



Land Acquisition Account Annual Report

Fiscal Year 2022 - Amended

6/1/2025

Contacts

Minnesota Department of Natural Resources
Division of Lands and Minerals

St. Paul Office:

500 Lafayette Road
St. Paul, MN 55155-4045
Phone: (651) 259-5959
Fax: (651) 296-5939

Hibbing Office:

1525 3rd Avenue East
Hibbing, MN 55746
Phone: (218) 231-8484
Fax: (218) 262-7328

info.dnr@state.mn.us

mndnr.gov/lands_minerals

As requested by Minnesota Statute 3.197: This report cost approximately \$1000 to prepare, including staff time, printing and mailing expenses.

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Creation and Purpose of the Account

The Department of Natural Resources (DNR) administers 5.6 million acres of land within state forests, state parks, wildlife management areas, scientific and natural areas, aquatic management areas, and other recreation and access sites. The Minnesota Legislature established the Land Acquisition Account in 1984 under Minnesota Statutes, sections 94.16 and 94.165 for the acquisition of natural resource lands or interests in land within the Outdoor Recreation System established in Minnesota Statutes, Chapter 86A.

Sources and Uses of the Funds

Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account (the "Account"). These credits provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land or the exchange of state-owned property administered by the Commissioner of Natural Resources. The Account helps the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat.
- Acquiring privately-owned "in-holdings" within state parks.
- Acquiring recreation access.
- Acquiring lands with significant natural resource characteristics.

Financial Review

Balance Forward in FY2022	\$3,795,292
Prior year adjustment (encumbrance cancellation)	\$19
Adjusted balance forward	\$3,795,310
Revenues	
Easements on DNR lands	\$4,559
Sale of land	\$174,674
Land sale costs	\$75,329
Damage costs (sale of standing timber)	<u>\$28,702</u>
Total revenues	\$283,264
Expenditures	
Parks and Trails Management	\$29,068
Forest Management	\$85,279
Fish and Wildlife	\$31,637
Total expenditures	<u>\$145,984</u>
FY2022 Ending fund balance	<u>\$3,932,591</u>
Net change for FY2022	\$137,280

FY2022 Accomplishments

Receipts to the Account

Receipts to the account come from the sale of parcels no longer needed for conservation purposes. Sales in FY2022 include:

For the Division of Forestry:

- Forty acres of surplus property, previously part of Huntersville State Forest (SFT) in Wadena County, which had been previously offered at public auction and over-the-counter sale, but was not sold until FY2022.
- A 1.2-acre piece within the Richard J. Dorer Memorial Hardwood SFT in Houston County sold to the neighboring landowner to resolve their trespass onto State lands.

For the Division of Parks and Trails:

- Two pieces of surplus land in Cass County, .23-acre and .66-acre in size and originally acquired for the Paul Bunyan State Trail (TRA), were sold to different private parties.

For the Division of Fish and Wildlife:

- A .3-acre parcel in Cottonwood County, previously part of the Bingham Lake Aquatic Management Area (AMA), was sold to the Minnesota Department of Transportation via a transfer of custodial control (TCC) for roadway expansion and drainage improvements needed along State Trunk Highway 60.
- Eighty acres of consolidated conservation land (con-con) in Roseau County, previously part of Skime Wildlife Management Area (WMA), was sold to a private party.
- A 40-acre parcel of con-con land in Roseau County, previously part of East Branch WMA, was sold to Moranville Township.

The land sale service charges credited to the Land Acquisition Account reflect the reimbursement of funds utilized from the Land Acquisition Account and other accounts to pay for appraisals and professional services for land sales.

Expenditures from the Account

While the Land Acquisition Account funds can be used for the purchase of land, DNR's land managing divisions more commonly use the Land Acquisition Account to pay expenses related to land acquisitions, sales and exchanges of state-owned lands (e.g., appraisals, recording fees, legal notices, and professional/technical services). Examples of projects that used the Land Acquisition Account during FY2022 include, but are not limited to:

By the Division of Forestry:

- A 25-acre donation project in Olmstead County, consisting primarily of upland hardwood forest and shoreline along a stretch of the North Fork Zumbro River.
- A 40-acre donation of undeveloped forestland in Crow Wing County that protects important water resources and consolidates state forest boundaries.
- A 729-acre donation along the St. Croix River National Scenic Riverway in Chisago County.
- A 40-acre acquisition in Hubbard County, providing for both recreational and forest management opportunities in the Paul Bunyan State Forest.
- Two ongoing land exchange projects in the Boundary Waters Canoe Area Wilderness.
- 40 acres of surplus property sold from Huntersville SFT in Wadena County.

By the Division of Fish and Wildlife:

- An easement acquisition currently underway for a water control structure for the Bentsen Lake AMA in Big Stone County.
- Acquisition of a trout stream easement on Mission Creek in St. Louis County, which creates outstanding access to a natural fishing setting in an urban area.
- Costs associated with a land exchange to resolve a trespass with a neighbor to Eagle Creek Aquatic Management Area (AMA) in Scott County.

- Costs associated with the sale of two con-con parcels in Roseau County.
- Costs associated with the Bingham Lake AMA transfer of custodial control with MnDOT, for expansion work and drainage improvements for State Trunk Highway 60.

Financial Summary FY2014 to FY2022

In FY2021, the Account received a one-time payment from Allete, Inc. as mitigation for its construction of the Great Northern Transmission Line through State-owned land. These funds were used to condemn school trust land for wildlife habitat. The balance in the Account reflects this work in future fiscal cycles. Aside from the Allete, Inc. payment, however, core activity in the Account reflects modest but steady growth. The Department's Strategic Land Asset Management program (SLAM), which has historically focused on land transactions that consolidated tracts to improve overall land management, has begun a "Sales and Reinvestment Program" to help Divisions make strategic decisions to sell or invest in lands that will improve managed units. The Account is critical to this strategic work.

