



January 29, 2008

Dear Senator

I am writing to you to provide an update on the status of our lease agreements for 30 float homes out on the North River located in Pacific County. Upcoming activity by the Washington State Department of Natural Resources (DNR) may prompt questions by your constituents and this letter will provide you with background information on the current situation.

In 2002 the Board of Natural Resources adopted WAC 332-30-171, which deals with residential use and amended WAC332-30-139, which addresses open water moorage and residential use. These rules create the ability to have open water moorage on state-owned aquatic lands such as the North River float homes. The rule allows for citizens to live on open water over the state's aquatic lands only in instances whereby a county is willing to act as the primary manager of the area. This can be achieved by a county amending or updating their Shoreline Master Plan (SMP) to include floating homes. The intent of the rules was to manage these uses in conjunction with the local jurisdiction, to ensure navigational safety and environmental stewardship.

When the rules took effect in November of 2002, Pacific County was given until October 2007 to amend their SMP to allow for this type of use to continue and assume responsibility for the North River float homes. After much deliberation the county was not able to amend their SMP due to a ruling by the Department of Ecology (DOE) that prohibited them from taking action at this time. DOE would not allow Pacific County to simply amend their SMP to include the float homes because the county had an older SMP written in the 1970s; DOE wanted a full update which is not scheduled to take place until 2014.

Even though Pacific County was not able to amend their SMP in 2007 DNR will continue to honor the past leases signed with North River float home owners until the current leases expire. DNR has 30 lease agreements with folks for their float homes on the North River, 27 of which were signed in 1996. Each float home owner carries insurance and depending on lease area size is paying rent anywhere from \$50 to \$200 per year. August 2008 marks the end of the initial term of all but one lease. However, there is a provision that allows for three (3) renewal terms of four (4) years each, a total of 12 additional years. DNR will soon offer the first renewal term to each lessee and in doing so will be inspecting each lease area, recalculating the rent and asking for owners to carry a security in order to ensure compliance of our lease terms.

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These actions may bring about questions because rents will increase significantly for the first time in 12 years. Without an inspection it is difficult to estimate the exact increase but rents could go from \$50 to \$200 per year to \$250 to \$1000 per year. The security we are requiring, which is a common element in all current DNR aquatic lease agreements, will ensure removal of each float home if it were abandoned and not removed by the owner. The cost of the security will vary in cost based on the tool. DNR will be contacting each float home owner and explaining the current situation with regards to the county not being able to update their SMP and we will be actively working with each of them as we move forward to recalculate rents and ask for a security.

DNR will continue to work with Pacific County to assume responsibility for the North River float homes in 2014. Should Pacific County fail to incorporate the open water moorage provisions in their final SMP and assume management of the open water moorage area, DNR will continue to honor each lease until August 31, 2020, which the current expiration date is including the three renewal terms. However, after this time, all float homes would need to be removed from state-owned aquatic lands.

If you should have further questions please contact me directly or you may also contact Aquatics Assistant Region Manager Scott Robinson at (360) 767-7005 or [scott.robinson@dnr.wa.gov](mailto:scott.robinson@dnr.wa.gov).

Sincerely,



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