Waterfront Department Slip Assignment Policy

PRESENTATION OUTLINE

• Slip Assignment Policy Discussion Recap
• Review Harbor Users Survey Results
• Structural Changes to Slip Transfer Fees
• Further Discuss Family Additions
• Discussion and Next Steps
Recap To Date

July 16, 2020 – Presentation to Harbor Commission on Slip Assignment Policy
- Significant public interest (Waterfront received roughly two dozen emails)
- Heard public comment from 20 members of the Harbor community

Sept 17, 2020 – Formed Slip Assignment Policy Subcommittee
- Setup to review Slip Assignment Policy and report back to Harbor Commission
- Members are Jim Sloan, John Stedman, Michael Nelson

October 26, 2020 – Created a Document Repository for Historical Documents

October 28, 2020 – First Slip Assignment Policy Subcommittee Meeting

January 20, 2021 – Meeting 2: County Possessory Interest Tax Discussion

February 10, 2021 – Meeting 3: Adding Children to Slip Permit Discussion

March 3, 2021 – Meeting 4: Slip Permit Transfer Fee Rates and Structure

April 13, 2021 – Meeting 5: Potential Slip Permit Transfer Fee Changes


July 15, 2021 – Meeting 7: Harbor Users Survey, Slip Transfer Fee Structure, Family Additions, Recommendations to Harbor Commission
Harbor Users Survey

Survey Background

- Survey sent out at the request of the Slip Assignment Policy Subcommittee
- Questions were reviewed and edited by Slip Assignment Policy Subcommittee members
- Survey sent out through SurveyMonkey on May 21, 2021
- Survey sent to 910 people via email
  - Slip Holders
  - Waitlist
  - Slip Lottery Applicants
- Survey consisted of 15 questions
- Received 225 responses to survey
- Received 126 written comments
Q1
Are you a current slip permittee in Santa Barbara Harbor?
Answered: 225  Skipped: 0

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>76.80%</td>
</tr>
<tr>
<td>No</td>
<td>23.11%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>
Q2
How long have you been a slip permittee in Santa Barbara Harbor?

Answered: 225  Skipped: 0

- Don't have a slip and don't want one: 0.00% (0)
- Don't have a slip but would like one: 23.11% (52)
- Less than 1 year: 7.11% (16)
- 1-3 years: 5.00% (12)
- 3-7 years: 15.11% (34)
- 7-10 years: 2.00% (4)
- Greater than 10 years: 38.97% (87)

Total: 223
Q3. What size is your current slip(s) permit? Check all that apply.

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>20ft</td>
<td>8.44%</td>
</tr>
<tr>
<td>25ft</td>
<td>18.57%</td>
</tr>
<tr>
<td>30ft</td>
<td>23.11%</td>
</tr>
<tr>
<td>35ft</td>
<td>17.78%</td>
</tr>
<tr>
<td>40ft</td>
<td>5.79%</td>
</tr>
<tr>
<td>45ft</td>
<td>1.33%</td>
</tr>
<tr>
<td>50ft</td>
<td>2.67%</td>
</tr>
<tr>
<td>55ft</td>
<td>7.11%</td>
</tr>
<tr>
<td>60ft</td>
<td>1.33%</td>
</tr>
<tr>
<td>65ft</td>
<td>2.22%</td>
</tr>
<tr>
<td>70ft+</td>
<td>0.00%</td>
</tr>
<tr>
<td>End Tie</td>
<td>1.33%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>20.44%</td>
</tr>
</tbody>
</table>

Total Respondents: 223
Q4
How did you acquire your current slip permit?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wharflet</td>
<td>3.44%</td>
</tr>
<tr>
<td>Broker</td>
<td>41.79%</td>
</tr>
<tr>
<td>Private non-brokered transaction</td>
<td>29.33%</td>
</tr>
<tr>
<td>Added Family to slip permit</td>
<td>1.78%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>15.87%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>
Q6
What do/would you primarily use your vessel for?
Answered: 223  Skipped: 0

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational boating</td>
<td>68.44%</td>
</tr>
<tr>
<td>Commercial fishing</td>
<td>6.02%</td>
</tr>
<tr>
<td>Recreational fishing</td>
<td>8.89%</td>
</tr>
<tr>
<td>Living aboard</td>
<td>14.22%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>5.02%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>223</td>
</tr>
</tbody>
</table>
Q6
From your understanding, who owns the slips within Santa Barbara Harbor?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of California</td>
<td>6.67%</td>
</tr>
<tr>
<td>City of Santa Barbara</td>
<td>92.22%</td>
</tr>
<tr>
<td>Slip Permit</td>
<td>7.66%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>8.75%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>223</td>
</tr>
</tbody>
</table>
Q7
What is your overall level of understanding of the slip permit transfer process and associated slip permit transfer fees?

Answered: 228  Skipped: 0

![Bar Chart](chart.png)

<table>
<thead>
<tr>
<th>NO UNDERSTANDING</th>
<th>MED LABEL</th>
<th>LOW LABEL</th>
<th>CLEAR UNDERSTANDING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(no label)</td>
<td>71.1%</td>
<td>9.33%</td>
<td>55.78%</td>
<td>55.78%</td>
</tr>
</tbody>
</table>
Q8

When a slip permit is transferred there is an expectation that the private party will earn a profit on the transaction. Indicate your level of agreement with this statement.

Answered: 225  Skipped: 0

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>15.00%</td>
</tr>
<tr>
<td>Agree</td>
<td>13.70%</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>10.00%</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>29.93%</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>6.22%</td>
</tr>
<tr>
<td>Disagree</td>
<td>11.56%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>13.33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>225</strong></td>
</tr>
</tbody>
</table>
When a slip permit is transferred there is an expectation that the private party will, at minimum, recoup their costs on the transaction. Indicate your level of agreement with this statement?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>26.22%</td>
</tr>
<tr>
<td>Agree</td>
<td>21.78%</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>15.31%</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>16.44%</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>7.55%</td>
</tr>
<tr>
<td>Disagree</td>
<td>5.33%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>7.55%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>225</td>
</tr>
</tbody>
</table>
Q10
Knowing the Waterfront Department requires revenues to cover operational costs such as maintenance, infrastructure, and safety. Would you prefer to pay:

![Bar chart showing preferences]

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher slip permit transfer fees and lower monthly slip permit fees</td>
<td>122</td>
</tr>
<tr>
<td>Lower slip permit transfer fees and higher monthly slip permit fees</td>
<td>87</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>205</strong></td>
</tr>
</tbody>
</table>
In your opinion, from the list below, where should the Waterfront Department focus efforts on generating slip-based revenues to help cover increasing operational costs. Arrange in order of highest priority first.

Answered: 225  Skipped: 0

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>TOTAL</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly slip permit fees</td>
<td>12.73%</td>
<td>16.44%</td>
<td>26.33%</td>
<td>39.56%</td>
<td>92%</td>
<td>2.04</td>
</tr>
<tr>
<td>Slip permit transfer fees</td>
<td>10.21%</td>
<td>20.44%</td>
<td>26.07%</td>
<td>30.97%</td>
<td>92%</td>
<td>2.19</td>
</tr>
<tr>
<td>Visitor slip permit fees</td>
<td>48.79%</td>
<td>27.99%</td>
<td>13.53%</td>
<td>3.52%</td>
<td>11%</td>
<td>3.17</td>
</tr>
<tr>
<td>Liveaboard slip permit fees</td>
<td>36.02%</td>
<td>36.00%</td>
<td>17.76%</td>
<td>0.00%</td>
<td>92%</td>
<td>2.68</td>
</tr>
</tbody>
</table>
Q19
Do you think that slip permit transfer fees should be assessed proportionally based on the size of the slip? (i.e. smaller slips pay a smaller relative transfer fee compared to larger slips).

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>98.09% 83</td>
</tr>
<tr>
<td>Agree</td>
<td>96.66% 83</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>9.78% 22</td>
</tr>
<tr>
<td>Disagree</td>
<td>4.63% 11</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>4.63% 11</td>
</tr>
<tr>
<td>Don’t have enough information to agree or disagree</td>
<td>6.67% 12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>225</td>
</tr>
</tbody>
</table>
Q13

If the Waterfront Department makes a change to the Slip Permit Transfer fee Policy, over what timeframe do you think the change should take effect?

Answered: 225  Skipped: 0

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make the change quickly (1-3 years)</td>
<td>48.00%</td>
</tr>
<tr>
<td>Spread the change out a bit (3-5 years)</td>
<td>35.00%</td>
</tr>
<tr>
<td>Phase the change in very gradually (7+ years)</td>
<td>17.00%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>225</td>
</tr>
</tbody>
</table>
Q14
What is your level of awareness of the Harbor Commission, when they meet, and what they are tasked with doing?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsure there was a Harbor Commission</td>
<td>7.56% 17</td>
</tr>
<tr>
<td>Aware there is a Harbor Commission but unclear when they meet or what they do</td>
<td>24.22% 77</td>
</tr>
<tr>
<td>Aware there is a Harbor Commission and have a general idea of when they meet and what they do</td>
<td>48.89% 130</td>
</tr>
<tr>
<td>Aware there is a Harbor Commission and know when they meet and have actively participated in meetings</td>
<td>9.33% 21</td>
</tr>
</tbody>
</table>

Total 225
Q15

Please enter any additional comments here

Answered: 129   Skipped: 96
Summary of Written Comments

- Received **129** written comments out of **225** completed surveys
- Categorized comments by major themes/categories below
- Some individual comments included more than one theme

<table>
<thead>
<tr>
<th>Category</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Transfer Fees</td>
<td>28</td>
</tr>
<tr>
<td>Affordable Access</td>
<td>23</td>
</tr>
<tr>
<td>Identify Other Revenue Sources</td>
<td>17</td>
</tr>
<tr>
<td>Reduce Operating Costs</td>
<td>17</td>
</tr>
<tr>
<td>Support Current Policy</td>
<td>15</td>
</tr>
<tr>
<td>Allow Family Additions</td>
<td>12</td>
</tr>
<tr>
<td>Assessors Tax</td>
<td>10</td>
</tr>
<tr>
<td>Revise Survey Questions</td>
<td>8</td>
</tr>
<tr>
<td>Allow Inheritance</td>
<td>8</td>
</tr>
<tr>
<td>Concern With Private Profiting Off Public Slips</td>
<td>6</td>
</tr>
<tr>
<td>Lower Monthly Slip Fees</td>
<td>5</td>
</tr>
<tr>
<td>Charge Proportional Slip Transfer Fees</td>
<td>5</td>
</tr>
<tr>
<td>Move to Waitlist Only No Transfers</td>
<td>4</td>
</tr>
<tr>
<td>Enforce Derelict Boats</td>
<td>3</td>
</tr>
<tr>
<td>Security Concerns</td>
<td>2</td>
</tr>
<tr>
<td>Reduced Transfer Fees for Commercial Slips</td>
<td>2</td>
</tr>
<tr>
<td>Require Insurance in Harbor</td>
<td>2</td>
</tr>
<tr>
<td>Facility and Infrastructure Concerns</td>
<td>2</td>
</tr>
<tr>
<td>Improve Waterfront Transparency</td>
<td>2</td>
</tr>
</tbody>
</table>
Slip Transfer Fee Structural Changes

Goals of Change
- Implement a slip transfer fee structure that is more fair/proportional across slip sizes
- Maintain a budget neutral change as best as possible
- Determine a transparent way to track/evaluate private market value of slip permits
- Tie slip transfer fee to a percentage of private market value of slip permit

Left to Do:
- Decide on making a change to a proportional slip transfer fee based on market values
- Decide on method to determine market values
- Decide on implementation timeline (tiered implementation?)
- Using County Assessors data skews low and includes transfer fee in valuation
### Possible Tiered Implementation (3-10 years)

NEW TABLE – 7-year tiered approach at 25% of County Assessor Value

<table>
<thead>
<tr>
<th>Tiered Implementation</th>
<th>20</th>
<th>25</th>
<th>30</th>
<th>35</th>
<th>40</th>
<th>43</th>
<th>45</th>
<th>50</th>
<th>51</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021 - Current Transfer Fee</td>
<td>$200</td>
<td>$300</td>
<td>$400</td>
<td>$400</td>
<td>$525</td>
<td>$525</td>
<td>$525</td>
<td>$525</td>
<td>$525</td>
<td>$525</td>
</tr>
<tr>
<td>FY2023 - Proposed Transfer Fee</td>
<td>$175</td>
<td>$220</td>
<td>$260</td>
<td>$265</td>
<td>$465</td>
<td>$565</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$600</td>
</tr>
<tr>
<td>FY2024 - Proposed Transfer Fee</td>
<td>$150</td>
<td>$200</td>
<td>$230</td>
<td>$235</td>
<td>$435</td>
<td>$535</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$625</td>
</tr>
<tr>
<td>FY2025 - Proposed Transfer Fee</td>
<td>$135</td>
<td>$180</td>
<td>$220</td>
<td>$225</td>
<td>$405</td>
<td>$505</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$675</td>
</tr>
<tr>
<td>FY2026 - Proposed Transfer Fee</td>
<td>$135</td>
<td>$185</td>
<td>$230</td>
<td>$235</td>
<td>$405</td>
<td>$505</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$675</td>
</tr>
<tr>
<td>FY2027 - Proposed Transfer Fee</td>
<td>$135</td>
<td>$185</td>
<td>$230</td>
<td>$235</td>
<td>$405</td>
<td>$505</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$675</td>
</tr>
<tr>
<td>FY2028 - Proposed Transfer Fee</td>
<td>$135</td>
<td>$185</td>
<td>$230</td>
<td>$235</td>
<td>$405</td>
<td>$505</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$675</td>
</tr>
<tr>
<td>FY2029 - Proposed Transfer Fee</td>
<td>$135</td>
<td>$185</td>
<td>$230</td>
<td>$235</td>
<td>$405</td>
<td>$505</td>
<td>$575</td>
<td>$575</td>
<td>$575</td>
<td>$675</td>
</tr>
</tbody>
</table>

Pros of Tiered Implementation Approach:
- Smaller slips see reduction in slip transfer fees sooner
- Larger slips increases are phased in over 10-years
Family Additions

**Request:**
Add adult family members to slip permits for free or at a reduced rate

**Response:**
The Waterfront Department, City Attorney, and States Lands Commission thoroughly reviewed the issues and came to similar conclusions which are outlined in the following slides.
Family Additions

Issues:

• Violates City’s fiduciary duty as State’s trustee under Public Trust doctrine.
  - *City has a duty to protect beneficiaries of the trust who are all of the people of the state;*
  - *City has duty to administer granted lands solely for the benefit of statewide public; and*
  - *To act impartially in the management of trust property (Public Resources Code section 6009.1 (5);(6).)*

• Violates express terms of the tidelands Trust document which prohibits discriminatory rates and charges.

• Not fair and equitable.
  - *Subsidizing certain families’ retention of marina slips violates City’s duty to protect the peoples’ common heritage in the tidelands*
  - *Arbitrarily selects one group over another group.*
  - *Exacerbating an existing supply issue by further restricting limited supply of slips to the general public.*
Family Additions

Issues (Cont.):

• With Regards to Discounted Rate to Commercial Fishermen
  - Specifically supported by countervailing benefit
  - Component of City’s Local Coastal Program in support of a working harbor

Conclusion:

• Reduced slip permit transfer fees to add adult family of existing slip permittees violates the City’s legal obligations under the Tidelands Trust. The City has an obligation to manage Tidelands in a fair and equitable manner.
Discussion & Recommendation

The Slip Assignment Policy Subcommittee Will:
- Discuss Harbor User Survey results;
- Further discuss structural changes to slip transfer fees;
- Further discuss family additions to slip permits; and
- Discuss plans for Subcommittee to present findings and recommendations to the full Harbor Commission.

NEXT STEPS
- Discuss/advise on main points of concern
- Decide if/when to take a presentation/recommendations to full Harbor Commission
- Setup future meeting if necessary