

Industry: Marinas under siege

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October 4, 2006

Insurance companies are dropping policies for marinas, and property taxes have soared by as much as 500 percent this year — in one instance, from \$98,000 in 2005 to more than \$300,000 in 2006.

"It's devastating," Loggerhead Club & Marina co-owner Raymond Graziotto said, noting that the taxes on his Palm Beach Gardens facility increased 300 percent for 2006. We're a strong company, we've got lots of wherewithal, but these costs are going to have to be passed on to boaters. There's no cash available to pay the bill."

Graziotto and other marine industry representatives from Palm Beach through Monroe counties, along with elected officials from these areas, on Wednesday will unite for the first time to come up with ways to prevent the loss of working waterfronts.

They're gathering from 1 to 5 p.m., for a "Waterline Doesn't Stop at the Countyline" summit at the Broward County Convention Center.

One of the first Marine Industries Association of South Florida summits resulted in an economic impact study. Now, with taxes and insurance draining the industry, development poses a threat.

"Most of us love the business," said John Sprague, the state legislative coordinator for the Marine Industries Association of Palm Beach County and chair of legislative and government affairs for the Marine Industries Association of South Florida. "But if you can't afford it and get to the point where you're losing money, you've got to do something else."

"Development pressures are ... happening throughout Florida, but southeast Florida seems to have more pressure just because of the lack of available waterfront land," Marine Industries Association of South Florida Executive Director Frank Herhold said. "We feel the time has come to look for solutions on a regional basis."

Ultimately, though, many solutions are likely to come from the state, because property tax appraisal methods vary from county to county based on state law interpretation — and Florida's last resort Citizens Insurance doesn't apply to businesses like marinas.

"The state really needs to come up with changes," said Palm Beach County District 3 Commissioner Warren Newell, who is participating in the summit on behalf of the commission. "Something's really unfair in equity here. It's really gotten out of line."

Public marinas supply around 98 percent of boater access, with free enterprise providing the marinas and government providing boat ramps, according to Sprague.

Graziotto contends that marinas are providing a public service and that the state, from which many lease the water's bottom, needs to look at property tax changes for the industry or give property appraisers directives regarding their valuation methods.

And Sprague wants about \$10 million of the state's marine fuel tax fund to help seed a catastrophic fund for the industry's uninsured.

"If you can get insurance, and I think we're down to two companies now, you're looking at a minimum half million dollar deductible and half million dollar cost," he said. "So what's happening is the majority of our marinas, when comes to their docks, are going bare boned, because they can't afford (to insure) them."

The marine fuel tax, like automobile fuel taxes, benefits the state's roadways, but marine industry representatives in the recent past have been successful in getting some tax money allocated to grants for public boat ramps and slips.

A dockage surcharge of 0 to 5 percent, depending upon the frequency of hurricanes, would keep the fund going as a means of avoiding tapping into the state's general revenues to cover deficit, Sprague said.