

FOREST SERVICE
PACIFIC NORTHWEST REGION

RECREATIONAL RESIDENCE APPRAISAL INFORMATION

The Forest Service is in the process of conducting appraisals on recreation residence lots in the Region. In accordance with the Cabin User Fee Fairness Act of 2000 (CUFFA), the appraisals will be prepared by private appraisers under contract to the Forest Service. CUFFA which became effective on May 3, 2006 provides the regulations, directives and appraisal guidelines to follow. A copy of these guidelines was published in the Federal Register on April 3, 2006. As a result, the appraisal cycle has been established to occur every ten (10) years. These appraisals are being done at Forest Service expense. The market value of the lot only, excluding cabin owner-provided improvements, is the basis for the annual fee that is five percent (5%) of the appraised market value of the typical lot.

In the Pacific Northwest Region, there are over 2800 recreation residences on National Forest System lands in Washington and Oregon.

The appraisals of the typical lots were scheduled to be completed on an area basis throughout the region beginning in fiscal year 2008 and ending in fiscal year 2010. The appraisals of typical lots on all Oregon forests, except the Mt. Hood National Forest, were conducted in 2008. Appraisals of lots on the rest of the recreational residences in Oregon and all of Washington, except the Okanogan Wenatchee were conducted in 2009. Appraisals of lots on the Okanogan-Wenatchee National Forest are scheduled for 2010.

According to the CUFFA rules, if a permit holder disagrees with the appraisal, there is an option to have a second appraisal conducted at the holder's expense using the same standards as the contract appraisal. The holder has 60 days to notify the authorized officer in writing of the holder's intent to obtain a second appraisal report. The holder has one year to prepare, at the holder's expense, a second appraisal report, for Forest Service review, of the typical lot on which the initial appraisal was conducted, using the same date of value as the original appraisal report. The selected appraiser must be approved in advance by the assigned Forest Service review appraiser. The selected appraiser will be required to note any material differences in fact or opinion between the initial appraisal conducted by the agency and the second appraisal.

For more information contact:

<p>Wenatchee, Naches Ranger District</p> <p>Cliff T Curtis, ARA Wallowa-Whitman National Forest 1550 Dewey Avenue Baker City, OR 97814 541-523-1227 or ctcurtis@fs.fed.us</p>	<p>Wenatchee – remaining tracts, Okanogan, Coleville</p> <p>Jeff Osmundson, RPRA Mt. Baker-Snoqualmie National Forest 1405 Emens Street Darrington, Washington 98223 360-436-1155 or josmundson@fs.fed.us</p>
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Why are we doing an appraisal?

The Cabin User Fee Fairness Act (CUFFA) defines how annual special use fees are determined. CUFFA requires new appraisals to be performed every ten (10) years, upon which new fees are to be based.

What will be appraised?

Market value will be determined for a typical lot permitted within each recreation residence group. This will be done by comparing the typical lot with similar lots which have recently sold in the area.

Will any improvements on the lot be appraised?

No cabin owner-provided improvements are appraised. However, access, utilities, or facilities paid for or provided by the Forest Service or a third party are included as features of the lot being appraised. For example, the market value of a typical lot may be affected by public road access and/or utilities available.

Who will be doing the appraisals?

A private appraiser under contract to the Forest Service will conduct the appraisals.

What happens if I disagree with the appraisal the Forest Service provides?

You will have an opportunity to review the appraisal during a 60-day period after Forest Service review and approval. You may then choose to get a second appraisal, at your expense, using the same instructions the original contract appraiser used. If you desire the Forest Service to consider this second appraisal, you must submit it to the authorized officer, requesting review by the assigned Forest Service review appraiser. If the second appraisal is approved by the Forest Service review appraiser, you will have the opportunity to request a reconsideration of the base fee. The authorized officer will then review the

- initial appraisal report and appraisal review report;
- the second appraisal report and appraisal review report;
- and the documented material differences in fact or opinion.

The officer will then establish a new base fee in an amount that is equal to the base fee established by the initial or the second appraisal or is within the range of values, if any, between the initial and second appraisals. (CUFFA Section 610(a))

How will the “typical lot” be valued?

The typical lot or lots in a group will be appraised using the most current comparable sale data available in the market area of the residence group. (CUFFA Section 606)

How will individual lots be assigned a value?

Only the typical lots will be appraised and assigned a value. Fees for other lots will be based on the appraised value of the typical lot that represents them.

Can permittees participate in the appraisal process by providing sale information?

Yes, before the appraiser begins work, each permittee will receive a certified letter from the appraiser offering to answer questions at a meeting with holders or when he inspects the individual typical lots. Either time will be the permittee's opportunity to provide sale data.

When will the appraisals be reviewed by the Forest Service?

The appraisals will be submitted for review by the contract appraiser a few months after the meeting with permit holders.

When will permit holders be able to review the appraisal?

Upon review and approval of the appraisal report, permit holders will be notified of such approval, and that a new base fee has been determined based on that appraisal. Upon written request, the holders will be provided with a copy of the appraisal report and supporting documentation associated with the typical lot upon which the holder's fee is based. Permit holders will have 60 days in which to review the appraisal and notify the authorized officer of their intent to obtain a second appraisal. The holders will have one year to obtain, at the holder's expense, a second appraisal report of the typical lot on which the initial appraisal was conducted, using the same date of value and the same appraisal guidelines as the original appraisal report. (CUFFA Section 610(a))

Who will make the final decision on the appraised value of my lot?

Any appraisal utilized for the determination of a base fee must be reviewed and approved by the assigned Forest Service review appraiser. The authorized officer will make the final decision to implement the new fees based on the approved appraisal reports. (CUFFA Section 607(a))

How much will fees change?

This is unknown. The purpose of the appraisal is to make that determination.

How is the fee calculated?

The annual base fee is 5% of the market value of the recreation residence lot. This base fee is adjusted annually to reflect changing land values. (CUFFA Section 607(a) and 608(a))

Why is 5% used? Shouldn't a lower rate be used because of all the special use permit restrictions imposed on holders?

CUFFA requires the fee to be equal to 5% of the value of the lot. According to CUFFA, this rate reflects “an adjustment to the typical market rate of return due to restrictions imposed by the permit.” (CUFFA Section 607(a))

Will new fees be phased in over a period of years?

When the new base fee is greater than a 100% increase from the amount of the most recent annual fee assessed the holder, the new base fee increase is implemented in three (3) equal increments over a 3-year period. (CUFFA Section 609)

How do I get more information or who should I contact if I want to talk to a Forest Service representative?

Additional information is available from the District Office where your permit is administered.