

2008 LCCMR Proposal

LCCMR ID: 07-061-001

Project Title:

State of Minnesota Land Consolidation Revolving Fund

LCCMR Staff Confirmed or Revised Priority:

Invited Proposals - Specific Natural Resource Projects - Forest Conservation

LCCMR 2008 Funding Priority: Shoreland and Riparian Lands

Total Project Budget: \$ 2,000,000

Proposed Project Time Period for the Funding Requested:

July 2008-June 2111

Other NonState Funds: \$

None

Project Manager: Craig Engwall

Sponsoring Organization: DNR

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Location:

County: Itasca **City / Township:**

Other: Lands in Northern 1/3 of MN

Summary:

To reduce the detrimental effects of increasing parcelization, DNR proposes to purchase lands of significant resource value adjacent to lands it already manages, while at the same time selling isolated parcels that provide fewer benefits.

MAIN PROPOSAL

PROJECT TITLE:

State of Minnesota Land Consolidation Revolving Fund

II. DESCRIPTION OF PROJECT RESULTS

The State of Minnesota owns and manages millions of acres of lands for the benefit of its citizens. These lands are scattered throughout the state, but primarily lie in the northern third of Minnesota. The parcels of state-owned land can vary dramatically in size and are often interspersed with private, county and federally-owned parcels. Where these state lands are more and more interspersed with parcels owned and managed by others, they become much more difficult to access and manage, and the benefit to the citizens of the state, both economically and recreationally, are reduced. On the other hand, where state lands are clustered into large, intact tracts, they are much more efficient to manage and also provide the public with enhanced recreational opportunities.

The relatively recent phenomenon of private, industrial forest lands being sold into smaller parcels has made land management for public entities as well as recreation opportunities for the public in general, more difficult. Private forest lands that functioned for decades like public lands are now not only off limits to the public, but the fragmentation caused by the sale of these lands has an adverse impact on Minnesota's natural resources. It is in the interest of the State to do as much as possible as quickly as possible to limit forest fragmentation. The window to respond to this situation is very small and will likely close within the next five to ten years.

The goal of a land consolidation revolving fund would be to enable the State of Minnesota, through its Department of Natural Resources, to purchase lands of significant natural resource value adjacent to lands it already manages. Many of these purchases are likely to be private, industrial forest lands that would otherwise be subdivided and sold for development. At the same time, the DNR would sell parcels of state-owned land that are isolated and difficult to manage from a resource or public benefit standpoint. The proceeds from the sale of these parcels would go back into the land consolidation revolving fund. By strategically purchasing and selling parcels through this fund, the state could achieve a net gain from both a natural resource and economic perspective.

Result 1: Compliment the Forest Legacy Program by acquiring fee simple to forest lands that are beyond the reach of Forest Legacy.

Forest Legacy conservation easements are a tremendous tool in attempting to mitigate forest fragmentation in Minnesota. Yet certain of the large industrial forest land owners in Minnesota, namely Potlatch, have indicated that a conservation easement program does not mesh well with its business model as a real estate investment trust. Potlatch has a much greater interest in selling forest lands to the State than in conveying conservation easements. A land consolidation revolving fund would provide the State with the opportunity to acquire important natural resource parcels that would otherwise be lost to development.

Result 2: Enable the State to acquire important forest lands in counties where county governments have been resistant to increases in public land ownership.

Several counties governments in northern Minnesota have gone on record as opposing any increase in public ownership of land within their respective counties. A land consolidation revolving fund may enable the State to make strategic acquisitions in such counties as the fund is dependent upon the sale of state lands to keep going. There are tens of thousands of Potlatch and Forest Capital Partners lands in “no net gain” counties, and without a new tool such as a revolving fund, these lands may sold, parcelized and developed to the detriment of Minnesota’s natural resources.

III. TOTAL PROJECT REQUEST BUDGET

Acquisition, including Easements: \$ 2,000,000

Staff time to be funded through existing programs.

TOTAL BUDGET: \$ 2,000,000

IV. OTHER FUNDS AND PARTNERS

B. Other Nonstate Funds being Leveraged during the Project Period

No specific nonstate funding has been identified yet, but the state will continue to work with its non-governmental partners, as it has with the Forest Legacy Program, to strategically leverage public and private dollars.

D. Time

Time is of the essence for the State to act to mitigate forest fragmentation as thousands of acres of private industrial forest lands are being sold each year. This project is seeking three years of funding in an attempt to consolidate as much State land as possible in order to minimize fragmentation and provide public access and recreation.

CRAIG ENGWALL BIO

Craig Engwall graduated from Gustavus Adolphus College in 1986. He worked as a legislative aid in the United States Senate for two years before attending the University of Minnesota Law School, where he earned his law degree in 1991. Mr. Engwall served as a judicial clerk for the Alaska Superior Court and the Minnesota Court of Appeals before spending two years in private practice. In 1995, he joined the Minnesota Attorney General's Office where he spent nine years representing the Minnesota Department of Natural Resources and Board of Water & Soil Resources. In January 2004, Mr. Engwall accepted a position with DNR as Special Assistant to the Commissioner. He worked on a wide array of issues, serving as DNR's Tribal Liaison, the Commissioner's assistant on the Governor's Clean Water Cabinet, and chair of the following DNR Committees: Off-Highway Vehicle Policies and Processes, Large-Scale Conservation Easements, Trust Fund Land Management and Land Acquisitions. In June 2006, Engwall became DNR's Northeast Regional Director in Grand Rapids. He supervises DNR activities in Pine, Aitkin, Crow Wing, Carlton, Itasca, Koochiching, St. Louis, Lake and Cook Counties.