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Minnesota Department of Natural Resources

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May 24, 2013

Legislative Citizen Commission on Minnesota Resources
 State Office Bldg., Room 65
 100 Rev. Dr. Martin Luther King Jr. Blvd.
 St. Paul, MN 55155

Ref: Request for Approval of Partial Release of Camp Kingswood Conservation Easement; 133-024-0010, Metro Greenways Conservation Easement #MGW000010, DNR Doc #MGW0000015

Dear Commission Members:

This letter is in response to Susan Thornton's request that the DNR provide information about its proposal for distribution of the proceeds from payment for the partial release of the Camp Kingswood conservation easement.

As Kathy Lewis, Assistant Director, Division of Lands and Minerals, indicated in her April 30, 2013 letter, the DNR acquired the conservation easement from the Methodist Church for \$500,000, in part from an ENRTF appropriation and in part from a bonding appropriation. The remaining value was donated to the state. The payment breakdown between the ENRTF and bonding appropriations was:

Funding Source	Amount Paid	Percentage of Payment
ENRTF	\$124,000	24.8%
Bonding	\$376,000	75.2%

Minn. Stat. sec. 84.632 authorizes the DNR to release an unneeded easement upon payment of the market value of the easement. This law requires that payment received "be credited to the account from which money was expended for purchase of the easement."

Minn. Stat. sec. 16A.695, subd. 3(2), which governs the sale of property acquired in part with state bond proceeds, requires that the net proceeds of the sale be first used "to pay to the state the amount of state bond proceeds used to acquire . . . the property."

Minn. Stat. sec. 116P.15, subd. 2 requires that interests in real property acquired with an appropriation from the ENRTF be used in perpetuity for the purpose for which the appropriation was made. When such an interest is conveyed, section 116P.15, subd. 2(b) allows repayment of the ENRTF or replacement of the conveyed interest with an interest of at least equal fair market value, in a reasonably equivalent

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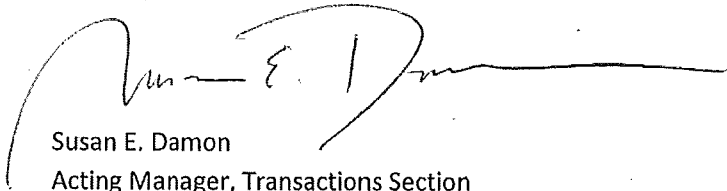
location and of reasonably equivalent usefulness. The DNR intends to repay the ENRTF instead of replacing the portion of the conservation easement that will be released.

Based on the requirements of Minn. Stat. secs. 84.632, 16A.695, subd. 3(2) and 116P.15, subd. 2, the DNR intends to distribute the \$17,800 paid for partial release of the Camp Kingswood conservation easement in proportion to the amount each funding source contributed toward the acquisition. The amounts to repaid would be as follows:

Recipient	Proportion of \$17,800	Repayment Amount
ENRTF	24.8%	\$4,414.40
State Bond Fund	75.2%	\$13,385.60

Thank you for your consideration of this matter.

Sincerely,



Susan E. Damon
Acting Manager, Transactions Section
Minnesota Department of Natural Resources
Division of Lands and Minerals

- Cc: Margie Dahlof
- Jodi Dehn
- Trina Zieman
- Paul Telander
- Cynthia Osmundson
- Kristen Hanson, MMB