

PERFORMANCE AUDIT

Work in progress: Audit description

Evaluating Aquatic Land Lease Rates

Tidelands, shores, harbor areas and beds of navigable waters: these are all “aquatic lands.” In Washington, these public lands are managed by the Department of Natural Resources (DNR). In leasing these lands, the agency must strive to balance key benefits including public access, environmental protection and – when consistent with other benefits – revenue. Aquatic land leases allow shellfishing, boating and other historically important industries to use public lands while also providing revenue to improve aquatic lands for the public overall.

DNR manages leases for aquaculture such as oyster and clam farming, and for other purposes such as marinas, docks and piers, and more. Methods for setting rates are set in statute, and differ depending on the use. For example, rates for aquaculture are set through a negotiation process, while rates for other types of leases use a formula that relies on the value of similar neighboring land. After covering DNR’s management costs, revenues from all leases go toward a fund dedicated to enhancing public aquatic lands through activities that include developing public parks and restoring salmon habitat.

However, many stakeholders are unclear on the specifics of how rates were determined, and some have expressed concern that state law and DNR processes may result in unfair rates for certain industries or the state overall. In some cases, laws related to determining lease rates have not been updated since the early 2000s.

Preliminary scope and objectives

This audit will provide more transparency into how aquatic land lease rates are set in Washington and whether rates are set fairly. The audit will first broadly examine how aquatic lease rates are determined, then it will assess fairness for leaseholders as well as the state by analyzing lease data and processes for certain types of leases.

Specifically, the audit seeks to answer the following questions:

1. How are lease rates set for state-owned aquatic lands in Washington?
2. Does the process for determining lease rates lead to fair rates for leaseholders and the state?
3. Are there opportunities to improve state law or DNR processes to foster fairer aquatic land lease rates?



Office of the
Washington
State Auditor
Pat McCarthy

**Director of
Performance and
IT Audit:**
Scott Frank

(564) 999-0809

Scott.Frank@sao.wa.gov

**Principal
Performance Auditor:**
Tania Fleming

(564) 999-0823

Tania.Fleming@sao.wa.gov

**Lead Performance
Auditor:**

William Wright

(564) 999-0850

William.Wright@sao.wa.gov

Office of the
Washington State
Auditor

P.O. Box 40021

Olympia, WA

98504-0021

www.sao.wa.gov

[@WASStateAuditor](https://twitter.com/WASStateAuditor)

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