

Fee shock for cabin owners

Forest Service permit skyrocketing in price due to new appraisals

by **Dennis Wagner** - Nov. 30, 2009 12:00 AM
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More than 40 years ago, David Allen's

parents bought a tiny log cabin on a piney slope in the Apache-Sitgreaves National Forests, overlooking the Little Colorado River.

Under a U.S. Forest Service permit program, the Allens initially paid about \$130 per year to have their summer home on public land near Greer.

As decades elapsed, that price didn't go up much. By the 1990s, they were paying just \$300 annually for a half-acre of real estate. As recently as 2008, the fee was \$1,677.

Now, the cost of a permit is skyrocketing. Because a Forest Service appraisal lists Allen's lot value at \$200,000, he faces a yearly fee of \$10,000.

"They've dealt with us very unjustly," says the 65-year-old Mesa retiree.

Cabin owners are issued multiyear permits and must pay annual fees set at 5 percent of each lot's fair-market value, not including structures, as part of the recreational-residence program. The program dates to 1915, when the Forest Service invited Americans to build summer homes on federal land in isolated areas. The idea was to encourage public recreation and private investment.

But now, mountain real-estate values have caught up with the cabin owners.

Allen and his neighbors are among an estimated 14,000 Americans - 461 in Arizona - bracing for dramatic increases in the fees they pay to have their recreational cabins on national-forest land. Many say they'll have to sell or abandon their properties.

"It's highway robbery," said Edmund "Ed" Loew, a retired minister in Globe who says the fee for his cabin in the Pinal Mountains will quadruple over the next few years.

In southeast Arizona, 82-year-old Madeline Doyle of Douglas says she's resigned to losing a summer home built by her grandfather around 1930 in the Chiricahua Mountains.

"The children, the grandchildren, we've all enjoyed it so much," Doyle said. "But the charge has gone up and up. We're just not sure if we'll be able to keep it anymore."

But Jay Butler, director of the Arizona Real Estate Center at ASU's W.P. Carey School of Business, says there is another way to look at the issue: After getting by on the cheap for decades, cabin owners are finally being charged market-value lease rates.

"It doesn't benefit me that you have this cabin, so why should the federal government subsidize your recreation?" Butler asks.

Across Arizona

The summer homes range from primitive bungalows of just a few hundred square feet to beautiful log cabins of several thousand square feet. Most are found in small clusters, with lots of 1 acre or less. In Arizona, the Coronado National Forest has the most (242), while the Kaibab National Forest above the Grand Canyon has the fewest (three).

Owners are not allowed to live in the cabins full time or to rent them out. Rangers enforce rules that dictate paint colors, prohibit fences and ban outdoor improvements such as barbecue grills, gardens or yard furniture.

By the 1960s, America's forests no longer lacked for public use, so the government stopped issuing permits. But the program continued as families handed down or sold their cabins.

During the 1990s, new appraisals came in reflecting the dramatic surge in mountain real-estate values. All across the West, cabin owners began to protest, organize and pressure Congress.

A moratorium was placed on fee increases. In 2000, Congress adopted the Cabin User Fee Fairness Act, or CUFFA, to establish an equitable system with gradual payment increases. The fees remained modest until this year, when cabin owners began getting bills based on new appraisals. Many owners are facing fee increases of 400 percent or more.

"It's not working as a system," says Mary Clarke Ver Hoef, executive director of National Forest Homeowners. "It's a nightmare."

Ver Hoef's group and other cabin-owner groups have formed Cabin Coalition 2, a political organization that is fighting the fees. As an example of what they say is an injustice, they point to David Allen and his 18 neighbors in the Little Colorado summer-home tract. Once the fee increases are phased in over three years, the owners will be paying 1,000 percent more a year than they're paying now.

Judy Yondah, recreation and special-use manager for the Forest Service's Southwest Region, says she sympathizes with those suffering from "fee shock," but her agency is carrying out a federal law established by Congress.

Cabin owners have exclusive lots in idyllic forest settings, and most have been spared substantial fee increases for 26 years. If those sites had been leased privately, ASU's Butler contends, there would have been routine rental hikes reflecting rising land values.

Ver Hoef and Coalition 2 argue that such a comparison misses the point because summer-home sites are not comparable to private lands. Many cabins have no electricity or running water. Some are snowed in for much of the year. Owners must allow public access to their lots. The Forest Service imposes strict rules.

"Nobody gets it because these are such a peculiar ownership," Ver Hoef said. "Basically, the appraisers pick up resort properties and consider them equivalent."

Ver Hoef says the fees are so high that middle-income owners can't pay the lease or find buyers. Yet they can't afford to abandon their cabins because permits require owners to restore the property to its natural state, a move that could cost \$70,000 or more.

Coalition 2 is pushing for an entirely new fee system that would appraise cabins according to a five-tier system, with owners paying \$500 to \$4,000 per year.

Ver Hoef says that proposal has no congressional sponsor so far, and the Forest Service is moving ahead with the increased fees.

Jay Jones, 79, of Douglas, who has summered in the Chiricahua Mountains for 35 years, says he hopes to hang on despite a tripling in fees and increasingly strict regulations. The cabin, in Ponderosa pines with Cave Creek gurgling by, is filled with memories.

"It's beautiful, just a magnificent place," Jones said wistfully. "My wife wants to have her ashes scattered there, which the Forest Service won't allow."