



Marina group protests taxes

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A coalition of marina owners is protesting higher taxes they say threaten to put them out of business.

The chairman of the group, Save the Working Waterfront of Palm Beach County, is Raymond Graziotto, co-owner of the **Loggerhead Club & Marina**, a brand with eight South Florida marinas open to the public.

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

Eight marine business owners, working with the Marine Industries Association of Palm Beach County, formed the group this month after receiving notifications for their 2006 tax bills.

In some cases, the group said, the escalation was nearly 400 percent over a few years.

"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," the group said.

To respond, Save Our Working Waterfront of Palm Beach County said it has hired a real estate appraiser and a land use expert to challenge the way marina properties are appraised,

The group also said it is using \$80,000 in seed funds raised from its original eight marina members to hire a tax lawyer, lobbyists and state law experts to craft and present a tax relief plan to Florida legislators.

Save Our Working Waterfront of Palm Beach County also said several marine owners are filing appeals.

In 2005, the group said, the state allowed counties to permit tax deferrals for privately owned but publicly accessible waterfronts 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," the group said, noting tax deferrals are not yet allowed for Palm Beach County.

Even if deferrals are passed in Palm Beach County, the group said its marina owners said, at up to a 9.5 percent interest on owed taxes per year, a deferral 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," Graziotto said. "Without change in the law, the taxes will force marina owners to sell."

Palm Beach County Property Appraiser Gary Nikolits said it would take an amendment to the Florida Constitution to allow him to appraise property differently.

The constitution requires property be appraised at the market value of its highest and best use, he explained, so if a marina has the right to be developed into 80 condos, that's what the value must be based on.

Appraisals for commercial waterfront property didn't increase much in 2005 because there weren't many large sales of such properties the prior year, Nikolits said. There were a fair number of pricy commercial waterfront sales in Palm Beach County in 2005, causing this year's appraisals to skyrocket, he explained.

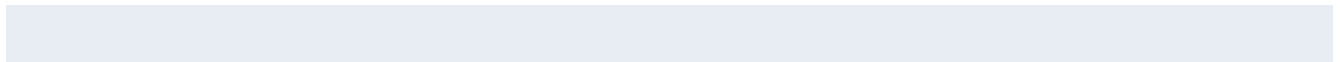
"You have extremely high demand and limited supply and prices just shot through the stratosphere," Nikolits said.

The property appraiser said marinas should blame the county, cities and other taxing agencies for collecting more money and not curbing spending as properties have risen. Unlike homeowners with the Save Our Homes tax break, commercial properties aren't shielded from the higher taxes.

"For five years I've been giving these speeches that this day would come - that business would leave our county because of the taxes," Nikolits said.

Save Our Working Waterfront of Palm Beach County said it will attend the Palm Beach County Commission meeting on Tuesday, where Nikolits is to speak about how waterfront property is valued.

Graziotto and other Save Our Working Waterfront of Palm Beach County representatives are also to speak at the meeting.



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