

What is an aquatic farmsite lease?

It is a ten-year property right granted by the Department of Natural Resources (DNR) that allows a lessee to develop the state's tide and submerged lands into a shellfish or sea plant farm. The site must meet a production level in annual sales by the end of the 5th year of the lease, and continue to hold at least this production level for each year thereafter.

How do I get a farmsite lease?

There are two ways you may obtain a lease:

1. In 2003 House Bill 108 mandated the department to have available aquatic farm sites suitable for suspended, inter-tidal or sub-tidal culture. Farm sites not taken under the bill are now available on a first come, first served basis in an over-the-counter offering. For a \$25.00 fee, potential farmers may pick up a joint-agency site location packet which is the first step in securing an over-the-counter lease. Because these sites have undergone public review, obtaining a lease may take less than 45 days.

For aquatic farm projects proposing to use the inter-tidal or sub-tidal ocean area for on-bottom culture, the ADFG requires that a user fee for a survey of the initial abundance of the species intended for culture be submitted with the aquatic farm packet application. The fee for a sub-tidal on-bottom culture aquatic farm site survey is \$5,000 per site and for an inter-tidal on-bottom culture aquatic farm site survey is \$2,000 per site.

There are currently over 100 over-the-counter sites located in both southeast and southcentral Alaska.

2. The on-going aquatic farm program, where potential farmers may do their own site selection, requires potential farmers to submit a joint-agency aquatic farm site application with the Department of Natural Resources during the filing period, along with a \$100 filing fee. The application is used by all the state agencies to determine your proposal's feasibility. You may need to submit other applications to other agencies.

What costs are associated with a lease?

The charge for the lease will be based on a fair market value appraisal or current fee schedule. The current fee schedule is \$450 for the first acre plus an additional \$125 per acre, or portion thereof. Also, if you have related upland or floating caretaker facilities, you will be charged other fees as set out in regulations or fee schedules. As with any lease, if you do not want to use the fee schedule, you may pay to have an appraisal done. The appraisal is done in accordance with appraisal instructions issued by DNR.

You will pay advertising costs. You may also be required to pay for a boundary survey. The survey is done in accordance with survey instructions issued by DNR.

Additionally there is a bond requirement, which is determined by such factors as projected site cleanup and restoration. The minimum bond amount is \$2,500. However, if three or more lessees post an association bond to cover all of their leases, the minimum-security amount is 50 percent of the amount individually calculated for each lease. This bond is subject to periodic review.

Farmers should also be aware that other state agencies have fees as well. The Department of Fish & Game requires a biomass survey fee of \$2,000 - \$5,000 for all on-bottom, inter-tidal or sub-tidal proposals. The fee must be included with the multi-agency aquatic farm application. The Department of Environmental Conservation requires a fee of \$500 for the initial water classification.

Applicants should refer to Part I, Application Process Guidelines and Contacts for further information on agency fees.

How often will an application opening be scheduled?

An application opening for the on-going program is scheduled at least every other year from January 1 through April 30. The next filing period will begin in 2007.

What authorizations do I need to operate a farm?

If you are applying under the on-going program, you must obtain a coastal consistency finding through the DNR Office of Program Management and Permitting, an operations permit and/or a special area permit from the Department of Fish and Game (DF&G), and a water quality certification from the Department of Environmental Conservation (DEC) prior to the harvest and sale of your product. You will also need a permit from the U.S. Army Corps of Engineers. If you plan to use uplands in your operation, prior permission from the adjacent upland owner must be obtained.

If you are bidding on a lease through the Aquatic Farm Auction or obtaining an over-the-counter lease you do not need to go through the Office of Program Management and Permitting as these areas have already been found consistent with the Alaska Coastal Management Program. The other authorizations listed above still apply.

How do I find out about the application opening filing period?

Public notices of the application filing period are posted on line on the DNR's web site at: www.dnr.alaska.gov/commis/pic/pubnotfrm.htm and are also published in various newspapers throughout the state. You may also ask the DNR Aquatic Farm Program Manager to place your name on the aquatic farm mailing list so you will be notified of future openings.

Can I apply for more than one site?

You may apply for as many sites as you wish. However, you must submit a feasible 10-year development plan.

How long will it take to process my bid or application?

If you are obtaining an over-the-counter farm site the process can be very fast. After submittal of a completed farm site location packet, the lease could be issued in as little as 45 days.

If you are applying during an application opening period, it takes about 12 months to process an application. A copy of the review schedule will be sent to you so you will be able to anticipate when the decision is made to approve or deny your application

Is finfish farming allowed?

Currently, finfish farming is not allowed in the state.

Is state funding available?

State funding is not available. Aquaculture loans may be available through the USDA Rural Development Program. You may also contact the Department of Community and Economic Development, Small Business Development for other loan options at 907-269-4527 or visit their web site at: www.dced.state.ak.us/dca/smallbus/home.htm

Do I need an aquatic farmsite lease from DNR to collect wild shellfish or sea plants for commercial purposes?

No. However, you **do** need authorizations from the Department of Fish and Game and the Department of Environmental Conservation.

Where can I get more information?

For information on the Growing Area Certification required to sell an aquatic farm product, call the Shellfish Program Coordinator for the Department of Environmental Conservation, Division of Environmental Health at 907-269-7638 or visit their website at:

www.alaska.gov/dec/deh/fss/seafood/seafood_processing_and_development.html .

In addition, Part III of the application packet includes this and other DEC information.

For information on the DF&G operation, transportation and stock acquisition permits, call the Mariculture Coordinator for the DF&G, Commercial Fisheries Division at 907-465-6150, or you can visit their web site at:

www.cf.adfg.state.ak.us/geninfo/enhance/maricult/maricult.htm

For more information contact the DNR, Division of Mining, Land & Water at:

Aquatic Farm Program
550 West 7th Ave.,
Suite 900C
Anchorage, AK 99501-3577
Phone: 907-269-8543
Fax: 907-269-8913

For other information on state resources or to request applications, contact the Anchorage DNR Public Information Center or the Southeast Regional Office in Juneau at the following addresses:

DNR Public Information Center
550 West 7th Ave., Suite 1360
Anchorage, AK 99501
Phone: 907-269-8400
TDD: 907-269-8411
Fax: 907-269-8901

DNR Southeast Regional Office
Mail to: P.O. Box 111020
Juneau, AK 99801
Visit at: 400 Willoughby Ave., Suite 400
Juneau, AK 99801
Phone: 907-465-3400
Fax: 907-465-3886