

USA. Marina Group protesting taxes; 'Save the working waterfront in Palm Beach County'



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In an effort to save Palm Beach County's working waterfront, a newly formed group of marina owners is protesting the escalating taxes threatening to put them out of business. The group, known as "Save the Working Waterfront of Palm Beach County," is spearheaded by its Chair, Raymond Graziotto, co-owner of the Loggerhead Club & Marina brand of eight South Florida marinas (four in Palm Beach County) currently open to the public.

"We're being put out of business," says Graziotto. "That sound you hear is the gate swinging, soon to be closing on Florida's working waterfront."

A total of eight marine business owners, working in conjunction with the Marine Industries Association of Palm Beach County, formed the group in September after being notified of the dramatic escalation in their current 2006 tax bills, in some cases a nearly 400 percent increase over the span of a few years. In September 2006, the Palm Beach Post sampled 11 Palm Beach County marinas and reported notable one year 2005-2006 tax increases of 130.5%, 159.7%, 164.2%, 204.7%, 301.8%, 322.3%, and 351.0%.

In the recent past, Palm Beach County Commissioners made access to Florida's waterways a priority, and in 2004, the voters responded, passing an initiative approving a \$50 million dollar bond aimed at preserving access and retaining over two billion dollars of annual positive economic impact for Palm Beach County. Yet, marina owners continued to be taxed on what a property might be, not what it currently is. Rather than being taxed on a business that sees revenue as monthly income from slip rentals, marinas are being taxed on speculation as to their potential for high rise development, or for sale as privately owned dockominiums.

Responding to exorbitant tax escalations, 'Save Our Working Waterfront of Palm Beach County,' has hired a real estate appraiser and a land use expert to challenge the way their properties are appraised, and are using the \$80,000 in seed funds raised by the original eight marinas in the group towards bringing in a tax lawyer, lobbyists and state law experts to craft and present a tax relief plan to Florida legislators.

Several marine owners are filing appeals. In 2005, the State allowed counties to permit tax deferrals for privately owned, but publicly accessible waterfronts that are currently operating or being rehabilitated. The law sought to prevent the

forced sale of waterfront property because owners can't pay or continue to pay skyrocketing taxes. Tax deferrals, passed elsewhere, are not yet allowed for Palm Beach County. Even if deferrals are passed in Palm Beach County, marina owners say, at up to a 9.5% interest on owed taxes per year, it simply delays the inevitable - the closing of business that cannot remain profitable.

"If State law allows the Property Appraiser to speculate value based upon what a property might be worth as some more luxurious use other than a marina, then the law must be changed, says Graziotto."

"It is urgent that others join the effort," he adds. "Without change in the law, the taxes will force marina owners to sell."

Graziotto points out the flaw in the current appraisal. "A savvy developer, looking to pick up a marina property, is going to evaluate it on its current worth as an operating business; he is not going to speculate that he can gamble to change its use. Not only that, but in most cases, a developer is not going to be allowed to change its use."

Marina owners and individual boaters alike can contact the protest group to join the effort to preserve Florida's water access for this and the next generation. The group, Save Our Working Waterfront of Palm Beach County, can be reached at 561-625-9443.

The group will attend the Palm Beach County Commission meeting on Tuesday, September 12, where Palm Beach County Property Appraiser, Gary Nikolits will speak about how waterfront property is valued. Ray Graziotto, and the Save Our Working Waterfront of Palm Beach County representatives, will speak at the start of the meeting.

"We're asking that all interested boaters and waterfront enthusiasts attend this meeting," says Graziotto.