



WATERFRONT DEPARTMENT

WATERFRONT DEPARTMENT SLIP ASSIGNMENT POLICY

Slip Assignment Policy Subcommittee Meeting

July 15, 2021

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October 26, 2020 – Created a Document Repository for Historical Documents

- https://www.santabarbaraca.gov/gov/brdcomm/dm/harbor/archives/historical_documents_archives.asp

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

May 18, 2021 – Meeting 6: Further Review of Fee Structure, Assessor Data, Family Additions, Harbor Survey

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

Harbor Users Survey

Survey Background

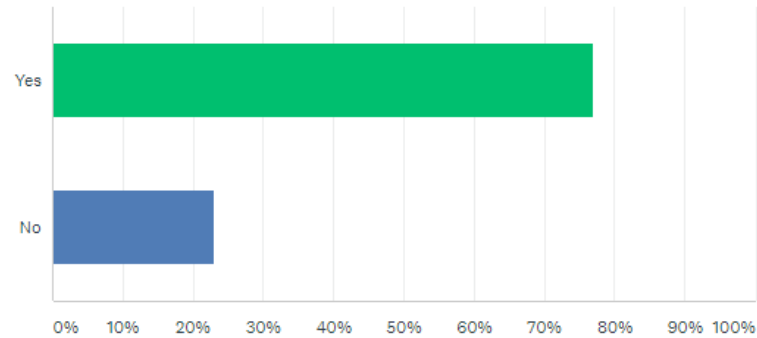
- Survey sent out at the request of the Slip Assignment Policy Subcommittee
- Questions were reviewed and edited by Slip Assignment Policy Subcommittee members
- Survey sent out through SurveyMonkey on **May 21, 2021**
- Survey sent to **910** people via email
 - *Slip Holders*
 - *Waitlist*
 - *Slip 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



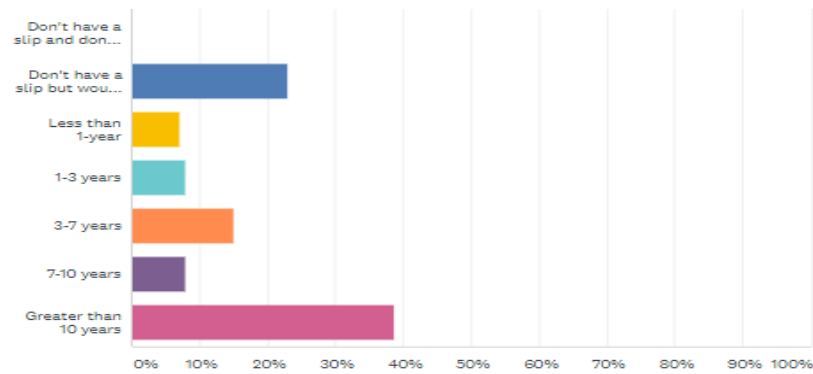
ANSWER CHOICES	RESPONSES	
Yes	76.89%	173
No	23.11%	52
TOTAL		225



Q2

How long have you been a slip permittee in Santa Barbara Harbor?

Answered: 225 Skipped: 0



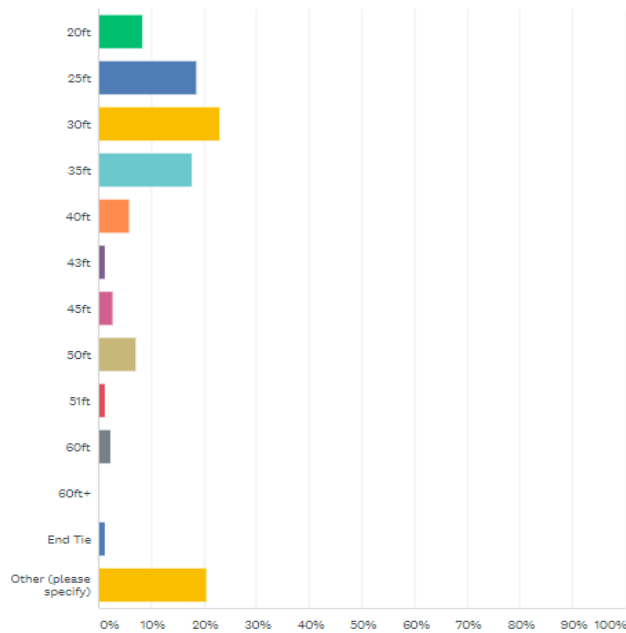
ANSWER CHOICES	RESPONSES
Don't have a slip and don't want one	0.00% 0
Don't have a slip but would like one	23.11% 52
Less than 1-year	7.11% 16
1-3 years	8.00% 18
3-7 years	15.11% 34
7-10 years	8.00% 18
Greater than 10 years	38.67% 87
TOTAL	225



Q3

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

Answered: 225 Skipped: 0

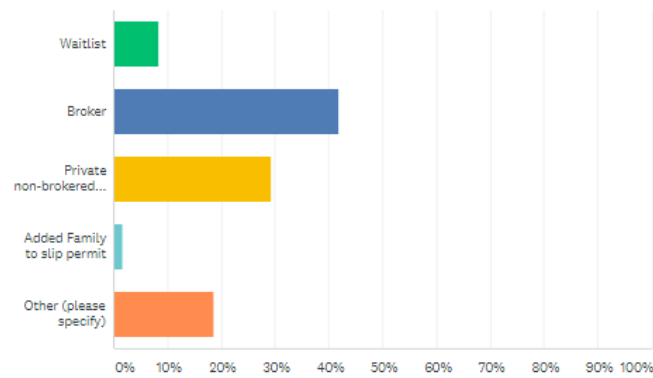


ANSWER CHOICES	RESPONSES	
20ft	8.44%	19
25ft	18.67%	42
30ft	23.11%	52
35ft	17.78%	40
40ft	5.78%	13
43ft	1.33%	3
45ft	2.67%	6
50ft	7.11%	16
51ft	1.33%	3
60ft	2.22%	5
60ft+	0.00%	0
End Tie	1.33%	3
Other (please specify)	20.44%	46
Total Respondents: 225		

Q4

How did you acquire your current slip permit?

Answered: 225 Skipped: 0



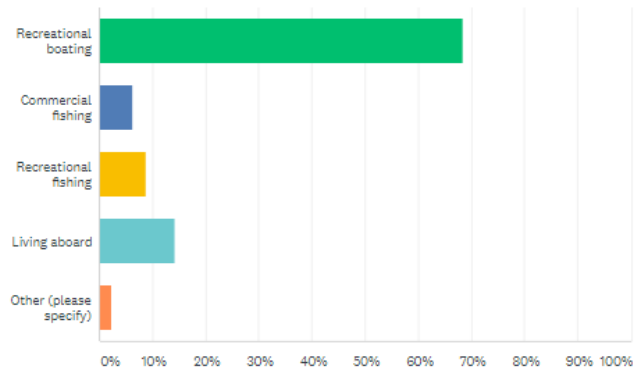
ANSWER CHOICES	RESPONSES	
Waitlist	8.44%	19
Broker	41.78%	94
Private non-brokered transaction	29.33%	66
Added Family to slip permit	1.78%	4
Other (please specify)	18.67%	42
TOTAL		225



Q5

What do/would you primarily use your vessel for?

Answered: 225 Skipped: 0

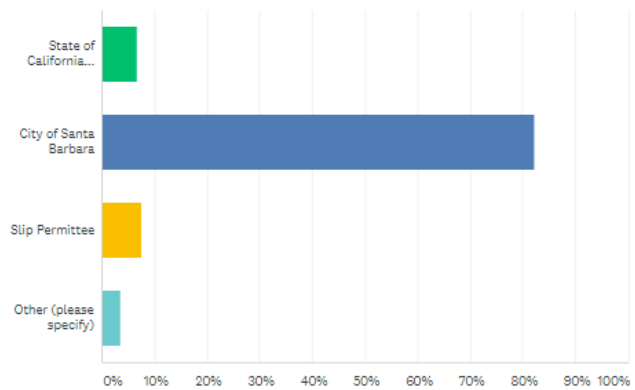


ANSWER CHOICES	RESPONSES
Recreational boating	68.44% 154
Commercial fishing	6.22% 14
Recreational fishing	8.89% 20
Living aboard	14.22% 32
Other (please specify)	2.22% 5
TOTAL	225

Q6

From your understanding, who owns the slips within Santa Barbara Harbor?

Answered: 225 Skipped: 0

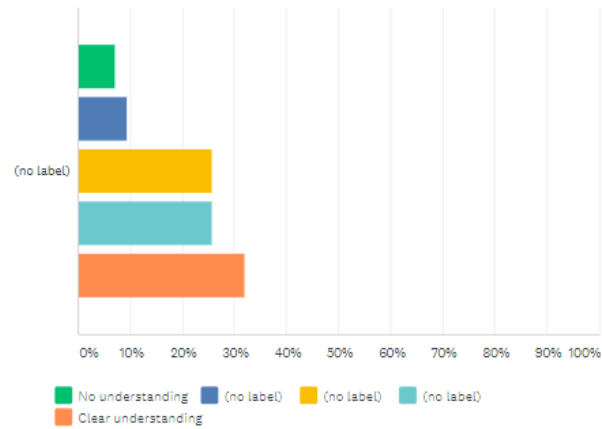


ANSWER CHOICES	RESPONSES	
State of California (State Lands Commission)	6.67%	15
City of Santa Barbara	82.22%	185
Slip Permittee	7.56%	17
Other (please specify)	3.56%	8
TOTAL		225

Q7

What is your overall level of understanding of the slip permit transfer process and associated slip permit transfer fees?

Answered: 225 Skipped: 0

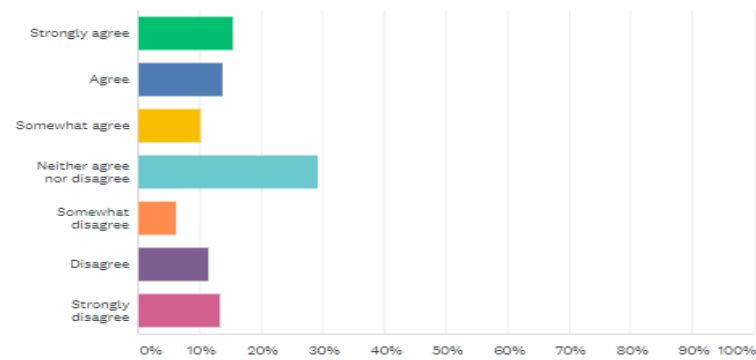


	NO UNDERSTANDING	(NO LABEL)	(NO LABEL)	(NO LABEL)	CLEAR UNDERSTANDING	TOTAL
(no label)	7.11% 16	9.33% 21	25.78% 58	25.78% 58	32.00% 72	225

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

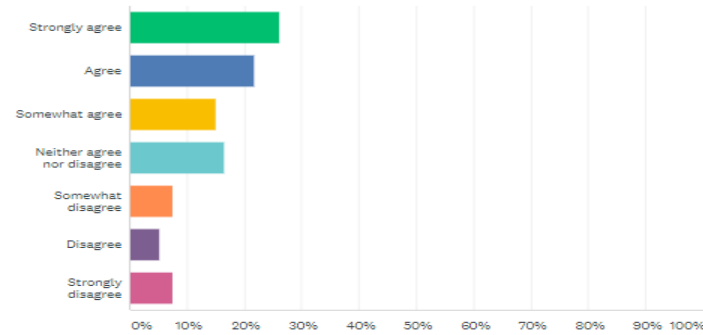


ANSWER CHOICES	RESPONSES	
Strongly agree	15.56%	35
Agree	13.78%	31
Somewhat agree	10.22%	23
Neither agree nor disagree	29.33%	66
Somewhat disagree	6.22%	14
Disagree	11.56%	26
Strongly disagree	13.33%	30
TOTAL		225

Q9

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?

Answered: 225 Skipped: 0



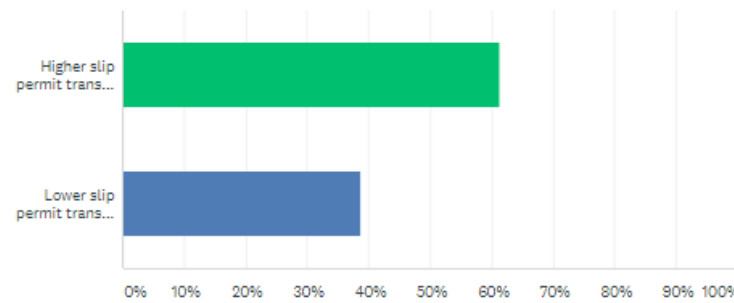
ANSWER CHOICES	RESPONSES
Strongly agree	26.22% 59
Agree	21.78% 49
Somewhat agree	15.11% 34
Neither agree nor disagree	16.44% 37
Somewhat disagree	7.56% 17
Disagree	5.33% 12
Strongly disagree	7.56% 17
TOTAL	225



Q10

Knowing the Waterfront Department requires revenues to cover operational costs such as maintenance, infrastructure, and safety. Would you prefer to pay:

Answered: 225 Skipped: 0



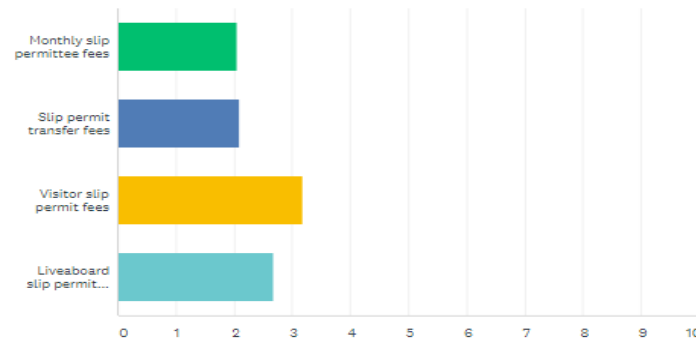
ANSWER CHOICES	RESPONSES	
Higher slip permit transfer fees and lower monthly slip permit fees	61.33%	138
Lower slip permit transfer fees and higher monthly slip permit fees	38.67%	87
TOTAL		225



Q11

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

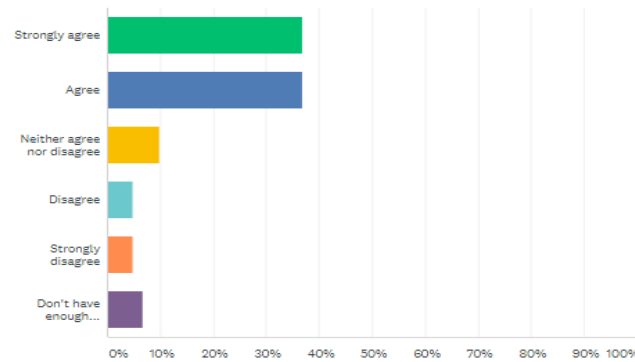


	1	2	3	4	TOTAL	SCORE
Monthly slip permittee fees	13.78% 31	16.44% 37	30.22% 68	39.56% 89	225	2.04
Slip permit transfer fees	10.22% 23	20.44% 46	38.67% 87	30.67% 69	225	2.10
Visitor slip permit fees	49.78% 112	27.11% 61	13.33% 30	9.78% 22	225	3.17
Liveaboard slip permit fees	26.22% 59	36.00% 81	17.78% 40	20.00% 45	225	2.68

Q12

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).

Answered: 225 Skipped: 0



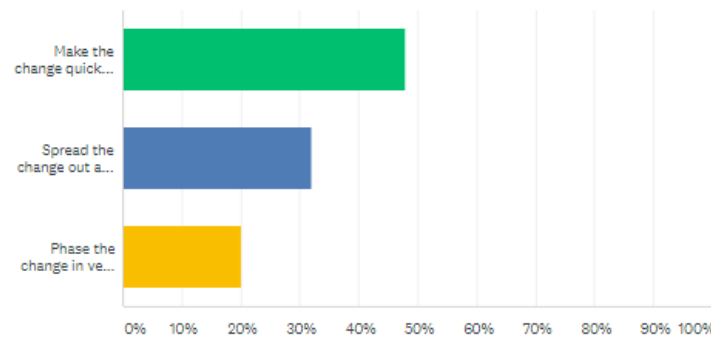
ANSWER CHOICES	RESPONSES
Strongly agree	36.89% 83
Agree	36.89% 83
Neither agree nor disagree	9.78% 22
Disagree	4.89% 11
Strongly disagree	4.89% 11
Don't have enough information to agree or disagree	6.67% 15
TOTAL	225

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

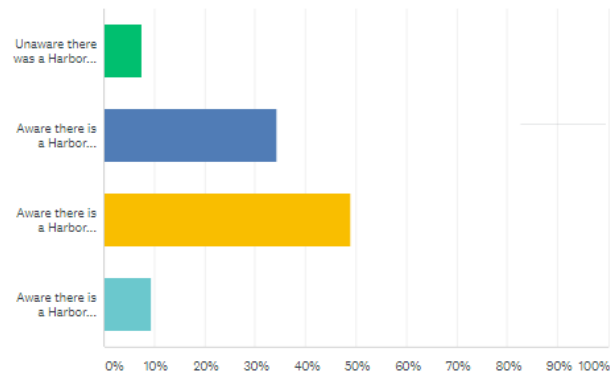


ANSWER CHOICES	RESPONSES	
Make the change quickly (1-3 years)	48.00%	108
Spread the change out a bit (3-5 years)	32.00%	72
Phase the change in very gradually (7-10 years)	20.00%	45
TOTAL		225

Q14

What is your level of awareness of the Harbor Commission, when they meet, and what they are tasked with doing?

Answered: 225 Skipped: 0



ANSWER CHOICES	RESPONSES
Unaware there was a Harbor Commission	7.56% 17
Aware there is a Harbor Commission but unclear when they meet or what they do	34.22% 77
Aware there is a Harbor Commission and have a general idea of when they meet and what they do	48.89% 110
Aware there is a Harbor Commission and know when they meet and have actively participated in meetings	9.33% 21
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

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

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

Tiered Implementation	20	25	28	30	35	40	43	45	50	51	60	
FY2021 - Current Transfer Fee	\$200	\$350	\$400	\$400	\$525	\$525	\$525	\$525	\$525	\$525	\$525	
FY2023 - Proposed Transfer Fee	\$175	\$320	\$360	\$385	\$495	\$565	\$550	\$505	\$575	\$575	\$600	\$1,026,898
FY2024 - Proposed Transfer Fee	\$150	\$290	\$320	\$370	\$465	\$565	\$575	\$505	\$625	\$625	\$675	\$1,011,139
FY2025 - Proposed Transfer Fee	\$135	\$260	\$280	\$355	\$435	\$565	\$600	\$505	\$675	\$675	\$750	\$996,580
FY2026 - Proposed Transfer Fee	\$135	\$225	\$240	\$340	\$405	\$565	\$625	\$505	\$725	\$725	\$825	\$981,840
FY2027 - Proposed Transfer Fee	\$135	\$225	\$225	\$325	\$375	\$565	\$635	\$505	\$775	\$775	\$900	\$985,822
FY2028 - Proposed Transfer Fee	\$135	\$225	\$225	\$325	\$375	\$565	\$635	\$505	\$825	\$825	\$975	\$1,011,145
FY2029 - Proposed Transfer Fee	\$135	\$225	\$225	\$325	\$375	\$565	\$635	\$505	\$875	\$875	\$1,050	\$1,036,468

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