

David Bennett

From: Haugen, Scott (DNR) <Scott.Haugen@state.mn.us>
Sent: Wednesday, November 23, 2016 8:53 AM
To: David Bennett
Cc: Ben Martig
Subject: MNDNR's acquisition process
Attachments: Shooting Star.Rose Creek to Austin.JPA.Executed.1 26 15.pdf; 2015.06.26_Mill Towns Goodhue Co Land Use and Construction Funding Coop_Executed.pdf; Outdoor Recreation Act_MN Statutes Chapter 86A.pdf; M.S. 84.0274 Landowners' Bill of Rights.pdf; Landowners Bill of Rights Form_approved 7.1.15.pdf

Dave-

Responding to your request for further clarification on the DNR's acquisition process, you can share this email with the Council as they evaluate the Pulju & Reed acquisition proposal. We do not have a specific policy or document that pertains to how we work with local units of government on acquisition or development—however, I do have historical examples I can provide for the Council's review and consideration.

Our primary instrument for any action is the cooperative agreement – sometimes referred to as a joint powers agreement, they are interchangeable. This is the backbone of how we enter into formal partnerships with municipalities, counties, etc. and is authorized under state law in M.S. 471.59. I have attached two recent examples, which are public record, that are specific to development of state trail segments. We have a certain flexibility to structure these agreements depending on the situation at hand. If a local government unit owns property where consensus is reached it would be suitable to develop for state trail, we can write the agreement for the purposes of the State designing, constructing, owning and operating the facility on municipal/County property. There are other instances where we “contract” with a local unit through the agreement and they carry out the work with state funding and the DNR eventually owns, operates and maintains it going forward. Two completed examples outlining this agreement structure come to mind: the first is for the Shooting Star State Trail and Mower County. The State was appropriated bond funding which we in turn passed through the County to act as “contractor” and to design, permit and develop through a cooperative agreement – we reserved the right to inspect the plans and will own, operate and maintain the facility when it is completed. The same applies for the second example, Goodhue County. In pursuit of developing 1.8 miles of the Mill Towns State Trail connecting Cannon Falls with Lake Byllesby, we executed a land use and funding agreement with the County to use their parkland for the trail and provided funding for the County to perform grading and place base material for the Mill Towns on County property. The County purchased this property from a private landowner specifically for the Mill Towns State Trail with the intent to eventually execute an agreement with DNR and allow for its use. As I've mentioned to you on several occasions, these partnerships have been very successful and mutually beneficial to both parties. This is how we prefer to do business- with local units playing a vital role and having a vested interest in the success of the project. It creates lasting and fruitful relationships between government entities and the public is better served as a result.

Specific to the letter of the law, we adhere to the articles and subdivisions of M.S. 86A (Outdoor Recreation Act) and M.S. 84.0274 (Landowner Bill of Rights), which formalize our process. These are long statutes, but I'll provide a concise explanation/synopsis of how we follow them.

M.S. 86A Outdoor Recreation Act

86A.07 Subv. 2- The DNR Commissioner is empowered by law, following legislative designation of a state trail, to acquire lands which will comprise the state trail unit – pursuant to the Outdoor Recreation System. This means once the legislature designates a new state trail, the DNR can begin acquisition activities.

86A.09 Subv. 4 – After a trail Master Plan is completed and formally adopted, development can occur when practicable, and carried out in accordance with the Master Plan (Mill Towns Master Plan was approved in 2005). This law means the DNR can only develop after a Master Plan is finalized.

M.S. 84.0274 Landowner Bill of Rights

The Landowner Bill of Rights is the best format for how we acquire and is typically presented to a landowner if they are deemed to be a willing seller of real property. I've attached the form we present to landowners and the statute. This is an important distinction to make – we don't exercise eminent domain or condemnation in our actions as an Agency and always approach negotiations in good faith. This document outlines our process. I don't need to get into too many specifics, but typically, once a negotiation has started, we have an internal review process of the potential acquisition which works its way through several Divisions of the DNR. If the transaction is approved by the Parks and Trail Division Director, we work with the landowner on certifying an appraisal and presenting them an offer that is a fair conclusion of value analyzed by a third party appraisal expert, and keeps DNR removed from the conclusion of value process. If the transaction moves forward, it works through our real estate units and eventually closes.

I hope this provides some measure of clarification on our acquisition and development process. If you have further questions, don't hesitate to send them my way.

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