MINIMUM RENT ANALYSIS & SCHEDULE

NEVADA DISTRICTS

BLM Land Use Authorizations
Tracts of BLM Land to 25 Acres

SUBMITTED TO

Bureau of Land Management
Janet Eubanks, Realty Specialist
2800 Cottage Way
Sacramento, CA 95825

IVIS CASE NUMBER

00036813

IVIS PROJECT NUMBER

L13051

DATE OF REPORT

October 21, 2014

SUBMITTED BY

Susan Schager Beauchamp
US Department of the Interior
Office of Valuation Services
4701 North Torrey Pines Drive
Las Vegas, Nevada 89130

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October 21, 2014

Janet Eubanks, Realty Specialist
Bureau of Land Management
2800 Cottage Way
Sacramento, CA 95825

Re: Fee Schedule for Nevada -- Minimal Rents on BLM Small Tracts up to 25 Acres

Dear Ms. Eubanks:

As requested by the Bureau of Land Management through the Office of Valuation Services, I am providing a rental fee schedule for small site Land Use Authorization (LUA) grants up to 25 acres in size. The attached rental fee schedule is based on a study of comparable commercial practices and other valuation methodologies that are useful in establishing a reasonable rent schedule for similar purposes. These schedules are specific to the identified BLM Districts and counties within Nevada. In addition to the fee schedule charts, an explanation of how the values were derived is provided.

The purpose of this study was to establish or update current BLM minimal rent schedule fees for non-linear rights-of-way. A streamlined and uniform approach to establishing small tract rental fees is consistent with provisions of 43CFR§2806. Within the context of this study the terms rent and fee are interchangeable.

Past experience has demonstrated that appraising individual LUA requests is not economically beneficial to the US Government because the time and cost associated with an appraisal has often been substantially higher than the rent achieved. For this reason, development of a rent schedule is warranted. Similar studies using similar methodologies have recently been completed by the Office of Valuation Services for several other western states.

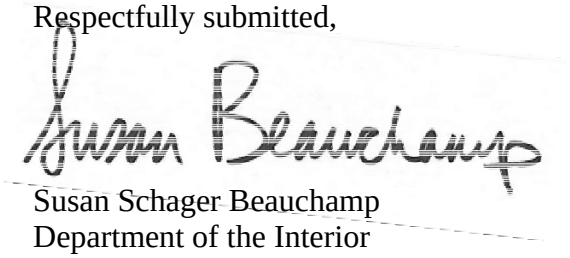
It is important to note that the driving force for use of this schedule should be use rather than the size of the site impacted. Location of the proposed rental site should also be given consideration in relation to the overall county or BLM District as some of the land values in some Nevada counties

may have been influenced by location or other factors that may not be present at the proposed rental site.

This fee schedule **is not** intended to replace existing schedules for mineral, hydroelectric, geothermal, telecommunication, linear right-of-way uses, or any other use fee established by specific authorization. Before using any information or data contained in this study, it is important for all users of this study to read the study in its entirety to understand the analysis and data contained herein. Also note that this study is a compilation of a wide variety of information including BLM memorandums, regulations, along with other private and public sources, some of the comments, discussions and explanations may not have been specifically cited.

The following pages contain the fee schedule for minimal rents on small tracts up to 25 acres on BLM lands in Nevada along with an explanation of how the schedule was derived.

Respectfully submitted,



Susan Schager Beauchamp
Department of the Interior
Office of Valuation Services
4701 North Torrey Pines Drive
Las Vegas, Nevada 89130

ANNUAL FEE														
Battle Mountain District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
ESMERALDA	1,433	53.73	134	201	269	269	403	537	403	604	806	672	1,007	1,343
EUREKA	517	19.38	48	73	97	97	145	194	145	218	291	242	363	485
LANDER	594	22.29	56	84	111	111	167	223	167	251	334	279	418	557
NYE	1,711	64.17	160	241	321	321	481	642	481	722	963	802	1,203	1,604

ANNUAL FEE														
Carson City District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
CARSON CITY*	5,366	201.24	503	755	1,006	1,006	1,509	2,012	1,509	2,264	3,019	2,516	3,773	5,031
CHURCHILL	1,945	72.93	182	273	365	365	547	729	547	820	1,094	912	1,367	1,823
DOUGLAS	2,307	86.52	216	324	433	433	649	865	649	973	1,298	1,082	1,622	2,163
LYON	1,755	65.82	165	247	329	329	494	658	494	740	987	823	1,234	1,646
MINERAL	343	12.87	32	48	64	64	97	129	97	145	193	161	241	322
NYE	1,711	64.17	160	241	321	321	481	642	481	722	963	802	1,203	1,604
STOREY*	30,703	1,151.37	2,878	4,318	5,757	5,757	8,635	11,514	8,635	12,953	17,271	14,392	21,588	28,784
WASHOE	651	24.42	61	92	122	122	183	244	183	275	366	305	458	611

**Indicated agricultural land values per acre in Carson City and Storey County are considerably higher than agricultural land values in other Nevada counties. Exercise caution and reasonable judgment in assessing the location and impact to proposed rental sites in these counties.*

ANNUAL FEE														
Elko District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
ELKO	396	14.85	37	56	74	74	111	149	111	167	223	186	278	371
EUREKA	517	19.38	48	73	97	97	145	194	145	218	291	242	363	485
LANDER	594	22.29	56	84	111	111	167	223	167	251	334	279	418	557

ANNUAL FEE														
Ely District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
LINCOLN	2,325	87.18	218	327	436	436	654	872	654	981	1,308	1,090	1,635	2,180
NYE	1,711	64.17	160	241	321	321	481	642	481	722	963	802	1,203	1,604
WHITE PINE	654	24.51	61	92	123	123	184	245	184	276	368	306	460	613

ANNUAL FEE														
Southern Nevada District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
CLARK**	4,489	168.33	421	631	842	842	1,262	1,683	1,262	1,894	2,525	2,104	3,156	4,208
LINCOLN	2,325	87.18	218	327	436	436	654	872	654	981	1,308	1,090	1,635	2,180
NYE	1,711	64.17	160	241	321	321	481	642	481	722	963	802	1,203	1,604

*** The indicated agricultural land value per acre in Clark County is considerably higher than agricultural land values in other Nevada counties. Exercise caution and reasonable judgment in assessing the location and impact to proposed rental sites in Clark County.*

ANNUAL FEE														
Winnemucca District														
	Ag. Land	Rent	5 Acres or Less			5.1 - 10 Acres			10.1 - 15 Acres			15.1 - 25 Acres		
County	$/AC	$/AC	Min	Mod	High	Min	Mod	High	Min	Mod	High	Min	Mod	High
CHURCHILL	1,945	72.93	182	273	365	365	547	729	547	820	1,094	912	1,367	1,823
HUMBOLDT	793	29.73	74	111	149	149	223	297	223	334	446	372	557	743
PERSHING	746	27.99	70	105	140	140	210	280	210	315	420	350	525	700
WASHOE	651	24.42	61	92	122	122	183	244	183	275	366	305	458	611

CONCEPTUAL OVERVIEW

The Office of Valuation Services has been tasked with the mission of updating and standardizing a state-by-state process of charging fees for individual, sometimes incidental, non-linear uses of small tracts of land under the administration of the BLM. Historically, these fees were established based on linear rights-of-way formulas, comparable fees established by other federal agencies, or appraisals, as dictated by 43 CFR§2806.50:

> *When neither the linear nor the communication use rent schedule is appropriate, BLM determines your rent through a process based on comparable commercial practices, appraisals, competitive bid, or other reasonable methods.*

Setting rents is difficult as there are no generally acceptable standards or methods in setting rents to cover a broad range of uses over a wide geographic area.

In the past, these types of rents were based on surveys of other federal agencies; set arbitrarily and adjusted based on demand, or established by individual appraisals. However, individual real estate appraisals are not economically feasible as the time and cost associated with an appraisal is often substantially higher than the economic benefit to the government with regard to the compensation achieved. Furthermore, appraisal methodologies such as market rent surveys do not translate well for establishing such rent schedules. This is because when considering market rent, the term "market" implies the presence of potentially competing renters for a specific property type along with competitive property owners interested in attracting at least one of those renters. In short, market rent requires that a competitive market exist. Given that small land use authorizations (including linear right-of- ways) are site specific and generally non-competitive, they are not market oriented uses. That is, there are ***not*** multiple users competing for use of a property where there are multiple substitute properties.

Given the nature of this assignment—to assist BLM in their development of a statewide fee schedule for sites under 25 acres that are applicable to users of government land—it was necessary to consider alternative methods that are more attune to economic reasoning than traditional valuation methodology. Nonetheless, these methods are based on those used by other federal agencies.

Intended BLM users of this fee schedule should exercise reasonable judgment in assessing the impact to the proposed rental sites. While the preceding charts provide exact values within the acreage ranges, there is great leeway for the intended users to interpret the category of use and degree of impact. For instance, a request to rent a site that encompasses a cumulatively large area may only involve a smaller specific area at any one time. In this case, depending on the interpretation of the user, a minimal impact use fee for a small acreage size may be appropriate, OR a high impact use fee within a larger site may likewise be appropriate. Time constraints may also require interpretation with regard to the degree of impact. Use of BLM land as a staging area for a day use may be interpreted as minimal, even though use is exclusive and intense.

Location or proximity to more populated areas should also be a consideration. Several counties including Clark County, Storey County and Carson City have higher indicated land

values that may have been influenced by location or other factors that may not be applicable to the proposed rental site.

SCOPE OF THIS ASSIGMENT

When determining an appropriate alternative methodology, the following scope of work was relied upon:

- I spoke to Office of Valuation Services colleagues regarding surveys of other federal agencies, state agencies and private parties for information that might provide data within the context of comparable commercial practices.
- I determined if the BLM state was operating under an existing minimum rent schedule, or if a schedule needed to be established.
- I referenced the Code of Federal Regulations, specifically 43 CFR, Public Lands: Interior, for guidance as to how fees had been established for similar land use. (Linear right-of-ways, Mineral, hydrologic, geothermal and telecommunication uses have specific, formula-based fee schedules.)

METHODOLOGY

After careful consideration, I determined the rate of return to land would provide a reasonable basis for opining rent for use of government lands. This method is similar to that used for the linear ROW schedule used by BLM under 43 CFR 2800, 2880, and 2920. The derivation of rental rates for Nevada counties within BLM districts are the result of a five step process[1]:

1. Determine the Land Value Estimate by county.

2. Derive a Rate of Return.

3. Determine an Encumbrance Factor.

4. Apply the Rate of Return to the Land Value Estimate, then multiply the per acre value by the largest acreage size in each of the size brackets (1-5 acres, 6-10 acres, 11-15 acres, 16-25 acres). This is the 100% encumbrance rental rate for that size bracket.

5. Apply 50% and 75% to the 100% value from #4 to arrive at the minimal and moderate rates.

The first three steps of the above process are discussed further in the following sections.

[1]This method is recognized in other agencies as being a reasonable and well received method of rent determination. Indeed, under the authority of 16 U.S.C. 792-828c; and 42U.S.C. 7101-7352, the Federal Energy Regulatory Commission established an annual per-acre rental fee based on an adjusted per-acre value multiplied by an encumbrance factor multiplied by the rate of return multiplied by the annual adjustment factor. This formula was established after a lengthy legal challenge and public comment period.

LAND VALUE ESTIMATE

Estimating land value over a large geographical area is a difficult task. However, given the predominately rural nature of BLM land, using agricultural land values as the basis for this type of analysis is reasonable. Support for using the USDA/NASS published reports on land value is provided by Congress, which specifically endorsed the use of this data for rental determination purposes when it passed the ‘‘National Forest Organizational Camp Fee Improvement Act of 2003’’ (Pub. L. 108–7) (16 U.S.C. 6231). This law established a formula to determine rent for organizational camps located on NFS lands by applying a 5 percent rate of return to the average per acre land and building value, by state and county, as reported in the most recent NASS Census. The law also provided for a process to update the per acre land values annually based on the change in per acre land value, by county, from one census period to another.

The United States Department of Agriculture (USDA) publishes an annual agricultural land value report via the National Agricultural Statistics Service (NASS) identified by ISSN: 1949-1867 (http://www.nass.usda.gov/Charts_and_Maps/Land_Values/index.asp). Agricultural land values are reported by state and broken down into per county values. For Nevada, the category of “AG LAND, INCLUDING BUILDINGS, ASSET VALUE, MEASURED IN $/ACRE”, was used as the reference for arriving at the land value estimate. These values are found in the NASS on-line web site at http://quickstates.nass.usda.gov/data/printable where the numerical value represents the overall per acre value. Since BLM land covers a broad spectrum of land uses it is reasonable to use a similarly all-encompassing agricultural land value.

It should be emphasized that the overall agricultural land value does include irrigated land and buildings. To account for these conditions an adjustment to the overall land value is applied. Guidance for this adjustment can be found in Federal Register; 43 CFR Parts 2800, 2880, and 2920, Update of Linear Right-of-Way Schedule; Final Rule of October 31, 2008. In this rule, a 20% adjustment is deemed appropriate as a diminution to the overall land value to account for irrigation and buildings. Therefore, a 20% downward adjustment is applied to each county’s overall land value per acre to arrive at a base Land Value Estimate as shown below.

Battle Mountain District		Carson City District		Elko District	
County	Adjusted Land Value $/Ac	County	Adjusted Land Value $/Ac	County	Adjusted Land Value $/Ac
ESMERALDA	1,433	CARSON CITY	5,366	ELKO	396
EUREKA	517	CHURCHILL	1,945	EUREKA	517
LANDER	594	DOUGLAS	2,307	LANDER	594
NYE	1,711	LYON	1,755		
		MINERAL	343		
		NYE	1,711		
		STOREY	30,703		
		WASHOE	651		

Ely Mountain District		Southern Nevada District		Winnemucca District	
County	Adjusted Land Value $/Ac	County	Adjusted Land Value $/Ac	County	Adjusted Land Value $/Ac
LINCOLN	2,325	CLARK	4,489	CHURCHILL	1,945
NYE	1,711	LINCOLN	2,325	HUMBOLDT	793
WHITE PINE	654	NYE	1,711	PERSHING	746
				WASHOE	651

RATE OF RETURN

A rate of return is an income rate that expresses the relationship between rent (income) and the corresponding land value (capital). It is similar to a capitalization (cap) rate that an investor uses to convert income into an indication of value (direct capitalization) when analyzing income producing properties—*net income divided by cap rate equals indicated value*. The cap rate (ratio of income to property value) is among the most widely used variables to quantify property values and plays an important role in real estate investment decisions. In reverse, a rate of return can be used to indicate rent—*land value multiplied by a rate of return equals indicated rental income.*

Cap rates are typically extracted from sales of income producing properties. However, given the uniqueness of government property, an alternative method is required to form an opinion of a reasonable rate of return. In theory, a cap rate, or in this case a rate of return, is the sum of four components: Expected Inflation, Real Return, Risk Premium and Recapture Premium.

Expected Inflation

By definition, an investment is the commitment of capital in exchange of a monetary benefit, or a return (income). Investors require a ***return of capital invested*** as a prerequisite for committing capital to a given venture or property. This required return should first provide for the preservation of the purchasing power of invested capital through time. Hence, the first component of required return is expected inflation, so that the purchasing power of invested capital will not decline through time. Ideally, this component is estimated based on inflation rate forecasts, however, many analysts use an average inflation rate over the past five or ten years. The Consumer Price Index (CPI) averaged over the past five years, as published by Bureau of Labor Statistics (http://www.bls.gov/home.htm), was used to project expected inflation.

Year	CPI
2009	-0.40%
2010	1.60%
2011	3.20%
2012	2.10%
2013	2.10%
Average = 1.72%	

Real Return

The second component of required return is the real return, which is the true monetary benefit that the investor will gain from committing his/her capital--- *return on capital*. This is typically

estimated as the difference between the rate on government securities and the inflation rate reflecting a risk free rate or safe rate.

Using the average 30-year Treasury Bond rate over the past five years is reasonable for estimating a real return on real estate. This is in tune with ground lease rates and is what the government is paying as a fair return to those who invest in the US Government (http://www.treasury.gov).

Year	CPI
2009	4.08%
2010	4.25%
2011	3.91%
2012	2.92%
2013	3.45%
Average = 3.72%	

Deducting the five year average rate of expected inflation from the 30-year Treasury Bond rates results in the real return as illustrated in the following chart.

5 Year Average 30-Year Bond Rate	3.72%
5 Year Average Expected Inflation	1.72%
Real Return	2.00%

Risk Premium

A property investment is actually an investment in the property's future income earning capacity. However, there is a high level of risk with this future income earning capacity. This risk is the uncertainty associated with the future income stream and the value of the property. Within this context, real estate investors require a risk premium on top of inflation and real return. The risk premium for a given property depends on the quality of the tenants occupying the property, the length of existing contracts, the property's occupancy rate, the strength of the property's location and expectations regarding the prospects of the economy and the local real estate market.

Since government owned land is not an investment per se, there is no risk is associated with leasing unimproved government owned vacant land. So for this type of analysis, a risk premium is not warranted.

Recapture Premium

Finally, investors require a recapture premium in the case of improved property investments, because improvements depreciate or lose value through time. Since the value of the property represents the owner's invested capital, it follows that by the end of the physical life of improvements, when its value becomes theoretically zero, the investor loses its capital. The purpose of the recapture premium is to replace this capital loss through time. Thus, if the physical life of an improvement is 50 years the recapture premium should be 2% on an annual basis. If we assume though, that the capital that is recaptured every year is reinvested (sinking fund approach) then a less than 2% recapture rate will be required. Since this analysis involves unimproved government owned land, no recapture premium is warranted.

Rate of Return Conclusion

The Rate of Return is estimated as the sum of the four components as discussed above and illustrated in the following:

Expected Inflation	1.72%
Real Return	2.00%
Risk Premium	---
Recapture Premium	---
Rate of Return	3.72%

As a test of reasonableness, implied rates of return imbedded in the NASS data were examined—specifically cash rents and their relationship to agricultural land values. NASS rental data was available for four Nevada counties indicating a range of implied rates of return between 2.6% and 15.5% thus supporting a built up rate based on a safe rate with added risk at 3.72%. Note that there was very little available NASS cash rent data for Nevada counties. The cash rent to agricultural land value relationship studied in other counties in western states supports a reasonable rate of return conclusion.

As an added test of reasonableness for the rate of return analysis above, sales and offerings of properties encumbered with an absolute net lease—also known as a bond lease and reflective of ground leases were considered. As these types of encumbrances are most similar to the characteristics associated with government Land Use Authorizations (LUAs). That is, bond lease tenants are similar to LUA user in that they would perform all obligations related to the premises including the construction and maintenance of improvements and are fully responsible--- in essence the only responsibility of the property owner is to cash the rent checks. In the private sector, these types of leases are known as "hell-or-high-water leases" meaning that regardless of what occurs on or off the property, the tenant is obligated to pay rent.

Therefore, the credit worthiness of the tenant is similar to a company's bond rating—hence, the term bond lease. That is, a strong credit tenant is generally referred to as an investment grade tenant and considered economically similar to an investment grade bond secured by real property. The advantage in leasing to a credit tenant is a strong and stable income stream that is risk averse, even when there are negative changes to market conditions.

The following chart illustrates median asking cap rates for properties offered for sale based on the companies that occupy the real estate.

Median Asking Cap Rates by Company Occupied Real Estate

Company	Cap rate	S & P Rating	Risk
McDonald's	4.05%	A	0.33%
Chase	4.60%	A+	0.88%
Wells Fargo	4.70%	AA	0.98%
Bank of America	4.75%	A	1.03%
7-Eleven	5.50%	AA-	1.78%
CVS	5.50%	BBB+	1.78%

Median Asking Cap Rates by Company Occupied Real Estate			
Company	**Cap rate**	**S & P Rating**	**Risk**
Walgreens	5.58%	A	1.86%
AutoZone	5.69%	BBB	1.97%
Advance Auto Parts	6.40%	BBB	-2.68%
Dollar General	6.50%	BB	2.78%
FedEx	6.50%	BBB	2.78%

US 30-Year Treasury Bond Rate = 3.72%

As shown, there is a relationship between a company's Standard & Poor's bond credit rating and real estate cap rate (or rate of return). Extracting the risk premium from the cap rate, further illustrates the association be between risk, bond rating, and cap rates.

These added tests of reasonableness support a rate of return conclusion of 3.72%.

THE ENCUMBRANCE FACTOR

The Encumbrance Factor reflects the intensity of the proposed use and corresponding impact on the land. An encumbrance factor is mostly considered in easement valuations, i.e., the impact an easement has on market value. Easement valuations are reflected in differences in market value before and after the imposition of an easement. That is, a property is first valued without an easement and then valued with an easement; the difference in value being the easement's impact on value. Studies regarding the impact on value that a specific easement (or use) will have when it partially encumbers a property is time intensive and costly to perform. Hence, the enactment of the law regarding the BLM Linear Right-of-Way schedule and the development of a non-linear right-of-way schedule. Because of the time and cost, published studies are typically utilized and referenced when categorizing uses in determining an Encumbrance Factor.

One such study was conducted and published by Donald Sherwood, MAI, SR/WA in the May/June 2006 edition of *Right Of Way* magazine, a portion of which is represented as follows:

Easement Valuation Matrix		
Percentage of Fee	**Comments**	**Potential Types of Easements**
90% - 100%	Severe impact on surface use. Conveyance of future uses.	Overhead Electric, Flowage Easements, Irrigation Canals, Access Roads
75% - 89%	Major impact on surface use. Conveyance of future uses.	Pipelines, Drainage Easements, Flowage Easements
51% - 74%	Some impact on surface use. Conveyance of ingress/egress rights.	Pipelines, Scenic Easements
50%	Balanced use by both owner and easement holder.	Water Line, Sewer Line, Cable Line, Telecommunication Line

The preceding matrix was considered in establishing the following levels of impact for the uses described.

High Impact (100%)

Characteristics of significant impact right-of-way grants or permits warranting a higher rent include: a relatively on going occupation, an exclusivity of use (no other uses would be possible), an industrial type uses, large fenced areas, significant surface disturbance and/or ongoing disruption, high visual impacts, and little or no flexibility as to location. For high impact uses, an Encumbrance Factor of 100% is to be applied to land value. Examples of high impact include:

- Pump and compressor stations
- Equipment storage sites
- Processing sites
- Portal or tunnel sites
- Sewage lagoons
- Water treatment sites
- Large fenced and/or gated staging areas
- Parking areas with intense use

Moderate Impact (75%)

Characteristics of moderate impact right-of-way grants or permits include small sites (generally 1 to 5 acres in size) where the uses and impacts are minimal because the area and/or uses are short term, intermittent, and/or may be quasi-commercial in nature.
For moderate impact uses, an Encumbrance Factor of 75% is to be applied to land value.
Examples of moderate impact uses include:

- Small permanent sign sites
- Gates
- Culverts
- Historic or commemorative monuments
- Small temporary staging areas for sporting events
- Seasonal work camp or outfitter sites
- Cultural arts or educational events
- Sample collecting
- Seismic testing sites
- Farm equipment and machinery storage yard
- Large haystack storage areas
- Highway signs

Minimal Impact (50%)

Characteristics of minimal impact right-of-way grants or permits include small sites (up to 5 acres) that are long term or permanent, seldom visited, can be easily relocated if necessary, include smaller disturbed or enclosed areas, have little or no ongoing surface disturbance.

Typically, these sites can accommodate multiple uses. For instance, a minor water or air quality site would also accommodate public access. For minimal impact uses, an Encumbrance Factor of 50% is to be applied to land value. Examples of minimal impact uses include:

- Mail box sites
- Water and air quality monitoring sites
- Minor water control berms and earthwork
- Pig launcher and valve sites on pipelines
- Temporary filming sites with no surface disturbance
- Seasonal pivot crossings
- Temporary agricultural product storage site
- Geo-Technical testing sites
- Apiaries

The degree of impact requires a significant level of interpretation on the part of BLM staff that will implement this schedule. Along with the small size and often unique aspect of these land use authorizations comes an implied level of temporariness, adding another layer of interpretation to the authorization. In its most rudimentary interpretation, this rent schedule represents the minimum amount that should be applied to a land use authorization.