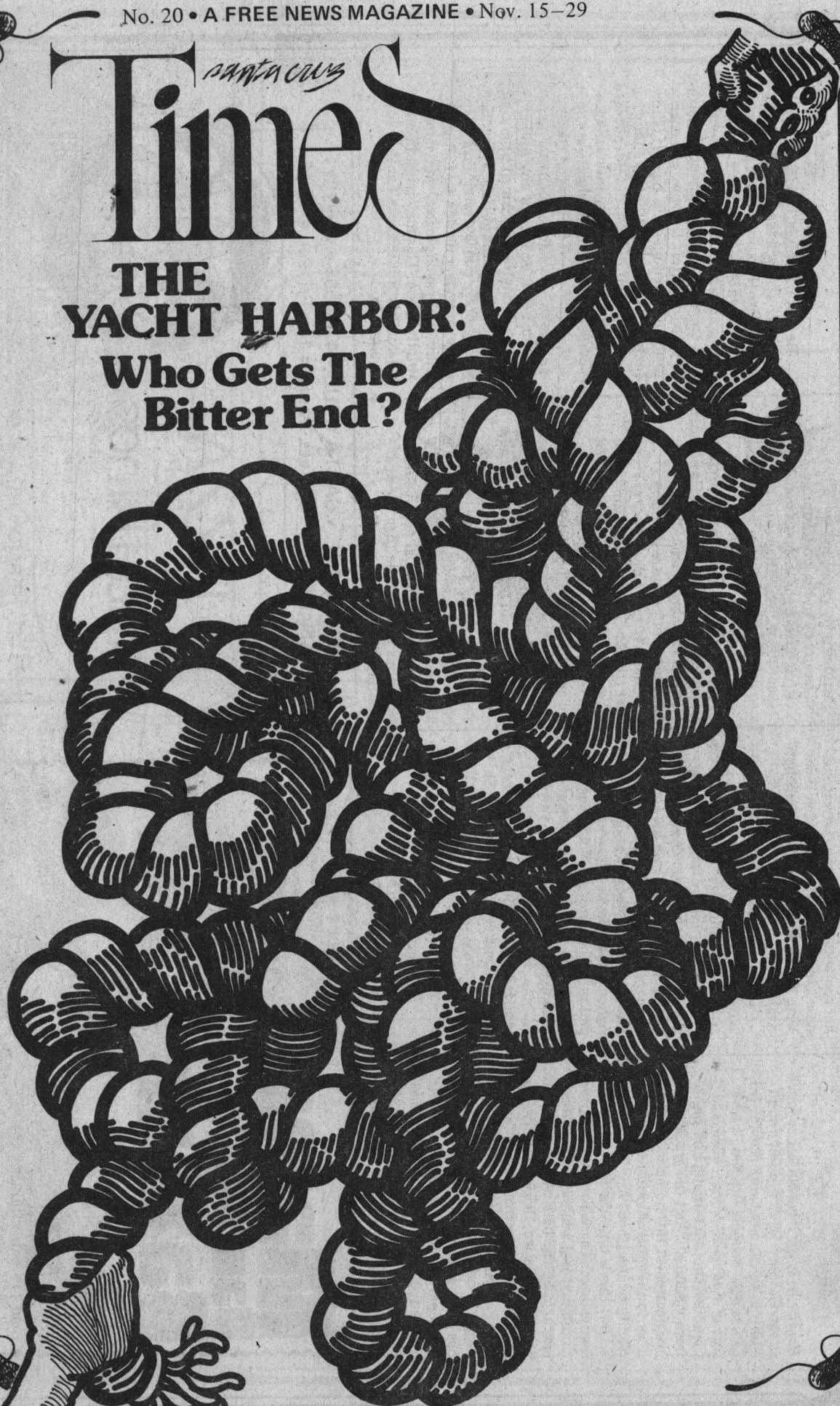


SANTACONS
Times

**THE
YACHT HARBOR:
Who Gets The
Bitter End?**



THE YACHT HARBOR ISN'T THE DRAIN SOME PEOPLE THINK IT IS

(The following story was written by Mark Rinsler with research assistance by Bobbi Fink.)

THE SUN DAZZLES ON THE water's sleek surface and a medley of sounds fills the ears: the rhythmic metallic rap of halyards against masts as the lively hulls of sailboats respond to a gentle swell; the creak of mooring lines against cleats as bow and stern tug alternately, impatiently against restraints; the groan of the dock as it rises and falls inexorably with the flood and ebb tides.

A serene vignette. However, it belies a complex economic-political machinery, and below placid waters controversy churns a muddy bottom.

The Port District is partially supported by local residents (taxpayers in the Santa Cruz, Soquel and Live Oak Elementary School Districts). They pay an average amount of \$7.50 per year for the harbor; the tax rate is 10 cents per \$100 of assessed property value. Understandably, the non-boating citizen would like to know how much

to pay that kind of money to go look at boats, who am I to say they're crazy?"

The new port director, Gerald Barney, took an afternoon off last week and explained the harbor's problems and showed plans for additional landscaping, a public park at the upper end of the harbor, more parking, look out points, expanded boat storage facilities and more concessions.

He also said the harbor accounts for considerable revenue to the county and itemized the following sources: the taxes on boat owners (two-thirds of whom live outside the county, yet pay boat-related taxes to Santa Cruz); the spending of boat owners on marine as well as domestic needs; the attraction of concessions and charter boat service to visitors; and the provision of approximately 300 jobs by businesses involved with boating and fishing.

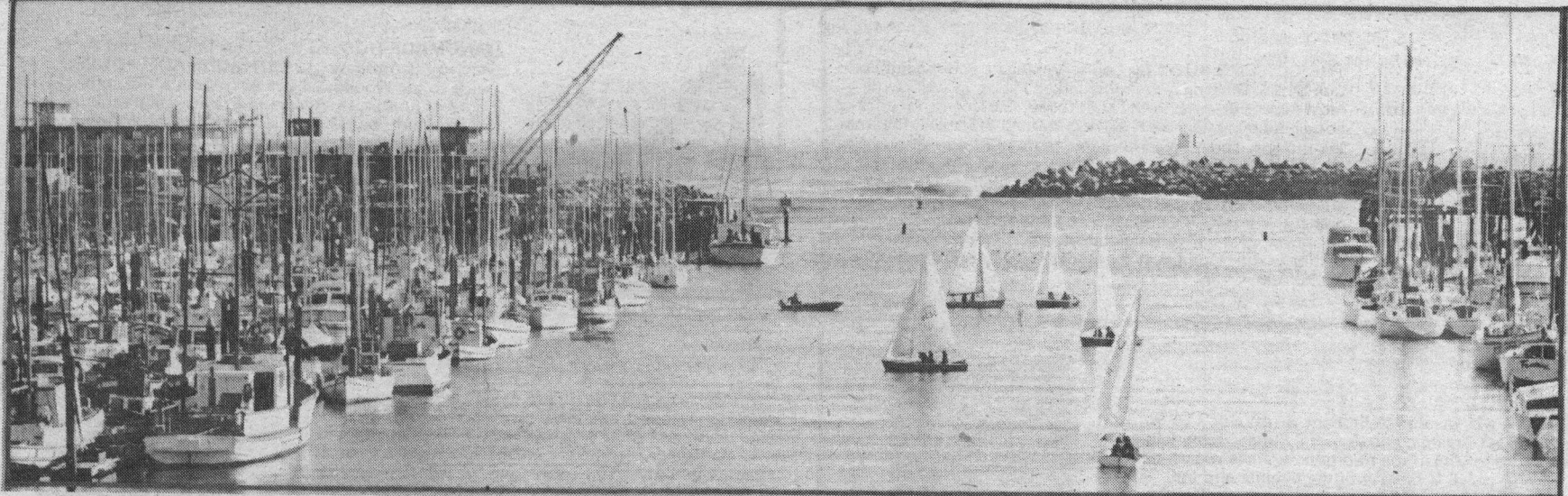
Barney pointed out that citizens don't feel cheated supporting schools, hospitals and other public institutions while not necessarily making use of the facilities. He added that if the harbor did not exist, the revenue it provided might be claimed by higher taxes.

dedicated in fiscal year 1972 approximately \$426,000 was expended by the harbor — better than half shouldered by slip renters.

Obtaining county tax figures was a somewhat more complicated task. Two taxes are assessed to boat owners keeping boats in the harbor; possessory interest tax, which is a use tax on government property, and personal property tax. Unfamiliarity with the county taxing machinery and not a "run-around" was the reason, I was given to believe, my inquiries were bounced from the telephones of the tax collector's office to the assessor's office to the auditor's office. Terry Allen, asst. auditor-controller, explained he could only provide a tax rate scaled to a total assessed value, a figure resident in the office of chief appraiser Lawrence Ingersol. However, Ingersol informed me his figures indicated total assessed value of unsecured property, including boats among other things. A figure revealing personal property taxes paid on boats alone was "available" but would have to be "segregated out." The operation sounded delicate and protracted. A few days later, the expedient of posing as an average boat

occupancy of the harbor expected early next year. With all 810 slips filled, he estimates \$48,500 generated by possessory interest (including concessionaires possessory tax) and about \$253,530 personal property tax, based on the \$10,000 boat average, for a total tax figure of \$302,030. Even considering the boat value estimate slightly high, it is seen that the county is getting back about twice its tax expense.

Another champion of the harbor is Mary Duffield, an exuberant mass media teacher at Santa Cruz High, who aboard her motor-sailer "Agua Alegre" believes sailing has good prospects as an alternative education program. Mary is trying to arrange a credited sailing course with the high school next year in response to students' comments that they learned far more sailing than through formal educational channels. Geography, mathematics, social studies, all come together in a highly charged and motivating environment. Mary's explanation is that sailing chores provide "an inherent, beautifully integrated curriculum." She laments that with the number of boats "just sitting" more owners don't



Jeremy Lezin

benefit the community derives from his financial contribution.

Sally DiGirolamo, City Council liaison to the Port Commission, feels the harbor facility does not represent a correspondence between the taxpayers' money and public assets. She thinks bike trails, observation points, and a park would serve the community, while development of harbor-related businesses would strengthen the tax base. (Nine businesses now operate at the harbor, including a marine hardware store and a restaurant.)

County Supervisor Phil Harry, thinks the harbor's purpose is obvious: a benefit to boat owners. "The only benefit taxpayers can get from the harbor is to go down and look at the boats. They voted for the tax, I think they must have had rocks in their heads to do it, but if the people want

Barney estimates gross yearly revenue generated by the harbor to be about \$3.5 million. The rough breakdown shows \$.5 million accruing directly to the harbor through fees, operations and taxes; about \$2.5 million grossed by concessions; and the remainder accounted for by the fishing fleet.

Now, of the \$.5 million funneled to the harbor, less than one-third, about \$153,000 in 1972, is represented by taxpayers' money. The lion's share, some \$223,000 in 1972 (and \$301,000 projected for 1974) is provided by slip rent. Launching fees, fuel sales, concession tax and miscellaneous income constitute the balance.

A pertinent fact is just how much the harbor's financial burden is carried by the boat owners and how taxes paid to the harbor, through the county, compared to boat-related taxes pumped back into the county. Barney willingly opened the ledger which in-

owner with a slip in the harbor evoked facts.

This time Ingersol explained the tax system. Personal property, in California, is assessed at 25 percent market value. The rate applied to assessed value is 12½ percent of every \$100. An owner of a \$10,000 boat (a hypothetical figure used to represent the average value of a boat in the harbor, suggested by Barney, a yacht broker and a boat owner) would be taxed \$12.50 times 25 or about \$313 a year property tax. Possessory interest tax on an average 30 ft. slip comes to \$50 a year. Armed with this sum, and the number of boat owners with slips in the harbor, which is about 750 according to Barney, a figure of some \$270,000 in taxes is paid annually to the county by boat owners against \$153,000 the county taxpayers funnel to the harbor. For confirmation, Director Barney had figures corresponding to the projected maximum

volunteer to take youngsters out to provide equal chance for the many who would most benefit. "There could be such a charitable use of boats." Referring to problems of delinquency, Mary says, "Youngsters who need the footing can't afford it."

BACKGROUND AND IMPROPRIETIES

A Port Commission comprised of five members is the legislative body for the harbor. Two are appointed by the supervisors, two by the city council and one by mutual consent of both bodies. The commissioners then hire an administrative executive, the port director, who in turn hires his legislative official, the harbor master, in charge of operations and regulations. Since August these two positions have

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been held by Gerald Barney and Brian Foss.

All was not "smooth sailing" from the outset. Providing some background, Barney said, "When the harbor opened 10 years ago, it was expected to be a small operation. The original commission was slow in forming far-reaching policies and people were allowed to do more or less as they pleased, regardless of what the regulations were, because it didn't look like it would hurt anyone at that time."

One major problem concerned slip renting improprieties. Last March, a group of concerned boaters formed the Boating Advisory Committee (BAC) to investigate slip renting procedure. As Secretary Lucy Barclay observed, "I don't think any of us, including the commission, had any idea of the extent of the problem."

"When the harbor was first planned," she explained, "a list was made of those wanting slips. Slips were assigned according to the list. Those who couldn't be accommodated were placed on a waiting list to be assigned slips as vacancies occurred." Formally, the system appeared equitable. However, "Many of the original slip assignees never had boats and never intended to have boats," Lucy continued. "Instead they have subleased their slips to friends, relatives, or business associates."

The BAC's job has entailed making a list of boat registration numbers and checking them against slip assignments on record in the harbor office. In the many instances in which there was no match, owners were located through the DMV or tax assessor's office. Since the committee began its work, two commissioners and a port director have quit and been replaced.

"I'm spreading the word through the grapevine," Barney said, "that anyone who is renting a slip from anyone

other than the office had better come in and get a slip before the upper harbor is full." But he added that slip renting problems are overstated.

Another complaint recently rectified involved an "exclusivity clause" written into concessionaires' contracts which granted sellers exclusive rights to a certain item. The outcome of an out of court settlement of a suit filed by yacht broker Verne Allen against the harbor and Jack O'Neill, a local water sports pioneer, has eliminated this right. Both men and the port director claim satisfaction with the new agreement. Says Barney, "It has re-established a free enterprise system in the harbor."

SECURITY PROBLEM THE WORST

THOUGH BARNEY HAS THE harbor master doing the footwork prior to disentangling slip renting violations and inequities, he considers the security problem a more pressing concern. "The biggest problem in the harbor right now is that of policing. It's not possible that there could be a public facility without some police jurisdiction. Our problem is finding out who has it." Although ordinances are being codified, Barney complains, "We don't have the authority to enforce our own regulations." Harbor master Foss added, "We have just found something which may give us the power to ticket and tow [illegally moored craft]."

The incidence of burglary, estimated at an average of one report a week, involving \$50 to \$500 worth of equipment or gear left tantalizingly unlocked on deck, has prompted a beefing up of the security force. Although the city police have jurisdiction over thieves, there are not enough officers for full time harbor protection. As of

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November 1, however, the harbor force doubled.

Barney attributed a great deterrent effect to the presence of live-aboards. "I'd like to encourage more live-aboards," he said. Far from violating any law or ordinance by making one's boat one's home, the live-aboards render valuable service to the harbor by way of security. They have had a share in prevention of theft, control and prevention of fire, and staying of damages. High school teacher Mary Duffield has used the radio aboard her boat many times at night to monitor S.O.S. calls. Citing the high correlation between docks with live-aboards and reduced vandalism and burglary, she writes in an unpublished letter: "I have been around when three fires broke out, one at midnight, and was able to get immediate action in controlling them. All of us challenge stray intruders on neighboring boats. For awhile pranksters would cut mooring lines and we'd have to run and grab a boat about to slam into the cement walls." Live-aboards have also been conscientious in securing untended boats when a storm threatens to snap frayed dock lines. Boat owners expressed reassurance having live-aboards on their dock.

Each winter, storms contribute to the unassailable sand drift down the coast, resulting in the closure of the harbor mouth lasting 3 to 5 months. In the past, the Army Corps of Engineers, responsible for the design of the harbor, has contracted a firm to handle dredging operations. Of this bill, growing more expensive every year and estimated at \$200,000 currently, the Army Corps pays 65 percent and Santa Cruz pays 35 percent. But due to rising operation costs, difficulty in timing due to the unpredictability of storms, and necessary approval from a web of some 16 lobbies and agencies, this arrangement has proved inefficient. Barney is now working assiduously on arrangements for a permanent system. He indicated one immediate possible correction is the cementing of the west jetty to prevent sand infiltration.

Some dispute has arisen over the imminent installation of a Coast Guard Station. Allocation of land, presence of "troops," Coast Guard cutters churning through the channel, have been mentioned negatively. Fears are probably exaggerated and many boaters are favorable to a base once given some facts.

Written into the 30-year-lease which the Port District has with State Parks and Recreation is a land allotment for the Coast Guard. The land actually stipulated is a piece, now a parking lot, just north of the present harbor office. Proving too small for Coast Guard purposes, this land was signed over to the commission in 1968 in exchange for the present lot on the west side of the harbor south of the bridge bordering the turning basin.

"There is definitely a need for a small station here," Barney said. "We have been sending the harbor rescue boat out on some missions that it is not meant to handle and so far we've just been lucky." The Coast Guard will relieve the burden of some 500 cases a year, by Barney's estimate, now managed jointly by private boats, coast guard auxiliary, and the harbor rescue boat.

The "base" would most likely consist of a 40 ft. cutter, manned by six to eight men; a "Boston Whaler" and at most a four-building complex with about 20 men on call. Their area of concern would cover the coast approximately 20 miles south and 40 miles north. Barney feels the coast will be "a whole lot safer once the Coast

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Guard comes in." Aside from protection of life and property, the Coast Guard will provide further incentive for a permanently clear channel and their presence will add a preventative influence against law violators.

CHEAPEST RENT IN TOWN?

Live-aboards have come under criticism for supposedly enjoying the "cheapest rent in town." On this point Mary Duffield states in her letter: "As for the notion that this is 'cheap living' everyone knows that a boat is a hole in the water into which you pour money forever. Some of us cannot afford both a home and a boat so we sell the home to pay for the boat. Nor is the situation exactly analogous to renting, but more like mobile home ownership-space-renting. We pay berth rent plus personal property tax per boat, plus the new possessory tax . . . for a total of 300 ft. of 'lebersraum' . . . Happily! Because we don't mind doubling up like our namesake sardines to enjoy the sky for a ceiling and the unfenced pastures of the sea for our backyard."

A full account of costs must include a boat of, say, 30 feet for \$15,000 plus interest on a loan if needed; then personal property taxes of about \$470 to \$625 per year in this case; plus slip rent of about \$540 a year; and possessory interest of \$50 a year. Another \$500 yearly should be figured for repairs and an insurance premium of at least \$100. Assuming

the boat is purchased outright, a figure of about \$22,000 is a good estimate for the first year. These costs provide you with about 300 square feet of living space, a walk of several hundred yards for shower and toilet facilities and very basic kitchen accommodations (like a small stove and sink).

"Cheap rent," suggesting comparison with house rental, is not accurate. While expenses on the boat total a minimum of \$1,800 a year, which would pay the equivalent of \$150 a month rent, drastically reduced comfort and convenience invalidates a comparison. Live-aboards explain their choice of life style in terms of "reasons of the heart" rather than economics. Aboard the big ocean-going trimaran "Troika," "Mick" Putney mused, "It's a romantic life, less so after some time. You pay a price for your romance . . . sure, there are inconveniences like no ice and hot showers. . ."

"And not being able to wash your face before school every morning is a drag," his teenage daughter interjected.

" . . . but if you love boats and the sea . . ."

And Mary Duffield echoes similar feelings: "There's a price paid in comfort, but you love it so you do it."

Within the next five years many changes are due to transform the harbor. A new fuel dock will be completed and the harbor office will be perched atop a small pier below the Crow's Nest, with command of the channel and harbor mouth. Parking lots will be re-designed allowing for greater use and a dry storage area on the west side should accommodate 100 to 200 more boats. "This will mean that almost anyone who wants will be able to keep a boat in the harbor," said Barney. A new hoist might be installed with yearly launching rates, and park and observation areas are planned.

"We just can't do everything at once," Barney offered. •



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THE
BROKEN EGG
OMELET HOUSE

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