



Rulemaking Advisory Committee

Waterway Leases, Licenses, and
Registrations (Division 82)

February 19, 2025





Meeting Agenda

9:00 AM	Introductions
9:15 AM	Discussion – Changes to Draft Rules on Lease Rates and Application Fees
10:00 AM	Discussion – Financial Assurances
10:30 AM	Discussion – Application review process for new & renewal applications
11:00 AM	Break
11:15 AM	Background: General Provisions and Lease Conditions
11:45 AM	Interested Party Comments
11:55 AM	Next Steps
12:00 PM	<i>Meeting ends</i>

Meeting Goals: Review and discuss updated rules on proposed lease rates, application fees, and financial assurances. Discuss the application review process for new & renewal applications. Hear background information on general provisions and lease conditions.

Zoom Protocols



Each person who wishes to speak will be asked to raise their hand.

- To raise your hand, click the reactions near the bottom of your screen and click “raise hand” or by pressing star 9 if you are on the phone.
- Will seek a balance of speaking time during discussions
- *For technical support, please message us in the chat.*
- Please keep your mic muted unless it is your turn to speak. Use of video is encouraged.
- We ask that all participants be respectful of each other and DSL representatives.

Process Overview



- Today:
 - Updates about lease rate calculations and application fees (0305, 0306)
 - Discussion of application review process (0280, 0281, 0290)
- Early March: Email with draft updated rules for:
 - Lease rate calculations and application fees
 - Application review process
- RAC 5 Discussion
 - Final comments on rules for lease rate calculations and application fees
 - Discuss general provisions and lease conditions (0260, 0285)
 - Fiscal Impact Statement, Racial Equity Impact Statement

Requests from RAC Members



Data for Determining App Fees



- Formula for valuing staff time:
 - Staff hourly rate x number of hours worked on a typical application.
 - Staff costs included hourly wages and benefits as calculated by the Department of Administrative Services.

Adjustments to Rate Calculation



- DSL Staff met with Aquatic Resource Management leadership to present key comments from the RAC.
 - Using a formula based on Adjacent Land Value has its limitations.
 - The proposed cap (50%) for rent increases at renewal does not effectively mitigate against any negative effects of the proposed changes to rent calculation.
 - A 5% annual rent escalation is not absorbable and is unsustainable.
 - There is concern that a \$150K cap on rent is inequitable, as large and small leases would have the same lease rate.
 - Some of the modifiers for determining a lease's rental rate were not appropriate.
 - Modifiers should be defined in rule.

DSL Discussion Outcomes



- Summary of proposed changes
 - Annual rent escalation reverts to the current rate of 3 percent.
 - A lease will only be reassessed at renewal.
 - Increases in rent will be capped at 15 percent.
 - Zoning and location modifiers will be removed.
 - Modifiers will be defined in rule, if not already.

Proposals from RAC Members

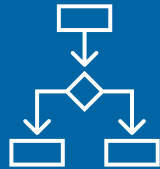


- DSL Staff are committed to listening to and evaluating RAC member recommendations and concerns.
- RAC members are encouraged to provide recommended solutions and rule language.
 - Recommendations can be made
 - During RAC meeting discussion or
 - In writing to DSL submitted through the facilitator.

Proposed Changes to -0280, -0281, -0290

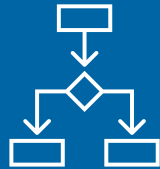


Application Review Process



- Purpose
 - Clarify processes
 - Remove redundancies
 - Ensure compliance with existing law and statute

Notable Changes



- Process tweaks
- Public comment criteria
- Preference right process
- Renewal process

Background: Proposed Changes to -0260 and -0285



General Provisions

141-082-0260



- Defines DSL's constitutional responsibility to manage state owned submerged and submersible lands in a manner that protects public trust rights.
- Establishes broad management standards and principles.

Changes to 141-082-0260



- DSL may deny application if:
 - Project is inconsistent with the Total Maximum Daily Load (TMDL) plan or department implementation of a plan as a designated management agency.
 - Existing structures not in a state of good repair, uninsurable, or found to violate local building codes

Changes to 141-082-0285



- Term for New leases set to 5 years.
- Specifies what factors that the department will consider in determining lease term upon renewal (not to exceed 15 years).
 - Whether the applicant's financial status or business/management practices indicate they may not be able to fully meet lease terms and conditions
 - Whether there are requirements imposed by financial institutions as a condition of project financing.
 - Additional criteria or rationale as determined by the director.

Changes to 141-082-0285



- Allows for leases longer than 15 years if approved of the director.
- Added Lease language:
 - (14) Requires all improvements be maintained in good state of repair, and requires removal or repair of those items upon receiving notice from the Department.
 - Requires premises be used in a non-discriminatory manner.



Columbia River / DSL Photo: Grey Wolf

Interested Party Comments

Please raise your hand
to speak.

Please keep comments
limited to 3 minutes.



Interested Party Comments



Use the "Raise Hand" feature to provide community input. Time is limited and we may not be able to hear from all of you today.

- To raise your hand, click the reactions near the bottom of your screen and click "raise hand" or by pressing star 9 if you are on the phone.
- You will be called in the order in which hands are raised.
- Please keep your mic muted unless it is your turn to speak.

When it's your turn to speak:

- When your turn is coming up, the moderator will call on you to begin speaking.
- Please say your name, where you're from, and any organization you're representing.
- Please keep your remarks to **three minutes** and be respectful of each other and agency representatives. We will help track your time.

What's Next?

John Day River / Photo: Dan Cary

- Updated proposed rule language will be sent out by March 5th, along with materials to be reviewed and discussed during RAC meeting 5.
- During the next meeting, RAC members will decide if a 6th meeting is needed.
- In the next week, a meeting summary will be sent to RAC members and today's meeting recording will be posted.
- Prior to each meeting, a meeting agenda will be sent.
- All meeting materials will be posted to DSL's Rulemaking website: www.oregon.gov/dsl/Pages/rulemaking.aspx



Thank You!

Facilitator

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John Day River / Photo: Dan Cary