

Marina owners protest triple-digit tax increases

MARINA AND BOATYARD OWNERS IN PALM BEACH COUNTY JOIN FORCES TO PROTEST TRIPLE-DIGIT TAX INCREASES

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THE **LAST** STRAW

BY LORI BECKER

Facing another year of triple-digit tax increases, Palm Beach County's marine industry is fighting back.

A group of marina and boatyard owners have teamed up to challenge the way their properties are appraised, pooling tens of thousands of dollars to hire a team of experts and taking their pleas to county and state officials.

The effort comes in response to the 2006 property assessments sent out last month. Several marinas saw their tax bills double, even triple, for the second year in a row -- the last straw, leaders say, for an industry already threatened by climbing insurance costs, hurricane repairs and development pressures.

"These guys are just putting us out of business," said Ray Graziotto, president of Jupiter-based Seven Kings Holdings, which owns four marinas in Palm Beach County. ``. . . This is really self-preservation. Any profit that any of us were making is gone if these assessments stand.

``None of us is expecting a free ride, but how can you endure 400 and 500 percent tax increases over the course of a few years?"

Boatyard and marina assessments are also up in Broward and Miami-Dade counties, but "nowhere near Palm Beach levels," said Frank Herhold, executive director of the Marine Industries Association of South Florida.

The association is in the process of surveying marina and boatyard owners about their tax bills and is planning a special meeting to discuss the issue next week, he said.

COMMITTEE FORMED

In Palm Beach County, eight marine business owners have banded together and formed a group called Save the Working Waterfront in Palm Beach County Committee. Graziotto is its chairman.

Working with the Marine Industries Association of Palm Beach County, they're asking other marine businesses to join the effort. The initial members have committed \$10,000 each and are hoping to raise more money from others, according to a letter sent last week to the county's marina and boatyard owners.

They've already hired a real estate appraiser and land-use expert, and are working to bring on a tax lawyer, lobbyists and state law experts to help them design and push a tax relief plan to Florida legislators.

But their immediate goal is to protest the 2006 assessments. Several marine businesses plan to file appeals this week. Graziotto sent a letter to county commissioners last Wednesday, outlining their case.

RAPID RISE

According to the marine group's calculations, the total taxes for the county's commercial slips that are open to the public was about \$1.38 million last year, up from \$914,000 in 2004. That jumped to \$4.37 million for 2006.

"Without public docks and boatyards, we can say goodbye to an existing industry that is producing over two billion dollars of economic impact," the letter states. ``Not only will we lose much of the economic engine that the marine industry delivers, we will lose many of the 18,200 jobs it maintains as well."

The Palm Beach County Commission has made preserving the waterfront a priority, and county voters approved a \$50 million bond in 2004 toward that aim. In response to the 2006 increases, the commission asked Property Appraiser Gary Nikolits to speak at a Tuesday meeting about how waterfront property is valued.

The marina owners argue that their appraisals should be based on the value of their business, not on speculation about potential development.

But Nikolits points to state law, which requires properties be appraised at market value. A string of high-dollar sales in recent years has driven up prices for waterfront land, as developers seek the prime spots for luxury condos.

ALL SALES APPROVED

"Not one marina sale that's applied for high-rise development has been turned down. It's reasonable to assume that property could be developed to higher density," he said.

"It's tough being taxed on the highest and best use of a property," said Herhold. ``It's tough enough to make a good living in the marine business, and we're frankly losing large chunks of our working waterfront to development pressures."

Commissioner Warren Newell, an avid boater, said industry leaders may need to take their case to the state.

"If Gary's correct in his appraisals, we have to get some relief in the legislature," he said. ``How can a person running a marina write a check for taxes for over \$500,000?"

One marina owner said the tax hikes may force him to close up shop.

Leo Berman owns two boatyards. The tax bill at his Murrelle Marine in Lantana went from about \$60,000 to \$180,000 this year. At his Palm Beach Yacht Center in Hypoluxo, taxes climbed from \$122,000 to nearly \$517,000 -- costs he says are too steep to keep the boatyards profitable.

DRASTIC PLAN

Berman said if he can't get relief, he'll cut his staff from about 75 to 15, closing Murrelle and offering minimal services at the yacht center.

"I have to have a survival plan in case I can't defeat this horrible proposal," he said. ``We'll just get out of it."

If property values make it impossible for marinas and boatyards to be profitable, they'll sell their prized land to condo builders, said John Sprague, co-owner of Everglades Adventures marina in Pahokee and legislative chief for the Marine Industries Association of Florida.

"There isn't a single small business in Palm Beach County that can take that kind of hit. You can't budget for it," he said. ``Unless something's done, you're going to lose every public marina."