



IALA GUIDELINE

G1093 THE MANAGEMENT OF SURPLUS LIGHTHOUSE PROPERTY

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1. INTRODUCTION

Over several hundreds of years, technological changes and developments have resulted in changes to the way in which Marine Aids to Navigation (AtoN) services are delivered.

Traditionally, lighthouse properties typically consisted of a number of buildings to provide for the needs of lightkeepers and, in later years to house other types of AtoN equipment such as fog signals, radio equipment, backup power supplies etc. However, in more recent years due to the pace of technological advancement in AtoN equipment and systems, lighthouses have been able to be de-manned, automated and equipment rationalized to a point where not all of the buildings on lighthouse properties are required. As a consequence, lighthouse authorities in many countries are faced with the problem of managing and maintaining many properties and buildings that are no longer required for the provision of the AtoN services.

Today it is also apparent that many authorities are reviewing the requirement for their AtoN based on an operational need. In some cases, this can lead to a reduction in the range of the existing AtoN, the installation of electronic AtoN or ultimately the complete removal of the traditional AtoN if it becomes surplus to operational requirements.

Faced with limited budgets and growing maintenance costs, many lighthouse authorities are using other sources of income such as alternate uses of the property e.g., tourism and holiday rentals or in some cases property disposal to reduce their property management and maintenance costs.

Lighthouse properties (surplus or not) are often important monuments of cultural heritage and represent a valuable record of AtoN history that many feel need to be protected for future generations.

Lighthouse estates are also often situated in attractive locations, with a strong public interest related both to the impact on the heritage and on the environmental aspects of their future use. The long-term protection of these iconic buildings ultimately depends upon the protection afforded to them by the legal processes in place in each country. There is also generally a high community expectation that the heritage values of these buildings will not be diminished as a result of ownership change.

2. SCOPE

The scope of this document is to provide general guidance to the most appropriate methods for the management or disposal of surplus lighthouse properties in order to preserve the lighthouse heritage to the best level possible.

3. OPTIONS FOR THE FUTURE

3.1. CONTINUED OWNERSHIP

3.1.1. AUTHORITY RETAINS OWNERSHIP

If possible, lighthouses should continue to be owned by authorities. By retaining ownership, the authority still has the opportunity to guide the future development of lighthouses so that they can be preserved as heritage objects under the control of the lighthouse authority or another governmental organization.

Due consideration should be given to:

- The legislative requirements on some authorities to maintain ownership to ensure that heritage values are maintained.
- Retaining the property for other AtoN purposes, e.g., DGPS or AIS equipment.



- Retaining the property for strategic reasons, e.g., access, ownership claims, costs of remediation.
- Possible transfer of the property to other government agencies, e.g., weather service.

3.1.2. LEASING OUT

If the AtoN is to continue in operation, it may be possible to reduce operating and maintenance costs without selling the lighthouse by leasing surplus areas or buildings for alternative uses.

In this situation, the following options may be considered:

- Lessee would be responsible for the building maintenance.
- Authority would retain ownership of the AtoN with a right to access for maintenance and agreement to allow changes for improvements in technology over time.
- Transfer responsibility for maintenance of day mark/structure to lessee can also be included in the agreement.
- Lessee would be able to use the building for other purposes e.g., open to public, tourist activities etc.
- The authority could retain part of the revenue generated from the other activities as part of the lease agreement or allows the Lessee to keep all funds for maintenance and upkeep of the building.
- Lease should include details of permissions regarding public access, tourist activities, fees and limitations. Refer to IALA Guideline *G1063 Agreements for Complementary use of Lighthouse Property*.

3.2. PERMANENT DISPOSAL

Legal procedures, rules and responsibilities for disposing of property will differ from country to country. The Annexes provide examples of the process in different countries.

The disposal of surplus lighthouse property should be undertaken in the most beneficial way without delay when the property has become surplus to requirements.

Due regard should be taken of:

- The authority should take note of the Heritage designation of the property and the impact that this may have on any disposal.
- The need to transfer or reduce maintenance cost.
- The operational, historical and cultural significance of lighthouse buildings (and their equipment) as part of the national industrial heritage and as a feature of the beauty and amenity of the coastal environment.
- Achieving the best possible disposal price by using open market sales unless there is a demonstrable reason to negotiate the sale, e.g., if costs of preparing for disposal are greater than expected income from the sale.

3.2.1. TRANSFER TO OTHER ORGANIZATIONS FOR A COMPLEMENTARY USE

Find organizations or private persons that are capable of taking care of the Lighthouse property. The authority should consult with national and local cultural and natural heritage organizations.

If the heritage value of the site is high the authority should consider that the organization should:

- have an interest in the protection of the heritage of the lighthouse and its long-term future; and
- be interested in running the lighthouse and keeping it open for the general public.



If there is no heritage value to the site or it is not considered important, then reducing the maintenance burden, and its associated costs will be most important:

- Disposal by public sale should achieve best value for the authority.
- Private individuals will enjoy owning the lighthouse, therefore increasing its sale value.

3.2.2. NEW OWNERS TO RUN THE ATO N

The authority must decide whether if a lighthouse is still needed then should it be operated or controlled by a competent authority? If the authority is going to permit the new owners to run the AtoN the following should be considered:

- If it is useful or appropriate to continue the AtoN.
- Details of permissions/conditions in relation to maintaining the light as an AtoN.
- Continue to provide the quality and availability of service.
- The authority must ensure that accurate information on AtoN availability and other features is available to the user.

3.2.3. DISPOSAL AND LEASING BACK

It is possible that when the space required for the AtoN becomes very small that a third party might consider purchasing the lighthouse site and buildings but allow the authority to lease back a small area of a building for the operational AtoN which would result in the following:

- Transferring the ownership of the site to a third party.
- Leasing back of an area of the site for the AtoN.
- Ensuring clear rights of access to operate and maintain the AtoN.
- Transferring the maintenance costs to a third party and minimising the future costs of running the AtoN.

3.2.4. ABANDONMENT

The location of many AtoN is often remote with difficult and expensive access resulting in very high maintenance costs. In some cases, therefore, the authority may consider that securing and abandoning the site may be the most economical option. Consideration of this option may be affected by the following:

- Abandon surplus property where complementary use or sale have not been successful or are not realistic options.
- The costs of demolition, removal of debris and the cleaning up of the site.
- Environmental implications may have long-term effects.
- Heritage authorities may have powers to influence the decision.

4. POSSIBLE ISSUES WITH THE TRANSFER OF SURPLUS PROPERTY

It is preferable that the property should remain in single ownership to avoid any third party obstruction of the efficient running of the site, whether this is by the lighthouse authority, another public or private body or a private individual.

It is very important that any disposal should maintain safeguards on the intrinsic heritage value of the lighthouse site as a whole.

If reducing the area required within a lighthouse property, the authority should ensure:



- appropriate access agreements are in place to prevent compensation claims from other users during maintenance operations; and
- appropriate agreements are in place regarding maintenance of daymark as required for navigation.

Consideration should be given to the various options for surplus equipment on the site:

- Retain on site for exhibition.
- Transfer to museum for display.
- Appropriate disposal through sale or scrapping.

Other issues to consider when transferring surplus property are:

- Appropriate property transfer documents depending upon the legal requirements.
- Provide advice to the new owners.
- Hazardous materials should be removed, for example, mercury, asbestos or diesel spillages, prior to transfer.

5. CONCLUSION

The need for lighthouse authorities to dispose of lighthouse property is increasing as modern AtoN reduce the requirement for large lighthouse properties. This Guideline gives information on various possible options, but the important underlying message is that the authorities should consider the implications of their decisions on the heritage value of the lighthouse buildings and associated equipment. The following Annexes show examples of how some member authorities consider the options for disposal.

6. DEFINITIONS

The definitions of terms used in this Guideline can be found in the *International Dictionary of Marine Aids to Navigation* (IALA Dictionary) and were checked as correct at the time of going to print. Where conflict arises, the IALA Dictionary should be considered as the authoritative source of definitions used in IALA documents.

In addition, for this document, the following definitions apply:

Freehold:	Property owner has absolute title to the property.
Leasehold:	The property is not freehold. Property is leased for a specified period of time with various covenants and conditions placed upon the Lessee.
Lessee:	Organization or person(s) to whom a Lease is granted.
Surplus: Property	Property surplus to operational requirements of the authority.

7. ABBREVIATIONS

AHO	Australian Hydrographic Office
AIS	Automatic Identification System
ALL	Admiralty List of Lights
AMSA	Australian Maritime Safety authority
AtoN	Marine Aids to Navigation



DFO	Department of Fisheries and Oceans (Canada)
DGPS	Differential Global Positioning System
GIS	Geographical Information System
UKHO	United Kingdom Hydrographic Office
US	United States of America

ANNEX A SWEDEN

A.1. INTRODUCTION

The following are details of the matters that are considered by the Swedish Maritime Administration when considering the possible disposal of lighthouse property.

The following actions are to be taken before planning to sell off real estates and properties (buildings only or land and buildings).

Distinction is made when sales are made to municipalities, transfers to another State authority or sale to a private individual.

A.2. SALE

When sale of real estates and/or buildings is made, directives from State agencies have to be followed. This may differ with the regulations within each country.

A.2.1. TO CHECK BEFORE SELLING A PROPERTY

- Is the property needed for the State? (e.g., Important example of cultural heritage, military defence, environment protection, the “free outdoor life”);
- Do other State authorities have any need of the property?
- Can the property be of any interest to the local municipality?
For example, for the municipality's long-term planning relating to the development of the community;
- If the property is a residential block: Does it have a culture-historical value such that it should be protected;
In that case, consultation has to be made with The National Heritage Board and relevant county board!
- The sale will be made in a business-like manner!
- The property's market value will be established through an estimate of the value!
- Specific rules apply to the sale of a residential block – e.g., rights of tenants;
- As a rule all sales shall be made through auction or through a tender procedure!

Regulations relating to the above points apply to the sale of the State's permanent property. The regulations will also, in applicable sections, serve as a guide when selling a building on non-freehold property.

A.2.2. TO CHECK WHEN SELLING

A.2.2.1. Is the current selling “object” (e.g., a lighthouse) freehold or leasehold?

If the item is a freehold property and the real estate is the land around the freehold property, then there are the following alternatives:

- 1 The real estate with the “object” is to be sold.
- 2 Piece of land to the “object” is divided.
- 3 If the “object” is an AtoN it can be sold despite the real estate being retained.



A.2.2.2. Is the item a Non-Freehold Property?

Check with the landowner (real estate owner):

- 1 Is the plan to demolish the “object”?

Observe that, according to the lease-law, the leaseholder is obliged to offer the “site” owner the opportunity to buy the object if the leaseholder does not have any use for the “object”.



ANNEX B AUSTRALIA

B.1. INTRODUCTION

Due to Commonwealth/State arrangements in Australia there are many Marine Aids to Navigation (AtoN) service providers. The Commonwealth (Australian Maritime Safety authority (AMSA)) is generally responsible for coastal AtoN, and States and Port Authorities are responsible for AtoN in ports and inland waterways. There are arrangements in place that allow for AtoN that are identified to be surplus to operational requirements to be transferred to the States.

If after assessing the volume of traffic and degree of risk AMSA determines that an AtoN is surplus to operational requirements, the AtoN will be offered to the State authorities. The State will then carry out a similar review to determine if the AtoN is required for their recreational and commercial users. If the AtoN is required by the State it is normally transferred to the State in good working order and continued to be operated by the State. If it is no longer required to be operated the AtoN is decommissioned by AMSA. If the site is leased by AMSA the lease is surrendered to the lessor (usually the State). If AMSA owns the site it arranges for the transfer of the site to State ownership.

Listed below are some steps from AMSA's transfer/decommissioning procedure. Most of the items are specific to AMSA but there may be some generic topics/themes that may apply to other Authorities.

B.2. GENERAL

- Once a decision has been made to transfer ownership or decommission an AtoN, the following information is required to advise its stakeholders and maintain the authority's records. This information includes but is not limited to:
 - the location of the site;
 - the date of transfer/decommission; and
 - any special requirements e.g., heritage-listed sites have statutory heritage management obligations for both the transferor and the transferee.

B.3. THE PROCESS

- When notification is received that a site will be transferred or a decision has been made to decommission a site, the following parties are notified:
 - the transferee;
 - the AtoN maintenance contractor;
 - the UKHO (changes to ALL Vol.K);
 - the AHO; and, if applicable,
 - the utilities supplier or other third parties.

- A legal adviser is engaged by AMSA to arrange the execution of the required transfer documents by the parties.

This process can take some time, as it often requires Ministerial approval at the State level. AMSA's Board approves all property disposals.

- Where practical an on-site handover with the transferee will be undertaken to present copies of maintenance history and to remove from site any of the authority's locks, signs or non-operational equipment.
- After the handover with the transferee the authority's systems are updated for the following:



- Update the maintenance management system.
- Update corporate management system including intranet, drawing register and asset register.
- Move locks back to storerooms if required.
- Contact relevant local authorities.
- Update GIS AtoN map.



ANNEX C CANADA

C.1. HERITAGE LIGHTHOUSE PROTECTION ACT IMPLEMENTATION

On May 27, 2010, Fisheries and Oceans Canada declared approximately 480 active lighthouses and approximately 490 inactive lighthouses across Canada surplus to its needs. Under the new Heritage Lighthouse Protection Act, these properties can be transferred to new owners wishing to take advantage of their heritage designation or tourism potential.

The Act came into force on May 29 2010 as a means to protect federally-owned heritage lighthouses by allowing them to be used for other purposes, as long as they are maintained in a manner consistent with established conservation practices.

For sites that have been petitioned (please see final petition list on the Parks Canada website) individuals, municipalities or non-profit groups interested in acquiring a lighthouse must submit a business plan that shows their proposed use of the property will be economically viable over the long term, and that they have the capacity to manage the property. For those interested, suggestions and ideas on potential alternate uses can be found in the “Alternate Use Study of Surplus Lighthouses” link below which features a study conducted on behalf of Fisheries and Oceans Canada by an independent, third-party consulting group.

In some cases, lighthouses contain aids to navigation, which must remain operational. Parties wishing to purchase these properties would need to enter into an agreement with Fisheries and Oceans Canada, permitting it access to the site for maintenance and operation of the aid to navigation.

Please note that there may be some administrative or legal issues to be addressed in relation to some of these listed lighthouses that would restrict the capacity of the Department to transfer ownership. We recommend that those interested in submitting a business plan for a surplus lighthouse contact Andrew Anderson at (613) 990-8886 or andrew.anderson@dfo-mpo.gc.ca for further information prior to submitting a written commitment to acquire a surplus lighthouse.

C.2. FINAL PETITION LIST ON THE PARKS CANADA WEBSITE

<http://www.pc.gc.ca/eng/progs/lhn-nhs/pp-hl/page02.aspx>

<http://www.pc.gc.ca/fra/progs/lhn-nhs/pp-hl/page02.aspx>

C.3. ALTERNATE USE STUDY SURPLUS LIGHTHOUSES, CANADA

A report prepared on possible alternate use can be found at:

<http://www.dfo-mpo.gc.ca/rp-bi/lh-ph-eng.htm> covering the following items:

- 1.0 Executive Summary
- 1.1 Mandate and Approach
- 1.2 Research Findings
 - 1.2.1 Alternate Uses
 - 1.2.2 Ownership Models
 - 1.2.3 Disposal Processes
 - 1.2.4 Key Success Factors
 - 1.2.5 Portfolio Tiering



- 2.0 Study Scope and Approach
- 2.1 Background
- 2.2 Study Scope and Approach
- 3.0 Research Findings
- 3.1 Alternate Uses
- 3.2 Ownership Models
- 3.3 Processes
- 3.4 Key Success Factors
- 4.0 Portfolio Tiering

Appendix A: Project Examples – Canada

Former DFO-Owned Lighthouse Properties Divested and Privately Owned

Former DFO-Owned Lighthouse Properties Divested for Alternate Public Use

Appendix B: Project Examples – International

Appendix C: US National Historic Lighthouse Preservation Act – Excerpts