

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
COLORADO STATE OFFICE
2850 YOUNGFIELD STREET
LAKEWOOD, COLORADO 80215-7093**

In Reply Refer To:
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April 20, 2011

EMS TRANSMISSION 04/20/2011
Instruction Memorandum No. CO-2011-026
Expires: 09/30/2012

To: District, Field, and Center Managers

From: Deputy State Director, Energy, Lands and Minerals

Subject: Rental for Site (Areal) Rights-of-Way and Land Use Authorizations

Program Area: Lands and Realty Management

Purpose: This Instruction Memorandum (IM) implements a rental schedule for small, site rights-of-way (ROW) and land use authorizations, up to 10-acres in size that are not under an approved rental schedule or current appraisal. A ROW grant is areal if the authorized activity requires the use and occupancy of a site, station, location, or tract.

Policy/Action: This policy establishes an annual rental of \$3,000 for site grants and land use authorizations up to 10-acres in size. Billing shall be made annually. This rental schedule may be adjusted every five years or earlier to reflect changes in the fair market value.

Uses authorized include, but are not limited to, cabin sites, temporary storage of industrial materials, water and monitoring wells, electrical substations, non-mountaintop communication facilities, energy production and transmission system facilities, windmills, water storage reservoirs (non-range improvement), navigation facilities, cathodic protection units, meter houses, or compressor stations.

The new rental schedule shall be used:

- To correct rental that was determined through the linear fee schedule, instead of an appraisal.
- To update the rent of an older appraised small site use.
- For new site uses up to 10-acres in size.
- For uses over 10-acres where the improvements have been removed, but a grant is still needed for implementation of a multiple-year monitoring/restoration plan.

New grants and authorizations issued with a Rental Determination Decision Letter are appealable decisions. Existing grants and authorizations include a rental clause that states the authorized officer, whenever necessary, can update the rental to reflect changes in the fair market rental value, in accordance with comparable commercial practices, or payment is required if a rental adjustment is made. When this rental clause is included in the grant or authorization, updating the rental is not an appealable decision.

Minimal impact uses that have negligible impact to the resources, are infrequently visited or maintained, small in size, and are located in areas where little or no ongoing surface disturbance is occurring, will be reviewed on a case-by-case basis, and considered under a separate rental schedule. Examples of potential minimal impact uses include, but are not limited to, mailboxes, small signs, gates, research activities or monitoring activities. While a cathodic protection unit located within the disturbed area of a pipeline ROW, but approved after the pipeline was constructed, may fall under a minimal impact use, a unit outside of the ROW and located in previously undisturbed land does not, and the annual rental of \$3,000 per year applies.

Timeframe: This IM is effective immediately.

Budget Impact: None.

Background: The Office of Valuation Services (OVS) completed a market survey, effective December 31, 2009. OVS determined through research and analysis of uses ranging from 0.11 to 10 acres that rental was not typically based on per acre value. There was no correlation of size and lease rate. There was no bottom threshold for size where the schedule does not apply. Based on the data collected, a rate of \$3,000 per year for non-linear uses up to 10 acres in size was recommended.

Directives Affected: A Colorado handbook supplement will be created to incorporate the new policy and guidelines.

Coordination: This rental policy was coordinated with the Washington Office Branch Chief for Rights-of-Way and Use Authorization Program Lead (WO-350); State Realty Program Leads in Montana, New Mexico, Wyoming, Utah; Office of Communications (CO-912) and the Colorado Realty Program Leads at the Field Offices.

Contact: If there are any questions related to this IM, please contact Maryanne Kurtinaitis, Renewable Energy Program Manager, at (303) 239-3708 or John Beck, Branch Chief, Lands and Realty, at (303) 239-3882.

Signed by:
Lynn E. Rust
Deputy State Director,
Energy, Lands and Minerals

Authenticated by:
Cathy Cooney
Branch of IRM & Access