



LOUISIANA OFFICE OF STATE LANDS



*WESTERN STATES LAND COMMISSIONER'S ASSOCIATION
2018 SUMMER CONFERENCE, DULUTH, MN*



OFFICE OVERVIEW

1. ADMINISTRATIVE

- Program oversight
- Operational control
- Programs & policies

2. LAND & WATER BOTTOMS

- Program management
- Lease administration
- Permit compliance

3. TITLES & SURVEYS

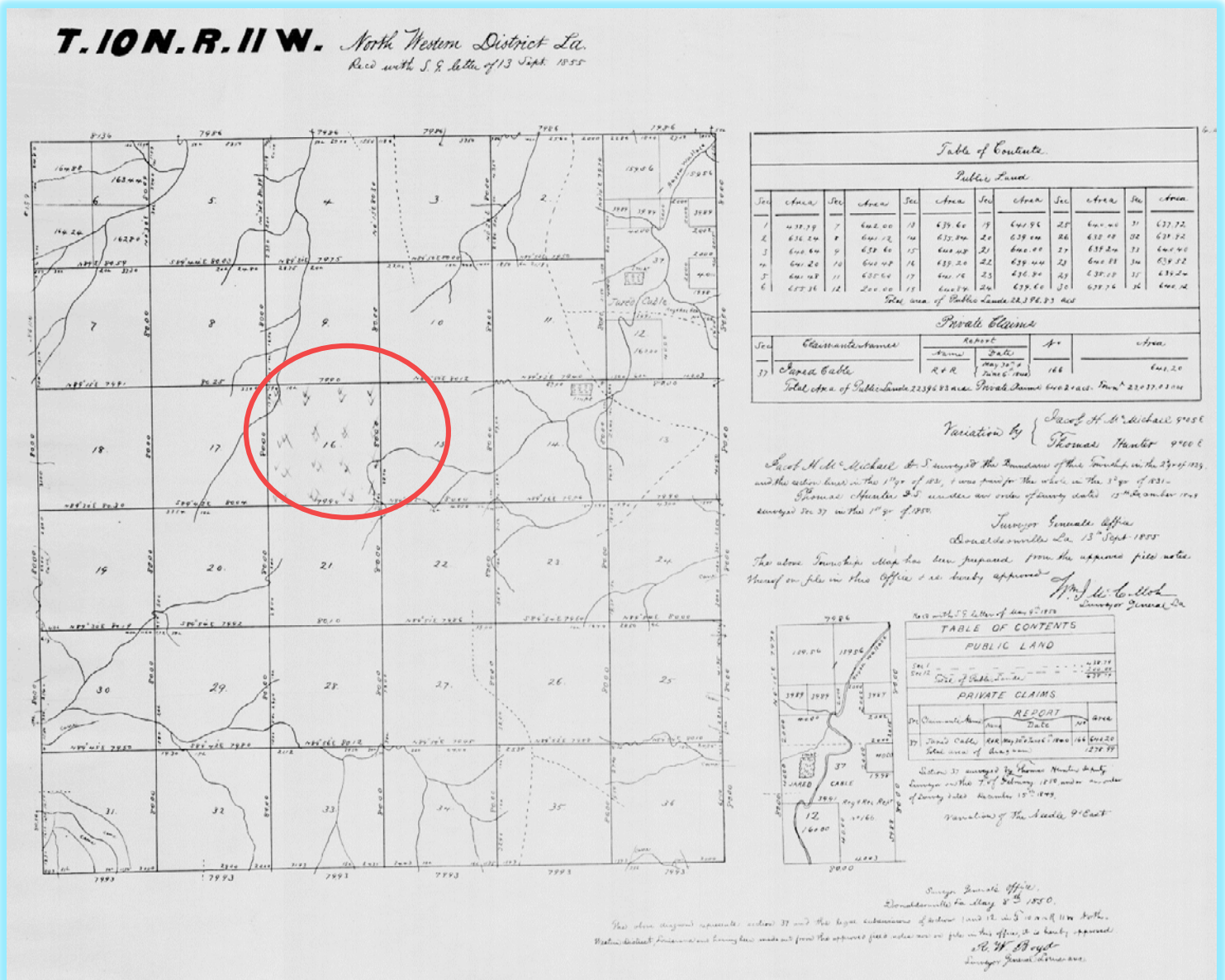
- State claim determinations
- Expert witness
- Field crew management

4. HISTORICAL RECORDS

- Land & building inventory
- Records inventory
- Tax adjudications

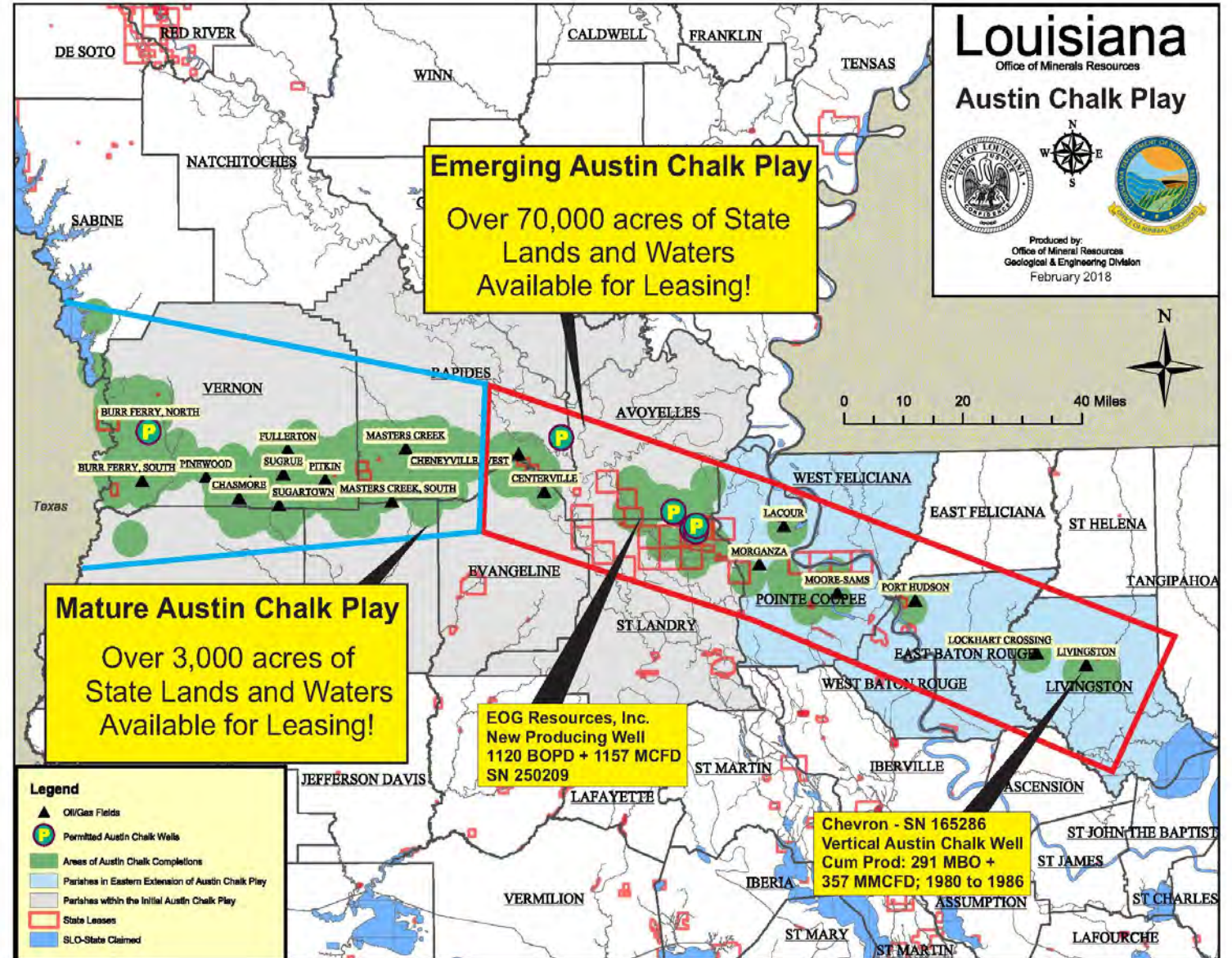
Section 16 School Lands

- Regular Section 16's reserved for schools
- State holds title, but these are under the direct control of the individual school boards
- Schools are still subject to title 41; however, can buy, sell and lease without DOA/OSL oversight



DNR-Office of Mineral Resources

- Established to maintain the state's mineral assets
- Responsible for granting and administering leases on state land and water bottoms
- Manages revenue generated from bonus, royalty, and rentals
- Over 70,000 acres of land and water available for lease in Austin Chalk



DNR-Office of Coastal Mgmt.

- ❑ Regulates development activities within the Coastal Zone
- ❑ Implements the Louisiana Coastal Resources Program
- ❑ Manages and studies impacts on coastal waters, marsh, and wetlands
- ❑ Oversees mitigation requirements, plans, banks, etc.



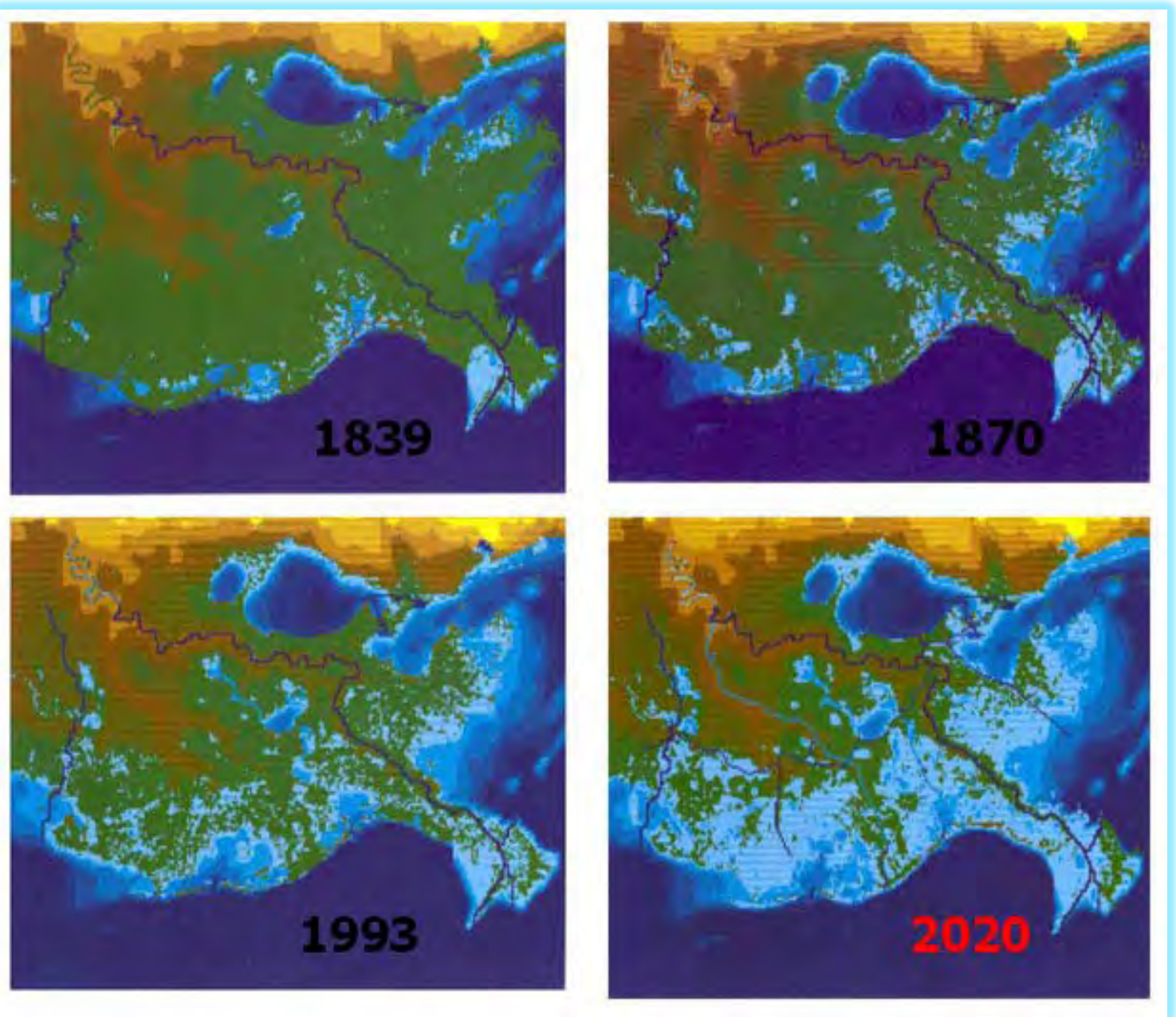


“Real estate is an imperishable asset, ever increasing in value. It is the most solid security that human ingenuity has devised. It is the basis of all security and about the only indestructible security.”

Russell Sage, American Financier, Railroad Executive and U.S. Congressman from New York

IMPERISHABLE ASSET?

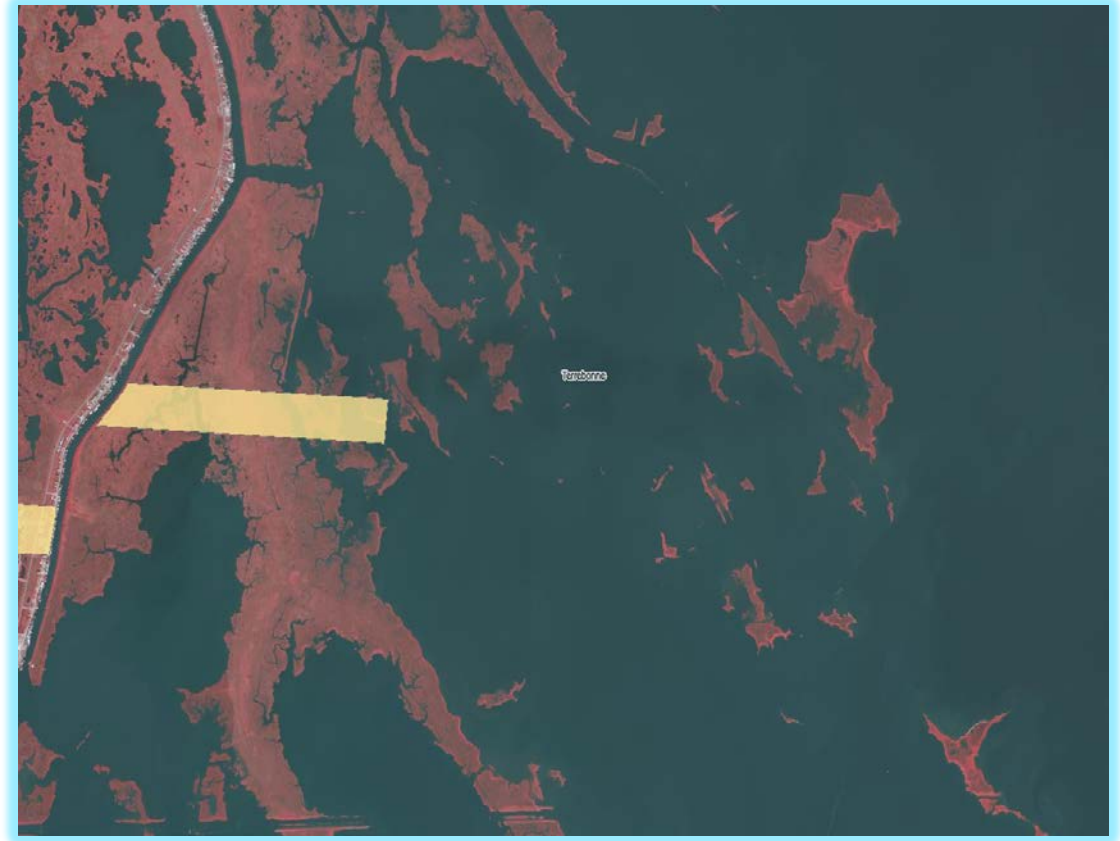
- ❑ LA coastal land loss is estimated at a football field per hour
- ❑ 90% of total marsh loss in continental U.S.
- ❑ OSL statewide erosion update added approximately 75,000 acres using aerial photography from 2004 to 2012





SUBMERGED LANDS

MANAGEMENT, MAPPING, HISTORIC ANALYSIS, ENCROACHMENTS,
ECONOMICS, CONFLICTS, AND MINERAL EXPLORATION





LEGAL HISTORY

- ❑ 9:1107
- ❑ Phillips Petroleum v Mississippi
- ❑ 9:1115.1



HISTORIC ANALYSIS

- ❑ Traversed on GLO surveys
- ❑ Appear on USGS quads
- ❑ 1 chain / 66 feet
- ❑ Presumed depth
- ❑ Connectivity
- ❑ Severance



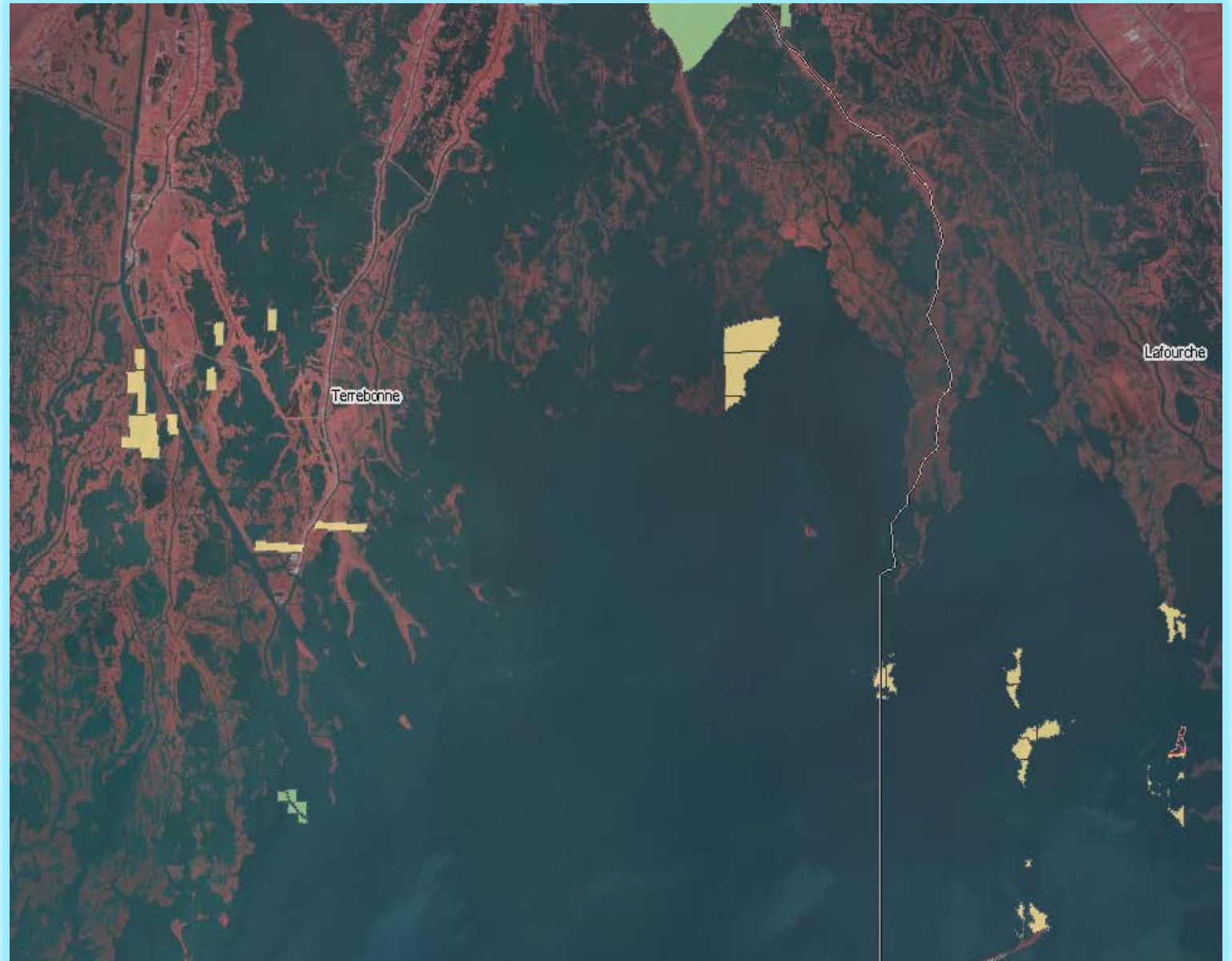
USGS QUADRANGLES

- ❑ First aerial overflights in early 1930's
- ❑ Prior to major negative impacts from levees
- ❑ No private canals
- ❑ OLWM Rivers/Streams
- ❑ OHWM Lakes/Bays
- ❑ High tide in winter--Gulf



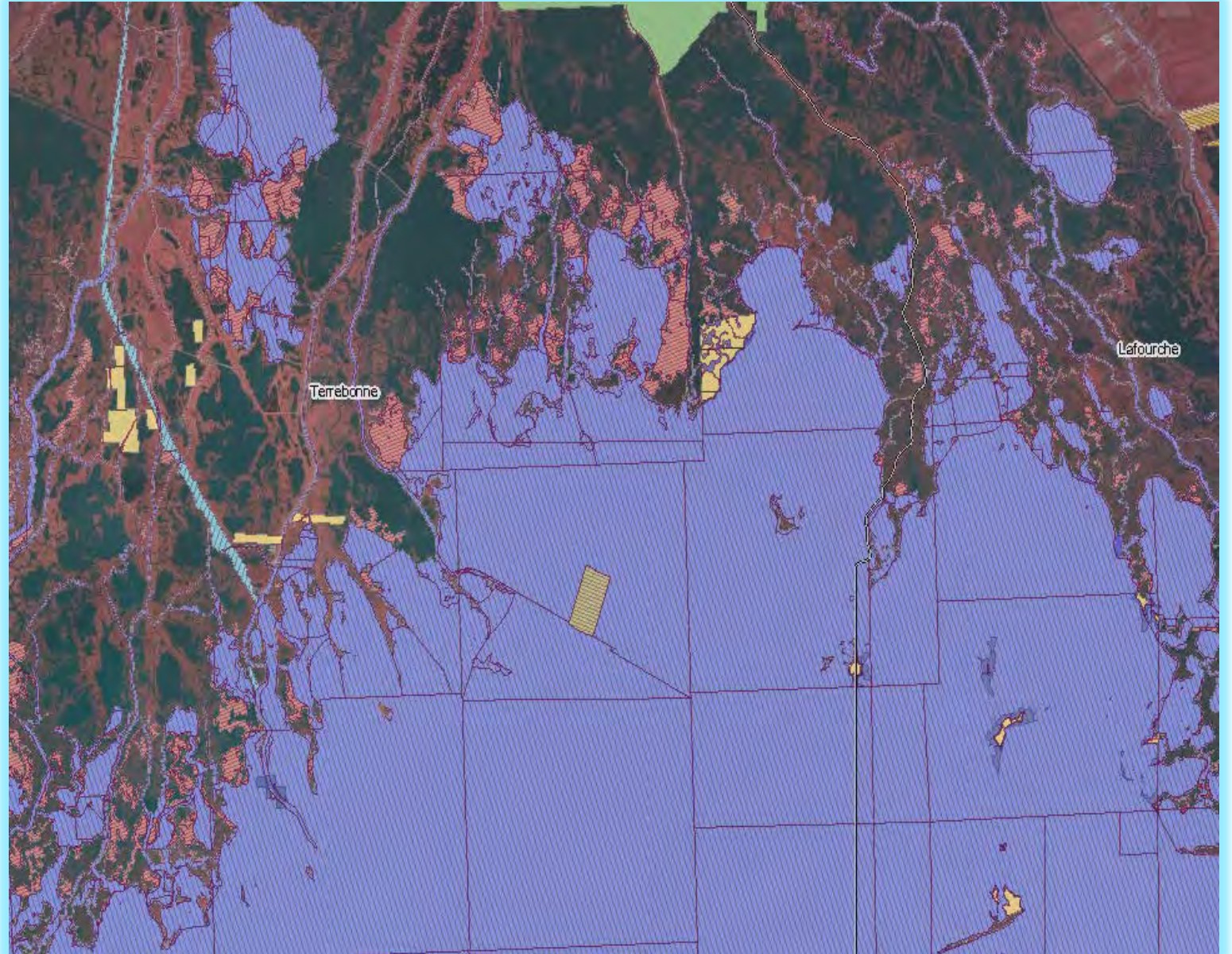
EROSION & SUBSIDENCE

- La. CC Art. 450
- 2006 regular session
- Lobbyist
- Dual Claimed



MAPPING & SONRIS

- State owned/leased land
- Minerals only tracts
- Erosion update completed 2015 using 2012 imagery
- Water Bottoms:
 - state claimed (blue)
 - publically accessible (light blue)
 - dual claimed (red)
 - JAC (gold)





EROSION UPDATES





MINERAL REVENUE

EXCLUDING OCS
(MILLION \$\$)

DATE	OIL	GAS	LIQUIDS	OTHERS	TOTAL
2013	382.37	158.56	27.85	0.00	568.79
2014	320.26	166.82	23.74	0.00	510.83
2015	147.13	86.73	8.03	0.00	241.89
2016	104.70	62.67	6.80	0.00	174.17
2017	72.43	41.51	4.56	0.00	118.51

OSL & MINERAL LEASING

- ❑ Water bottom determination letter
- ❑ Dual claimed / competing leases
- ❑ Concursus proceedings
- ❑ Negotiated royalty settlements
- ❑ Litigation costs
- ❑ 9:1151--Freeze Statute





WATERBOTTOM LEASES

☐ Permits:

- Class A—reclamation permit
- Class B—to construct bulkheads or flood protection
- Class C—to construct commercial wharves and piers
- Class D—to construct structures other than wharves or piers
- Class E—to construct and/or maintain landfills upon non-eroded state lands

☐ Recreational WB Leases:

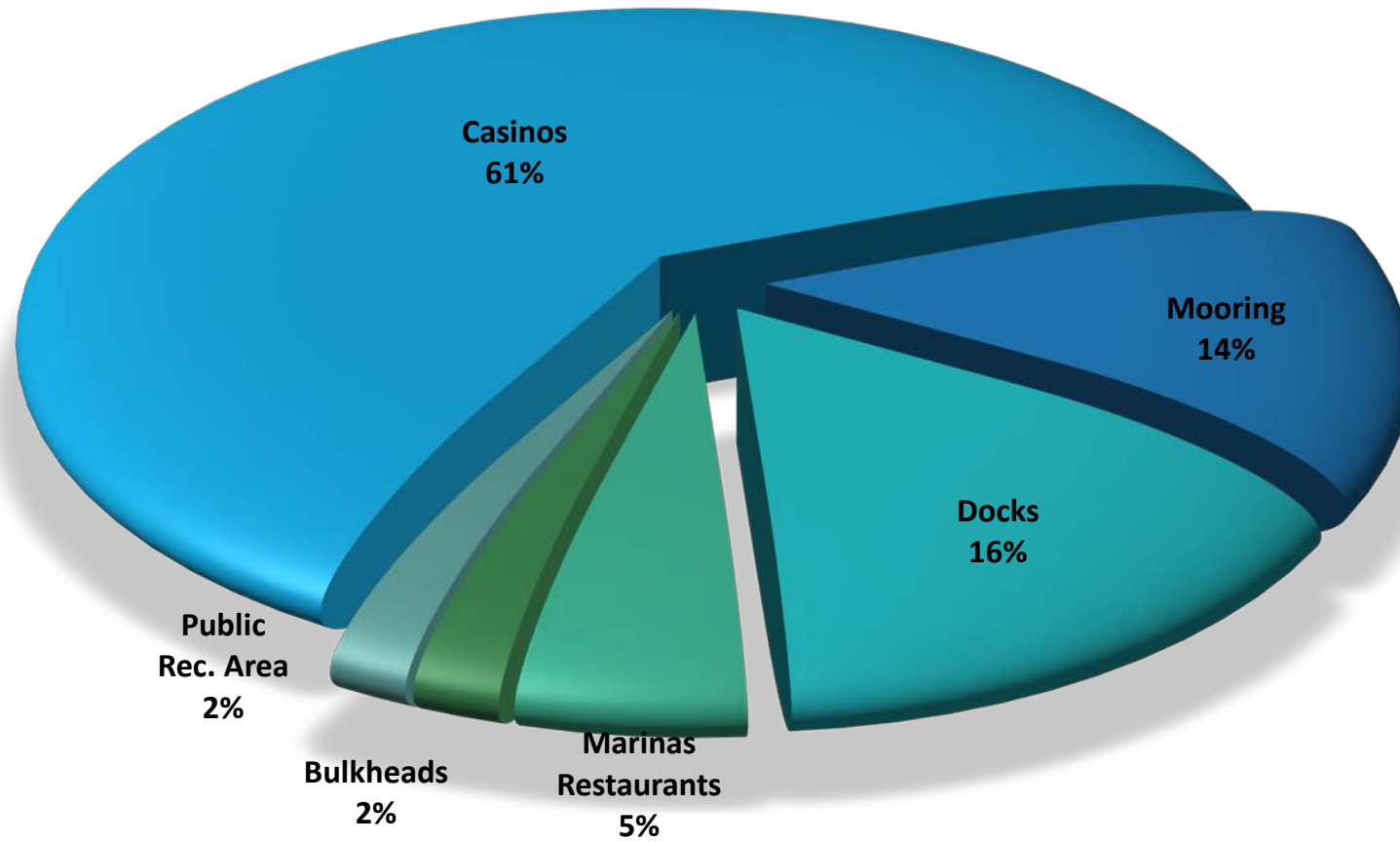
- ≥ 800 sf levied at \$.10/sf/yr, \$100 statutory minimum
- Boat slips along bank are at \$100/slip/yr—first one free
- Slips in the water are \$100/slip/year plus area of deck or wharf at \$.10/sf/yr
- Insurance purposes

☐ Commercial WB Leases:

- Density, use, & revenue capacity considered
- Ground rental rate appraisals
- Buffer zones under 1 acre levied at \$.02 -- \$.05/sf/yr
- Buffer zones over 1 acre levied at \$.05 -- \$.20/sf/yr
- Area of encumbrance levied at \$.20/sf/yr on average, some areas as high as \$3.00/sf/yr (casinos)
- Lease minimum rates and terms are statutorily mandated



SUBMERGED LAND LEASING





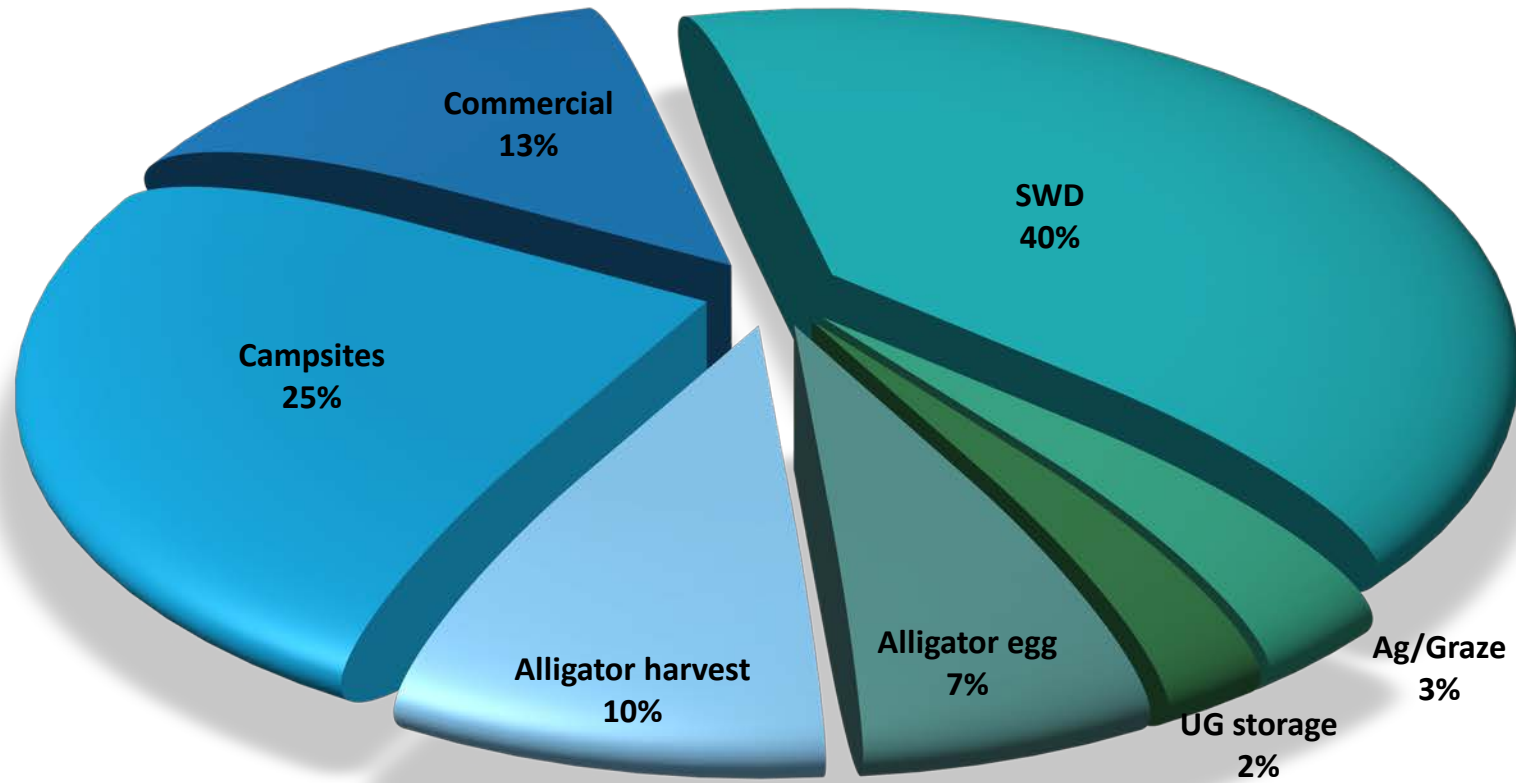
SURFACE/SUBSURFACE

- ❑ Campsite leases (land access and houseboat)
 - The highest return per acre (outside of casinos)
 - The public's favorite program
 - Infrastructure improvements
 - 10 year rental based with option to renew up to 50 years
 - Minimum of \$10,000 in improvements
 - Sealed bid process
- ❑ Surface leases
 - Hunting leases not allowed
 - Alligator fishing and egg harvest
 - Grazing & Agricultural leases
 - Oil/Gas surface, lateral wellbore, BHL, SWD
 - Oil/Gas production facilities, helicopter pads, etc.
 - Commercial – other (warehouses, marinas, pipe yards)
 - Sealed bid process



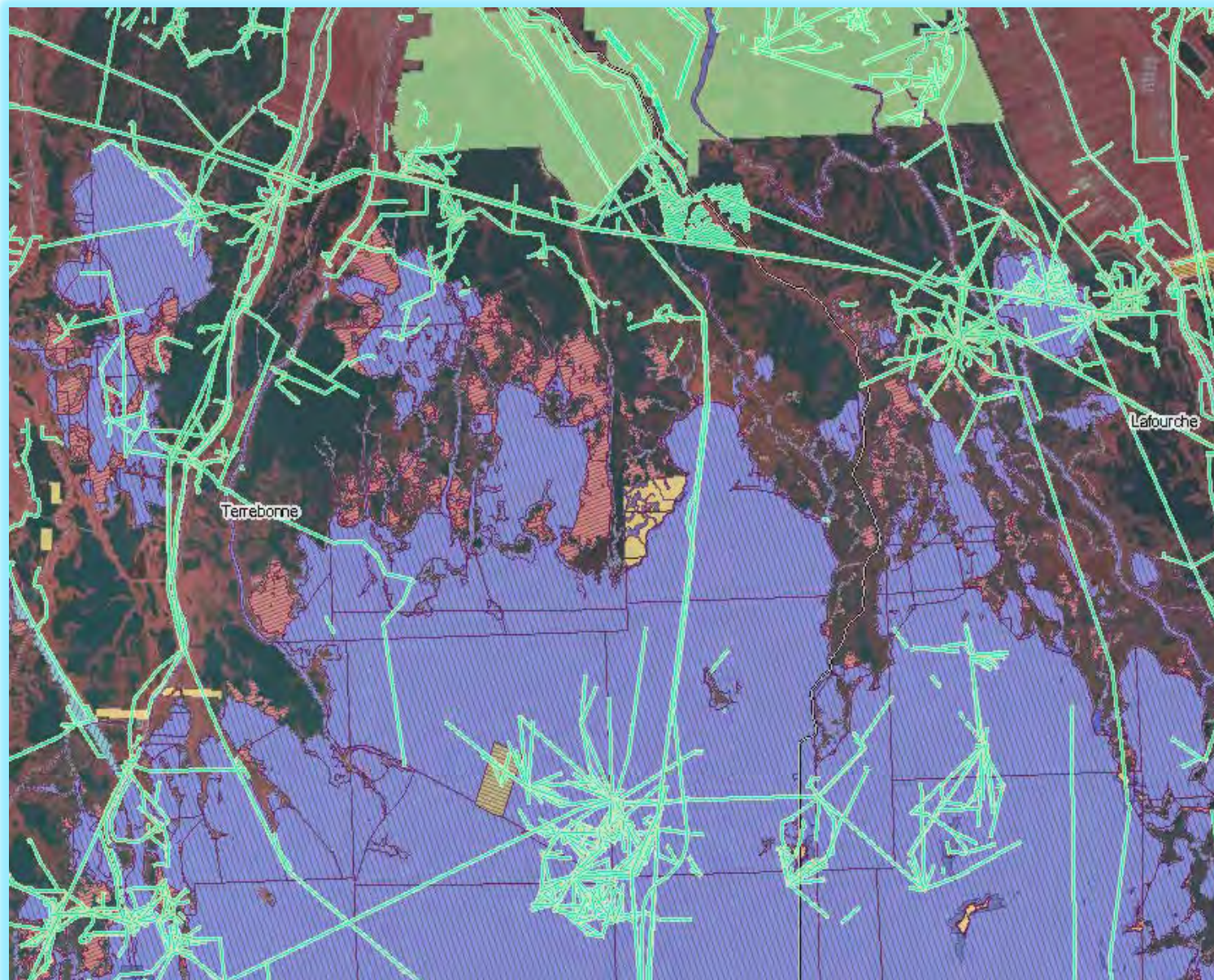


SURFACE LEASING



RIGHTS-OF-WAY

- ❑ Average \$1.5mm annually
- ❑ 20 year term, 20 year renewal
- ❑ Fee increase implemented 2017
- ❑ \$50/rod for class 1 – 2 inches up to 19 inches, 75' construction, 35' thereafter
- ❑ \$70/rod for class 2 – 19 inches up to 36 inches, 100' construction, 50' thereafter
- ❑ \$90/rod for class 3 – over 36 inches , 200' construction, 60' thereafter
- ❑ \$0 for ROW that benefits Public Land/Agency
- ❑ ABANDON IN PLACE APPLICATIONS



ENCROACHMENTS & ENFORCEMENT

- ❑ Mooring in Bayou Schaffer
- ❑ Two CUP applications requiring Class C & D permits
- ❑ Permits acquired, but no lease
- ❑ No dolphins/pilings constructed
- ❑ Unjust enrichment claim due State
- ❑ New lease required
- ❑ Use and density considered



ENCROACHMENTS & ENFORCEMENT

- ❑ Dolphins/pilings outside limits of CUP application and permit
- ❑ No objection from riparian owner needed
- ❑ Class D permit required
- ❑ Lease required
- ❑ Unjust enrichment claim due State
- ❑ Use and density considered



RESIDENTIAL ENFORCEMENT

- ❑ No permit application with State
- ❑ No permit with USACE
- ❑ No Parish approval
- ❑ No lease
- ❑ Good thing this is not part of the Scenic Rivers Program!!!





PROACTIVE MANAGEMENT

REVENUE REALIZED/PENDING

- Realized ROW = \$135,556
- Pending WB +/- \$125,000
- Pending Surface +/- \$15,623
- Pending campsites +/- \$40,000
- Timber harvest = \$575,007
- **Growth potential is exponential**
- **TOTAL PROJECTED = \$891,186**

BUDGET INCREASE NEEDED

- 1 Surveyor--\$67,000
- 2 Field Officers--\$90,000
- 1 Eng. Tech--\$45,000
- Travel--\$20,000
- Reforestation--\$60,000
- Infrastructure--\$36,000
- **TOTAL ESTIMATED = \$318,000**