

Ex. 6

**STATE FARM
AUTO—LIFE—HOME—BUSINESS—
PROPERTY—HEALTH—DISABILTIY**

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FACSIMILE TRANSMITTAL SHEET

TO: **Senator John McCain**

FROM: Ex. 6

COMPANY:

DATE:

May 19, 2008

FAX NUMBER:

202-228-2862

602-952-8702

TOTAL NO. OF PAGES INCLUDING COVER:

4

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RE:

YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

**SENATOR MCCAIN, PLEASE FEEL FREE TO FAX OR EMAIL YOUR
REPLY, KINDEST REGARDS,** Ex. 6

Honorable Senator John McCain

Dear Senator,

There is a small strip of land on the California side of the Colorado River just below Parker Dam known as the Parker Strip area. On this land, several mobile home parks are located and occupied mostly for recreational use. There are approximately eight or nine of these parks delineated as BLM land and are managed by a single licensee, with BLM in Lake Havasu City, Arizona, as the administrator. Any parks on BLM land allow occupancy only five months per year. There are approximately four more non-BLM parks which allow year round living: three on Indian land managed by the local Indian Tribes, and one private park known as the Wheeler Inn,

The purpose of this letter is to request an investigation into the suggestion these BLM administered parks are charging exorbitant rents in comparison to the other four parks and is not in line with established CPI indices nor are these increases even reasonable.

We purchased a mobile home in one of the BLM parks known as Echo Lodge approximately 20 years ago. Echo Lodge consists of older mobiles with no garages. At that time, our rent for the space was \$165. Since that time, our rent has increased to \$499 per month, in addition, we are paying \$600 per year for the right to park our boats in a dirt storage area. These BLM parks allow no more than 155 days of occupation, you are not allowed to stay there year round. If you calculate our annual rental rate at \$5400 plus \$600 for storage, divide it by five months (the maximum occupation time), we calculate we are paying close to \$1200 per month to use our space. This is pretty scary to an average, middle class person.

We investigated the three Indian managed parks, the rents range from \$220 up to \$400 per month, the latter being a park known as River Reflections, consisting of newer double-wide's (twice the size of our homes) with double garages and some four car garages. Occupancy is allowed year round. One of the parks, Bermuda Palms, (year round occupancy) has had only two increases since 1977, amounting to \$15 per increase. Wheeler Inn (year round occupancy) charges \$300 per month.

We have discussed our concerns with BLM and were told the rents were in

line with the other BLM parks along the strip (of course they are, they are

-2-

all managed by the same licensee). For the last three years, we have expressed our desire to have the boat launch repaired (we have been unable to use it the last three years) and BLM assured us they could do something about it. Nothing has been done. Our drinking water is not potable, we must bring our own water for drinking and cooking. We go along with this because we have no choice.

The trim in the park has been painted and some plastic fencing has been erected in some areas. This may look good to BLM, but it does not help us. The licensee is now erecting more parks on bare BLM land (raising our rent to finance this?) and apparently is doing very well financially. We are not adverse to private companies making a profit, and can understand the American way of capitalism.

However, in reviewing the cost of living increases for our regional area from the year 2000 up to 2007, the rate is 21.41%. Our rent increases represent an increase of 84%!! We have had arbitrary increases with no apparent improvements to our space. We are still occupying the same space and are paying nearly twice the amount as the original and been forced to sign more additional rules and regulations or face eviction. We just recently received a notice of another 20% increase in our storage rent for the same dirt!

These rent increases are certainly for the good of BLM and certainly is for the good of our government. We have no options or recourse to the use of our vacation home, except to keep paying more and more rent.. We have spoken to the residents of our park and various other BLM parks; they are all of the same opinion; however, most of them are afraid to complain, some of them have and been threatened with eviction if they do complain. We are under the impression our rent increases are allowing the licensee to erect more and more parks on BLM land in that area. Was not BLM created for the use and enjoyment of public lands to ensure no big developers could exploit the purpose for which these lands exist? Was BLM not created for the good and enjoyment of all the public, not just the rich?

This letter is not meant to be sour grapes; we respectfully request some inquiry be made as to why our rents are not more in line with other non-

BLM parks in the Parker Strip area. Our conclusion is there appears to be no
-3-

limit or cap to the rent tied to any reasonable justification such as the CPI (which includes cost of living and inflation). Furthermore, does this not suggest since there is only one licensee for all these BLM parks, that this is a form of price fixing and apparently being condoned by BLM? Is this not against federal law? If our rents are not rolled back to a reasonable adjustment, this will certainly exacerbate forced sales and foreclosures for the residents of these parks who are either working class or new retirees, such as ourselves.

Now we are hearing rumblings of another increase coming up. At the risk of retaliation from Echo Lodge management, we are speaking out in the hopes someone from the outside will listen to us. Is not BLM in Lake Havasu City governed by some federal arm? Can you help us?

You're Fellow Republicans,

Ex. 6

Ex. 6

Culver City, CA 90232

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June 12, 2008

In Reply Refer To:
1781 (AZ-931)
CAAZCA 12002

Ex. 6

Culver City, California 90232

Dear Ex. 6 :

This letter is in response to your request of May 19, 2008, to Senator John McCain regarding Echo Lodge Resort, Parker, Arizona. Senator McCain has forwarded your letter with a request that I respond directly to you.

In general, the Bureau of Land Management (BLM), Lake Havasu Field Office (LHFO), administers 14 concession leases to 8 concessionaires that cooperatively provide recreational opportunities to several hundred thousand visitors each year. The BLM utilizes recreation concessions to provide the public with highly-developed facility experiences, where appropriate, beyond what is possible at a federally operated recreation site. The BLM's role and responsibility to the general public is to control, regulate, and administer the lease with the objectives of protecting the public health, safety and welfare, securing full value for commercial use of the public lands, and ensuring the services and facilities offered to the public are satisfactory. Existing BLM concession management policy provides the guidance for operations and lease compliance including occupancy, some rental rate administration, employee performance, security, water quality standards, and vacation mobile home standards. These guidelines are listed in the BLM policy and procedures document, known as the Red Book, and they have been in place since 1993.

In regard to your concerns:

- 1.) The purpose of this letter is to request an investigation into the suggestion these BLM administered parks are charging exorbitant rents in comparison to the other four parks and is not in line with established CPI indices nor are these increases even reasonable.**

According to the Red Book:

D. RATE STANDARDS APPLICABLE TO ALL BLM LANDS OCCUPIED BY CONCESSIONERS OR PERMITTEES

13. Authorized Rates. No rates being charged shall exceed those approved by the BLM. These rates are to be verified against the specific approved service, quality, price or other such criteria. The BLM at the implementation of this program carries out rate review only on prices charged for RV [recreational vehicle] and mobile home/park model sites, and overnight rooms. However, the AO [Administrative Officer] reserves the right to review retail rates for any product or service offered at BLM concessions, including food, beverage, and fuel. The intent is to provide all the quality and value possible to the visiting public. The AO reserves the right to refuse rate increase requests if resort amenities in general are of lesser quality than those offered by similar businesses operating under similar or comparable conditions or, if required, quality improvements bearing substantially on public enjoyment (value) have not been carried out. If conditions deteriorate, and the AO so documents same, rates may be rolled back or reduced to reflect true comparability, with similar businesses with similar secondary or substandard conditions.

In 1995, the BLM LHFO issued a letter to all of their concessions informing them that the approving of monthly mobile home rents shall cease. It was the BLM decision, at that time, that the free market and the existing intense regional competition eliminated the need for regulation. Although we will continue to review this policy, at this time BLM feels that the existing intense regional competition still exists and thus the free market should determine mobile home site rental rates.

However, in 1995 BLM did not, nor does currently, feel that there is significant competition for RV sites; therefore, the BLM continues to review all requests for rate increases for RV sites. The last comparability study of RV site rental occurred in 2006.

2.) For the last three years, we have expressed our desire to have the boat launch repaired and the BLM assured us they could do something about it.

Each resort is to have a Plan of Development (POD) filed with our office. Along with appropriate lease performance, a concessioner needs an approved POD to preserve the right to build various named facilities and operate them as revenue producing business units. In addition, the POD is a binding lease obligation that the concessioner shall furnish the named facilities for the benefit of the public in return for, and to sustain, his lease rights. BLM has approved a POD for this resort; however, the area of the boat launch that needs improvement is outside the area of the existing boat launch and therefore does not fall within the scope of the current POD. The concessionaire wants to include the boat launch matter with a comprehensive updating of the POD rather than submitting each item for review one at a time. The concessioner has informed

BLM that they have started the process of hiring a contractor to develop a revised POD. When the BLM receives the revised POD, it will be reviewed to ensure that the proposal meets all BLM requirements.

After BLM approves the revised POD, the resort operator will need to receive a permit from the Army Corps of Engineers (CORP) to solve the boat launch problem. The CORP has historically allowed similar projects to occur within the Lower Colorado River, but only during winter months when the Bureau of Reclamation maintains a lowered water level of the Colorado River.

3.) These BLM parks allow no more than 155 days of occupation, you are not allowed to stay there year round.

The intended target market for this type of concession, by law and regulation, does not include persons seeking full-time residency. The BLM views concession lease occupants as customers at recreational facilities managed by a concessionaire on public lands, versus residents or tenants at a mobile home park or housing tract operated by this agency. Unfortunately, some vacationers confuse concession operational requirements such as space rental payments (to keep personal property, such as a trailer, set up for use in a particular site), length-of-stay restrictions (required to prevent residential trespass on Federal lands), or common space use rules, with similar instruments and requirements familiar to tenants of residential living communities. Inevitably, some occupants may perceive and describe a favorite BLM concession resort as a vacation "home" or "residence" property when it is, in fact, only a rented space where the vacationer is storing their personal property between intermittent uses.

The BLM appreciates your interest in our concession management program. If you need additional information, please contact Frances Norton, BLM LHFO Concession Management Specialist, at (928) 505-1200.

Sincerely,

/s/ Elaine Y. Zielinski

Elaine Y. Zielinski
State Director

cc: The Honorable John McCain
United States Senate
5353 North 16th Street, Suite 105
Phoenix, Arizona 85016

bc: WO-620, MS 401 LS
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