

San Francisco Marina Harbor Association

Fall 2018 Newsletter and Annual Meeting Notice

The SF Marina Harbor Association (“SFMHA”) represents boat owners and their friends who share an interest in promoting the betterment of the San Francisco Marina Small Craft Harbor whose West and East harbors are located between Fort Mason and the Presidio. The Association seeks to advance the interests of the nearly 700 berth holders in discussions with the San Francisco Recreation and Parks Department in its operating, maintaining, and improving the harbor.

Our Association is led by Officers and a Board of Directors elected at our Annual Meeting, which will be held at Golden Gate Yacht Club on November 15, 2018 at 7 pm.

Archives of our meeting notes as well as details on the leadership team and current issues are at: <http://sfmarinaharbor.org/>

This is a Good Time to Renew Your Membership

Please follow the PayPal instructions on the website www.sfmarinaharbor.org or write a check for \$60 (for a three-year membership) payable to **SF Marina Harbor Association** and mail it to:

SF Marina Harbor Association
2149 North Point
San Francisco, CA 94123

Please include a note with your name, berth number, email and phone contact as these may have changed since you previously registered with us.

The Harbor Association currently has about 350 members. Membership is open to anyone interested in the operation and future development of the San Francisco Marina Small Craft Harbor. SFMHA has worked with San Francisco Rec and Parks and its Harbormaster to guide the management and improvement of the harbor for the benefit of the berth holders and visitors to the Marina. This is a recap of our recent activities and projects:

Harbor Finances – Association Oversight

Prudent fiscal management of the Harbor should result in fair and competitive berthing rates. We reviewed the City’s accounting for the Harbor’s operation, maintenance and improvement and found problems, including the depletion of our financial surplus of \$4.2 million at the end of FY2011 to a large negative balance currently. Among the issues were the excessive costs for dredging, not foreseen in the original budget for the new harbor, exacerbated by the absence of the sand pit that was used in past decades to trap sand rolling down the shore from Crissy Field. Another factor is that Rec and Park migrated its accounting to a new system, making it difficult to establish comparables to past years. The City has requested additional time to perform the forensic review of what has transpired and has offered to report back to Association representatives in the next 4-5 months.

Harbor Fund – Overcharging for Electricity, Water, and Trash collections from 2003 to 2006

Based on an analysis by the Harbor Association that the City overcharged the Harbor Fund for utilities for three fiscal years starting 2003/4, the City Budget Analyst audited the Harbor Fund. The report concluded that indeed this had happened in the amount of \$622,137 and resulted in a change in future allocations.

Harbor Fund – Berthing Rates

Berthing rates were significantly increased in 2012 as part of the renovation of the West Harbor. The West Harbor berth holders receive an annual increase of either 3% or the San Francisco-Oakland-Hayward Consumer Price Index, whichever is larger. The East Harbor berth holder rates are increased yearly by the CPI. Those increases are reflected each year in the bill due October 1st.

The Harbor Association evaluates these rate increases to ensure that they are fair and competitive to other harbors in SF Bay. We also seek to ensure compliance with the “Adjustment of Fees” process, set forth in Section 12.20 of the San Francisco Park Code.

Harbor Maintenance

Oftentimes, it is the Association that brings the Harbormaster's attention to needed maintenance and ways to improve operation of the Harbor. For example, these deficiencies or issues were raised:

- Painting numbers on the new East Harbor gates
- Requesting more toilets for berth holders after the renovation reduced that number
- Increasing the frequency of cleaning toilets to include Saturday and Sunday, not just Friday and Monday
- Requesting new signs on Harbor dumpsters prohibiting household dumping and waste (still not done in East Harbor)
- Adding trash cans inside gates and increase the frequency of them being emptied
- Increasing security at gates and adding security cameras
- Dredging within the Harbor and at the entrance
- Requesting more parking spaces be reserved 24hr/day 7 days/week for berth holders
- Fighting the PGE request to transform East Harbor into a park instead of renovating it as a harbor

San Francisco Marina Renovation - East Harbor Project

The San Francisco Marina Renovation Project includes improvements over the entire 39-acre waterside portion of the marina and on 12 of the total 19 landside acres. Phase I of the project, renovation of the West Harbor, is complete and open. Nearly half of all marina berths, approximately 340, exist in the East Harbor. Phase 2 of the project, renovation of the East Harbor, is in progress. The project would proceed in two phases, dredging/cleanup and marina construction. PG&E is responsible for the cleanup of the toxic material dumped there from the coal gasification plant it operated there for decades until the 1906 earthquake. Per the Harbormaster, the dredging would take about a year and then the construction of the new marina would take another year. The earliest this project would start is in 2019 but due to PGE's foot-dragging it is likely to be longer. In fact, PGE's Director of Environmental Remediation argued at the SF Board of Supervisors meeting in January that the site should not be renovated as a marina, but rather converted to a park. Obviously, PG&E would prefer to subsidize a park than an expensive marina. In the coming months, the Association will continue to monitor the progress of the East Harbor renovation and will actively participate in the project design review.

Possessory Interest Tax

Berth holders pay two taxes, a property tax on the vessel and a Possessory Interest (PI) tax on the berth. In 2012, Rec and Park changed the rules and regulations, in conjunction with harbor renovation, and moved from a long-standing berth "lease" to a one year "license". This shortening of the term of the agreement has a significant impact on the value of "possessory interest" tax the city is legally allowed to collect. The City and County of San Francisco is now pushing the boundary of what the Tax Assessor's guidance allows and may be liable for refunding the excessive collection of PI tax since 2012. While the current PI assessment is based on an average duration of occupancy being 9 years, the License Agreement is only valid for one year and that is the only term of occupancy the CCSF can assess. For a 40 foot berth, the annual PI tax would drop from around \$350 to around \$75 (a savings of \$275).

The Harbor Association is seeking comments from berth holders as to whether it will engage an attorney to pursue a reduction of the possessory interest tax. If you are interested in more details or want to help challenge the improper application of the Possessory Interest Tax, either individually or as part of the group, please write to manning.paul@comcast.net.

In closing, we appreciate the support of our membership and hope to see your continued support of our efforts to work with SF Rec and Park and Harbor management to remain focused on providing good stewardship of our beautiful harbor facilities.

**Please attend our Annual Meeting and Elections at 7 PM on
November 15th, 2018 at the Golden Gate Yacht Club**