



Mississippi Department of Marine Resources

SOLICITATION:

REQUEST FOR PROPOSALS

FOR:

Molluscan Shellfish Leases

ISSUE DATE:

July 21, 2023, 8:00 AM CST

LOCATION:

Mississippi Department of Marine Resources
1141 Bayview Avenue
Biloxi, Mississippi 39530

CONTACT:

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CLOSING DATE AND TIME:

August 4, 2023, 4:00 PM CST

Introduction

The Mississippi Department of Marine Resources (MDMR) is pleased to announce the recent update of its on-bottom shellfish regulations. These changes were made possible by the passage of Senate Bill 2544 during the Mississippi Legislature 2023 Regular Session. The updated regulations now allow private individuals or businesses to lease previously inaccessible water bottoms, fostering a sustainable framework for shellfish production in Mississippi while ensuring compliance with environmental and conservation requirements.

One of the primary objectives of the updated regulations is to encourage private individuals or businesses to lease and develop water bottoms, thereby increasing oyster production in Mississippi. By creating leasing opportunities, the regulations aim to stimulate economic development within the shellfish industry. This includes job creation, revenue generation, and support for associated industries such as hatcheries, processing facilities, and seafood markets. The overall goal is to promote the prosperity of coastal communities and foster a thriving shellfish industry in the state. The updated regulations are designed to establish a vibrant and sustainable shellfish industry. They emphasize responsible cultivation practices, ensuring the long-term protection of the marine environment for future generations.

For a comprehensive understanding of the updated regulations, interested parties can access detailed information below.

Lease Conditions

The MDMR has established lease conditions to ensure the sustainable cultivation and gathering of shellfish, while promoting responsible practices and compliance with regulations. These conditions outline various requirements that lessees must fulfill to obtain and maintain leases for shellfish cultivation.

- Leases are granted for a term of fifteen (15) years, with the lessee having the right to renew the lease for an additional fifteen (15) years and subsequent renewals at fifteen-year intervals, as long as the lessee actively cultivates and gathers shellfish, complies with all provisions, and possesses necessary permits and licenses.
- The proposed lease area must be located in growing waters classified as approved, conditionally approved, or restricted.
- If a lessee is unable to gather shellfish from the leased area due to a storm or natural phenomenon, they may renew the lease if they actively work the bottoms during the remaining term or renewal term.
- Lease agreements issued before or after July 1 of each year are prorated from the lease date until the following expiration, which is fifteen (15) years from the lease date.
- All leases expire on December 31st of the expiration year.

- To renew the lease, the lessee must submit a written application with payment of annual or prorated rental for the subsequent lease period within thirty (30) days of the lease expiration date to the MDMR Business Office.
- Each on-bottom lease application should be for one (1) acre, not exceeding 2,500 acres.
- The leasing rate for acreage is set at three dollars (\$3.00) per acre per year.
- The proposed lease area must have a continuous border.
- The proposed lease area should be configured as a square or rectangle, with the lease area boundaries meeting at right angles. However, the lease rent can be adjusted proportionally to conform to non-rectangular shapes within the lease area.
- The length of the proposed lease area should not exceed twice the width of the lease area.
- No proposed lease areas will be approved if they are within 100 yards of an existing lease area, or a lease area pending final approval, unless the same person holds both leases.
- Lease of areas designated as state-owned reefs, as defined in Title 22 Part 1, for shellfish harvest by the MDMR is not permitted.
- Leases must actively ensure maximum cultivation and propagation of oysters throughout their term. The applicant must not commence any activities on the lease until all applicable permits, including MDMR wetlands permits, have been obtained. Failure to obtain permits indicates that the lease is not active.
- Appropriate poles, stakes, or buoys, constructed of non-injurious material, should mark all leases at the expense of the leaseholder.
- Each leaseholder must mark at least the four corners of each lease with appropriate markers and maintain them. Each marker must indicate the lease number and marker position (e.g., southeast (SE) corner).
- Leaseholders must comply with all applicable federal, state, and local laws and regulations, including environmental and conservation requirements, throughout the lease term.

Cultivation and Propagation Requirements

The MDMR has established specific cultivation and propagation requirements for lessees to ensure the sustainable growth and propagation of shellfish. These requirements are designed to promote the successful establishment of shellfish populations, maintain species diversity, and protect the natural ecosystem. Some requirements that lessees will be required to adhere to are as follows:

- Lessees must propagate a minimum of 50% of the total bottom area leased within the first five (5) years, with a minimum of 20% being propagated by Year 2 of the lease agreement. A minimum of 10% per year must be propagated thereafter, excluding Class III of the On-Bottom Property Classifications.
- The minimum planting density should be no less than 60 cubic yards of approved cultch per acre or no less than 5 cubic yards of approved cultch material with a minimum of 75,000 oyster spat per cubic yard.
- Only species native to the Gulf of Mexico may be cultured. Polyploid native species are prohibited. Imported shellfish seed used for grow-out in Mississippi waters must be descendants of broodstock originating from the Gulf of Mexico. The hatchery must provide documentation of broodstock origin.

- In instances of extreme environmental conditions designated by the MDMR that are not conducive to oyster recruitment or survival (e.g., hurricanes, freshwater intrusion, prolonged dissolved oxygen events, harmful algal blooms, federal fisheries disaster declarations), the cultivation requirements may be waived until favorable conditions resume.
- MDMR staff will inspect cultch material and volume prior to deployment to ensure compliance with USACE Permit conditions.
- Failure to meet the above requirements may be deemed an "Event of Default."

Reporting

- All on-bottom molluscan shellfish reef lessees must submit a report to the MDMR Shellfish Bureau within thirty (30) days of any shellfish-related activity on their lease.
- An annual written summary with supporting documentation of lease activity for the previous lease period must be submitted to the MDMR Shellfish Bureau no later than January 30th of each year. Planting, harvest, and cultivation activities must be reported.

Termination and Waivers

- The MDMR may conduct inspections, audits, and investigations to ensure lease holders' compliance with lease terms, laws, and regulations.
- Non-compliance with lease terms, laws, and regulations may result in lease termination, and all works, improvements, betterments, and oysters on the leased water bottom will be forfeited to the MDMR.
- Upon lease termination, the lessee must remove any poles, stakes, buoys, or other structures associated with the lease.
- All lease agreements must contain provisions requiring the lessee to waive any and all claims for damages that may result from any freshwater diversion projects authorized by the State of Mississippi.

Subleases and Transfers

- Subleasing is prohibited.
- Lease transfers require prior written approval from the MDMR.
- Transfers of portions of the lease are not permitted.
- To obtain a transfer, the transferee must apply for the lease as if it were a new lease.
- The lease transferee must be a Mississippi resident or corporation.
- The new lease combined with other leases held by the lease transferee must not exceed a total of 2,500 acres.
- All terms and conditions, including term limitations, apply to the lease transferee.

Lease Application Review

The MDMR will undertake a comprehensive review and evaluation process for each lease application to ensure a fair and transparent selection process. The evaluation is based on the information provided in the application and the response to the Request for Proposals. Approval

of lease applications is contingent upon meeting the criteria outlined in the Request for Proposals and the thorough evaluation conducted by the MDMR.

During the evaluation process, the MDMR may request additional information from applicants or conduct site visits to gather more detailed insights. This allows the MDMR to assess the suitability of the proposed lease areas and ensure compliance with established guidelines.

By implementing this review and evaluation process, the MDMR aims to maintain a high standard of scrutiny, transparency, and compliance in the lease application procedure. It enables the MDMR to make informed decisions based on comprehensive assessments, ultimately supporting the sustainable cultivation and propagation of shellfish and the responsible management of Mississippi's marine resources.

MDMR staff will review the applications for compliance with guidelines and completeness.

- The MDMR will inform the applicant in writing of the lease application's status no less than 30 days after the Request for Proposals.
- Upon approval of the lease application, the applicant must enter into a lease agreement with the MDMR, which outlines the terms and conditions, including rental rates, lease duration, and reporting requirements.

Evaluation Criteria

- Strength of Offeror's Financial Stability (35 points)
- Acreage proposed to be leased and percentage to be cultched/seeded (30 points)
 - a) 100% = 30 points
 - b) 99-75% = 25 points
 - c) 74-50% = 20 points
 - d) 49-25% = 15 points
 - e) 24-15% = 10 points
 - f) 14-10% = 5 points
 - g) 9-1% = 1-4 points
 - h) 0% = 0 points
- Timeframe to accomplish (20 points)
 - a) 1-4 years = 20 points
 - b) 5-8 years = 15 points
 - c) 9-12 years = 10 points
 - d) 13-15 years = 5 points
- Experience in Reef Development (15 points)
 - a) 11+ years = 15 points
 - b) 6-10 years = 10 points
 - c) 0-5 years = 5 points

Instructions for Applying

To apply for the "Request for Proposals" beginning on July 21, 2023, at 8:00 a.m. CST, you will have two convenient methods for completing and submitting your application.

METHOD 1

1. Visit the MDMR website and navigate to the [On-Bottom Molluscan Shellfish Leases](https://dmr.ms.gov/on-bottom-molluscan-shellfish-leases/) section. (<https://dmr.ms.gov/on-bottom-molluscan-shellfish-leases/>)
2. Download the application and complete all required fields.
3. After completing the form, print a copy for submission.
4. Bring the printed application, along with a non-refundable application fee of \$50 (cash or check), to the MDMR Licensing Office on the first floor of the Bolton Building located at 1141 Bayview Ave, Biloxi, MS 39530.

METHOD 2

1. Access the online portal by visiting this link: [On-Bottom Molluscan Shellfish Leases](#)
2. Follow the instructions provided and submit a completed application.

Please note the following important information:

- The application fee of \$50 is required for each application.
- For Method 1, ensure that you bring cash or a check to the MDMR Licensing Office for payment.
- For Method 2, once the application is completed you will be redirected to a payment portal where you will pay the application fee of \$50 plus a service charge.
- Application packets can be obtained from the Bolton Building, if preferred.

The application process involves providing detailed information and fulfilling specific requirements. Here are the key elements of the lease application:

- **Application Fee:** A non-refundable application fee of \$50 must be paid at the time of submission. The receipt time and date will be noted on the application.
- **Residency Requirement:** Applicants must be residents of the State of Mississippi or be organized as a business entity (corporation, limited liability company, etc.) under Mississippi law and registered with the Mississippi Secretary of State's Office.
- **Proposed Lease Location:** Applicants will be required to submit the proposed coordinates of the water bottoms being requested. Lease Latitudes/Longitudes must be in Decimal Degrees.
- **Cultch Material Description:** A description of the cultch material to be used and the amount to be deployed should be included in the application. Cultch material refers to substances like shells or rocks used to create a habitat for shellfish.

- **Property Classification:** Identification of the classification of the property for lease should be specified. On-Bottom Property Classifications are as follows:
 - Class I – Substantial Shellfish Resource/Recently Improved Bottoms
 - Class II – Minimal Shellfish Resource/Improved Bottoms
 - Class III – No Resource/Unimproved Bottoms
- **Financial Stability:** Applicants must certify that their financial stability will enable them to meet the program requirements. Applicants may be requested to provide evidence of financial stability at a later date if the need arises.
- **Proposed Acreage:** The application should outline the proposed acreage to be leased.
- **Cultivation Details:** The application should outline the proposed amount of acreage that will be cultched/seeded. The timeframe for cultivation on the proposed lease should also be indicated.
- **Experience in Reef Development:** Applicants are required to state the length of their experience in reef development and provide details of their experience in reef development by highlighting any relevant expertise or past projects.

By submitting a comprehensive and complete application, applicants increase their chances of being considered for a shellfish lease. The information provided in the Request for Proposals will be evaluated by the MDMR based on the criteria outlined in the application process. It's important to note that additional information may be requested by the MDMR, and site visits may be conducted as part of the evaluation process.

Overall, the lease application process ensures that applicants provide all necessary information and demonstrate their suitability and commitment to responsible shellfish cultivation and development in Mississippi's waters.

Questions/Requests for Clarification

All questions and requests for clarification must be submitted by email to:

Jason Rider, Shellfish Bureau Director oyster@dmr.ms.gov

The MDMR will not be bound by any verbal or written information that is not specified within this Request for Proposals unless issued in writing by the contact person.

Equal Opportunity Statement

MDMR will select the applicant for these leases without regard to political affiliation, race, color, handicap, genetic information, religion, national origin, sex, religious creed, age, or disability.