will immediately notify the employer.

It shall be the responsibility of the employer to obtain a protective order.

The liability of Netzer & Associates and the appraiser responsible for this report is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present to the property -- physical, financial, and/or legal.

It is agreed that the appraiser is not a necessary party in any inquiry or judicial proceedings. If called upon to testify in any litigation or other proceeding arising out the duties in this matter, and is compelled to incur court costs, attorney's fees or other out-of-pocket expenses in connection with court proceedings, such costs or expenses, together with the appraisers' usual hourly per diem applicable for study, preparation, testimony or travel will be paid by the party (or parties) who acts to bring any suit requiring a judicial proceeding.

Any dispute or claim made with respect to this report shall be submitted to and resolved in accordance with the rules of the American Arbitration Association for arbitration, and the decision of the Association shall be binding. All appraisal services, pursuant to this report, shall be deemed to be contracted for and rendered in Orange County, California, and any arbitration or judicial proceedings shall take place in Orange County, California.

The signatory of this appraisal report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may not distribute copies of this appraisal report, in its entirety, without the written consent of the signatory of this report. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in any Public Offering as defined under US Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the signatory of this appraisal report.

#### **AREA DESCRIPTION**

Newport Harbor is the focal point of the incorporated city of Newport Beach, which is located in coastal Orange County approximately 10 miles southwest of the Santa Ana Civic Center. The coastal city was incorporated on September 1, 1906. The City reports an estimated population of 86,688 persons as of 2016, an increase from 85,186 persons as of the 2010 Census. According to the City Chamber of Commerce, the influx of the tourist population during the summer months increases the population to over 100,000 persons.

Newport Beach is located 85 miles north of San Diego, 14 miles south of Long Beach and 50 miles from downtown Los Angeles. The City's elevation ranges from sea level to 691 feet. With the annexation of Newport Coast, the City is comprised of approximately 25 square miles of land area, approximately 25.5 square miles bay, harbor and ocean waters for a total area of approximately 50.5 square miles. The city has 6.1 miles of ocean frontage and 25.4 miles of harbor frontage.



Newport Harbor is one of the largest pleasure craft harbors on the West Coast and is home to approximately 5,000 boats at residential slips, commercial marinas and moorings.

Newport Harbor is formed by the Balboa Peninsula on south and the mainland on the north and extends inland to Jamboree Road and the north end of the Upper Newport Bay (Back Bay). The primary focus of this assignment is the Lower Newport Bay, which is generally defined as the water area south of the Coast Highway Bridge near the intersection of Coast Highway and Dover Drive. Traditionally, most of the boating activity within the harbor is concentrated in the Lower Bay as most of the Back Bay is an ecological preserve with limited boating facilities (Newport Dunes, Newport Aquatic Center, U.C.I. Rowing base, Bayside Village and Dover Shores). The Balboa Peninsula consists of all the contiguous land east of 45<sup>th</sup> Street extending to Peninsula Point and the jetty at the mouth of Newport Harbor. The south side of the Peninsula consists of sandy beaches on the Pacific Ocean while the north side of the Peninsula forms the southern perimeter of Newport Harbor.

### HIGHEST AND BEST USE

"Highest and Best Use" is an appraisal concept which is defined in The Dictionary of Real Estate Appraisal, Third Edition, as follows:

*The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that must be met are legal permissibility, physical possibility, financial feasibility, and maximum profitability.*

Inherent in this definition are several conditions, which must be satisfied by the existing or proposed use in order to develop the maximum value. The use must be physically possible for the site. Soil condition, topography, size and shape must be compatible with the proposed use. The use must be legally permissible in that it must conform to current or projected zoning. Similarly, the use must not be precluded by deed restrictions or other encumbrances, which may limit potential uses. Also, the use must be economically feasible. The market should indicate sufficient economic demand so as to support a proposed use of the site. Among the various uses that meet the above criteria, the use which creates the greatest rate of return and maximum productivity is considered to be the highest and best use of the site.

#### Highest and Best Use Criteria - As If Vacant/As-Improved

A complete Highest and Best Use study of the submerged tidelands is beyond the scope of this assignment. The analysis presented is on a "global" basis and it is a Specific assumption of the report that the Highest and Best Use of the tidelands properties "as if vacant" and "as improved" is for "off-shore" moorings regardless of the time period (permanent or guest/transitory) that the mooring is used.

## APPRAISAL PROCEDURES

The appraisal of real property generally involves one, two or three of the conventional approaches to value, and is based upon consideration of market-derived data, the experience of the appraiser, and opinions of other informed market participants.

### Valuation Approaches

Three basic approaches to value are available to the appraiser: the Cost Approach, the Income Approach, and the Direct, or Sales Comparison Approach.

#### **Cost Approach**

This approach entails the preparation of a replacement or reproduction cost estimate of the subject property improvements new (maintaining comparable quality and utility) and then deducting for losses in value sustained through age, wear and tear, functionally obsolescent features, and economic factors affecting the property. The land value is then added to the depreciated cost along with an allowance for entrepreneurial profit to arrive at a value estimate.

#### **Income Approach**

This approach is based upon the theory that the value of property tends to be set by the net income that is to be realized by the owner. It is, in effect, the capitalization of expected future income into a present worth estimate. This approach requires an estimate of potential gross income, an analysis of all expense items, the selection of a capitalization rate, and finally, the processing of the net income stream into a value estimate.

#### **Sales Comparison Approach**

This approach is based upon the principle that the value of a property tends to be set by the price at which comparable properties have recently been sold or for which they were acquired. This approach requires a detailed comparison of sales of comparable properties with the subject property.

### Approaches Used in the Valuation of the Subject

The Sales (or Lease) Comparison Approach is a process of comparing lease rates paid for similar properties, prices asked by owners, and offers made by prospective Lessees. The approach presents good evidence of value because it represents the actions of buyers and sellers, or in the case of leased properties Lessee's and Lessor's. The Sales (or Lease) Comparison Approach is based on the principle of substitution, which implies "the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time."<sup>3</sup> Given the preceding discussion, and the interactions of market participants, the Sales (Lease) Comparison Approach is the most relevant approach in estimating the Fair Market Rent and is used in this report.

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<sup>3</sup>Appraisal Institute, The Appraisal of Real Estate, Eleventh Edition, (Chicago, 196), p.398.

## FAIR MARKET RENT ANALYSIS

### Introduction

As noted in the Introduction, the purpose and function of this report is to estimate the Current Fair Market Rent for the guest/transient moorings throughout Newport Harbor in addition to any "premium" for multi-hull vessels and a "resort fee" for use of "non-public" Marina Park facilities.

### Analysis - Guest/Transient Moorings ("Sub-Permits")

The following table is a summary of the mooring information uncovered that is judged to be relevant to the Newport Harbor guest/transient moorings ("Sub-Permits").

MARKET RENT SURVEY – GUEST/TRANSIENT MOORINGS OCTOBER 2017					
Data No. Location Management/Administration	Total Moorings	Vessel Length (LF)	Total Daily Rent	Monthly Rent \$/Linear Ft. (Vessel LF)*	Maximum Term
1/ Avalon Harbor, Descanso Bay & Hamilton Cove Catalina Island City of Avalon	340	Up to 30' 31' to 39' 40' to 49' 50' to 59' 60' to 69' 70' to 79' 80' to 89' 90' to 99' 100'+	\$37.00 \$41.00 \$50.00 \$61.00 \$80.00 \$98.00 \$111.00 \$132.00 \$149.00	\$1.23 \$1.17 \$1.11 \$1.11 \$1.23 \$1.31 \$1.31 \$1.39 \$1.49	See Comments
2/ 4 <sup>th</sup> of July, Cherry, Hen Rock, Whites & Moonstone Coves Catalina Island Catalina Island Company	222 (combined)	0 to 29' 30' to 39' 40' to 49' 50' to 59' 60' to 69' 70' to 79' 80' to 89' 90' to 99' 100'+	\$39.00 \$49.00 \$57.00 \$70.00 \$81.00 \$95.00 \$115.00 \$131.00 \$152.00	\$1.30 \$1.40 \$1.27 \$1.27 \$1.25 \$1.27 \$1.35 \$1.38 \$1.52	2 weeks

\*Based on mid-point of vessel length range.

MARKET RENT SURVEY – GUEST/TRANSIENT MOORINGS (continued) OCTOBER/NOVEMBER 2017					
Data No. Location Management/Administration	Total Moorings	Vessel Length (LF)	Total Daily Rent	Monthly Rent \$/Linear Ft. (Vessel LF)*	Maximum Term
2a/ Isthmus, Emerald, Howlands, Little Geiger, Buttonshell Coves & Cat Harbor Catalina Island Catalina Island Company	496 (combined)	0 to 29' 30' to 39' 40' to 49' 50' to 59' 60' to 69' 70' to 79' 80' to 89' 90' to 99' 100'+	\$38.00 \$46.00 \$54.00 \$67.00 \$78.00 \$91.00 \$110.00 \$125.00 \$145.00	\$1.31 \$1.31 \$1.20 \$1.22 \$1.20 \$1.21 \$1.29 \$1.32 \$1.45	2 weeks
3/ Belmont Pier & Island White Long Beach (Outer Harbor) Belmont Mooring Company	20 (permitted for 75 total)	30' to 100'	Based on Vessel Length	\$1.00	15 days
4/ King Harbor Redondo Beach Redondo Beach Marina	50	26' to 40' 41' to 50' 51' to 60'	\$24.00 \$30.00 \$36.00	\$0.72 \$0.67 \$0.65	7 days
5/ Morro Bay City of Morro Bay	3	36' Min.	Based on Vessel Length	\$0.28	None
Morro Bay Morro Bay Yacht Club	6	Up to 40' 40' to 50'	\$20.00 \$25.00	\$0.50 \$0.56	30 days in 6 months
6/ Port San Luis Avila Beach Port San Luis Harbor District	20 (pulled in Winter)	55' Maximum	\$16.00	Fixed Fee	14 days
7/ Pillar Point Harbor Half Moon Bay San Mateo County	38	45' Maximum	\$11.00	Fixed Fee	None
8/ Monterey Harbor Monterey City of Monterey	2	Up to 15,000 lbs.	\$15.00	Fixed Fee	30 days /6 Months
9/ Balboa Yacht Club – Reciprocal Newport Beach Balboa Yacht Club	Varies on occupancy	Varies	N.A.	\$1.50	None

\*Based on mid-point of vessel length range.

The information included in the table above is judged to be most comparable to the subject. Other harbors were surveyed and either do not currently have guest/transient moorings (Port of San Diego, Oceanside, Dana Point, Huntington Harbor, Alamitos Bay/Long Beach, L.A., Marina del Rey, Channel Islands, Santa Barbara & Santa Cruz) or offer either free guest/transient moorings

or an open “cruisers” anchorage (Port of San Diego, Mission Bay) with a 72-hour time limit. It should be noted that all of the harbors that do not have guest/transient moorings offer guest slips rentals at a general rate between \$1.00 and \$1.50 per linear foot.

Guest/Transient mooring **Comparable Rental One** is the privately owned moorings that are administered by the City of Avalon and includes Avalon Harbor (257 moorings), Descanso Bay (47 moorings) and Hamilton Cove (36 moorings). All moorings in this area are privately owned and available on a guest/transient basis when the mooring owner is not using the mooring. The mooring that is assigned by the City is not guaranteed for any extended term and the vessel may need to be relocated each day. The maximum term that a mooring may be occupied is dependent on the mooring owner’s use and no maximum term was reported. Fees are payable in advance and on the day of departure the mooring must be vacated by 9:00 a.m. The daily fees vary based on 10-foot increments and the price per linear foot in the table is calculated based on the mid-point of the range. It was reported that there is no additional fee for a multi-hull vessel but it was noted that not all moorings will accommodate a multi-hull vessel. It should be noted that the City of Avalon offers “special rates” for moorings from September 15<sup>th</sup> to October 14<sup>th</sup> and Palm Sunday through June 15<sup>th</sup> (pay 4 nights, get next 3 consecutive nights free) and October 15<sup>th</sup> through Palm Sunday (pay 2 nights get next 5 consecutive nights free).

**Comparable Rental Two** and **Comparable Rental 2a** reflect the guest/transient mooring fees for several coves surrounding Catalina Island that are owned and managed by the Catalina Island Company. There is a slight price difference based on the location of the coves. There is a maximum consecutive stay of 2 weeks. There is an on-line reservation system that includes a \$25 “booking fee” during regular weekends that is added to the mooring fee and some holiday weekends (Memorial Day, 4<sup>th</sup> of July, Labor Day & Buccaneer Days) may incur an additional fee. Reservations require a two day stay during regular weekends and three days on holiday weekends. The reservation system guarantees a mooring in a specific cove and opens at 10:00 p.m. on Thursday until the following Monday and may only be used for the coming weekend. Like the guest/transient moorings in Avalon, the fees are broken down in 10-foot increments and the price per linear foot is based on the mid-point of the range. The management reported that they do not charge an additional fee for multi-hull vessels. It was further reported that even though they have a lot of traffic during the winter months they have a special rate from Palm Sunday through early-June that permits payment of two days and the next 5 consecutive days are free.

**Comparable Rental Three** is a group of mooring that are located between the Belmont Pier and Island White in the outer Long Beach Harbor. The operator is a private company that has a permit to allow 75 guest/transient moorings. The program commenced in the summer of 2014 and a total of 20 moorings have been installed. The moorings will accommodate vessels between 30- and

100-feet and the daily rate is \$1.00 per linear foot. They also offer a 3 hour daily rate of \$20.00. The moorings are “single-point” moorings and the vessels swing with the wind and tides. It was reported that due to the single-point mooring system, some multi-hull vessels are required to lease two moorings so they do not crowd other vessels in the mooring field. The maximum single stay is 15 consecutive days with a maximum of 156 days per year.

**Comparable Rental Four** includes 50 guest/transient moorings that are in King Harbor (Redondo Beach) and were installed in 2014 by the City. They have three sizes that are rented on a fixed fee basis (\$24.00, \$30.00 & \$36.00) and the price per linear foot that ranges from \$0.65 to \$0.72 based on the mid-range of each 10-foot increment. There is no additional charge for multi-hull vessels and a 7 day maximum stay. It was reported that the city has recently transferred the management from the City to a private company in anticipation that they will generate more interest from transient boaters.

Morro Bay Harbor is included as **Comparable Rental Five** and has three guest /transient moorings that are city owned and rented for \$0.28 per linear foot, with a minimum vessel length of 36-feet. The city reports there is no maximum stay, with no amenities provided. There is no additional fee for multi-hull vessels; however, they have a \$177 daily mooring fee for “large vessels” or those “requiring special accommodations”. The Morro Bay Yacht Club (a volunteer run yacht club) has six transient/guest moorings that are rented on a fixed fee basis that reflects a daily rate of \$0.50 to \$0.56 per linear foot. They have a maximum stay of 30-days within any 6-month period. They provide shower and restroom facilities that are included in the daily fee and provide access to their bar (Friday night).

**Comparable Rental Six** includes approximately 20 guest/transient moorings that are owned and administered by the Port San Luis Harbor District. These moorings are available for a portion of the year and reportedly they are pulled during the winter months. They will accommodate vessels up to 55-feet and they are rented on a fixed fee of \$16.00 per day, with a maximum stay of 14 days. It was reported that there is no additional fee for multi-hull vessels. The San Luis Yacht Club has an undisclosed number of moorings that are available to members of reciprocal yacht clubs at a rate of \$15.00 per day from April 1<sup>st</sup> through October 31<sup>st</sup>, with a 14-day maximum stay. The moorings will accommodate vessels up to 56-feet.

Pillar Point Harbor is located in Half Moon Bay and included as **Comparable Rental Seven**. The guest/transient moorings are administered by San Mateo County. There are 38 guest/transient moorings that will accommodate vessels up to 45-feet. The daily fee is \$11.00 regardless of the vessel length with no additional fee for multi-hull vessels. The fee includes access to coin-operated restroom and shower facilities.

**Comparable Rental Eight** is for the two guest/transient moorings that are located in the East Mooring Area in Monterey Harbor. The guest/transient moorings do not have a restriction on vessel length but is based on the vessel tonnage and there is no difference in the fee charged for a multi-hull vessel. The guest/transient moorings are rented on a fixed fee basis of \$15.00 per day and guest are limited to a maximum of 30 days within any 6-month period. There is a \$20 charge for a marina shower key. It was reported that the moorings in the Outer Harbor Area are all leased on a long-term basis and there are no other guest/transient moorings.

The Balboa Yacht Club is included as **Comparable Rental Nine** and refers to the guest/transient moorings that are rented to members of yacht clubs that have a reciprocal agreement with BYC and are not offered to the general public. The Balboa Yacht Club has a total of 70 moorings in the basin in front of the yacht club that are rented to the membership; however, they offer them on a guest/transient basis when they have a vacant mooring (if it is leased it is not offered as a guest mooring even if the member's vessel is not occupying the mooring). The number and length of the guest/transient moorings varies depending on what is vacant and the fee is \$1.50 per vessel linear foot and they do not charge an additional fee for multi-hull vessels. The guest/transient mooring fee includes shore boat service. It was noted that they do have "specials" with reciprocal clubs that offer BYC members the same "special".

With regard to the comparable rental data presented, Comparable Rentals One and Two and Nine are judged to be most comparable to Newport Harbor and Comparable Three is judged to be slightly inferior. Comparable Nine reflects guest/transient moorings in Newport Harbor; however, they are limited to guests that are members of reciprocal yacht clubs and includes the use (for a fee) of yacht club facilities and defines the upper limit (\$1.50/LF) of the Fair Market Rental range. Comparable Rental Three has been operating for a limited time and the Outer Long Beach Harbor is not a well-known stop-over and is not as desirable as Newport Harbor and defines the lower limit (\$1.00/LF) of the guest/transient mooring Fair Market Rent range.

The guest/transient moorings at Catalina Island are judged to be most similar to Newport Harbor and most of the guest/transient moorings are reportedly used by boaters from Southern California. The rent per linear foot of vessel ranges from \$1.11 per linear foot to \$1.52 per linear foot, with most in the \$1.20 to \$1.30 per linear foot range. Comparable Rentals Three (judged to be inferior) and Nine (judged to be superior) bracket this range and suggest that the mid-point of the rent per linear foot reflected by the Catalina guest/transient moorings is reflective of the current Fair Market Rent for the guest/transient moorings in Newport Harbor.

On the basis of the market data presented above, and placing most emphasis on Data Items One, Two, Three and Nine, I have concluded that the guest/transient off-shore moorings ("Sub-Permits") located over City managed tidelands throughout Newport Harbor have a Fair Market

Rental, as of November 27, 2017, of: \$1.25 per (vessel) linear foot, adjusted annually by the change in the CPI.

The City has a limited number of “on-shore” moorings that can accommodate vessels up to 18-feet in length. During the course of completing this assignment I did not uncover any other on-shore moorings that could be considered comparable in estimating the guest/transient rental rate. As of the date of this appraisal report, the City of Newport Beach charges an annual rate of \$17.71 per linear foot for on-shore moorings, which compares with a rate of \$35.43 per linear foot by off-shore mooring permit holders. The mooring permit fee paid in Newport Harbor for an on-shore mooring is 50.0 percent ( $\$17.71/LF \div \$35.43/LF = 0.499$ ) less than the fee paid for an off-shore mooring.

Recognizing the dearth of comparable on-shore mooring rentals, the limitations on vessel size between the on-shore and off-shore moorings and the fees being paid by mooring permit holders in Newport Harbor, I have concluded that guest/transient on-shore moorings (“Sub-Permits”) have a Fair Market Rental, as of November 27, 2017, of: \$0.625 per (vessel) linear foot, adjusted annually by the change in the CPI.

#### Analysis - Guest/Transient Mooring – Multi-Hull “Premium”

As set forth in the tables above, with the exception of Comparable Rental Three, none of the anchorages charge an additional fee for multi-hull vessels. It was noted that there are a limited number of moorings that can accommodate a multi-hull vessel and the parties interviewed indicated they do not have many requests for multi-hull vessels at guest/transient moorings. The Belmont Mooring Company (Comparable Rental 3) requires that multi-hull vessels rent two moorings if the vessel will crowd other vessels in the mooring field. The City of Avalon and the Catalina Island Company report that they have a limited number of moorings that will accommodate a multi-hull vessel and often they either turn them away or recommend that they stay in the anchorage area. The City of Morro Bay (Rental 5) has a daily fee of \$177 for “large vessels” or those that “require special accommodation”, and while they do not define a “large vessel” they report a “large vessel” generally measures 100-plus feet. Assuming a minimum vessel length of 100-feet, the large vessel fee is \$1.77 per linear foot, as compared to \$0.28 per linear foot for a standard vessel.

In Los Angeles Harbor, Leeward Bay Marina (611 N. Henry Ford, Wilmington) has a floating dock (no utilities & dinghy access only) that is across the channel from their main marina that accommodates both mono- and multi-hull vessels between 30’ and 50’. The floating docks are not available on a guest/transient basis, but the lease rate for a mono-hull vessel is \$7.00 per linear foot and the multi-hull vessel rate is \$8.00 per linear foot. On a percentage basis, the multi-hull fee reflects a “premium” of 14.25-percent relative to a similar mono-hull fee. It should be noted that the long-term lease rate for their marina slips range from \$10.00 to \$12.00 per linear foot.



A second marina in Los Angeles Harbor (Al Larson, Berth 258 1046 Seaside Avenue, San Pedro) reported that due to an increased interest in multi-hull moorings they are considering an increase in the month-to-month rate of \$8.00 per linear foot that is charged to both mono- and multi-hull vessels.

Santa Cruz Harbor does not have guest/transient mooring; however, they do have a limited number of guest/transient slips and also require “rafting” to accommodate additional guest/transitional berthing on the end-ties. They charge \$1.25 per linear foot for mono-hulls up to 50-feet and \$1.50 per linear foot for all multi-hull vessels and mono-hulls over 50-feet. This reflects a “premium” of 20-percent for a multi-hull vessel as compared to a similar size mono-hull.

At Channel Islands Harbor, the Peninsula Yacht Marina and the Bahia Marina calculate their monthly slip fees based on a weighted formula relating to the amount of space used by a particular size slip and not upon the linear length of the slip recognizing that a longer vessel generally has a greater beam; therefore, the larger the slip the higher the price per linear foot of slip space. The smallest slips with the narrowest beam rent on a long-term basis in the \$11.00 per linear foot range, while the larger slips with the widest beam are in the \$16.50 per linear foot range. The higher price per linear foot also is due to a supply/demand imbalance for the larger slips, but reflects a premium of 50-percent for slips with a greater beam that require more tidelands space as a result of the wider beam.

One of the parties interviewed suggested that a “premium” could be based on a “Length-to-Beam” ratio. The ratio(s) would be established for the “typical” mono-hull vessel, and mono-hull vessels that fall within this range are charged the “base” guest/transient mooring fee of \$1.25 per linear foot (from above). Similar “Length-to-Beam” ratios would be established for multi-hull vessels and, depending on the difference in the ratios, the multi-hull vessel is charged a “premium” above the “base” guest/transient mooring fee. For example purposes only, if the “typical” mono-hull “Length-to-Beam” ratio is 3:1 (30 foot length:10 foot beam), and the “typical” multi-hull “length-to-beam ratio is 2:1 (30 foot length:15 foot beam) the multi-hull is charged the “base” fee of \$1.50 per linear foot, plus a \$0.75 per linear foot ( $\$1.50 \times 0.50$ ) “premium” as the beam of the “multi-hull vessel is 50-percent wider  $[(3 - 2) \div 2]$  compared to the otherwise similar mono-hull. Since this is based on a “ratio” rather than the vessel length, the ratios could be applied to all size vessels.

The market data suggests that multi-hull vessels that occupy guest/transient moorings are charged a “premium” in a limited number of mooring fields – Belmont Mooring (Rental 3) requires a multi-hull occupy two mooring (effectively a 100% premium) due to the moorings being a single-point mooring, and Morro Bay (Rental 5) charges a fixed “large vessel” fee (\$177/day). There is also evidence that some harbors charge a multi-hull “premium” for guest/transient slips between \$0.25

and \$1.00 per linear foot (approximately 14.25- and 50-percent) recognizing that a multi-hull vessel occupies more tidelands relative to a similar length mono-hull vessel.

Based on the limited data uncovered, I have concluded that a multi-hull guest/transient mooring fee “premium” of between \$0.25 and \$0.50 per Linear Foot of vessel length, depending on the beam of the multi-hull vessel, which is between 20-percent and 40-percent of the Base guest/transient mooring fee, is reflective of the Fair Market Rent “Premium”, as of November 27, 2017.

#### Analysis – Guest/Transient Mooring – Large Vessel

With respect to the “Large Vessel” fee, the first step is to attempt to define what constitutes a “Large Vessel”. On the basis of the market research completed and the market data presented, the general consensus is that a 100-feet is the cutoff that defines a “large vessel”. This section assumes that a “large vessel” is a minimum of 100 linear feet and the conclusion set forth in this section apply to vessels 100-feet or longer.

As set forth in the tables above, guest/transient mooring fees for vessels that are 100+ linear feet at Catalina Island range from \$1.45 to \$1.52 per linear foot, and reflect the highest daily rate per linear foot of all the transient moorings at Catalina. At the mooring fields administered by the City of Avalon, the daily rate for a 100+ foot vessel is between \$0.10 and \$0.38 per linear foot higher compared to similar “standard length” guest/transient moorings. A generally similar “premium” (\$0.12 to \$0.27 per linear foot) is reflected in the rates at the mooring fields managed by the Catalina Island Company.

The City of Morro Bay (Rental 5) has a daily fee of \$177 for “large vessels” or those that “require special accommodation”. They do not define a “large vessel”, but report that a “large vessel” generally measures 100-plus feet. Assuming a minimum vessel length of 100-feet, the large vessel fee is \$1.77 per linear foot. This compares with a rate of \$0.28 per linear foot for a guest/transient mooring that accommodates a “standard length” vessel, or a “premium” of \$1.49 per linear foot. It was noted that a portion of this fee is attributable to an “inconvenience fee” as the large vessels have to be moored “end-to-end” in the middle of the anchorage due to the layout of the anchorage and accommodating this size vessel generally requires moving other vessels.

Rainbow Harbor in Long Beach is administered by the City of Long Beach Marine Bureau. As noted in the prior section they do not have moorings; however, they do have guest/transient docks and end-ties. The base guest/transient fee for a “standard length” vessel is \$1.25 per linear up to 90-feet. The fee for an end-tie that will accommodate a vessel that is over 90 linear feet is reported to be \$315.00 per day, or \$3.50 per linear foot.

The limited market data to quantify the “large vessel” transient mooring fee is summarized in the following table. For comparison purposes, the “standard” mooring fee per linear foot is included in the summary table.

LARGE VESSEL (100+ FEET) - GUEST/TRANSIENT MOORING FEE SUMMARY OCTOBER/NOVEMBER 2017					
Location	Type	Length (LF)	Total Daily Rate	Daily Rate \$/LF	Standard Vessel Daily Rate \$/LF
Avalon	Mooring	100+	\$149	\$1.49	\$1.11 - \$1.39
Isthmus	Mooring	100+	\$145	\$1.45	\$1.20 - \$1.32
	Mooring	100+	\$152	\$1.52	\$1.25 - \$1.38
Morro Bay	Mooring	100+	\$177	\$1.77	\$0.28
Long Beach – Rainbow Harbor	Slip/End-Tie	90+	\$315	\$3.50	\$1.25

The three data items that are most comparable to the subject are Avalon and the Isthmus at Catalina Island and Morro Bay, as they reflect the daily cost for a mooring as opposed to a slip or an end-tie. These three data items reflect a “Large Vessel” daily guest/transient mooring fee that equates to \$1.49 to \$1.77 per lineal foot. On the basis of the market data presented above, I have concluded that the “Large Vessel” (100+ LF) guest/transient off-shore mooring fee, over City managed tidelands throughout Newport Harbor, has a Fair Market Rental, as of November 27, 2017, of: \$1.55 per (vessel) linear foot, adjusted annually by the change in the CPI.

#### Analysis – Fair Market “Booking Fee”

This section of the report is to determine the “standard practice” for “booking fees” associated with the administrative costs of frequent renewals. The only source uncovered that reports charging a “booking fee” or administrative fee associated with guest/transient moorings is the Catalina Island Company, which charges a \$25.00 booking fee on weekends. No other marina, harbor or mooring field was uncovered that charges a fee for bookings or the administration associated with frequent renewals; therefore, I have concluded there is no “Standard Practice” beyond the City’s “cost recovery” basis.

### VALUATION

Based upon the work undertaken, and my experience as a real estate analyst and appraiser, I have formed the opinion, as of the 27<sup>th</sup> day of November 2017, subject to the Assumptions and Limiting Conditions contained in this report, that the guest/transient moorings in Newport Harbor have the following Fair Market Rental values:

Daily Fair Market Rent for the Off-Shore Guest/Transient Moorings (“Sub-Permits”)

**\$1.25 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

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Daily Fair Market Rent for the On-Shore Guest/Transient Moorings ("Sub-Permits")

**\$0.625 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent "Premium" for Multi-Hull Vessels on Guest/Transient Moorings

**Between \$0.25 per Linear Foot of Vessel and \$0.50 per Linear Foot of Vessel, depending on the beam of the multi-hull vessel, which is between 20- and 40-Percent of the Base guest/transient mooring fee, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent for "Large Vessel" (100+ LF) Off-Shore Guest/Transient Mooring

**\$1.55 per Linear Foot of Vessel, adjusted annually based on the change in the CPI.**

"Standard Practice" associated with Fair Market "Booking Fee" for Guest/Transient Moorings

**I have concluded there is no "Standard practice" beyond the City's "cost recovery" basis**

**ADDENDA**

Qualifications

## QUALIFICATIONS

of

**James B. Netzer, MAI**

### Professional Background

Prior to forming Netzer & Associates, he was associated for over three years with Urban Pacific Services Corp. Actively engaged as a real estate analyst, appraiser and consultant since 1987. Principal of the appraisal and consulting firm of Netzer & Associates with offices at:

170 E. Seventeenth Street, Suite 206  
Costa Mesa, California 92627

### Educational Activities

Bachelor of Arts in Liberal Studies with a Concentration in Economics, California State University, Long Beach, 1986.

Has successfully completed the following courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute:

A.I.R.E.A Course 1A-1: Principles of Real Estate Appraisal  
A.I.R.E.A Course 1A-2: Basic Valuation Procedures  
A.I.R.E.A Course 1B-A: Capitalization Theory and Techniques, Part A  
A.I.R.E.A Course 1B-B: Capitalization Theory and Techniques, Part B  
A.I.R.E.A Course SPP: Standards of Professional Practice  
A.I. Course 2-1: Case Studies in Real Estate Valuation  
A.I. Course 540: Report Writing and Valuation Analysis  
A.I. Course 550: Advanced Applications

Has successfully completed numerous classes and seminars to meet the continuing education requirements of Appraisal Institute, Office of Real Estate Appraisers and Department of Real Estate.

### Professional Affiliations & State Licenses

Member of the Appraisal Institute - MAI Designation  
State of California - Certified General Real Estate Appraiser - Certificate No. AG003143  
State of California - Real Estate Broker License - License No. 01185682

### Court Qualification

Qualified as an expert witness in the Superior Courts of Orange, Los Angeles and San Diego Counties, U.S. Bankruptcy Court – Los Angeles Division.

### Teaching Experience

Orange Coast College - Adjunct Professor (retired) - Business 140 "Real Estate Appraisal Principles"

## Seminar & Panel Presentations

Los Angeles County Bar Association – Real Property Division: *Overholtzer Overhauled, An Update on Damages, Appraisals and Interim Loss under Title Insurance Policies*, September 2013

### Scope of Experience

During the period in which Mr. Netzer has been engaged as a real estate appraiser and analyst, he has been involved in most aspects of the field having completed assignments for multiple purposes, including: estate planning; bankruptcy; conflict-of-interest analysis (Political Reform Act of 1974); construction defects litigation; soil subsidence; dissolution of marriage; ground lease re-valuation; leasehold & sub-leasehold valuation; property tax appeals; lease and ground lease arbitration; easement/access/encroachment/title disputes (based on *Overholtzer v. Northern Counties Title*); soils contamination litigation; mortgage lending; construction financing; portfolio valuation; market and feasibility analysis; fractional interest valuation; and, due diligence.

He has experience appraising the following property types:

#### **Vacant Land**

Residential lots, sub-division sites, condominium sites, commercial and industrial sites, mountainous acreage, raw acreage, mitigation land (Delhi Sands Flower Loving Fly, Stephens Kangaroo Rat & Open Space).

#### **Residential**

Single-family residences, condominiums, townhomes, planned unit developments, multi-family units, apartment buildings, mobile home parks, proposed and existing sub-divisions.

#### **Commercial**

Office buildings, medical office buildings, restaurant buildings, retail centers, neighborhood shopping centers, community centers, commerce centers, congregate care facilities, parking structures, golf courses, mixed-use developments, auto dealerships, gas stations.

#### **Industrial**

Manufacturing and warehouse buildings, distribution facilities, multi-tenant buildings, mini-storage facilities.

#### **Special Use**

Commercial and residential tidelands, boat harbors, auto ferry, bait barge, marina, gas docks, mooring fields, commercial piers, civic center, fire stations, police stations, emergency communication facilities, temporary construction easements, steel fabricating plant, car wash facilities.

### Public Service

Newport Aquatic Center, Newport Beach - Board of Directors - Chairman, Facilities Committee



## PARTIAL LIST OF CLIENTS

### ATTORNEYS, LAW FIRMS & ACCOUNTANTS

Barton Klugman & Oetting  
Boss Law Firm APLC  
Browne & Woods LLP  
Bryan Cave LLP  
Burd & Naylor  
Davis Law APC  
Gibson, Dunn & Crutcher  
Goldstein & Ward  
Greines, Martin, Stein & Richland LLC  
Harbin & McCarron  
Hart, King & Coldren  
Jeffer, Mangels, Butler & Marmaro LLP  
Landels, Ripley & Diamond  
Larsen & Associates  
Latham & Watkins  
Leech & Associates  
Law Offices of Michael Leight  
Loeb & Loeb, LLC

Lynberg & Watkins  
Manning & Kass, Ellrod, Ramirez, Trester  
McDermott, Will & Emory  
Law Offices of Erik B. Michelsen  
Millar, Hodges & Bemis  
Palmieri, Tyler, Wiener, Wilhelm & Waldron  
Richard Shaffer (Court Appointed Receiver)  
Rubin & Eagan  
Samuels, Green & Steel, LLP  
Severson & Werson  
Shulman Bunn LLP  
Songstad, Randall, Coffee & Humphrey  
Stradling, Yocca, Carlson & Rauth  
Turner & Reynolds  
Richard Wildman, Attorney at Law  
Wolf & Richards  
Wright Ford Browning & Young  
Wynne, Spiegel & Itkin

### LENDING INSTITUTIONS

Bank Midwest, N.A.  
Bank of America  
Bankers Mutual (Berkshire Mortgage)  
California Federal Bank  
Citicorp Real Estate, Inc.  
Credit Suisse  
Comerica Bank  
Escondido National Bank

GE Capital Investment Advisors  
Hawthorne Savings  
Huntington National Bank  
Merrill Lynch Credit Corporation  
Park View Mortgage  
Strategic Mortgage Services  
Tokai Bank  
Wells Fargo Bank

### GOVERNMENTAL AGENCIES

City of Costa Mesa  
City of Glendora  
City of Huntington Beach  
City of Long Beach – Tidelands CID  
City of Newport Beach

Federal Deposit Insurance Corporation (FDIC)  
Orange County – Dana Point Harbor  
Resolution Trust Corporation (RTC)  
Securities & Exchange Commission (SEC)

### GENERAL CLIENTS

AMRESKO Management, Inc.  
Arnold Construction  
The Boy's Republic  
Capital Guardian Trust  
Chicago Title Company  
Continental Mobile Housing  
Decron Management  
Environmental Nature Center  
Fidelity National Title  
First American Title Insurance  
Hamilton Company  
Heritage Point Senior Living  
Hornblower Cruises  
Kinder Morgan Energy Partners  
Lee & Associates

Newport Sports Collection Foundation  
North American Title Insurance Company\O.C. Interfaith Shelter  
Old Republic Title  
Pulte Home Corporation  
S & A Properties  
S & S Construction/Shappell Industries  
St. Clair Company LLC  
Santa Fe Pacific Pipeline Partners, L.P.  
Simplex Realty  
Staples, Inc.  
State Farm Insurance  
Stewart Title Guaranty Company  
Texaco Refining & Marketing, Inc.  
Westcor Land Title Insurance Company  
Western National Properties

## NETZER & ASSOCIATES

Real Estate Appraisal & Consulting

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March 26, 2018  
Addendum to File No. 2017-030

Lauren Wooding Whitlinger  
Real Property Administrator  
City of Newport Beach, Community Development Department  
100 Civic Center Drive  
Newport Beach, CA 92660

Re: Appraisal Services  
Fair Market Rent  
Marina Park - Guest/Transient Slips

Dear Ms. Wooding Whitlinger:

In accordance with your request and authorization, I have completed the research and analysis to estimate the Current Fair Market Rent for the following use of City Tidelands:

- 1) Daily rate of Guest Slips at Marina Park and approximately 250-foot dock;
- 2) Monthly Dinghy Storage Space rent at Marina Park; and,
- 3) Daily "Guest Mooring Rate" for mooring on private (Non-City owned) tackle.

This letter is an Addendum to my Appraisal Report dated November 30, 2017 that is identified as Netzer & Associates File No. 2017-030. My November 30, 2017 report should be read in conjunction with this Addenda and the definitions, Assumptions and Limiting Conditions and property identification set forth in my November 30, 2017 Appraisal Report are not included in this Addenda but are specifically incorporated into, and applicable to, this Addenda. The Addenda contains a total of 14 pages and has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and is subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. This is an Addenda to an Appraisal Report as described in USPAP Standards Rule 2-2.

This Addenda to my Appraisal Report was requested by Lauren Wooding Whitlinger, on behalf of the City of Newport Beach, who is the client and intended user of this Addenda to my Appraisal Report dated November 30, 2017. In the event that this matter proceeds to trial or other governmental or administrative hearing, the Trier-of-Fact will become an intended user.

### Date of Value

My research and analysis was completed on March 26, 2018, which is the date of value presented in this Addenda.

### Guest Slips at Marina Park – Fair Market Rent

The City of Newport offers slips at Marina Park for "guest" or "transient" use on a "per day" basis, with a maximum stay of 30-days. The guest/transient slips are 40-feet and 55-feet, with an additional dock that provides approximately 250-feet of side-ties. Guest amenities include portable pump-out facilities, laundry facilities, restroom and shower facilities, potable water, electrical service (30 & 50 amps), free Wi-Fi and access to Marina Park's beach, playground, picnic areas and parking lot. The current fees are based on the slip length and are \$60 per day

(1:00 p.m. to 11:00 a.m.) for a 40-foot slip and \$82.50 per day for 55-foot slip, with a \$1.50 per foot "overhang" charge. In March 2018 I conducted a survey of several public and private marinas from San Diego to Half Moon Bay, the table below and on the following pages is a summary of my guest slip rent survey.

GUEST/TRANSIENT SLIP RENT SURVEY SUMMARY MARCH 2018					
Data No. Name (Municipal/Private) Location	Slip Size Range (Linear Feet)	Slip Rent \$/Night		Slips Total # Guest #	Maximum Stay
		\$/Linear Foot (vessel length)	\$/Slip (fixed fee)		
Marina Park (M) 1600 W. Balboa Boulevard Newport Beach	40' 55' Overhang	-- -- \$1.50	\$60.00 \$82.50 --	23 23 + Side Tie	30 days
1/ Bayshore Marina (P) 2572 Bayshore Drive Newport Beach	20' - 83' Slips, end-ties & side-ties	\$5.00	--	134 None, vacant slips	5 day minimum
1-A/ Villa Cove Marina (P) 1099 Bayside Drive Newport Beach	20' - 66' Slips, end-ties & side-ties	\$5.00	--	40 None, vacant slips	5 day minimum
1-B/ Bayside Marina (P) 1137 Bayside Drive Newport Beach	20' - 74' Slips & end- ties	\$5.00	--	101 None, vacant slips	5 day minimum
1-C/ Balboa Marina (P) 201 E. Coast Highway Newport Beach	20' - 100' Slips & end- ties	\$5.00	--	105 None, vacant slips	5 day minimum
2/ Harbor Patrol (M) 1901 Bayside Drive Newport Beach	40' Slips	\$1.00	--	3 3	N.A.
3/ American Legion (P) 215 15 <sup>th</sup> Street Newport Beach	Up to 81' Side-tie	\$1.00	--	48 None	3 days
4/ Newport Dunes (P) 101 N Bayside Drive Newport Beach	Under 31' 32' - 37' 38' & over Slips	-- -- --	\$65.00 \$75.00 \$85.00	450 4+ vacant slips	3 days
5/ Lido Yacht Anchorage (P) 151 Shipyard Way Newport Beach	15' - 135' Slips	\$5.00	--	251 None, vacant slips	30 days

GUEST/TRANSIENT SLIP RENT SURVEY SUMMARY (cont.) MARCH 2018					
Data No. Name (Municipal/Private) Location	Slip Size Range (Linear Feet)	Slip Rent \$/Night		Slips Total # Guest #	Maximum Stay
		\$/Linear Foot (vessel length)	\$/Slip (fixed fee)		
6/ Peter's Landing (P) 16400 Pacific Coast Hwy. Huntington Beach	31' - 96' Slips	\$1.00	--	325 None, vacant slips	N.A.
7/ Sunset Aquatic Park (P) 2901-A Edinger Avenue Huntington Beach	20' - 60' Slips	\$1.00	--	N.Av. None, vacant slips	No maximum
8/ Dana Point Marina (P) 34555 Casitas Place Dana Point	25' - 75' Slips & end- ties	Under 45' \$1.10 Over 45' \$1.20	--	±1,200 44	30 days
9/ Oceanside Harbor (M) 1540 Harbor Dr. North Oceanside	20' - 50' Slips & side- ties	\$1.20 (Apr.- Sept.) \$0.80 (Oct.- May)	-- --	+950 24+ side ties	30 days
10/ Harbor Island West (P) 2040 Harbor Island Drive San Diego	25' - 100' Slips	Over 50' \$1.50	Up to 32' \$35 33'-38' \$45 39'-43' \$60	600 None, vacant slips	N.A.
11/ Port of San Diego (M) 1401 Shelter Island Drive San Diego	Up to 65' Slips	\$1.00	--	30 25	15 days in 40 day period
12/ Alamitos Bay (M) 204 N. Marina Drive Long Beach	Up to 100' End-tie	\$1.25	--	1,624 None, end- ties	15 days per month
12-A/ Shoreline Marina (M) 450 E. Shoreline Drive Long Beach	30' - 60' Slips	\$1.25 \$3.00 during special events	--	1,764 None, vacant slips	15 days per month
12-B/ Rainbow Harbor (M) 200-B Aquarium Way Long Beach	30' - 180'  90' & over Slips	\$1.25 \$6.00 during special events	--  \$370	87 None, vacant slips	15 days per month
13/ Burton Chace Park (M) 13650 Mindanao Way Marina del Rey	8' - 50' Slips & side ties	\$1.25	--	45 + side ties All	7 days per 30 days

GUEST/TRANSIENT SLIP RENT SURVEY SUMMARY (cont.) MARCH 2018					
Data No. Name (Municipal/Private) Location	Slip Size Range (Lineal Feet)	Slip Rent \$/Night		Slips Total # Guest #	Maximum Stay
		\$/Linear Foot (vessel length)	\$/Slip (fixed fee)		
14/ King Harbor Marina (P) 208 Yacht Club Way Redondo Beach	20' - 80' Slips	--	Under 28' \$20 28'-35' \$30 36-44' \$40 44+ \$50	No longer offer guest slips	2 months
15/ Channel Island (M) 132-A Harbor Way Oxnard	25'+ Slips	\$1.35	--	34 34	N.A.
16/ Ventura West Marina (P) 1198 Navigator Road Ventura	20'-80' Slips	\$1.50	--	554 None, vacant slips	No, offers monthly rate for 2 week stay
17/ Santa Barbara (M) 132-A Harbor Way Santa Barbara	20'-100' Slips & side ties	Days 1-14 @ \$1.00 Days 15-28 @ \$2.00	-- --	1,143 None, vacant slips	14 days, 28 w/HM permission
18/ Monterey Marina (M) Figueroa Street Monterey	20' - 50' Side-ties w/ no utilities	--  --	Summer/Winter 20' \$14/\$13 25' \$17.50/\$16.25 30' \$21/\$19.50 35' \$24.50/\$22.75 40' \$28/\$26	413 None, side- ties @ K Tier	N.A.
19/ Santa Cruz Harbor (M) 135 W. 5 <sup>th</sup> Street Santa Cruz	24'-60' Slips & end- ties	\$1.25 mono \$35.00 min. \$1.50 multi \$45.00 min.	-- --	±1,200 None, vacant slips & end- ties	2 weeks, extensions w/ HM approval
20/ Pillar Point (M) 1 Johnson Pier Half Moon Bay	30'-65' Slips & end- ties	\$0.77 Multi-hull @ 150%	-- --	154 Recreational None, vacant slips	N.A.

### Discussion and Analysis

The survey data includes both municipal and private marinas between San Diego and Half Moon Bay. The guest/transitory slips are rented on a daily basis either based on a price per linear foot of the greater of the vessel or the slip length, or on a "fixed" basis based on the slip size that will accommodate a range in vessel lengths. In general, they all provide electric service, potable water.

restroom and shower facilities. Some of the marinas have a “dedicated” number of guest slips, while it is more prevalent that they offer their vacant slips to guests. Most have a maximum term that the guest is permitted to stay, or charge a higher fee for a stay in excess of the maximum, when approved and permitted by the Harbormaster.

In general, the guest/transitory slip fees are similar between municipal and private operators as they offer generally similar services and amenities and are competing for the same market segment. In some harbors, the private marina operators do not have “dedicated” guest slips and they offer slips on a transitory basis only when they have vacant slips and they charge a premium as this is more of an accommodation as opposed to a full time service. In some harbors (Channel Islands as an example), the opposite is true as the municipal guest slips (Rental 15) are offered at a slightly higher rate (\$1.35/LF) as compared to similar private marinas (Bahia Marina & Peninsula Yacht Marina, not included in survey) that charge \$1.00 per linear foot. On the basis of the market data uncovered, it would appear that with a few exceptions the municipal and private marinas charge guest/transient slip fees that are judged to reflect “market rent”.

**Comparable One through One-C** are located in Newport Harbor and are private marinas that are owned and operated by California Recreation Company (a division of The Irvine Company). They offer electrical service (20-, 30- & 50-amps), pump outs (Balboa & Bayside), restrooms, telephone & cable hookups, free parking, dock boxes and the concrete piers and docks are modern and in good condition. Overall they reflect a similar level of amenities as Marina Park and are proximate to upland services. They do not have any dedicated guest slips but will rent a vacant slip on a transitory basis with a five day minimum at a reported rate of \$5.00 per linear foot. The four California Recreation marinas cater to long-term tenants and are currently experiencing a combined occupancy in excess of 97-percent (6 slips, 4 side-ties & 1 end-tie) as of the date of this survey. Currently, they charge a significant premium for guest/transient slips more as an accommodation and the rate reflects that they are not set up to administer guest/transient slip rentals.

**Comparable Two** reflects the County Harbor Patrol dock, which has three dedicated guest slips. The slips will accommodate vessels up to 40-feet and the slips rent for \$40.00 per night, regardless of the vessel size. The maximum stay is 30 days and from November thru April guests must sleep on the vessel. The overall facilities provided (pump-out, electric, water, shower & restrooms) are slightly inferior to Marina Park and the proximity relative to upland services is judged to be inferior.

**Comparable Three** is a side-tie that can accommodate a vessel up to 81-feet. It is located adjacent to Marina Park at the American Legion Marina, which has a total of 43-slips. There are no dedicated slips, the guest must be a member of the American Legion and the maximum stay is limited to three days. They provide restrooms, water, showers, electricity and parking with generally similar access to upland services. Overall this comparable is judged to be inferior to the subject. It should be noted that they charge \$50.00 per month for storage on the dinghy rack, with a maximum length of 9-feet.

**Comparable Four** is the privately owned Newport Dunes, which is located in the Upper Newport Bay (Back Bay) behind the Coast Highway Bridge. The 450-space marina has four dedicated guest slips and they offer vacant slips on a transient basis with a 30-day advance notice. The daily

rate is based on the slip size and are rented on a fixed basis regardless of the vessel length as long as the slip will accommodate the vessel (a 32'-37' slip will accommodate a similar length vessel). When looked at on a rent per linear foot, the fixed rates equate to \$2.10 per foot (\$65.00 :- 31'), \$2.03 per foot (\$75 :- 37') and \$2.24 (and less) per foot (\$85.00 :- 38'), respectively. They offer a slightly superior amenity package (electricity, restrooms, showers, pump-out, laundry, parking, pool, Jacuzzi, clubhouse with kitchen) with slightly inferior access to upland services. They have dinghy racks that rent for \$25.00 per month and stand-up paddleboard racks (SUP) that rent for \$35.00 per month.

**Comparable Five** is the Lido Yacht Anchorage, which is privately owned. The 251 slip marina does not have any dedicated guest slips and offers vacant slips to guests at a rate of \$5.00 per linear foot. The maximum stay is based on the amount of time the slip is vacant. They provide a similar amenity package and are proximate to upland services. Like California Recreation, this private marina is experiencing high occupancy and reportedly do not actively offer guest/transitory slips, rather they offer them as an accommodation and charge a premium.

**Comparable Six** is located in Huntington Harbor and is privately owned. Huntington Harbor is behind the Coast Highway Bridge, which limits the height of vessels that can access the harbor, especially sailboats that generally have to lower their mast. The 325 slip Peter's Landing marina does not have dedicated guest slips and offers their vacant slips to guests. It was reported that they generally have 10 slips available for guest use, with a reservation. The rental rate is \$1.00 per linear foot with a minimum nightly charge of \$30.00. They offer a similar amenity package (pump-out, 30- & 50-amp electric, restroom, showers, laundry & parking) and the marina is proximate to upland services. There is no established maximum stay and no municipal guest slips/moorings.

**Comparable Seven** is the privately owned Sunset Aquatic Park marina that is behind the Coast Highway Bridge in Huntington Harbor. There are no dedicated guest slips and the vacant slips are offered to guests at a rate of \$1.00 per linear foot, with a \$25.00 per night minimum. The amenity package (laundry, restrooms, showers, 30- and 50-amp electric, pump-out, park) is relatively similar to the subject; however, it is somewhat removed from upland services. It was noted that most "guest" slips are rented by people that store their vessels in their dry-storage facility and want to leave it in the water for more than one day.

**Comparable Eight** is the privately owned Dana Point Marina with approximately 1,200 slips that includes 44 dedicated guest slips. The slip rates per linear foot are \$1.10 for vessels under 45-feet in length and \$1.20 for vessels over 45-feet. There is a 30 day maximum term during the season with a 90-day term permitted in the off-season. Reservations are accepted up to 180-days in advance. There is a similar amenity package that includes, water and electrical service, restrooms, showers, coin-op laundry, and pump-out facility and the marina is proximate to upland services. There are no municipal guest slips in Dana Point Harbor.

**Comparable Nine** refers to the guest slips in Oceanside Harbor that is operated by the city of Oceanside. They have a total of 950 slips and 24 are dedicated guest slips plus side-ties. The rate is \$1.20 per linear foot (vessel) from April through September and \$0.80 per linear foot from October through May. They have limited space on dinghy racks that rent for \$5.00 per month for slip permittees and \$78 for 6-months for non-permittees. They have a slightly inferior to similar amenity package (electricity, water, pump-out, laundry, showers & restrooms) and they are

somewhat isolated from upland services.

**Comparable Ten** is located in San Diego Harbor and is a privately owned 600 slip marina. There are no dedicated guest slips but the vacant slips are offered to guests. The fee for slips up to 32-feet is a flat \$35 (\$1.09/LF), \$45 for slips between 33- and 38-feet (\$1.18/LF) and \$60 for slips between 39- and 42-feet (\$1.40/LF) and \$1.50 per linear foot for vessels 50-feet and over. With the exception of holiday weekends (Memorial Day, Labor Day & 4<sup>th</sup> of July) the maximum stay is based on the time that a slip is vacant. The amenity package includes pool, spa, sauna, restroom, showers, laundry facilities, pump-out, parking and Wi-Fi, which are similar to the subject. The location is similar in terms of access to upland services. The owner of this marina owns other marinas in San Diego, Dana Point (no guest slips) and Ventura.

**Comparable Eleven** is the guest dock that is operated by the San Diego Port District. They have 30 slips at the Port Police Station and 25 are reserved for guests. The slips are rented for \$1.00 per linear foot of vessel for a maximum of 15-days in a 40-day period. The slips will accommodate vessels up to 65-feet and those over 65-feet can moor in one of the Port's anchorages. They offer 30-amp power, potable water, restrooms and showers and they are located in close proximity to upland services.

**Comparable Twelve, Twelve-A and Twelve-B** are located in Alamitos Bay and Long Beach Harbor and are operated by the City of Long Beach. The city offers vacant slips to guests as they do not have dedicated guest slips. The slips all have a maximum term of 15 days and are rented for \$1.25 per linear foot with the exception of the slips over 90-feet that are in Rainbow Harbor that are rented on a fixed fee basis of \$370 per night (maximum of \$4.11/LF). It was reported that the rates for guest slips in Shoreline Marina are increased to \$3.00 per linear foot during special events (Long Beach Grand Prix, etc...) and slips in Rainbow Harbor are increased to \$6.00 per linear foot during these events. All three marinas have locations that are proximate to upland services. Alamitos Bay is undergoing an approximately \$150-million renovation including the replacements of docks, piers, slips and the marina infrastructure. The amenity package at each marina includes parking, pump-outs, restrooms, and showers and are slightly inferior to Marina Park.

**Comparable Thirteen** is the guest dock that is located in Marina del Rey and is operated by the County. There are 45 slips and additional side ties that rent for \$1.25 per linear foot with a maximum 7-day stay during any 30-days. They offer 30-amp power, potable water, restrooms and showers at a municipal park (Burton Chace Park) and upland services are available throughout Marina del Rey. This comparable represents the only municipal guest slips in Marina del Rey and most of the private marinas cater to long-term occupants.

**Comparable Fourteen** is provided for informational purposes only as the marina reported they recently discontinued offering guest slips due to the demand for long-term occupancy.

**Comparable Fifteen** refers to the 34 guest slips in Channel Islands Harbor that are offered by Ventura County. The slips are rented for a maximum of 10-days at a rate of \$1.35 per linear foot. With Harbormaster approval (subject to insurance requirements) they will extend the term beyond 10-days at a rate of \$1.60 per linear foot. It was reported that the fees were recently increased from \$1.30/\$1.50 per linear foot and the web-site has not been updated. The municipal rates



compare with two private marinas in Channel Islands Harbor that offer guest slips at \$1.00 per linear foot, per night. The overall amenity package and access to upland services is judged to be slightly inferior to relatively similar compared to the subject.

**Comparable Sixteen** is a privately operated marina in Ventura Harbor that has 554 slips, but none are dedicated guest slips. It was reported they are full but do offer vacant slips to guests when they are available. The guest rate is \$1.50 per linear foot for the first two-weeks. For stays over two weeks they offer the monthly rate and charge a live-aboard fee of \$200 for 1 person and \$250 for two people. They have dinghy racks that rent for \$20.00 per month. The marina and facilities were remodeled in 2010 and overall amenity package includes electrical service, restrooms (3 sets), laundry, pump-outs, parking, and a guest lounge (T.V., sitting area, bar, kitchenette), work out room, and is comparable to the subject.

**Comparable Seventeen** is the Santa Barbara Harbor that is operated by the City of Santa Barbara. They have 1,143 slips; however, none are dedicated guest slips. They offer slips and side-ties when they are available and the harbor has good access to upland services. The rental rate is \$1.00 per linear foot for the first 14 days. With Harbormaster authorization, guests can extend up to 28 days at a rate of \$2.00 per linear foot for days 15 through 28. If a guest leaves for five consecutive days the "clock starts over" at the lower rate. There is potable water and electric service included in the rent; however, a card key (\$7.00) or FOB key (\$12.00) must be purchased to use the restroom and shower facilities and the gated access to the piers for the term of your stay. Commercial fishing boats are charged \$0.75 per linear foot for transitory slips. A published report indicates the Harbor Commission has approved an increase to \$1.50 per linear foot for vessels over 70-feet; however, it has not been implemented as of the date of this survey.

**Comparable Eighteen** are the guest side-ties located in Monterey Harbor, which is operated by the City. The harbor includes a total of 413 slips and none are dedicated to guests. The only guest accommodations are the side-ties located on the K-Tier that accommodate vessels from 20- to 50-feet. There are no utility services. The amenities include restrooms, coin-operated laundry, showers and are judged to be inferior compared to the subject. The guest fees are higher in the summer as compared to the winter and range from \$13-summer/\$14-winter for a 20-foot side-tie to \$26/\$28 for a 40-foot side-tie. They charge a quarterly fee of \$72 for dinghy rack storage.

**Comparable Nineteen** is operated by Santa Cruz County with approximately 1,200 slips and end-ties. There are no dedicated guest slips and vacant slips are offered on a transitory basis with a maximum stay of two weeks. The guest rate is \$1.25 per linear foot for mono-hulls with a minimum fee of \$35.00 per night. The rate for a multi-hull vessel is \$1.50 per linear foot with a minimum fee of \$45.00 per night. They offer 20 & 30-amp power and potable water. There is a \$10.00 fee for a key to access the showers. Depending on availability, the Harbormaster may grant an extended term at a rate of \$2.00 linear foot, with a minimum of \$56.00 per night. Transitory commercial vessels are charged \$0.75 per linear foot, with a \$30.00 minimum. Overall the amenities and access to upland services is judged to be inferior compared to the subject.

**Comparable Twenty** is the Pillar Point Harbor that is located in Half Moon Bay and operated by San Mateo County. There are 154 recreational slips and end-ties and none of them are dedicated to guest use. When available they are offered to guests at a rate of \$0.77 per linear foot for mono-hulls and the multi-hull fee is the mono-hull rate times 150-percent ( $\$0.77 \times 1.50 = \$1.16/\text{LF}$ ).

There is no maximum term. They provide restrooms, showers, pump-out and laundry facilities. The amenity package and access to upland services are inferior compared to the subject.

The rental data set forth in the table on the previous pages reflects a range from \$0.77 per linear foot to \$5.00 per linear foot for guest, or transient, slip rentals. The data that is most applicable to Marina Park is located in Newport Harbor and becomes less applicable the less proximate the location; however, they are supportive of the conclusions presented. In general, all of the marinas offer a similar amenity package; however, the marinas are all well maintained but are generally older than, and not as modern as, Marina Park.

In the final analysis, the data from Newport Harbor are given the primary emphasis. These marinas reflect rates from \$1.00 per linear foot (No. 2 Harbor Patrol & No. 3 American Legion) to \$5.00 per linear foot (Nos. 1, 1-A, 1-B & 1-C & No. 5). The Harbor Patrol (municipal) and American Legion (members only) are judged to be less desirable in terms of physical characteristics and amenities when compared to Marina Park. The subject has very good access to upland services including, but not limited to, dining, shopping and marine services in and around McFadden Square, Lido Village and the Rhine Channel. The Comparable Rentals at the upper end (\$5.00/LF) are privately owned marinas that do not maintain dedicated guest slips and, while generally similar in terms of amenities and overall physical characteristics, cater to long-term renters and they "offer" guest/transient slips as an accommodation when they have vacancy and charge a significant premium as they are not set up to administer guest/transient slip rentals.

Comparable Four is the Newport Dunes Marina that charges a "fixed" fee for their various slips lengths; however, when analyzed on a price per linear foot they reflect a range from \$2.03 to \$2.24 per linear foot. This marina is privately owned, has a similar park-like setting and generally similar amenities, but is located behind the Coast Highway Bridge. The location behind the Coast Highway Bridge is not as desirable as Marina Park as most sailboats and many power boats that have towers are not able to navigate under the Coast Highway Bridge.

Placing most emphasis on Comparable Rental Four, I have concluded that the subject guest slips have a current fair market rent of \$2.00 per linear foot. This figure can be applied to either the vessel length, which is most applicable to the 250-feet of side ties and the conclusion of \$2.00 per linear foot. It is also applicable to the slip length when charging based on a fixed slip length and to the "overhang" fee for vessels that extend beyond the length of a 40- or 55-foot slip. The total nightly Fair Market Rent for the Guest Slips at Marina Park on a "fixed fee" basis, as of March 26, 2018, then, is calculated as follows:

40-Foot Slip @ \$2.00/Linear Foot:	\$80.00/Night
55-Foot Slip @ \$2.00/Linear Foot:	\$110.00/Night

Most of the marinas, both private and municipal, have a maximum stay that generally ranges from 3-days to 30-days. The municipal marinas all have a mechanism that permits longer stays, with Harbor Master permission and proof of insurance. One private marina (Dana Point) offers stays up to 90-days in the "off-season". Depending on demand, establishing the protocol to permit longer-term stays, especially during the "off-season" is recommended.

### Monthly Dingy Storage at Marina Park – Fair Market Rent

The City of Newport Beach has four dinghy racks at Marina Park and two at the Balboa Yacht Basin. Each rack at Marina Park can accommodate three dinghies with a total capacity of 12 dinghies, with a total of eight at the Balboa Yacht Basin. The monthly fee is \$25.00 and there is currently a wait list.

The following is a summary of the “dry” dinghy storage fees uncovered in the survey area. It should be noted, that some of the marinas that offer off-shore moorings have docks/piers that permit “dinghy ties” (San Diego Mooring Company & Ventura West Marina as examples); however, they are not included in the survey.

Location	Monthly Fee	Comment
Marina Park	\$25.00	12 spaces, wait list
Balboa Yacht Basis	\$25.00	8 spaces, wait list
American Legion	\$50.00	Members only, next to Marina Park
Newport Dunes	\$25.00 \$35.00	Dinghy Rack SUP Rack
Lido Isle Comm. Assoc. (Residents only)	\$12.50 \$18.83 \$46.25	Kayak/Sabot Dry Storage (rack) Sabot Dry Storage (ground) 14’/15’ Boat Dry Storage (ground)
Oceanside	\$5.00 \$13.00	Slip permittee \$78/6-months for non-permittee
Monterey	\$24.00	Dinghy rack
Santa Cruz	\$55.46	Includes parking permit

On the basis of the rental data uncovered, I have concluded that the individual spaces in the dinghy racks at Marina Park and the Balboa Yacht Basis have a Fair Market Rent, as of March 26, 2018, of \$35.00 per month.

### Daily “Guest Anchorage Rate” of Non-City owned Tackle

The City of Newport offers moorings throughout the harbor that include City owned mooring tackle and are rented either on a monthly or guest/transitory (daily) basis. The City desires to set up a “large vessel area” adjacent to the West Anchorage located between the western tip of Lido Isle and Lido Village Marina. As reported by the Harbormaster, a “large vessel” is generally described as being over 80-feet. The “Large Vessel Area” will permit the vessel owner to provide the privately owned mooring tackle (either single- or double-point) necessary to safely accommodate their “large vessel”, even when the vessel is not occupying the mooring. During their stay in the Harbor vessels must be anchored fore and aft while in the “Large Vessel Area”.

During the course of my research, two municipalities were identified that lease moorings owned by the municipality and also lease tidelands in their respective mooring fields and permit the use private mooring tackle – Pillar Point Harbor in Half Moon Bay and Morro Bay.

Pillar Point is operated by San Mateo County and has an “inner harbor” that is dedicated to recreational and commercial marinas and slips and a protected “outer harbor” that permits moorings and includes both County owned mooring tackle and private mooring tackle. The moorings that include County owned mooring tackle are rented on a monthly basis at a rate of \$4.38 per linear foot of vessel, with a minimum monthly fee of \$108.00. The moorings that

include private mooring tackle are rented on a monthly basis for \$1.65 per linear foot of vessel, with a minimum monthly payment of \$49.00. In both cases, the mooring fees are due and payable whether or not the vessel occupies the mooring for the entire month. It should be noted that the rate for a “guest” mooring is \$11.00 per day. Slip rates for recreational vessels at Pillar Point range from \$9.30 to \$10.06 per linear foot, and the rate for a guest slip is \$0.77 per linear foot for mono-hulls, with 150-percent charged for multi-hull vessels. It was reported by a representative of the Harbor Department that they are phasing out the use of private mooring tackle; however, it will remain transferrable until it is removed.

Morro Bay has 125 moorings located in the harbor and approximately 50 are “privately owned”, meaning that an individual owns the mooring tackle and leases the space from the City. All moorings are leased on a month-to-month basis. The moorings at Morro Bay are leased on a “fixed” basis regardless of vessel length and the rate for a City owned mooring is \$251.50 per month, while the rate for a “private mooring” is \$87.04 per month. The guest mooring rate is \$0.28 per linear foot, while the guests slip fees are \$1.24 per linear foot for City owned slips. The monthly mooring fees for both public and private moorings are due, regardless if the mooring occupied by a vessel.

The two municipalities identified above that lease space in mooring fields differ significantly in the rate per linear foot that they charge for moorings and slips as compared to Newport Beach; however, the data is instructive in providing a percentage difference between the rates charged for moorings with city-owned tackle as compared to moorings with private tackle. The following table is a summary of the percentage discount associated with the use of private mooring tackle:

	<b>Pillar Point (\$/Linear Ft.)</b>	<b>Morro Bay (Fixed Rate)</b>
Rate for Mooring with City owned tackle:	\$4.38	\$251.50
Rate for Mooring with private tackle:	-1.65	- 87.04
Absolute Difference:	\$2.73	\$164.46
-:- Rate for Mooring with City owned tackle:	-:- 4.38	-:- 251.50
Discount for private mooring tackle:	62.3%	65.4%

The analysis reflects a consistent percentage discount (62.3% to 65.4%) for the use of private mooring tackle as opposed to a similar mooring with tackle owned by the municipality. As noted above, both municipalities charge for the entire month regardless of the amount of time that the vessel occupies the mooring. In essence, both municipalities recognize that the tidelands under the mooring are encumbered whether or not the vessel occupies the mooring.

In addition to the information provided above, I interviewed a representative of Pacific Tug Boat Service, which is based in Long Beach. A portion of their business is to provide, tug, barge, scow and associated services along the coast from San Diego to San Francisco. They complete projects for private entities and governmental agencies. Their representative reported the he was not aware of a municipality that charges them a mooring fee while they are completing a project, and that most of their project’s (dredging, towing, salvage, setting moorings, marine construction, floating crane service, etc...) benefit the overall harbor community. It was the representative’s opinion that a vessel owner should be charged a monthly fee, regardless of the amount of time their vessel occupies the mooring, and that he would anticipate they would pay less if they use their own tackle.

It was noted that they generally use their own tackle for municipal and private projects.

It is recognized that Pacific Tug is a commercial user and the assignment applies specifically to recreational use of the “large vessel area” adjoining the West Anchorage; however, the same principals apply as both commercial and recreational vessel moorings encumber the underlying tidelands.

On the basis of the interviews completed and the data uncovered, I have concluded that the Fair Market Rent for the Guest/Transient Mooring in the “Large Vessel Area” of the West Anchorage, using Privately Owned Mooring Tackle, as of March 26, 2018, is a 62.5-percent discount from the otherwise comparable Guest/Transient Mooring Fee charged throughout Newport Harbor for moorings with City-owned tackle.

On the basis of the survey and analysis set forth in my Appraisal Report, dated November 30, 2017, of which this is an Addenda, the concluded Daily Current Fair Market Rent for Off-Shore Guest/Transient moorings (“Sub-Permits”) in Newport Harbor, as of November 27, 2017, is: \$1.25 per linear foot of vessel, adjusted annually based on the change in the CPI. When the discount of 62.5-percent is applied to the Daily Current Fair Market Rent for Off-Shore Guest/Transient moorings of \$1.25 per linear foot, the indicated Daily Current Fair Market Rent for Off-Shore Guest/Transient moorings with private tackle is \$0.47 per linear foot ( $\$1.25 \times (1.0 - 0.625)$ ), per day. If a different Daily Fee for a vessel on a guest/transient mooring with City-owned tackle is established, the same 62.5-percent discount would apply to a vessel using Privately Owned Mooring Tackle in the “Large Vessel Area” of the West Anchorage..

#### Valuation

Based upon the work undertaken, and my experience as a real estate analyst and appraiser, I have formed the opinion, as of the 26<sup>th</sup> day of March 2018, subject to the Assumptions and Limiting Conditions contained in my original report and this Addendum, that the subject tidelands in Newport Harbor have the following Fair Market Rental values:

Daily Fair Market Rent for the Guest Slips at Marina Park, the Greater of

**\$2.00 per Linear Foot of Vessel, adjusted annually based on the change in the CPI**

or

**\$80.00 per Night for a 40-Foot Slip, adjusted annually based on the change in the CPI**

**\$110.00 per Night for a 55-Foot Slip, adjusted annually based on the change in the CPI**

Monthly Fair Market Rent for the Dinghy Racks at City Facilities

**\$35.00 per Space, per Month, adjusted annually based on the change in the CPI.**

Daily Fair Market Rent for a Guest/Transient Mooring in the "Large Vessel Area" of the West Anchorage, with Privately Owned Mooring Tackle

**Discounted 62.5-percent from the otherwise comparable Guest/Transient Mooring Fee charge throughout the Harbor for Moorings with City-owned tackle**

or

**\$0.47 per Linear Foot of Vessel**

#### Certification

To the best of my knowledge and belief, I certify that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved in the assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have completed a physical inspection of the property that is the subject of this Restricted Appraisal Report.

In accordance with the USPAP Competency Provision, I certify that I have the knowledge and experience to complete this assignment and have appraised this property type before.

Disclosure of the contents of this Addenda to my Appraisal Report is governed by the Bylaws and Regulations of the Appraisal Institute. In furtherance of the aims of the Institute to develop higher

Lauren Wooding Whitlinger  
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standards of professional performance by its Members, the appraiser may be required to submit authorized committees of said Institute copies of this report and any subsequent changes or modifications thereof.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. As of the date of this report, James B. Netzer has completed the requirements under the continuing education program of the Appraisal Institute.

Respectfully submitted,



James B. Netzer, MAI  
California General Appraiser No. AG003143

	B	J	L	P	Q	R	S	T	U
1	City of Newport Beach Schedule of Rents, Fines, and Fees (SRFF) - Harbor								
2		A	B	C	D	E	F	G	H
3		Current Charges	Proposed Charges			2018 adj			
4						Full Cost/Market Value			
5	SERVICE NAME	Total or Base Fee	Total or Base Fee	REFERENCE	TYPE	Total or Base Fee	Incremental - (if applicable)	CPI	Notes
6	HARBOR								
7	Dinghy Rack Rental Application Fee	\$0.00	\$ 17.00	M.C. 3.36.030	COS-Fee	\$17.40		Yes	
8	Impound Fee - Initial	\$150.00	\$ 68.00	M.C. 3.36.030	COS-Fee	\$68.09		Yes	
9	Impound Fee - Loose or Lost and Found Boats/Vessels	see notes	\$ 46.00	M.C. 3.36.030	COS-Fee	\$46.72		Yes	Free first 5 days then \$50/day
10	Inspection Fee - Charter Boats	\$0.00	\$ 341.00	M.C. 3.36.030	COS-Fee	\$341.38		Yes	
11	Inspection Fee - Dock, Pilings, Code Enforcement	\$0.00	\$ 209.00	M.C. 3.36.030	COS-Fee	\$209.47		Yes	
12	Inspection Fee - Live Aboards, Marine Activities Permit Re-check	\$0.00	\$ 275.00	M.C. 3.36.030	COS-Fee	\$275.42		Yes	
13	Key Card Replacement	\$0.00	\$ 23.00	M.C. 3.36.030	COS-Fee	\$23.12		Yes	
14	Large Boat Permit (80+ Lineal Feet)	\$0.00	\$ 64.00	M.C. 3.36.030	COS-Fee	\$64.12		Yes	
15	Lend a Mooring Line/Help to get on a Mooring	\$0.00	\$ 32.00	M.C. 3.36.030	COS-Fee	\$32.36		Yes	
16	Marina Park Cancellation Fee	see notes	\$ 11.00	M.C. 3.36.030	COS-Fee	\$11.60		Yes	Cancel 72 hours or more \$10 fee, less than 72 hours forfeit
17	Mooring & Slips Rental Application Fee	\$0.00	\$ 17.00	M.C. 3.36.030	COS-Fee	\$17.40		Yes	
18	Mooring Extension Permit	\$0.00	\$ 326.00	M.C. 3.36.030	COS-Fee	\$326.81		Yes	
19	Mooring Inspection	\$0.00	\$ 68.00	M.C. 3.36.030	COS-Fee	\$68.09		Yes	
20	Raft Up Permits - East Anchorage	\$0.00	\$ 62.00	M.C. 3.36.030	COS-Fee	\$62.29		Yes	
21	Temporary Sea Lion Deterrent	\$0.00	\$ 136.00	M.C. 3.36.030	COS-Fee	\$ 136.17		Yes	
22	Towing Fee (Boats under 14')	see notes	\$ 71.00	M.C. 3.36.030	COS-Fee	\$71.76		Yes	\$0 if done by City staff
23	Flat Rate for Electricity - Marina Park	\$0.13/kWh	see notes	M.C. 3.36.030	COS-Fee Pass Thru	\$12.03	\$0.13	Yes	\$12 plus actual per kWh usage
24	Towing Fee (Boats over 14')	100% Contractor Cost	see notes	M.C. 3.36.030	COS-Fee Pass Thru	\$23.20		Yes	\$23 plus 100% contractor cost
25	Marina Park Deposit	\$50/day	\$ 50.00	Resolution	Deposit			Yes	Charged against stay, forfeited if canceled with less
26	Impound Fee (Boats over 14')	see notes	see notes	M.C. 3.36.030	Pass Thru	see notes		Yes	100% contractor cost
27	Lost/Broken Line	\$0.00	\$ 69.00	M.C. 3.36.030	Pass Thru	\$69.73		Yes	
28	City owned Guest Moorings - Offshore (Year-Round)	\$27/Night	\$1.25 per Lineal Foot (LF)	Resolution	Rental	\$1.25/LF		Yes	
29	Dinghy Rack Rental - Marina Park/Balboa Yacht Basin	\$25/Month	\$35 per Month	Resolution	Rental	\$35/Month		Yes	
30	Impound Fee - Nightly Storage Fee	\$50/Night	see notes	Resolution	Rental	see notes		Yes	Same charge as Sub-Permittee Rental Rates
31	Large Vessel (80+ LF) Offshore Guest Mooring	Same as Offshore Guest Moorings	\$1.55 per Lineal Foot (LF)	Resolution	Rental	\$1.55/LF		Yes	
32	Large Vessel Guest Anchorage Rate - Non City Tackle - no boat	Same as Offshore Guest Moorings	\$0.047 per Lineal Foot (LF)	Resolution	Rental	\$0.047/LF		Yes	
33	Marina Park Boat Slips (40' Slip)	\$60/Night	\$80 per Night	Resolution	Rental	\$80/Night		Yes	
34	Marina Park Boat Slips (55' Slip)	\$82.50/Night	\$110 per Night	Resolution	Rental	\$110/night		Yes	
35	Marina Park Boat Slips (Overhang Charge)	\$1.50/Foot	\$2 per Foot	Resolution	Rental	\$2/Foot		Yes	
36	Multi-hull Vessel - 2 hulls	Same as Offshore Guest Moorings	\$1.50 per Lineal Foot (LF)	Resolution	Rental	\$1.50/LF		Yes	
37	Multi-hull Vessel - 3 hulls	Same as Offshore Guest Moorings	\$1.75 per Lineal Foot (LF)	Resolution	Rental	\$1.75/LF		Yes	
38	Sub-Permittee Guest Moorings - Offshore (May-Oct)	\$27/Night	\$1.25 per Lineal Foot (LF)	Resolution	Rental	\$1.25/LF		Yes	
39	Sub-Permittee Guest Moorings - Offshore (Nov-April)	\$16/Night	\$1.25 per Lineal Foot (LF)	Resolution	Rental	\$1.25/LF		Yes	
40	Sub-Permittee Guest Moorings - Onshore (Year-Round)	\$11/Night	\$0.625 per Lineal Foot (LF)	Resolution	Rental	\$0.625/LF		Yes	