

# St. Louis River Land Acquisition - Final Report

# Account History

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Amounts in thousands

| BONDING  |  |  |  |  |  | Year Appropriated |       | Liquid. | Encumb. | Balance | 1996 Appropriation Language |
|--|--|--|--|--|--|-------------------|-------|---------|---------|---------|-----------------------------|
| St. Louis River Land Acq (96 Bonding) <sup>1</sup> |  |  |  |  |  | 1996              | 2,200 | 2,159   | 0       | 41      |                             |
| St. Louis River Land Acq (94 Bonding) <sup>2</sup> |  |  |  |  |  | 1994              | 1,200 | 1,200   | 0       | 0       |                             |
| TRUST FUND:  |  |  |  |  |  |                   |       |         |         |         | 1994 Appropriation Language |
| St. Louis River Land Acq (93 ETF) <sup>3</sup>     |  |  |  |  |  | 1993              | 1,000 | 1,000   | 0       | 0       |                             |
| TOTAL  |  |  |  |  |  |                   | 4,400 | 4,359   | 0       | 41      |                             |

**1996 Appropriation Language**

1 M.L. 1996, Chapter 463, Section 7, Subd.23, St. Louis River land Acquisition

To acquire and preserve undeveloped lands located along the St. Louis, Cloquet, and Whiteface rivers. This appropriation is available only if approximately 4,000 acres of privately-owned land identified in the St. Louis River management plan have been donated to the state.

**1994 Appropriation Language**

2 M.L. 1994, Chapter 643, Section 23, Subd. 22, St. Louis River Land Acquisition. To acquire and preserve undeveloped lands along the St. Louis, Cloquet, and Whiteface Rivers. This and previous appropriations funds the first phase of a two-phase acquisition of the lands described. It is the intent of the legislature to appropriate money needed to complete the acquisition of approximately 20,000 acres of blocks of contiguous riparian lands before July 1, 1996. The appropriation in this subdivision is not available until one or more willing sellers have committed themselves to making the lands available for purchase by the state until July 1, 1997. \$1,200,000

**1993 Appropriation Language**

3 M.L. 1993, Chapter 172, Section 14, Subd. 10(m). St. Louis River Land Acquisition. This appropriation is from the trust fund to the commissioner of natural resources to acquire and protect undeveloped lands known for their resource and recreation values located along the St. Louis, Cloquet and Whiteface river. Up to \$50,000 of this appropriation may be used as a grant to the St. Louis River Board for the implementation of the St. Louis River management plan. \$1,000,000

Appropriation amounts are net of any cancellations or abandonments. See Appendix B for history.

| Estimated 10 - Year Capital Needs |             |
|-----------------------------------|-------------|
| 1993 Trust Fund                   | 1,000,000   |
| 1994 Bonding                      | 1,200,000   |
| 1996 Bonding                      | 2,200,000   |
| Minn. Power Co. Donation          | 1,100,000   |
| TOTAL                             | \$5,500,000 |

St. Louis River Land Acquisition Funding

1996 Bonding

1994 Bonding

1993 Trust Fund

Minn. Power Co. Donation

### I. Activity Description

This project funded the completion of the second phase of acquisition of privately held, undeveloped lands located along the St. Louis, Cloquet and Whiteface rivers. These lands offer very high quality resource, scenic, recreation, historic and archaeological values. This unique opportunity resulted through a strong local, grass-roots initiative to preserve these riparian lands for public use. It also funded the operation of the St. Louis River Board.

### II. Accomplishments Since 1993

The St. Louis River Board (SLRB) completed and approved the St. Louis River Management Plan (SLRMP) on February 7, 1994. On March 17, 1994, the LCMR thereupon approved the work program initiating the first phase of acquisition utilizing \$950,000 from the Trust Fund. \$50,000 was approved to fund the continued operation of the SLRB.

On June 8, 1995, the LCMR approved the work program to complete the first phase of acquisition utilizing the remaining \$200,000 from the Trust Fund and \$1,200,000 from Bonding. The first phase of acquisition was completed December, 1995. This resulted in the state acquiring approximately 11,000 acres of land for a total expenditure of 2.1 million.

On January 9, 1997, the LCMR approved the work program to complete the second and final phase of acquisition utilizing \$2,159,000 from Bonding. The second phase of acquisition was completed June, 1997. This resulted in the state acquiring 11,600 acres, which includes approximately 5,600 acres valued at \$1,100,000 donated by Minnesota Power Company.

Through this project, the state acquired a total of approximately 22,600 acres of land for a total expenditure of \$4,359,000.

### III. Issues from DNR's Directions 1993 Strategic Plan that are addressed by this program

*"We will protect and manage Minnesota's diverse ecosystems, respect the natural world, and enhance the beauty of our surroundings."*

*"We will employ integrated management approaches that recognize and protect the unique values of all natural resources."*

*"We will ensure cooperation, involvement, and participation in natural resource problem solving and decision making."*

## GOAL A

### Acquisition of Land Located Along the St. Louis, Cloquet and Whiteface Rivers

**Description:** This funding was used to acquire lands identified in the St. Louis River Management Plan (SLRMP) which was adopted by the St. Louis River Board February 7, 1994. The standard land acquisition process used by the Minnesota Department of Natural Resources to appraise and negotiate riparian river lands was used to complete this goal. The SLRMP identified acquisition criteria and priorities for lands to be placed in state ownership for public use and protection. Individual parcels were identified after appraisal of all Minnesota Power Company (MP) lands. Because MP owned much of the land to be acquired, it agreed to retain ownership in those lands which were identified for public use/protection under the SLRMP. MP has agreed to release lands for sale to the state according to an acquisition priority schedule mutually agreed upon by the St. Louis River Board, the Minnesota DNR, and MP. MP also agreed to hold property identified for acquisition until July 1, 1997. All MP lands identified for acquisition in the SLRMP were appraised to assist in prioritization and to save costs on future acquisitions. The estimated cost for full appraisal of all MP lands was approximately \$20,000.

Minnesota Power was prepared to donate, on a challenge basis, lands valued at 20% of the total dollars appropriated by the state for the entire acquisition package. Under this concept, all land sales preceded donations.

**Significant Progress & Problems, 07/01/95 - 12/31/97:** Initiated acquisition of Minnesota Power Company lands, including compilation of property records and maps and commencing the appraisal process. Appraisal of all lands offered by MP completed August, 1994. The estimated cost of the appraisal was \$20,000, however, because of the size and complexity of this acquisition, 2 appraisals were completed at the total cost of \$36,000. Acquisition priority blocks #3 through #9 recommended by regional DNR integrated resource management team and approved by the SLRB, January, 1995. (Priority blocks #1 and #2 were identified in the SLRMP.) Acquisition of priority blocks #1 and #2 completed in May, 1995, using 1993 Trust Fund. Agreement by MP to sell available lands generally following the approved acquisition priorities, April, 1995. The 1993 Trust Fund and 1994 bonding funds have acquired a total of about 11,000 acres or approximately one-half of MP lands to be acquired. MP has agreed to donate priority block #6 lands along the St. Louis River, adjusted to equal 20% of the total dollars appropriated by the state for the entire acquisition package, April, 1995. Total real estate management costs: ~~\$53,000-74,000~~ 108,000 (includes appraisals, appraisal review, negotiations, abstracting, deed taxes and legal services). Acquisition of priority blocks #3, #4W, and #5E completed December, 1995, utilizing the remaining \$200,000 from the 1993 Trust Fund and \$1,200,000 from 1994 Bonding. Updated appraisal of remaining lands offered by MP completed July, 1996. Acquisition of 11,600 acres in Priority Blocks #4E, #5W, 6, 7, 8, and part of 9 completed June, 1997 utilizing \$2,159,000 from 1996 Bonding and land valued at \$1,100,000 donated by MP. A total of 22,600 acres acquired.

**Planned Use of Balance:** \$41,000. Not be expended.

## GOAL B

### Implementation of the St. Louis River Management Plan (SLRMP)

**Description:** On March 17, 1994, the Legislative Commission on Minnesota Resources approved the work program allowing \$50,000 of the \$1,000,000 Trust Fund monies to be used for SLRMP implementation. This funding will provide for the continued operation of the St. Louis River Board (SLRB) which is necessary to ensure the implementation of the SLRMP.

Plan implementation will include holding regular public SLRB and citizens advisory committee meetings; overseeing incorporation of the SLRMP into land zoning ordinances; coordinating with local, state and federal agencies; providing public information/education programs; and overseeing/coordinating land acquisition processes.

**Significant Progress & Problems, 07/01/95 - 12/31/95:** A cooperative agreement has been completed between the SLRB and the DNR. This agreement outlines the work to be performed to implement the SLRMP. Adopted land acquisition priorities 3-9 for available Minnesota Power Co. lands. Developed interim land management policies for acquired lands. Printed 500 copies of the SLRMP for public distribution.

**Planned Use of Balance:** \$0. All funds expended.

# ST. LOUIS RIVER LAND ACQUISITION

## CURRENT BUDGET BY GOAL

### Appropriation Balance Programmed by Goal and Year of Appropriation

| Appropriation                         | Balance 12/1/97 | GOAL A<br>Land Acquisition | GOAL B<br>Plan Implementation | TOTAL<br>PROGRAMMED |
|---------------------------------------|-----------------|----------------------------|-------------------------------|---------------------|
| St. Louis River Land Acq ETF<br>1993  | 0               | 0                          | 0                             | 0                   |
| St. Louis River Land Acq<br>Bond 1994 | 0               | 0                          | 0                             | 0                   |
| St. Louis River Land Acq<br>Bond 1996 | 41              | 41                         | 0                             | 41                  |
| <b>TOTAL</b>                          | <b>41</b>       | <b>41</b>                  | <b>0</b>                      | <b>41</b>           |

\* Approximately 9,000 was reallocated to Goal A.

The St. Louis River Board believes some riparian zones along the St. Louis, Whiteface, and Cloquet Rivers need greater protection than can be provided through zoning controls. The riparian zones - the land area and ecosystem adjacent to the rivers - are vital to the health of the river system and offer high quality resource, scenic, recreation, historic and archaeological values. It is the goal of the St. Louis River Board to purchase undeveloped, sensitive riparian lands from voluntary and willing sellers to be placed in state ownership for public use and protection.

The purchase and subsequent protection of these riparian zones will help decrease uncontrolled development and increase the health of the rivers by maintaining and restoring vegetation, improving the filtering out of run-off pollutants, cooling water temperatures, providing wildlife and aquatic species habitat, and preserving the natural beauty.

### Site Criteria

Criteria was developed by the Citizen Advisory Committee of the St. Louis River Board for the evaluation of land to be purchased. Nine criteria were used to identify and rank blocks of land for acquisition. Such blocks are defined as those areas meeting a majority of the acquisition criteria and having the following characteristics:

#### 1) Areas important for fish and wildlife

Examples of important fish and wildlife habitats include: stands of oak, northern hardwoods, white pine, upland white cedar, upland grass and brush openings, old growth forest, eagle nests, heron rookeries, deer winter cover areas, wood turtle nesting sites, fish spawning sites, springs, seep areas, and wetland complexes, especially emergents.

#### 2) Areas subject to development pressure

Lands that are within commuting distance from major population centers (½ hour - 45 minute drive), are readily accessible from gravel roads, have access to utilities, have scenic qualities, provide good access to the river, are heavily wooded, have historical patterns to subdivide and develop, or if developed would pose threat to the resource. In addition, lands that are subject to development pressure which have extensive areas of wetlands or floodplain either in the development area or along potential access routes. Extensive floodplains are those areas the floodplain extends beyond the structure setback. Extensive wetlands are those areas which contain wetlands to the extend where wetland avoidance for road construction is not feasible according to the sequencing provisions of the Minnesota Wetland Regulations and/or wetlands constituting more than 50 percent of the land area within 300 feet of the river.

#### 3) Significant Archeological or Historical Sites/Scientific and Natural Areas

Lands potentially having or identified has having significant archeological or historical importance, artifacts, etc. Also lands proposed and approved as scientific and natural areas.

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## Exhibit A

### 4) Areas with scenic value

Lands containing old growth timber, high bluffs, unique geologic features, lack of visible man made objects (development such as roads, bridges, houses, etc.), as viewed from the river, and white-water areas.

### 5) Contiguous ownership

Lands which are owned by a single owner and include significant amounts of river frontage. Lands contiguous to existing public owned land, or lands which would, if acquired, consolidate public ownership, or expand it in critical areas. In addition, lands that are contiguous to other lands purchased.

### 6) Steep embankments with erodible soils

Examples include former glacial Lake Upham (Forbes to Cotton area) and the Superior Lake Plain (below Cloquet).

### 7) Environmental study areas

Contiguous lands (preferable under single ownership having significant, observable ecological features or ecological diversity which is located close to student base and could serve as ecological monitoring area.

### 8) Economic value of land

Lands with potential tourism opportunities or have the potential to attract adjacent economic development which is strictly compatible with the natural environment.

### 9) Traditional recreation use areas

Lands which are presently important traditional, recreation use areas of portage areas.

### Priority Blocks for Public Acquisition

The Citizens Advisory Committee of the St. Louis River Board has recommended the Board purchase all available blocks of land currently owned by Minnesota Power. The Northeastern Minnesota electrical company currently owns approximately 22,000 acres and has agreed to hold property identified for acquisition for a reasonable time until funding becomes available. Current leases on Minnesota Power lands identified for public acquisition will continue for the lifetime of the leaseholder.

Other blocks of land for acquisition include those held in corporate or private ownership who are willing sellers or voluntary donors. These lands need to be identified in the future.



### Acquisition Priority Schedule

The blocks of land were then prioritized according to the number of criteria which mandated as follows:

1. Lands adjacent to the St. Louis River on the east side of the river between the Cloquet River and the City of Cloquet. Matching criteria: 1,2,3,4,5,7,8,9 Purchased 5/95
2. Lands adjacent to the St. Louis River south of Interstate 35 to the boundary of Jay Cooke State Park. Matching criteria: 1,2,3,4,5,7,8,9 Purchased 5/95
3. Lands adjacent to the Cloquet River upstream from Island Lake. Matching criteria: 1,2,3,4,9 Purchased 12/96
- 4E. Lands adjacent to the Cloquet River below Island Lake to the Munger Shaw Road. Matching criteria: 1,2,3,4,9
- 4W. Lands adjacent to the Cloquet River between the Munger Shaw Road and Highway 53. Matching criteria: 1,2,3,4,9 Purchased 12/96
- 5E. Lands adjacent to the Cloquet River below Highway 53 to approximately 1 mile upstream from its confluence with the St. Louis River. Matching criteria: 1,2,3,4,6,8,9 Purchased 12/96
- 5W. Lands adjacent to the St. Louis River between Floodwood and Brookston. Matching criteria: 1,2,3,4,6,8,9
6. Lands from Forbes to Toivola. Matching criteria: 1,3,4,5,6,9. Proposed donation
7. Lands adjacent to the Whiteface River from the Whiteface Reservoir to the Munger Shaw Road. Matching criteria: 1,2,3,4,9
8. Lands adjacent to the Whiteface River between the Kelsey and Meadowlands. Matching criteria: 1,4,6,9
9. Scattered tracts along the river through out the plan area.<sup>2</sup> These sites represent riparian lands contiguous to other lands in public ownership.

<sup>1</sup> The purchase of blocks 4W and 5E was expedited for the purposes of acquiring contiguous lands subject to the most intensive development pressure. The establishment of contiguous land up the St. Louis and Cloquet River system allows for the development of efficient environmental resource management practices.

This purchase will include parcels 4E, 5W, 7, 8, and part of 9. This will include acquisition by purchase or donation of land currently subject to leases issued by MP, MP will terminate all leases prior to transfer to the state. Any parcels with leases that can't be terminated will not be transferred. These lands were excluded to simplify first phase negotiations. Priority block 6 will be donated when the acquisition of these blocks is complete.

See attached for map of lands to be acquired.

<sup>2</sup> Approximately 540 acres of MP land located within the Fond du Lac Indian Reservation boundaries was approved for state acquisition by the SLRB. MP has stated that this land is not available for sale to the state.