

Department of Natural Resources – Supporting Change in Bellingham

The Department of Natural Resources (DNR) has a tremendous interest in the economic, ecological and recreational future of Bellingham, its waterfront, and Bellingham Bay. In many ways Bellingham's waterfront is the soul of the community if not certainly its roots. We see the process of redevelopment and planning as a challenging and exciting opportunity to chart the community's future and commend you for moving forward. This paper will provide you with background and information concerning DNR's specific management interests associated with aquatic lands in the Bellingham.

Background:

Aquatic lands by definition include the following:

- Tidelands: those lands below the high tide line and above the bedlands on marine waters;
 - Bedlands: those lands lying below the extreme low tide line on marine waters;
 - Shorelands: those lands below the ordinary high water mark in navigable rivers and lakes.
- DNR owns approximately 30%-40% of the tidelands and most of the bedlands statewide. Ownership of shorelands varies by waterbody.

State law directs DNR to manage state owned aquatic lands in the following manner:

Strive to provide a balance of public benefits for all citizens of the state through:

- *Encouraging direct **public use and access***
- *Fostering **water dependent uses***
- *Ensuring **environmental protection***
- *Utilizing **renewable resources***

The law further directs DNR to generate income from the use of these lands in a manner that does not compromise any of the beneficial uses. We do this through the issuance of various kinds of authorizations allowing for specific uses of state aquatic lands. These authorizations include leases, easements, right of entries (for short-term activities) and material sales agreements (aquaculture and dredging). Agreements are also available for conservation purposes, for scientific research and for clean up of contaminated material, mitigation and restoration sites.

DNR separates uses of state aquatic lands into water dependent and non-water dependent uses. Water dependent uses include those activities that are dependent upon water to exist, such as marinas and port facilities, shellfish propagation, fiber optic cables, log storage, waterfront parks, and waterfront businesses that support marine activities such as seafood processors. Non-water dependent uses include restaurants, office buildings and sewer outfalls – activities that generally can be located in upland locations or have upland alternatives.

The amount of rent charged for a DNR authorization varies based general and specific laws controlling rental calculation methods and rates. Since the statutes direct DNR to promote water dependent activities these are given a more favorable rate than non-water dependent activities. The program is completely funded with revenues generated through use authorizations or material sales. On average, sixty-five percent of revenues are returned to communities around the state in the form of grants from the Aquatic Lands Enhancement Account (ALEA Grants). The remainder are used to support the ongoing program efforts including lease management, working with communities, promoting new uses, and providing improved environmental protection.

Facts Concerning DNR Ownership in Bellingham Bay:

The map below shows state owned aquatic lands in Bellingham Bay. DNR manages the majority of the tidelands and bedlands in Bellingham Bay for the benefit of the citizens of the state. Bedlands make up the majority of the state owned lands in Bellingham Bay.

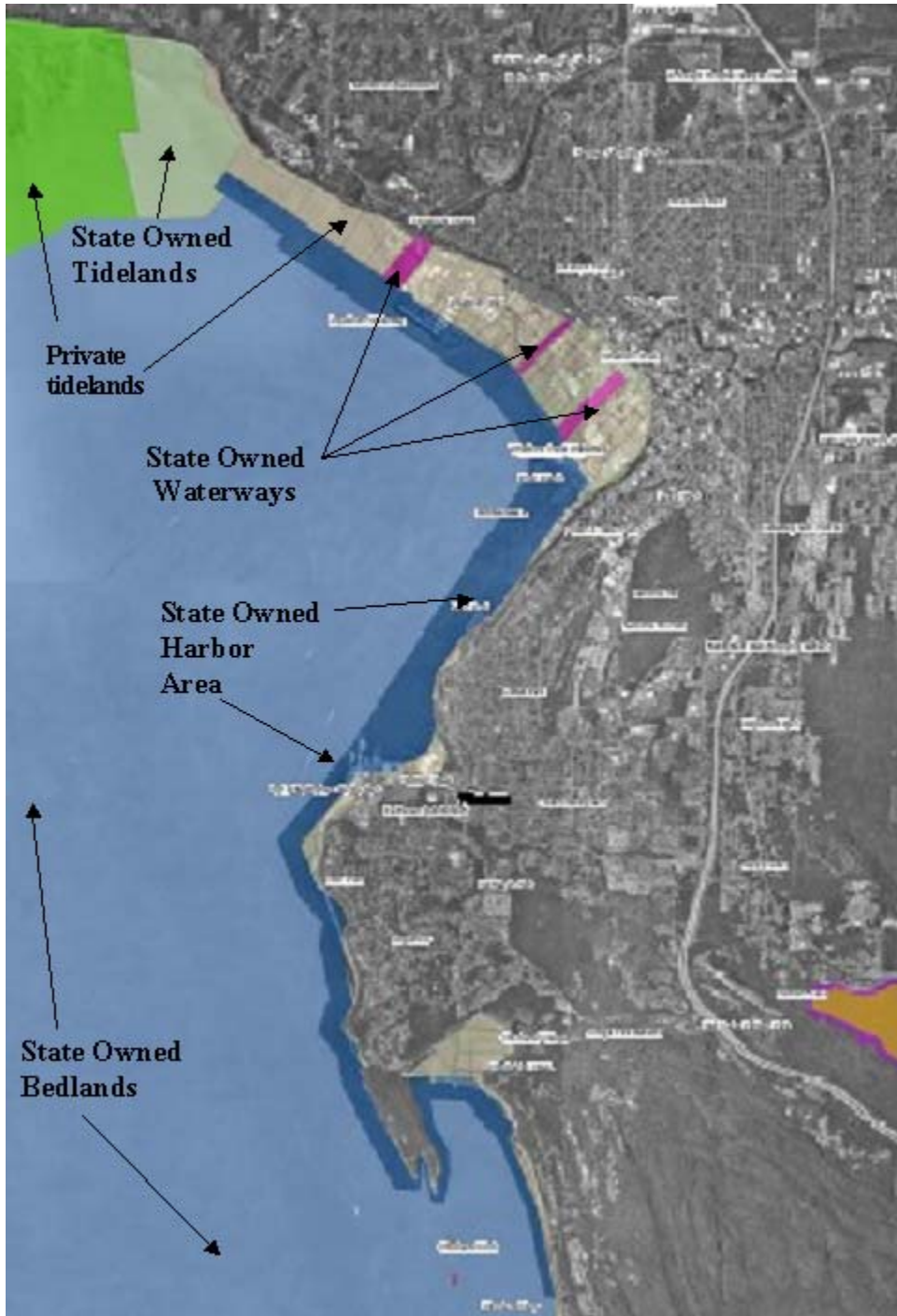
Bellingham's harbor area is also state owned land. This zone was established specifically to promote commerce and navigation in the Bellingham area and is composed of a combination of tidelands, filled tidelands and bedlands. The Harbor Area covers 860 acres and is about 9 miles long. Decisions regarding the location and use of the harbor area are the responsibility of the State Board of Natural Resources acting as the Harborline Commission.

The state also owns three areas zoned as waterways. These areas are designated specifically to support shipping. Whatcom and I&J waterways are also designated as Federal waterways.

Private tidelands are also found in the bay. These are generally located landward of the harbor area as well as a large area outside the planning area.

Through cooperative agreement the Port of Bellingham manages several large tracts on behalf of the state to support local economic development. These areas include parts of Squaticum Marina and the shipping terminal to the north, the ferry terminal and shipyard area of Fairhaven. Please refer to the map provided by the port to see these areas of overlap.

State Owned Aquatic Lands in Bellingham Bay



DNR has authorized activities at a number of sites around the bay.

| Site | Type | Acres |
|--|------------------------------|--------------|
| Georgia Pacific - Cornwall Landfill | Lease | 10.28 |
| Georgia Pacific Outfalls | Easements & Leases | 8.86 |
| Douglas Management (RG Haley clean-up site) | Lease | 0.3 |
| City of Bellingham Sewer Outfall | Easement | 5.51 |
| City of Bellingham Public Access | Leases | 8.85 |
| LeHigh NW Cement Dock | Lease | 3.33 |
| Permanente Cement Pipeline | Easement | 1.85 |
| Port of Bellingham | Port Management Agreement | 17.54 |
| Taylor St Dock | Lease | In process |
| | TOTAL | 56.52 |

DNR also owns several small parcels within GP's ASB. We are discussing opportunities to trade these small street end parcels for other pieces on the waterfront.

DNR Interests in Bellingham Bay:

DNR's interests in the future of Bellingham Bay are primarily focused on promoting water dependent uses and access, addressing environmental clean up needs, and maintaining and/or increasing our current revenue stream:

- *Water dependent uses and access:* We will continue to promote water dependent uses in the harbor and the bay. At the same time we recognize the changing waterfront face of the community may demand some additional non-water dependent uses. We believe that near term decisions need to provide the greatest flexibility for future uses. DNR staff will work closely with the community and process applications for authorizations in a timely manner consistent with zoning and the Shoreline Management Plan.

We will continue to promote opportunities for public access to the bay through incentives in our leases, and where appropriate, through grant funding. We will work closely with the community in the planning process to identify appropriate locations for recreational sites on state owned lands. Bellingham Parks and Recreation has applied for a lease to reconstruct the new Taylor St Dock and we are working closely to make a 2003 construction date possible. We are also interested in working with the city and the port on new options for the anchorage issues in Fairhaven Harbor.

- *Environment:* We will support the Bellingham Bay Pilot Work Group activities and continue to negotiate with other Potentially Liable Parties to find remedies for the contamination of Bellingham Bay. We will seek the most cost-effective environmental clean up approaches that provide the citizens of the state the least long-term environmental liability. In addition, we will support the Habitat Action Team and will help promote habitat restoration based on their recommendations.
- *Economics:* DNR has a significant economic stake in Bellingham now and in the future. We are interested in maintaining and/or increasing our revenues in the Bellingham area, while at the same time supporting and promoting the community's vision for the future. As mentioned above, revenues support our ALEA program that could assist the community with habitat restoration efforts in the future.

Summary:

DNR will continue to assist the City and Port of Bellingham with the ongoing efforts of redevelopment and environmental clean up. As you plan for the future of the Bellingham Bay waterfront, DNR as the manager for the state's lands and natural resources hopes to be involved on an ongoing basis and a consistent component in the planning and implementation efforts underway.

Thank you for the opportunity to provide this input.

ADDITIONAL MAPS:

Detail of Downtown Bellingham Waterfront Showing State Ownership:
(Blue and magenta areas are state owned lands)



Detail of Fairhaven Waterfront Showing State Ownership:
(Blue areas are state owned lands)



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