

**STATE OF MAINE**  
**DEPARTMENT OF MARINE RESOURCES**  
Gay Island Oysters, Inc., Transferor  
Aquaculture Lease Transfer Application

**Lease MED GI**  
**Docket # 2015-03-T**  
Gay Island Oyster Farm, Transferee  
April 9, 2015

## **PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION**

### **1. THE PROCEEDINGS**

Gay Island Oysters, Inc., a Maine corporation, has applied to the Department of Marine Resources ("DMR") to transfer to Gay Island Oyster Farm, a Maine Corporation, its 1.728-acre aquaculture lease MED GI, located in the coastal waters of the State of Maine in the Meduncook River, on the west side of Gay Island, in the Town of Cushing, Knox County. The lease was originally granted on August 26, 2004 and renewed on December 12, 2014 for a period of ten years for the purpose of cultivating American/eastern oysters (*Crassostrea virginica*) and sea scallops (*Placopecten magellanicus*), using suspended culture techniques. The current lease expires on August 25, 2024.

The transfer application was accepted as complete on February 13, 2015. The Department provided a notice of the application and of the 14-day comment period to all riparian owners, the Town of Cushing, the general mailing list of interested persons, and the following reviewing agencies: U.S. Army Corps of Engineers, U.S. Coast Guard, National Marine Fisheries Service, Maine Dept. of Inland Fisheries & Wildlife, Maine Dept. of Conservation, and DMR Marine Patrol. A notice of the application and comment period was published in the *Courier Gazette* on March 12, 2015. No comments were received.

### **2. STATUTORY CRITERIA & FINDINGS OF FACT**

Lease transfer requests are governed by 12 M.R.S. §6072 (12-A) and DMR Rule 2.60. They provide that the Commissioner of DMR may grant a transfer upon determining that:

- a. the change in the lessee's identity does not cause any of the original criteria for issuing a lease to be violated;
- b. the transfer is not intended to circumvent the preference guidelines for treatment of competing applications;
- c. the transfer is not for speculative purposes; and

**A. Effect of Lessee Change on Lease Criteria**

The transferee has met the same requirements for providing information about financial and technical capacity as is required for an applicant for a standard lease. According to the transfer application, the transferee plans no changes in the aquaculture activities taking place on the lease site.

No comments on this transfer application were received by the Department. There is no evidence that the change in the identity of the lessee will affect any of the statutory criteria for issuing an aquaculture lease.

**THEREFORE, I FIND** that the change in the identity of the lessee does not violate any of the lease issuance criteria set forth in 12 M.R.S. §6072 (7-A).

**B. Effect on Preference Guidelines**

There are no competing applications for this lease site, so the preference guidelines are not relevant to this application.

**THEREFORE, I FIND** that the lease transfer is not intended to circumvent the preference guidelines for treatment of competing applications as set forth in 12 M.R.S. §6072 (8).

**C. Speculative Purposes**

Rule 2.60 provides that in considering whether a transfer is being conducted for speculative purposes, the Department must consider “whether the current lessee has conducted substantially no research or aquaculture in the lease areas during the previous lease term.” It is clear from annual reports filed with DMR by the Transferor that aquaculture has been conducted on this lease site.

**THEREFORE, I FIND** that the lease transfer is not for speculative purposes.

**D. Acres Leased by Transferee**

The statute and rule require that in order to grant the lease transfer, the Commissioner must find that “the transfer will not cause the transferee to be a tenant of any kind in leases covering an aggregate of more than 1,000 acres.” According to DMR records, the transferee holds no aquaculture leases.

**THEREFORE, I FIND** that the lease transfer will not cause the transferee to be a tenant of any kind in leases covering an aggregate of more than 1,000 acres.

### **3. CONCLUSIONS OF LAW**

Based on the above findings, I conclude that:

- a. The change in the identity of the lessee does not violate any of the lease issuance criteria set forth in 12 M.R.S. §6072 (7-A);
- b. The lease transfer is not intended to circumvent the preference guidelines for treatment of competing applications as set forth in 12 M.R.S. §6072 (8);
- c. The lease transfer is not for speculative purposes; and
- d. The lease transfer will not cause the transferee to be a tenant of any kind in leases covering an aggregate of more than 1,000 acres.

These findings of fact and conclusions of law having been made as required by 12 M.R.S. §6072 (12-A) and by DMR rule 2.60, this lease transfer may be granted.

### **4. DECISION**

Based on the foregoing, I grant the requested transfer of the aquaculture lease MED GI from Gay Island Oysters, Inc. to Gay Island Oyster Farm. The term of the lease is not affected by the transfer, so the new lease will expire on the same date as the current lease, i.e., August 25, 2024.

All provisions of the existing lease shall continue in full force and effect, including all conditions on the lease, as noted below. The lessee shall pay the State of Maine rent in the amount of \$100.00 per acre per year. The lessee shall post a bond or establish an escrow account pursuant to DMR Rule 2.40 (2) (A), conditioned upon its performance of the obligations contained in the aquaculture lease documents and all applicable statutes and regulations.

### **5. CONDITIONS**

Pursuant to 12 M.R.S. §6072 (7-B), the Commissioner may establish conditions that govern the use of the lease area and impose limitations on aquaculture activities. Conditions are designed to encourage the greatest multiple compatible uses of the lease area, while preserving the exclusive rights of the lessee to the extent necessary to carry out the purposes of the lease.

The existing conditions on this lease, which continues in effect after the transfer, are:

- a. Navigation, lobster fishing, recreational boating and fishing shall be allowed in the open areas of the lease site;
- b. All structures placed on the bottom of the lease site, such as over-wintering cages, shall be placed in the deeper water near the northwest corner of the lease site; and
- c. The lease area shall be marked in accordance with U.S. Coast Guard and Department of Marine Resources regulations Chapter 2.80.

**6. REVOCAION OF LEASE**

The Commissioner may commence revocation procedures if it is determined that substantial aquaculture has not been conducted within the preceding year or that the lease activities are substantially injurious to marine organisms. If any of the conditions or requirements imposed in this decision, in the lease, or in the law is not being observed, the Commissioner may revoke the aquaculture lease.

Dated: \_\_\_\_\_

2/9/15



Patrick C. Keliher, Commissioner  
Department of Marine Resources