

Marina appraisals defended

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WEST PALM BEACH — If Palm Beach County marina owners want to protect their waterfront businesses from skyrocketing land values, they'll have to change the way the entire state assesses property.

That was the message Tuesday from Palm Beach County Property Appraiser Gary Nikolits, under fire from marine industry and county leaders because of large jumps in 2006 property appraisals. Several marina and boatyard owners face double- and triple-digit percentage tax increases this year.

But Nikolits held his ground, saying several state laws require his office to assess property based on its market value.

"It's what I have to do by law," he said repeatedly as county commissioners peppered him with questions on how to offer waterfront businesses relief from rising values.

Marine industry leaders argue their businesses should be taxed based on their current use, not potential development. That would require voters to approve an amendment to the state constitution, Nikolits said.

Several commissioners supported such a move, proposing a push for a referendum.

"Let's tax it for what it is today. When they sell it for \$25 million, then the new buyer pays the taxes for that," said Commissioner Mary McCarty, who encouraged the board to back efforts to get a proposed amendment on the 2008 ballot.

Such a change would affect all commercial properties, Nikolits said.

The state's rising property values are significantly affecting all properties not protected under the Save Our Homes amendment, which limits homeowners' annual assessment increases to 3 percent.

County commissioners asked Nikolits to speak at Tuesday's meeting in response to cries from marinas and boatyards over escalating tax bills. Industry leaders fear the rising costs will push more marinas to sell to condo builders, further limiting public access to the water.

This month, a group of marina and boatyard owners formed the Save the Working Waterfront in Palm Beach County Committee to challenge the way their properties are appraised. The group is raising money and hiring experts to push its cause with local and state legislators.

While the marine leaders support any statewide efforts, they are also seeking local, short-term relief. The group is meeting with Nikolits today to challenge the 2006 appraisals, arguing that he has more discretion than he claims in determining values.

If they can't reach a settlement, several marina owners plan to appeal their appraisals to the county's Value Adjustment Board.

"If I have to come up with another \$500,000, we can't stay in business," said Leo Berman, who owns Murrelle Marine in Lantana and Palm Beach Yacht Center in Hypoluxo. Combined, the tax bills for the businesses went from \$182,000 last year to \$698,000 in 2006.

Nikolits has often called on cities and counties to cut their tax rates, rather than pushing for lower assessments.

"This marina is not overassessed but probably is overtaxed," Nikolits said of Berman's yacht center.

Nikolits defended the 2006 assessments, pointing to recent sales in which marinas and boatyards sold for far more than their appraised values, thus driving up the values of similar properties.

One example: The Delray Beach Yacht Club, appraised last year at \$1.76 million, sold in January for \$25 million.

"In 2004 and 2005, the Intracoastal (Waterway) market went crazy," Nikolits said. "We have to reflect ... the market."

The Marine Industries Association of Florida surveyed marinas across the state. While property taxes are increasing everywhere, other counties have not had the 300-plus-percent hikes facing Palm Beach County marinas, said John Sprague, legislative chief for the state association.

"There's nothing like we're seeing here," he said.