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Soaring Forest Service leases to drive families out of cabins they've had for generations

Tucked in on the shores of Lake Wenatchee are a row of rustic cabins that were built long before this spectacular mountain lake became a recreation gold coast.

Most homeowners would welcome a spike in land value. But for the six families who own these cabins, an inverse real-estate calculus is in effect. Instead of profiting, they say they may soon have to abandon the cabins, leaving behind generations of memories.

The cabins are privately owned but are on land leased from the U.S. Forest Service. The agency recently sent notice that a long-delayed increase in annual lease fees is due — spiking fees up more than 1,000 percent, from \$1,400 to more than \$17,000.

Those bills have made the Lake Wenatchee cabins central to questions about the future of the Forest Service's 94-year-old policy of enticing middle-class families to the woods by offering cut-rate deals on land for cabins. With fees steeply up nationwide, to as high as \$76,000 a year, cabin owners wonder how many of the 14,500 cabins across the United States will still be occupied in a few years.

Not all would mourn the loss. Some environmental groups question such use of public forest land, and fiscal conservatives have viewed past lease fees as sweetheart deals benefiting just a few.

The Minard family has been among those few since 1920, when Everett "Laury" Minard's grandfather built a cabin on North Shore. Minard, 84 years old and still a Metro bus driver, spent each summer of his childhood there, learning to drive at age 13 on the lakeshore roads. But he says he'll not pay when the fee jumps to \$13,000 in January.

"I'm resigned to the fact that we won't have the cabin anymore," said Minard, of Seattle. "Losing it will be a little like dying — sad but painless. There's nothing you can do."

The Minard family built their cabin just five years after the Forest Service in 1915 welcomed private cabins on its land as a way to lure families out to forests with few roads and primitive conditions. Today, there are



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Michael Minard, of Seattle, watches as his daughter Sage, 10, lights a fire in the cabin that Michael's great-grandfather built in 1920. Son Tiamo, 8, is at right. The Minard family plans to give up the cabin Jan. 1, when lease fees rise.



BETTY UDESEN / THE SEATTLE TIMES

about 2,800 cabins scattered around Washington and Oregon national forests, including 643 in the Okanogan-Wenatchee forest.

The Forest Service leases land under the cabins for a yearly fee of 5 percent of fair market value, on renewable, transferable 20-year contracts. The agency keeps tight control, restricting everything from paint color (Forest Service brown, green or gray) to size (1,200 square feet) to satellite dishes. Owners must let the public camp around their cabins, even on the leased land.

Interpretation of "fair market value" has varied. Criticism of sweetheart deals led to more rigorous appraisals in the 1990s and a nearly 10-year moratorium on fee increases while the Forest Service installed a new law, the Cabin User Fee Fairness Act. The moratorium expired in January.

Recent reappraisals required by the law have only inflamed the situation as sales from the real-estate bubble are included. Fees are doubling in many areas, including Oregon's Lake of the Woods, while fees for some cabins near Crystal Mountain remain below \$1,500.

Jim Sauser, a Forest Service official who oversees the cabin program in the Northwest, said the appraisals are time consuming and result in fees that are either too high or too low.

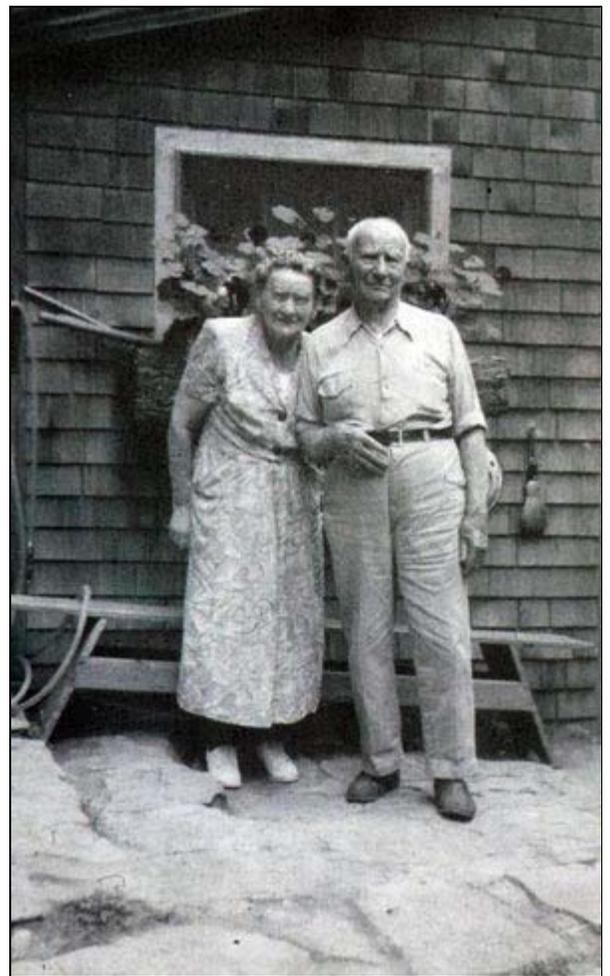
"It's an old real-estate principle — location location location," he said. "Ultimately some can't afford it. Everyone wants to go back in time when things were kinder and gentler and cheaper. I'd like to go back and buy a \$3,900 brand-new car again."

"Looking ominous"

Few areas in the country have spiked as much as the North Shore cabins. The leases have historically been \$1,400 a year or less. But a 1999 appraisal boosted fees to \$17,000 by including waterfront sold during the dot-com bubble to King County's high-tech wealth. (Much of the lake is privately owned.)

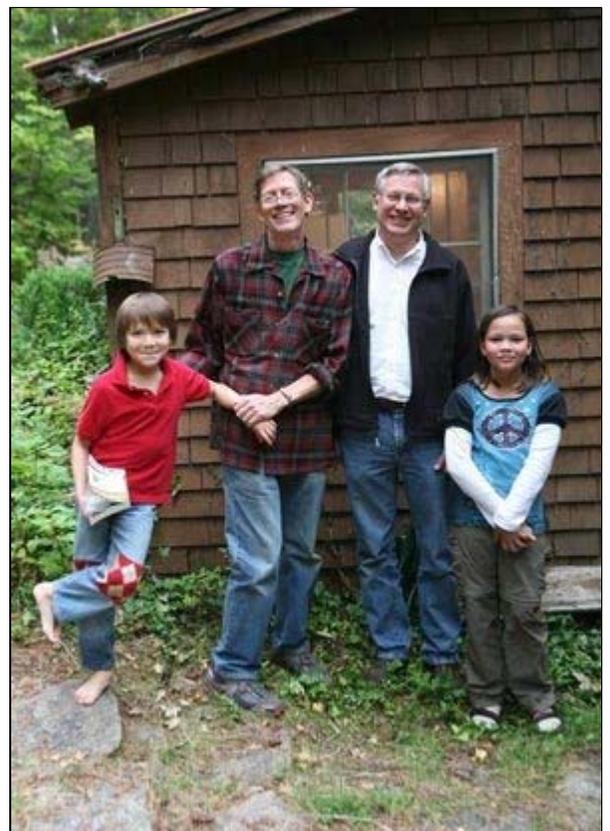
That increase is being phased in — \$6,600 this year, \$13,000 the next and about \$17,000 in 2011 — but the cabin owners, bracing for even higher fees after a new appraisal, have tried to sell. Realtor Steve Craig lists three of the cabins and estimates each lot — roughly a half-acre or less — would be worth up to \$700,000 if it were private land. But with the Forest Service restrictions and lease rates, he's had few nibbles at cabins despite prices as low as \$79,000.

"What you see is the lease rates at a breaking point," Craig said. "I understand the underlying land is worth a lot of money, but if I'm going to spend \$1,500 a month, I'm going to buy



COURTESY OF MINARD FAMILY / THE SEATTLE TIMES

Clara and Emil Frank, who built the cabin in 1920. Their descendants in the photo at right stand in the same spot.



something I own, even if it's not lakefront."

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From left, Tiamo Minard, his father, Michael Minard, Michael's brother Frank, and Michael's daughter Sage.

All six of the owners contacted last week by The Seattle Times said they planned to not pay the fees this year or the next, breaking the lease.

Dave Carlson, of Woodinville, is in the worst spot. He bought a cabin about six years ago for more than \$250,000, believing, based on disclosure from the seller and Forest Service, that fees would track the historical rate. Breaking the lease would mean losing his investment and walking away, Carlson acknowledges: "The future is looking ominous."

Dick Almy's wife has had a cabin in her family since 1956; his grandchildren are the fifth generation to play at the lake. A Seattle real-estate appraiser, Almy has twice flown to Washington, D.C., to fight for changes to the fee system and has spent hundreds of hours organizing cabin owners.

"Why would you pay even \$6,600 for a cabin when you can't mortgage it, you can't sell it, you can't paint it, you can't cut trees, you can't even put a blue tarp over your firewood?" said Almy, who plans to not pay the January bill. "You only do it if you love the experience of owning a cabin."

Lobbying in D.C.

If the North Shore owners do abandon the cabins, the Forest Service could charge them to move or tear down the cabins and restore the land to its natural state, Sauser said. The bill would be sent to the IRS for collection, he said.

The National Forest Homeowners, a nationwide coalition of cabin owners, is lobbying Congress for a moratorium on next year's fee increases, although leaders admit the timing is poor. The group proposes a new system that caps fees at \$4,000 a year, indexed for inflation, and heavily taxes sales or transfers.

Randall O'Toole, author of a book on the Forest Service and a fellow at the libertarian Cato Institute, says the cabins program is outdated. "Today, there's plenty of roads into the forests. There isn't really any need for the cabins anymore," said O'Toole, who owns a Forest Service cabin on Oregon's Mount Hood.

Sen. Maria Cantwell, D-Wash., and four other Western senators protested the fee structure in December, leading the Bush administration to install a moratorium. But the Obama administration lifted the stay. Cantwell's staff last week said she was "monitoring" the issue.

Minard, one of the six cabin owners, said his 107-year-old mother, Gretchen Minard, is heartbroken about the pending loss of the cabin. It was her father, an Ellis Island immigrant, who built it.

It is ironic, Minard said, that the appraisals include surrounding high-value waterfront land because a 1924 map shows his leased lot stops well short of Lake Wenatchee.

"I can't see the Forest Service relenting, and they're taking an impossible course as far as cabin owners are concerned," he said. "The cabins are going to be history as far as I'm concerned. I can't see anybody in their right minds keeping a cabin."

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