

DEPARTMENT OF NATURAL RESOURCES
LAKESHORE DISPOSAL REPORT

Prepared for the
Senate Environment & Natural Resources Committee
House Environment & Natural Resources Committee

Pursuant to
Laws of 1985 Special Session
Chapter 14

February 24, 1987

Executive Summary

In response to the directive contained in the 1986 lakeshore sale law, the DNR has evaluated 1,754 lots on 90 lakes in 11 counties currently leased to determine their potential for sale. (This number does not include 28 Salt Spring Lands lots under the authority of the University of Minnesota, Board of Regents.)

The Department addressed three main issues: the resource suitability for each site for private, residential development; the economic feasibility of sales; and the administrative issues and implications of sales.

The resource evaluations identified:

- Of the total 1,754 lots:
 - 1,558 lots which could be sold;
 - 156 lots which should be phased out; and
 - 40 lots which require further study.
- Of the 525 lots requested for sale pursuant to Laws of Minnesota 1986, Chapter 449:
 - 466 lots which could be sold;
 - 30 lots which should be phased out; and
 - 25 lots which require further study.

The economic analysis indicates:

- After deducting the cost of sale, the net present value of revenue from the sale of 1,558 lots is \$12.7 million and for the sale of 466 lots is \$3.2 million;
- Total costs of sale for 1,558 lots of over \$3 million, or an average of \$1,951 per lot sold;
- If only the lots currently requested by the lessees and recommended for sale by DNR are sold, the total cost will drop to \$1.9 million, but the average sale cost will increase to about \$4,000 per lot sold; and
- If the value of these lots appreciated at 4% per year and the state were able to achieve and maintain a rental rate of 5% of the appraised value per year, continued leasing would generate greater revenue for the state than any sale alternative; however, a decrease of one percentage point in either assumed rate eliminates this advantage.

The administrative issues and implications are:

- Problems of maintaining a satisfactory rate of return on these leases are likely to persist, making sale a reasonable alternative to continued leasing;
- Sale of lots will create private inholdings among larger blocks of public lands;
- Sewage treatment systems on most lots do not meet current standards;
- Sale of lots may bring to light road access deficiencies; and
- Many lots and structures do not meet current zoning requirements.

DNR recommends:

1. Sale of 466 of the 525 lots requested for sale pursuant to Laws of Minnesota 1986, Chapter 449;
2. Appropriation of adequate funds to prepare these lots for sale, including the costs of survey, appraisal and sale;
3. That the legislature consider authorizing and appropriating funds for the sale of the remaining 1,092 lots (1,558 - 466); and
4. Revision of law to allow for more flexible timing of sales.

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I. LAKESHORE LEASING PROGRAM TODAY

At the present time the Department of Natural Resources administers 1782 lakeshore leases on ninety lakes in eleven northern counties (see below).

DISTRIBUTION OF LAKESHORE LEASES BY COUNTY

<u>County</u>	<u>Number of Lakeshore Leases</u>
Aitkin	29
Beltrami	9
Cass	204
Cook	106
Crow Wing	114
Hubbard	77
Itasca	470
Koochiching	32
Lake	15
Polk	4
St. Louis	668 (28 Salt Springs*)

The majority of leases are on school trust land--1596 leases, or 91%. The remainder of the leases occur on university trust lands--37 leases, or 2%; and acquired forestry lands--121 leases, or 7%.

The average size of the leased lakeshore lots is one-half acre, with 115 feet of frontage. This extrapolates to a total of about 40 miles of frontage and 1000 acres of state lakeshore property which is involved in the leasing program.

The lessees of the lakeshore lots are predominantly from Minnesota, but 192 lessees are from thirty-one other states. Illinois and Iowa are home to the most out-of-state leaseholders. Of the leaseholders in Minnesota, most are found in the northeast (45%) and Metro regions (30%).

The major provisions of the present DNR lease are as follows: (1) the leases run for a period of ten years with fee readjustments at the end of the fifth year; (2) a thirty-three foot wide easement along the lakeshore is reserved for public travel; (3) only one residence can be built on the property; (4) the lease may be terminated by either party on thirty days notice; (5) any construction or remodeling requires a state permit; (6) the state is not responsible for access to the lot; (7) no timber shall be cut on the property without approval from the district forester; (8) the lessee must pay taxes on the cabin; (9) the cabin is subject to county and local zoning ordinances; (10) the grounds must be kept up to DNR standards; and (11) the lease sites are subject to periodic inspection. See copy of standard lease in addendum.

* The 28 leases on Salt Springs land are administered under a special agreement with the University Board of Regents and, according to an Attorney General's opinion, are not leased under M.S. 92.46 but under authority of the U of M. Because the 1985 sale legislation does not apply to those leases, no further reference to those leases will be made in the report and no recommendations will be made regarding their future disposition. (Receipts from the leasing of Salt Springs lands support the Minnesota Geological Survey.)

II. FINDINGS AND RECOMMENDATIONS

All lakeshore lease plats were evaluated from the standpoint of the economic, resource and administrative implications of selling lakeshore lots, compared to continued leasing. This process also identified certain lots and plats that are unsuitable for continued residential use and should be phased out and the structures removed.

Economic considerations used in this analysis included the following:

- Cost of lakeshore lot sales.
- Net sale value compared to long term leasing value of the land.

Resource considerations used in the analysis included:

- Adequacy of current sewage treatment, and ability of the site to accommodate proper sewage treatment.
- Road access limitations.
- Other potential public uses of the site, such as public water accesses.
- Status of compliance with zoning requirements (lot size, set backs, etc.).
- Physical characteristics of the lots, such as steep banks, erosion potential, unstable water levels and potential for water quality degradation.

Administrative considerations used in the analysis included:

- Survey requirements prerequisite to sale of lots.
- Enforcement of zoning requirements under both sale and continued lease scenarios.
- The potential for creating private inholdings within larger blocks of public land.
- The potential for having interspersed private and leased lots in the same plat.
- Resolution of road access problems.
- Costs of handling lot sales.
- Trespass problems (structures encroaching on neighbors lots, etc.).

FINDINGS

The analysis identified 156 lakeshore lots which should be phased out because of resource considerations, 1,558 lots which could be sold, and 40 lots needing further study before a determination can be made as to whether they should be sold or phased out. Total sale costs would be approximately \$3 million. The state's net cost to sell all 1,558 lots, after reimbursement for appraisal costs, is estimated to be \$2.4 million (for survey, auction and administrative expenses).

Selling 1,554 lots would result in a combined net value of just over \$14 million (after deducting sale costs). This includes net sale value for the 1,558 lots sold and remaining lease value for lots phased out or receiving additional study. By comparison, the discounted value of continuing to lease all lots is estimated at nearly \$17 million. (These estimates assume a land value appreciation rate of four percent per year and a lease rate of 5% of appraised value. See Economic Analysis section for an evaluation using a range of appreciation rates.)

It can be assumed that not all lakeshore lots will be sold. Therefore, as a realistic case study of a partial sale, an analysis was made of the sale of only those lots which lessees have requested to purchase as of January 1, 1987. 525 lessees have requested to purchase their lots; however, 30 of these lots are recommended for phase-out, another 25 need further study to determine if they should be sold or phased out and 4 are on Salt Springs. This leaves 466 requested

lots available for sale. The net value of the sale of the 466 lots is \$3.2 million. Adding the net present value of the revenue from continued lease of the remaining lots, the combined net value is \$15 million.

An economic analysis of sales compared to continued leasing indicates that, generally speaking, continued leasing generates a larger net present value. However, care must be taken in applying the results of this analysis.

Any such comparison relies on several critical assumptions. In this case, it was assumed, among other things, that the state would be able to annually increase its lease fees to capture 5% of the growing market value of the property. Although some increase in lakeshore property values can be expected over time, whether the state's lease fees will keep pace is uncertain. In the past, state lease fees have not reflected a fixed percent of market value. In fact, these fees have only approached 5% of the market value of the land in recent years and, even now, fall short of that goal.

According to the economic analysis, sale of all 1,558 lots would result in a net loss in discounted value of \$2.9 million, compared to continued leasing; sale of those lots requested for sale to date would result in a net loss in discounted value of \$1.9 million, compared to continued leasing.

When considering only school trust lots, sale of all 1,415 lots would result in a loss in discounted value to the trust of \$2.8 million, compared to continued leasing. Sale of only the school trust lots for which requests for sale have been made would result in a net loss in discounted value to the trust of \$1.8 million.

These differences disappear if there are slight variations in key assumptions. For example, if lakeshore property values appreciate at 3% rather than the assumed 4%, the net present values of sale compared to continued leasing of 1,558 lots would be approximately equal. Likewise, if the state lease rate over time averaged 4% of the property value rather than the assumed 5%, sale and leasing would generate approximately the same net present value.

Summary of the Implications of the Sale of Lakeshore Lots

- Lease administration -- historically, the state has not been able to achieve and maintain a satisfactory rate of return on these leases. The reasons for this relate to the history and nature of these particular leases. As a result, it appears that these problems are likely to persist and may best be resolved by selling the lot.
- School trust responsibility -- the DNR has a fiduciary responsibility to manage assets of the trust so as to maximize their value to the trust. Sale of some or all lots would result in a net loss to the trust, as compared to continued leasing if land values appreciate at 4% per year and state lease rates keep pace with these increases. However, sale may be justified because history indicates it is unlikely that lease rates for these lots will average 5% of land values.
- Sale costs to the state will be substantial -- due primarily to the fact that all plats will have to be surveyed before any lots in the plat can be sold, the costs of selling lakeshore lease lots will be high. Other expenses include the cost of holding auctions and related expenses, the loss of lease revenue from the one year's lease payment which can be applied to the purchaser's down payment, and other administrative costs. A total sale cost

of \$3 million will result if all 1,558 lots are sold. Sale costs would be approximately \$1.9 million if only the 466 requested lots are sold. Current law permits only appraisal costs to be recovered from the purchaser at the time of sale. Survey and administrative costs are borne by the state and appraisal costs for any lots offered but not sold at auction.

- Partial sales will result in higher sale costs per lot -- if only the lots requested to be sold to date are considered, the average sale cost per lot is \$4,028, compared to \$1,951 per lot if all lots (which are recommended to be sold) are sold.
- Sale of lakeshore lots may bring to light road access deficiencies -- many plats have private access roads which cross several lots, cross state land outside the plat, or cross county, federal or private land. Lakeshore lease lot roads are maintained by the lessees, not the state, county or township. If some (or all) lots are sold, many purchasers will not have clear rights of access, and will have to come to agreement with their neighbors and/or a governmental entity regarding access rights and road maintenance. In some cases new access roads may have to be built at a considerable cost. DNR may not terminate existing rights of access across state land under the sale legislation.
- Many lakeshore lots and structures (85 percent) do not meet current zoning requirements -- the legislation authorizing the sale of lease lots allows sale of substandard lots (lots which are too small and too close to the water, etc.). Future improvement of substandard lots may be restricted by zoning provisions.
- Sewage treatment systems on most lots do not meet current standards -- while lots which cannot accommodate adequate sewage treatment systems are recommended for phase-out, the majority of the lots available for sale have inadequate treatment systems. Once lease lots are sold, counties will have jurisdiction to evaluate systems and require updating.
- Interspersed private and public ownership of lakeshore lots could result -- Administration of remaining lease lots would be complicated if only some lots in a plat are sold. It could exacerbate road access problems where private roads cross several lots.

The above are some of the major implications of sale of some or all of the lakeshore lots identified as saleable. For a more complete discussion of these and other implications, see Chapter V of this report.

DNR RECOMMENDS:

1. Sale of 466 of the 525 lots requested for sale pursuant to Laws of Minnesota 1986, Chapter 449;
2. Appropriation of adequate funds to prepare these lots for sale, including the costs of survey, appraisal and sale;
3. That the legislature consider authorizing and appropriating funds for the sale of the remaining 1,092 lots (1,558 - 466).
4. Revision of law to allow for more flexible timing of sales.

III. ECONOMIC ANALYSIS OF LAKESHORE SALES

Sale of lakeshore lease lots was analyzed with respect to the following economic issues:

- How much are lakeshore sales likely to cost?
- How will lakeshore sales impact revenues to the state--especially to the School Trust?

A number of assumptions are required for addressing these issues. This is due to uncertainty regarding the number of lots that will be requested for sale given the terms of the law, the prices that requested lots will bring in open bidding, future land values, and several other factors. The analysis also requires a method for comparing income streams of greatly differing lengths (i.e., one-time sale versus continuous leasing).

Rationale

The 1,782 leased lakeshore lots administered by the DNR (1,754, excluding 28 Salt Spring lots under the authority of the University of Minnesota; Board of Regents) are income-producing assets belonging to the people of Minnesota. As such, they have value derived either from the stream of lease income they can generate, or from liquidation (sale).

The DNR has a fiduciary responsibility to manage these assets so as to maximize their value to the public, especially for the ninety percent that are school trust land. Therefore, recommendations whether or not to sell leased lakeshore lots should be based, at least in part, on the likely impacts of sale on the asset's income potential.

Assumptions

The main assumptions employed in this analysis are as follows:

Number of lots sold: Lakeshore sales were analyzed on a plat-by-plat basis, under three different scenarios: (1) sell all 1,558 lots not recommended to be phased out or to receive additional study; (2) sell only 466 lots for which sale requests have been received to date and continue to lease the rest; and (3) continue to lease all lots.

There is no way to know in advance how many lots will actually be requested for sale. The opportunity to request sale extends through June, 1991--another four and one-half years. To date, 521 sites, or approximately thirty percent, have been requested (not counting four requests from Salt Spring plats). However, the percentage requested by lake ranges from zero on several lakes to nearly ninety percent on some lakes. With 30 of the requested lots recommended for phase-out and another 25 recommended for additional study, 466 requested lots were analyzed for sale.

Market value: Current appraised values are used as estimates of market value. Until requested lots are surveyed and appraised, the best available estimate of market value is the 1985 appraised value. This is the value currently used to set lease fees.

Availability of funds: The analysis takes for granted that funds will be available for surveys and appraisals, as needed, to prepare lots for sale. However, no funds have yet been appropriated.

Terms of sale: Sale terms specified in the law are assumed. These terms are contract for deed with ten percent down, less one year's lease fee (\$500 maximum deduction per lease); twenty equal annual principal payments; and interest on the remaining balance at eight percent per year (simple).

Access cost: Access improvement costs, if any, are ignored. The law specifies that lots will be sold "as is" with regard to access.

Inflation rate: Costs are inflated at a rate of four percent per year.

Lease rate: Lease fees are calculated as five percent of appraised value, adjusted annually for expected appreciation in land values. Proposed lease rules permit the lease rate to be adjusted annually based on a twelve-month index of one-year U.S. Treasury bill rates, with a three-point discount and a five percent minimum rate. The index currently is below six percent, so the five percent minimum is in effect. The index would have to rise above eight percent before the proposed rules would raise the lease rate above five percent.

Land value appreciation: Lakeshore values are expected to appreciate at an average annual rate of four percent (keeping pace with inflation). This is a conservative estimate. Since 1959, total assessor's estimated market value for lakeshore (seasonal residential) property has increased at an average annual rate of twenty percent (Minnesota Department of Revenue). During the same period, inflation averaged five percent per year, measured by the Consumer Price Index. However, recent slowing of appreciation rates in the counties where leased state lakeshore is located suggests a more conservative outlook, as assumed here.

The assumed appreciation rate of four percent plus the assumed lease rate of five percent yield a total expected rate of return from leases of nine percent per year. This is equivalent to a stock that pays dividends and is growing in value, yielding a total rate of return equal to the dividend rate plus the growth rate.

Discount/capitalization rate: Future costs are discounted and lease income capitalized at an annual rate of eight percent (nominal)--four percent (real).

Methodology

This analysis employed the following methodology to estimate the likely net fiscal impact of lakeshore sales:

1. Sale Cost

Survey cost: Estimates of survey cost for forty plats were obtained from the DNR Bureau of Engineering. Using a simple linear regression analysis of these forty estimates, based on the number of leased lots in each plat, survey cost was then estimated for the remaining 100 plats.

The regression model estimated survey cost of \$5,418 for outlining each plat, plus \$614 per lot within each plat to subdivide. (R Squared = .7367; mean estimate (per plat) = 11,346; standard error = 4,437; 38 degrees of freedom.) Total survey cost per plat is expected to be the same whether all or only some lots in the plat are sold. Thus, total survey cost for each plat was estimated according to the total number of lots in the plat rather than the number sold.

Appraisal cost: Appraisal costs were estimated for each plat at \$400 per lot sold. Since the law requires buyers to reimburse the state for appraisals at the time of sale, appraisal costs were included in total sale costs, but not in the state's net sale cost.

However, the state will be required to provide funds up-front to have the appraisals done. Furthermore, appraisal costs will not be reimbursed for lots put up for auction but not sold.

Auction cost: Costs for advertising auction sales, rental of auction sites and other auction-related expenses were estimated at \$400 per sale. The analysis assumed that one sale would be held in each county with leased lots, in each of the five years of the sale request period (except for Polk County, with one plat containing four leases, where one sale is expected).

Average auction cost per plat was then estimated by dividing total auction costs for the five-year period, in each county, by the number of plats in the county. Thus, average auction cost per plat varies from county to county, with the number of plats. Estimated average cost ranges from \$48 per plat in St. Louis County (42 plats recommended for sale) to \$2,000 per plat in Beltrami County (one plat).

Lease fee deduction: The law permits lessees to apply the lesser of one year's lease fee or \$500 to the down payment for purchase of their leased lots. The total deduction for each plat was estimated as two-thirds of five percent of appraised value for lots sold, or \$500 times the number of lots sold in the plat, whichever was less. Deductions may actually be somewhat larger for requests received after 1986, since 1985 lease fee increases will then be fully phased in.

Contract administration cost: Annual cost for contract administration (billing, payment processing, etc.) was estimated for each plat assuming \$15 per lot sold. It was then discounted for the specified twenty-year term at the assumed real discount rate of four percent.

2. Discounted Sale Value

Discounted sale value was estimated for each plat under the two sale scenarios by deducting the state's net sale costs from current appraised value for the lots sold. Net sale cost includes survey cost, auction cost, lease fee deductions and discounted contract administration cost, but not appraisal cost (which buyers reimburse at the time of sale).

3. Capitalized Lease Value

To estimate capitalized lease value, potential annual lease revenue and administrative costs were first estimated for each plat, then net lease revenue was divided by the assumed real capitalization rate of four percent. This methodology assumes that leasing will be continuous, except for lots recommended to be phased out. On those lots, lease value was estimated only through the recommended phase-out period (either through 1990 or through 2010).

Annual lease revenue was estimated as five percent of appraised value. Annual lease cost was estimated at \$84 per lease, including \$60 per lease for administration and \$24 per lease for periodic reappraisal (one appraisal every five years at \$120 per appraisal).

4. Net Sale Impact

The net impact of lakeshore sales on the state was estimated under the two sale scenarios, for each plat, by subtracting capitalized lease value from discounted sale value. The result indicates on a plat by plat basis whether sale represents a gain or a loss compared to leasing, and by how much.

Findings

This analysis of lakeshore lease lot sales, based on the assumptions and methodology employed, indicates the following:

-- Sale of leased lakeshore lots will be costly.

Total costs for sale of all 1,558 lots not recommended for phase-out or additional study would exceed \$3 million (Table 1). This includes direct costs of over \$2.2 million (survey, appraisal and auction costs) and additional indirect costs of nearly \$0.8 million (lease fee deductions and discounted contract administration costs). Total sale costs average about \$1,950 per lot sold.

The state's net cost to sell all lots, after reimbursement for appraisal costs, is estimated at approximately \$2.4 million (Table 1). Average net cost would be about \$1,550 per lot.

-- If only currently requested lots are sold, average sale cost per lot will be substantially higher than if all lots are sold.

Total sale cost would be reduced by more than one-third to \$1.9 million if only 466 currently requested lots are sold (Table 1). However, average sale cost per lot sold would more than double to \$4,028, since survey cost--the largest single sale cost--would be reduced only slightly.

-- Both sale options--sale of all 1,558 eligible lots versus sale of 466 currently requested lots--result in a net loss to the state, compared to continued leasing if land values appreciate at 4% per year and state lease fees keep pace with these increases.

TABLE 1

**ESTIMATED LAKESHORE SALE COSTS:
SALE OF ALL LOTS VS SALE OF REQUESTED LOTS ONLY**

	SALE OF ALL LOTS* (1,558 Lots)		SALE OF REQUESTED LOTS* (466 Lots)	
	Total Cost	Average Cost/Lot	Total Cost	Average Cost/Lot
Survey Cost	\$1,609,482	\$1,033	\$1,443,046	\$3,097
Appraisal Cost	623,200	400	186,400	400
Auction Cost	18,400	12	4,000	9
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Total Direct Cost	\$2,251,082	\$1,445	\$1,633,446	\$3,506
Lease Fee Deductions	\$471,092	\$302	147,996	\$318
Contract Administration	317,606	204	94,996	204
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Total Indirect Cost	\$788,698	\$506	\$242,992	\$522
Total Sale Cost	\$3,039,780	\$1,951	\$1,876,438	\$4,028
Less Reimbursed Costs**	623,200	400	186,400	400
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Net Cost to State	\$2,416,580	\$1,551	\$1,690,038	\$3,628

* Excludes lots where phase-out or further study is recommended.

** Buyers reimburse appraisal cost at the time of sale.

Total capitalized lease value for all 1,558 lots exceeds their discounted sale value by over \$2.9 million, or one-fifth. The average loss per lot is estimated at \$1,870. Sale would result in a loss compared to continued leasing on each of the 115 plats where sale is feasible from a resource standpoint, provided sanitation standards are met.

Total capitalized lease value for the 466 requested lots exceeds their discounted sale value by \$1.9 million--over thirteen percent. The total loss to the state is nearly \$1 million less than the loss from sale of all 1,558 lots. However, the average loss of \$4,166 per requested lot is more than twice the average loss from sale of all lots.

-- The net fiscal impact of lakeshore sales could be sharply affected if lakeshore values appreciate at a faster or slower rate than expected.

With land value appreciation of six percent per year--two points higher than the assumption used in this analysis--the estimated loss from sale of all lots increases from \$2.9 million to nearly \$18.5 million (Table 2). At the same time, the estimated loss from sale of only requested lots increases from \$1.9 million to over \$7 million.

TABLE 2

EFFECT OF VARIOUS LAND VALUE APPRECIATION RATES
ON ESTIMATED IMPACT OF LAKESHORE SALES

Assumed Apprec'n Rate	TOTAL DISCOUNTED VALUE			SALE IMPACT	
	Sale of All Lots*	Sale of Req'd Lots*	Cont'd Lease of All Lots	Sale of All Lots	Sale of Req'd Lots
6%	14,676,102	26,049,360	33,162,827	(18,486,725)	(7,113,467)
5%	14,226,640	18,705,856	22,371,374	(8,144,734)	(3,665,518)
4%	14,022,214	14,994,409	16,935,951	(2,913,737)	(1,941,542)
3%	13,851,195	12,743,177	13,650,334	200,861	(907,157)
2%	13,721,614	11,226,788	11,444,355	2,277,259	(217,567)

* Includes lease value of lots recommended for phase-out or additional study, or not requested for sale.

On the other hand, in the event that lakeshore values increase at an average rate of only two percent per year--half the assumed rate--the estimated loss of \$2.9 million from sale of all lots would convert to a gain of \$2.3 million. Sale of only requested lots would still result in a loss to the state, however, because of the much higher average sale cost per lot.

At an average land value appreciation rate of three percent per year--one point below the assumed rate--the state would virtually break even on sale of all lots, compared to continued leasing. The appreciation rate at which sale of requested lots would break even with leasing is slightly less than two percent.

To put these appreciation rates in historical perspective, consider that between 1959 and 1986, when appreciation averaged twenty percent per year, lakeshore values doubled every four years (MN Dept. of Revenue). In contrast, with average appreciation of six percent per year, lakeshore values would double in twelve years. With expected appreciation of four percent per year, lakeshore values will require over eighteen years to double. With appreciation of only two percent per year, lakeshore values would take 35 years to double.

If the state's lease rate varies from the assumed five percent of land value, the effect on net sale impact would be comparable to the effect of varying the appreciation rate. If the lease rate averages only four percent of land value - one point less than the assumed rate - sale of 1,558 lots would generate nearly the same discounted value as leasing.

-- The School Trust will suffer an estimated net loss from lakeshore sales under either sale scenario.

The 1,415 Trust lots not recommended for phase-out or additional study have a total current appraised value of \$13.9 million (Table 3). After net sale cost to the state of \$2.2 million, the estimated sale value of these Trust lots is \$11.7 million.

However, with expected appreciation in land values, total capitalized lease value for continuous leasing is \$14.6 million--\$2.8 million more than estimated sale value. The Trust would lose an average of \$2,004, discounted, per lot sold.

TABLE 3

ESTIMATED IMPACT OF LAKESHORE SALES ON THE SCHOOL TRUST:
SALE OF ALL LOTS VS SALE OF REQUESTED LOTS ONLY

	SALE OF ALL LOTS* (1,415 Lots)		SALE OF REQUESTED LOTS* (433 Lots)	
	Total Impact	Average Per Lot	Total Impact	Average Per Lot
Current Appraised Value	\$13,934,291	\$9,848	4,659,370	\$10,761
Less Net Sale Cost	2,197,283	1,553	1,560,920	3,605
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Discounted Sale Value	11,737,008	8,295	3,098,450	7,156
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Capitalized Lease Value	14,572,964	10,299	4,914,913	11,351
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Net Impact of Sales (Sale Value - Lease Value)	(\$2,835,956)	(\$2,004)	(\$1,816,463)	(\$4,195)

* Excluding lots recommended for phase-out or additional study.

In the other sale scenario--sale of requested lots only--the total estimated loss to the Trust is lower, but the average estimated loss per lot is much higher. Total current appraised value for 433 requested Trust lots is just under \$4.7 million (Table 3). Deducting net sale cost of \$1.6 million results in an estimated net sale value of \$3.1 million.

Compared to the total capitalized lease value of \$4.9 million for continuous leasing of the 433 requested Trust lots, the estimated sale value indicates a loss to the Trust of \$1.8 million in this scenario. This is about \$1 million smaller than the loss estimated for sale of all Trust lots. But with far fewer lots being sold, the average estimated loss per lot is more than twice as great, at \$4,195, discounted.

IV. RESOURCE ANALYSIS

Site visitation teams, made up of DNR and county personnel, inspected each lease site to identify conditions which might either indicate that a site is unsuitable for continued residential use (either lease or sale), or that it has certain deficiencies that should be corrected if residential use is continued, or that the site is suitable for continued use as is.

Factors included in the evaluation included the following:

A. Sewage Treatment Systems

Most lakeshore lease lots do not have sewage treatment systems which meet current standards. Due to the location of the plats in the northern part of the state, many are on land with little or no soil over bedrock. Others are in areas having a high water table. Many of the lots utilize pit toilets for sewage treatment, but most of these do not meet current standards which require at least three feet of unsaturated soil between the bottom of the pit and groundwater or bedrock. In addition, most lots utilize graywater systems (water used for bathing or culinary purposes) which do not meet current design standards. Although it would be possible to upgrade pit toilets by installing sealed vault pits meeting current standards, proper treatment of graywater would still be a problem.

State (MPCA) sewage treatment system standards provide for "alternative" systems such as mounds to overcome site constraints like those found on lease lots, but such systems require transport of suitable soils to the site for mound construction and usually need electricity for running a pumping station. On many lease lot plats electricity is not available, and inadequate road access would make transport of soils needed for mound construction very expensive.

Legislation adopted in 1973 requires the DNR to cancel leases where non-conforming sewage systems are identified and lessees do not upgrade them. However, detailed site evaluations have not been performed until now to identify such systems and no leases have been cancelled. Once lease lots are sold, however, counties will have jurisdiction to evaluate systems and require upgrading.

Some lease lot plats have potential for being set up similar to a resort conversion planned unit development prior to sale. This approach would make upgrading of sewage treatment facilities and road access considerably more feasible than leaving these problems to individual lot purchasers.

B. Future Use of Adjacent State Lands

When selling lakeshore lease lots, consideration must be given to potential future uses of state land immediately adjacent to (landward of) many of the plats. The location of plat access roads is often crucial in determining future uses of adjacent state lands. For example, the Pokegama Lake plat has approximately 20 acres of state land lying between a lessee-maintained access road and the lakeshore lots. Several spur roads branch off the access road crossing state land to reach the lakeshore lots. When the Pokegama plat was surveyed last fall, a road easement was established behind the lakeshore lots to provide a location for a new road. If a road is constructed along the easement at some future date it will eliminate the spur roads and allow for more efficient management of the state land behind the lakeshore plat.

C. Potential for Other Public Use

All plats were evaluated to determine if there was a potential for public use for the site such as a public lake access site, public campground, or as an addition to a state park. In particular, existing and future public lake access needs were considered. If an existing or future need for public ownership suitable for public access purposes was identified, the potential for the lease sites to fulfill the need was evaluated.

D. Hydrologic Conditions

Hydrologic and soil problems such as erosion, unstable water levels, water surface use conflicts, water quality degradation and effects on reservoirs were evaluated to identify any problems of this nature which might be serious enough to preclude continued residential use of the site.

E. Other Resource Effects

Consideration was given to the effect of sale or continued leasing on fisheries, waterfowl management, and known historic or archaeological values, to determine if these values would be adversely affected by continued use of the site, but no in-depth study of these was done.

V. IMPLICATIONS OF SALE OF LAKESHORE LEASE LOTS

A. Lease Administration

The leasing of cabin sites on state owned lakeshore began in 1917 as a means of increasing development and tax base in the northern counties. At that time, income to the state appears to have been a secondary consideration. Precise surveys were not made; access arrangements were uncertain; and, under today's standards, the lots were generally substandard.

Due to these historical factors, the state has generally fallen short of achieving and maintaining optimum rate of return on these leased lands.

B. Access Considerations

Access to state lakeshore lease lots is achieved by a variety of means. Many lots are accessible via federal, state, county or township roads while others are accessible only via state forest roads and a variety of trails not administered by a forest agency. Some lots are located on islands or remote shorelines and are only accessible via a boat during the ice free season.

Access will have implications for federal, state, county and township governments when lakeshore lease lots are sold. Current policy of the state is that the lessee is responsible for maintaining access to his lease lot from the nearest maintained public or state forest road and that lease lots are for seasonal use and therefore no services such as snowplowing have been provided by the state on state forest roads.

Due to the seasonal nature of the lease sites and lessee responsibility for access, many of the roads currently accessing the lease lots were not built in the location outlined in the plat. In some cases, roads were laid out where it was easiest to build them, and this often resulted in roads which divide lots in half or which require lessees to cross other lots to access their lot. In other instances, a number of spur roads have been established off the main road, which divides the state's adjacent land ownership, making it more difficult to manage.

Many of the lakeshore plats are accessed by state forest roads, in some cases for distances of up to six miles. State forest roads are not considered to be public roads under state law, and therefore are maintained only to provide access to state forest lands for timber management and recreation. State forest roads can be closed at any time to prevent resource damage or during periods of high fire danger, in which case access to lakeshore lots would be interrupted. Should year around use become common on purchased lots, local units of government may have to provide access. Upgrading of these roads to township standards could cost from \$25-75,000 per mile.

Some plats are accessed by U.S. Forest Service roads. The Forest Service does not guarantee access over these roads to private lands and in some instances will not maintain them. Lessees who acquire state lakeshore which is accessed by Forest Service roads will be required to obtain special use permits and pay any fees that may be required.

If plats in which a public water access is located are sold, agreements will have to be worked out with lot owners for sharing of road maintenance costs.

Some state lease lots have access which cross private lands and for which the state has never acquired an easement and has only a prescriptive right. These lots will be sold on this basis, and it will be the responsibility of the lot owners or a local unit of government to acquire additional right-of-way, should the road need upgrading.

Lots which are only accessible by boat are not expected to present access problems to the state or local units of government. However, problems with sanitation and provision of other services may increase costs to local units of government if year-round residences are built on these lots.

C. Survey Requirements

The need to survey lakeshore plats is a major consideration in the disposal of the lakeshore lease lots. The lots were originally established and surveyed between 1913 and 1961 using personnel from the Civilian Conservation Corps and the DNR divisions of Forestry and Lands and Minerals. The surveying was done in a manner that identifies only the approximate location of the lots, which was adequate for the program at that time since the plats were not being legally recorded. However, to sell the lots to private parties, a precise survey will be needed and the plats will need to be legally recorded.

The cost of the surveying will have a significant economic impact on the sale program. Survey costs will be high due to the fact that many of the plats are in remote areas where little surveying has been done since the original land survey was completed, and many of the original survey corners have been lost. It is difficult to estimate precise survey costs; however, rough estimates on approximately 45 of the plats have been obtained. For a plat in a remote area with from 1 to 4 lots, the survey cost per lot will be approximately \$4050.00. For plats with 5 or more lots, the cost will run between \$800.00 and \$1100.00 per lot.

Survey work will need to be done by private surveyors, since the DNR does not have the personnel to assume the responsibility for such a large project. However, the DNR is in the process of surveying five plats as pilot projects. Two of the plats are on Pokegama Lake in Itasca County and 3 are on Devil's Track Lake in Cook County. By surveying these pilot plats, we will become more aware of the problems and be better prepared to handle them when the private surveyors begin work.

D. Zoning Standards Compliance

Most lots and structures in state lease plats, like those in private ownerships, were created prior to the advent of the Shoreland Management Program and do not meet current lot width, size, and structure setback standards. The legislation authorizing sale of lease lots specifies that sales may occur even though lots do not meet the standards. However, specific situations have been identified where additional state land can be added to lots when plats are surveyed for sale to make them more nearly compliant with current standards. Situations where adjacent lots might be combined have also been identified. However, since most of the lots cannot reasonably be enlarged, counties will have to manage these lots, after sale, in the same manner as privately-owned, existing substandard lots of record. Many of the counties have had considerable experience dealing with development on lease lots because state leases have, for at least the

past decade, contained a provision requiring lessees to obtain local government permits for construction of buildings and sewage systems. The counties have a variety of provisions in their existing shoreland controls for substandard lots of record. They range from minimal requirements which allow any of these lots to be used as building sites to more stringent provisions which require lots to meet certain area and width standards before being considered "buildable". Some purchases of lease lots in counties with the more stringent requirements may need to obtain variances before being allowed to build new structures and sewage systems in the future.

As noted in the Resource Analysis Chapter, legislation was adopted in 1973 requiring the DNR to cancel leases if non-conforming sewage systems are identified and lessees do not upgrade them. However, detailed site evaluations were not performed until now to identify such systems and leases have not been cancelled. Once lease lots are sold, however, counties will have jurisdiction to evaluate systems and require upgrading of inadequate treatment systems.

E. Conversion to Permanent Use, Resulting in Increased Demand for Governmental Services

Sale of lakeshore lease lots will probably result in the conversion of many of these lots to year-round use. A recent study,¹ indicated that nearly one in four seasonal lakeshore owners statewide, plan to convert their properties to year-round use; one-third of these intend to do so within the next five years.

The trend toward permanent residential use of shoreland areas has important political, social, economic, and environmental implications. As the survey demonstrated, it can be expected that with conversion will come changes in the pattern and intensity of resource use. Typically, lakeshore owners make their commitment to conversion of their property from seasonal to permanent use before contacting their local government, then expect necessary public services to be provided. This has often placed local government officials in the difficult position of either providing services at a net cost to local taxpayers or denying services.

An inevitable result of conversion is increased land and sewage system use, placing additional stress on undersized lots. Often small lots which can absorb intermittent seasonal use (privies, graywater drain) cannot support sewage treatment loading associated with on-site treatment facilities.

F. Interspersed Ownerships

Unless all lots in a plat are sold, an interspersion of public and private lots will result. This would increase the costs of administering the remaining leases in the plat. Also, some lessees presently share the use of driveways, which would present a problem if one of the cabin sites are sold. There is also the possibility that any required road maintenance or construction could be billed to each lakeshore lot, for its share of the road costs based on continuing ownership of the remaining lease lots.

1. Shoreland Update Study, Report 8, Shoreland Residents - A Questionnaire Survey, 1986, Minnesota Department of Natural Resources.

G. Sale Administration

1. Staff and Funding

To date, no staff or funding has been made available to implement the sale program. Although the sale legislation authorized the expenditure of trust receipts to pay for survey costs on the trust sites, no appropriation was made. The Department of Finance and the chairs of the Senate Finance and House Appropriations Committees have stated that appropriations will be necessary to implement the law. (See letters in addendum.) The DNR has submitted a request to the LAC for \$330,400. The funds would be used for the appraisal needed to sell lots on Pokegama Lake and Devil's Track Lake, and for appraisals and survey work which must begin immediately for any other sales which are to occur in 1987.

The 1988-89 budget proposal contains a request for \$1.1 million to continue the appraisal, survey, and other associated work through the biennium. The 1990-91 budget will contain another request of approximately \$1.8 million to complete the appraisal, survey and other work requested under current legislation. Total survey and appraisal costs for this program are estimated at \$3.3 million. An unknown amount will be returned as appraisal costs are reimbursed to the state by successful bidders.

2. Sale Window and Shoreland Sale Timetable

If the LAC request is approved and if additional funds are available during the remainder of fiscal year 1987, DNR expects to be able to offer for sale approximately 150-200 lots out of the 463 requested and approved for sale. It is recommended that the sale deadline contained in Laws of Minnesota 1986, Chapter 449, be amended to reflect the funding actually made available by the 1987 legislature.

The legislation requires sales to be held in June, July, or August of the year following the request by the lessee, beginning in 1987. In order to prepare for a sale of 400 lots in August, the sale must be advertised for the four consecutive weeks prior to the sale, many procedures must be followed in sequence. The lessees must be given time to review appraisals and cancel the sale prior to its advertisement; the appraisals must be reviewed for contract compliance; the time from appraisal contracting to receipt of appraisal is at least four weeks; the surveys must be completed prior to appraisal assignments; and the survey contracting time is at least three months. Additionally, the surveys must be conducted while there is little or no snow cover in order to identify well heads, septic systems, road locations and permit access. Since all requests would not be received until January 1, the surveying could not begin until mid-March.

There would have to be eleven such sales (one per county) each year to comply with the legislative requirements. An average of 40 lots would be sold in each county. Approximately 450 appraisals would have to be reviewed for contract compliance in a one-month period, which is not possible to accomplish.

These time frames are extremely unrealistic for a large state land sale program. Lessees generally prefer to meet the appraiser for the on-site inspection. The difficulty of scheduling these meetings may make a 30-day contract period unworkable. Appraisal and survey contracts can be more expensive when required on short notice. The state will be in a difficult negotiating position with appraisers because the state must 1) hire a particular appraiser, 2) must require delivery in a short time period, and 3) has limited time (and authority) to reject an unsatisfactory appraisal.

3. Cost of Purchase versus Continued Lease

It is generally assumed that buying a lakeshore lot will cost less than leasing. However, this assumption is only true after more than 15 years in the future. The average value lot of \$10,000 would require the payment of \$5,910 to lease for the next ten years versus \$9,450 in payment toward purchase. Over 20 years, the length of a sales contract, \$16,290 would be spent to lease versus \$17,220 to purchase. (Estimated property taxes and income tax savings included)

4. Rights and Responsibilities

The magnitude of the program and the timelines in the sale legislation will make it necessary to clarify the rights and responsibilities between the lessee and the state. A document entitled "Request for sale of leased land" and verified application has been drafted by the Attorney Generals Office for this purpose. The document will serve to verify the ownership of the improvements, and any encumbrances or liens on the property. Also, it will make the state the authorized agent for the lessee at the time of sale if the lessee is not present at the sale. It will require the lessees to allow inspection of the property at reasonable times by prospective buyers. A copy of the document is included in the Appendix of this report.

APPENDIX

LAKESHORE REVIEW SUMMARY

LAKE: ADA

PLAT NUMBER: 306-1
306-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

This plat is located in a bay on the northeast shore of Ada Lake. The property is part of a larger block of public lands located east of Ada Lake. Access is via a narrow one lane dirt road which extends .25 mile west from Cass County Road #43. The road is maintained by DNR as far as the public access. Lot 1 is part of the public access in this plat. The lakeshore lots are located on gently rolling forest terrain. Soils are sandy or sandy-loam. Most lots have adequate elevation and drainage, but Lots 4 and 5 do not and their septic systems are in the water table. All lots do not meet zoning requirements for size and some do not meet setback requirements. Site 5 has its building located only 16 feet from the lake in addition to the problem with the septic system being too close to the lake and below the water table. Lots 4 and 5, with their septic system in the water table, are undoubtedly polluting the lake with their sewage. Only two sites in this plat could be brought up to zoning requirements in size by replatting. This plat is currently not suitable for year around occupancy due to the poor condition of the road and its seasonal maintenance.

ECONOMIC ANALYSIS:

Present Appraised Value:	132,000
Net Estimated Discounted Sale Value:	112,826
Net Estimated Capitalized Lease Value:	148,200

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The resource analysis shows that all sites, with the exception of Sites 4 and 5, could be sold if seasonal use is continued on this plat. Sites 4 and 5 should be phased out by 1990 due to problems with sewage polluting the lake. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ASH RIVER

PLAT NUMBER: 113

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is located 35 miles north of Orr. Access to the sites is directly off County Road #129, known locally as the Ash River Road. Sites are located on a level area with visible rock outcrop near the rear of the sites. Heavy clay loam soils vary from several inches to several feet in depth. The percolation rate is very slow on these soils. Sites are substandard in size. Existing sewage treatment systems consist of outhouses and minimum gray water treatment. Embankment, size, topography, and soil types severely limit the sewage treatment capabilities of the sites. Telephone and electricity is available. Year-round occupancy on these sites is not feasible, although there is year-round occupancy throughout the general area. Site #1 borders on a backwater flowage to Ash River. The other three sites are non-lakeshore.

ECONOMIC ANALYSIS:

Present Appraised Value:	28,000
Net Estimated Discounted Sale Value:	10,386
Net Estimated Capitalized Lease Value:	26,600

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ASH RIVER

PLAT NUMBER: 114

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 35 miles north of Orr. Access is by water only (3/4 mile to public access). The sites are located across the Ash River on a level bench between the river and a high rock outcrop. Area has very limited sewage treatment potential. Sites do not meet minimum zoning standards. Existing sewage treatment systems consist of outhouses and very minimum gray water treatment. The nature of the topography prevents adding additional area. Electricity is available. Year-round occupancy is not feasible. Ash River flows directly into Kabetogama Lake which is within Voyageurs National Park.

ECONOMIC ANALYSIS:

Present Appraised Value:	49,200
Net Estimated Discounted Sale Value:	41,841
Net Estimated Capitalized Lease Value:	48,900

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BAPTISM RIVER

PLAT NUMBER: 65

COUNTY: Lake

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 1 mile southeast of Finland. Access to the site is by a privately maintained driveway which leaves Highway #1 and extends for 1/10 mile across state land. The site is gently sloping with very rocky, sandy loam soil. There is a 3 to 5 foot embankment along the river. The existing sewage treatment system consists of a septic tank and drainfield. The site does not meet zoning standards. however, additional land could be added to meet zoning standards and improve the sewage treatment capability. The site is presently occupied year-round. Telephone and electrical service is available.

ECONOMIC ANALYSIS:

Present Appraised Value:	1,800
Net Estimated Discounted Sale Value:	-3,664
Net Estimated Capitalized Lease Value:	150

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The site could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BATTLE

PLAT NUMBER: 140

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

This site is located 15 miles northeast of Big Fork. Access is via 3.5 miles of state forest road off of County Road #533. Only one other developed site (private) is served by this access road. The site is served by a privy although a septic tank/drainfield system could be installed. The site is very substandard in size but could be increased in area on virtually all sides. There are no utility services to this site. The site has very substantial slope between the building site and the lake, making lake access very difficult.

ECONOMIC ANALYSIS:

Present Appraised Value:	4,400
Net Estimated Discounted Sale Value:	-11,329
Net Estimated Capitalized Lease Value:	3,400

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

This site should be phased out by the year 2010. Due to the remote location and site limitations, this lot is not suitable for continued residential development. The long term management problems due to the isolated location are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: BEAR ISLAND

PLAT NO.: 25

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

The plat is located 5 miles northwest of Babbitt. Unorganized Township Road #4134 (Lahti Road maintained by St. Louis County) leads to the public access. Lessee's maintain service road which exits Township Road #4134 a short distance from the public access and extends along the back of the lease sites. The actual location of this lessee service road is different from that shown on the original plat map. A survey will be required to determine the existing location. All sites have rocky loam soil. Telephone and electrical service is available to all sites. Sites are capable of handling sewage treatment systems, if depth is added to the smaller sites. Present existing lot sizes are substandard.

ECONOMIC ANALYSIS:

Present Appraised Value:	32,500
Net Estimated Discounted Sale Value:	21,872
Net Estimated Capitalized Lease Value:	30,125

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BEAR ISLAND

PLAT NO.: 39

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

The plat is located 5 miles northwest of Babbitt and is accessible only by water. Water access only (2/10 of a mile to public access). The island has very limited development potential. A narrow ridge extends the length of the island. Soils are sandy loam and very rocky. Topography and lack of size limit development potential. Sites are not capable of handling sewage treatment systems. Electrical service is available. Year-round occupancy on these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	16,300
Net Estimated Discounted Sale Value:	12,153
Net Estimated Capitalized Lease Value:	16,175

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by the year 2010. Due to site limitations, these lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than the loss of revenue to the trust. The existing leases should not be renewed in 1990 unless sewage treatment is upgraded to meet current sanitation requirements.

LAKESHORE REVIEW SUMMARY

LAKE: BEAR ISLAND

PLAT NUMBER: 133

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 54

RESOURCE ANALYSIS:

The plat is located 5 miles northwest of Babbitt. County Road #490 leads to an existing public access. Lessees maintain service road which exits near public access and extends along back of existing sites. Driveways lead into sites off of the service road. Some driveways serve two or more lease sites. All sites have rocky loam soils. Sites become steeper and poorer quality as you move northward through the plat. Telephone and electrical service is available for all sites. Existing sites vary from under 1/2 acre in size to over 1 acre. Sites are capable of handling sewage treatment, although lift pumps may be needed in some instances.

ECONOMIC ANALYSIS:

Present Appraised Value:	417,700
Net Estimated Discounted Sale Value:	354,147
Net Estimated Capitalized Lease Value:	408,725

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource recommendation. Additional depth should be added wherever possible to bring the sites into closer compliance with zoning requirements. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BEATRICE

PLAT NUMBER: FHS 69

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 25

RESOURCE ANALYSIS:

The plat is located 18 miles northwest of Hibbing. Access is via about 3 miles of state forest road which leads to the campground and access, then lessee maintained road. Soils and elevation are adequate on all sites (except 22) although pumping of sewage effluent may be necessary on a few sites. Conversion to year-round use is possible if year-round services can be provided.

Note: Platted as an outlot, Site 22 has a cabin and privy in place. This site is extremely low. The cabin is about 1 Ft. above lake level at about a 5 Ft. setback. There is no potential for improving the situation. The privy is located in a small area of high ground and is marginally compliant with sewage standards. There is no possibility for on site sewage treatment.

ECONOMIC ANALYSIS:

Present Appraised Value:	257,800
Net Estimated Discounted Sale Value:	223,278
Net Estimated Capitalized Lease Value:	269,750

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Site #22 is not suitable for continued residential development due to size, lack of expansion room and high water table. This site should not be renewed in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BEAUTY

PLAT NUMBER: 327

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 20

RESOURCE ANALYSIS:

The plat is located 12 miles southeast of Nashwauk. Access from Highway #73 is across 2½ miles of St. Louis county road and .25 mile of a DNR maintained road to the public access located on the south side of the plat. A service road maintained by the lessees extends from the public access northward along the back of the lease sites. The sites are level to gently sloping with sandy loam soils. There is a low bank along the lakeshore. Existing sewage treatment systems range from septic tank and drainfields to outhouses and minimum gray water treatment. Sites are substandard in size. Additional land should be added wherever possible to facilitate sewage treatment capability. Electrical service is available to the plat. Year-round occupancy is not feasible due to their location.

ECONOMIC ANALYSIS:

Present Appraised Value:	115,500
Net Estimated Discounted Sale Value:	89,812
Net Estimated Capitalized Lease Value:	102,375

The economic analysis shows that more revenue would be derived by the state from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates all sites could be offered for sale. Additional land, located across the service road, should be added to Sites 5, 6 and 7 to facilitate sewage treatment. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BELTRAMI

PLAT NUMBER: FSH 85

COUNTY: Beltrami

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

The plat is located 8 miles north of Bemidji on the south side of Lake Beltrami. Access is via a state forest road from Highway 71. A privately maintained driveway serves all 9 sites. Shoreline elevation ranges from 1 to 6 feet with an average of 2 feet. Building and back lot elevations varies from 3 to 16 feet with an average of 8 feet. Existing sewage treatment systems consist of outhouses, gray water treatment and septic systems. Sites do not meet minimum zoning standards. Additional depth could be added to all sites which would improve the sewage treatment capability. Telephone and electrical service is available to the plat. Year around occupancy on these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	121,500
Net Estimated Discounted Sale Value:	101,956
Net Estimated Capitalized Lease Value:	132,975

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Depth should be added to all sites to make them more conforming to local zoning standards.

LAKESHORE REVIEW SUMMARY

LAKE: BIG BASS

PLAT NUMBER: 312

COUNTY: Hubbard

NUMBER LEASED SITES IN PLAT: 11

NUMBER UNLEASED SITES: 2

RESOURCE ANALYSIS:

The plat is located 2 miles northeast of Akeley and 20 miles northeast of Park Rapids on the west side of Big Bass Lake. Access is via a state forest road. A lessee maintained driveway serves sites 7-14 while sites 1-4 have separate driveways from the state forest road. Shoreline elevation is less than one foot with cabin elevation ranging from 6 to 30 feet with an average of 17 feet. Back lot line ranges from 18 to 48 feet with an average of 35 feet. Existing sewage treatment systems consist of outhouses, gray water treatment and septic systems. Sites do not meet minimum zoning standards. However, soil conditions and increasing lot size would make them adequate to handle sewage treatment systems. Additional depth could be added to all sites. Telephone and electrical service is available to plat. Year around occupancy on these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	98,400
Net Estimated Discounted Sale Value:	80,303
Net Estimated Capitalized Lease Value:	99,900

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Depth should be added to all sites to bring them into closer compliance with zoning standards. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BIG BEAR

PLAT NUMBER: HS 44

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 43

RESOURCE ANALYSIS:

The plat is located 19 miles southeast of Big Fork. Access is from CSAH 52 via about 3 miles of state forest road to the public campground and access. Beyond the campground the road is lessee maintained. To the south of the lease sites on the east shore, private lands are accessed via the state forest road. If certain sites are enlarged by adding land to the rear, the existing lessee maintained access road needs to be relocated on those sites. Soils are suitable for onsite sewage treatment, although three sites are low and would require construction of elevated mound systems in order to comply with sewage treatment standards. All sites are substandard in size although all but 12 have sufficient area to treat sewage. Site 34 is vacant. Conversion to year-round use would require utilities and year-round road maintenance.

ECONOMIC ANALYSIS:

Present Appraised Value:	248,100
Net Estimated Discounted Sale Value:	199,176
Net Estimated Capitalized Lease Value:	219,825

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Additional area should be added wherever possible, especially add depth to Sites 16 thru 20 and 47 thru 56. Combine vacant Site 34 with adjacent Sites 33 & 36. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BIRCH

PLAT NUMBER: 119

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 22

RESOURCE ANALYSIS:

The plat is located 2 miles north of Babbitt. Access is by .9 mile of gravel road which exits from Highway #21. The end of the gravel road branches into lessee maintained driveways which lead into the individual sites. Telephone and electrical service is available to the plat. The sites have rocky clay loam soil. Elevations vary from low level sites to sites having a 10 to 15 foot bank along the shoreline and then continuing in a more moderate upward slope to the rear of the lot. Sites are adequate in size and capable of handling sewage treatment systems, although some sites will require lift pumps. Year-round occupancy is feasible. Some of the sites are already occupied on a year-round basis.

ECONOMIC ANALYSIS:

Present Appraised Value:	165,100
Net Estimated Discounted Sale Value:	136,145
Net Estimated Capitalized Lease Value:	160,175

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. The depth of all sites should be extended. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BIRCH

PLAT NUMBER: 172

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat is located 2 miles northeast of Babbitt. Access is by a lessee maintained service road which extends from County Road #21 along the back of the sites. Driveways lead into individual sites. The sites have rocky clay loam soil. The bank along the shoreline varies from 10 to 25 feet in height with a gentle to moderate rise to the rear of the lots. Telephone and electrical service is available to all sites. The sites are adequate in size and have sewage treatment capability, although some sites may require lift pumps. Year-round occupancy is feasible. A number of sites are already occupied on a year-round basis. Site 5 is being used as a junkyard.

ECONOMIC ANALYSIS:

Present Appraised Value:	97,700
Net Estimated Discounted Sale Value:	78,354
Net Estimated Capitalized Lease Value:	94,825

The economic analysis shows that more revenue would be derived by the trust from continue leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. The depth of all sites should be extended. Site 5 should be terminated for non-compliance. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BIRCH

PLAT NUMBER: 823

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

The plat is located 2 miles northeast of Babbitt on an island. The sites have water access only (1.5 mile to public access). Sites are located on bedrock having very shallow loam soils. Site sewage treatment capability is very marginal due to rock, lack of soil and small size of lots. Telephone and electrical service is not available on the island. Year-round occupancy on these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	34,200
Net Estimated Discounted Sale Value:	26,933
Net Estimated Capitalized Lease Value:	25,950

The economic analysis shows that more revenue would be derived by the trust from sale of these lots than from continued leasing. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The sites could be offered for sale based on economic analysis. However, due to site limitations, these lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than loss of revenue to the trust. All sites, except site 8, should be phased out by the year 2010. The improvements on site 8 are in very poor condition and have not been maintained. This lease should not be renewed in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BLACKDUCK

PLAT NUMBER: 112 & 128

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 16

RESOURCE ANALYSIS:

The plats are located 12 miles north of Orr. Access is by a lessee maintained service road which extends .5 mile from County Road #87 along the back of the sites. Blackduck Creek is located between County Road #87 and the plat. The lessee maintained service road crosses an old wooden bridge which has limited load capability. Bridge maintenance will be required at some future date. Sites are located on bedrock, which is covered by shallow to nonexistent soil. Sewage treatment capability of the sites is limited. Nearly all sites would require some type of mound system and lift station. Electrical service is available to the plat. Site No. 1 in Plat No. 112 does not have direct driveway access due to low ground along the road. Driveway access is across Site No. 1-A. Site No. 1 of Plat No. 128 has a very poor cabin located very close to the lake. Year-round occupancy on these sites is not feasible due to their isolated location. County Road #87 is not snowplowed in the winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	95,645
Net Estimated Discounted Sale Value:	73,914
Net Estimated Capitalized Lease Value:	85,956

The economic analysis shows that more revenue would be derived by the state from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates the sites could be offered for sale. The Department should not assume any liability for bridge maintenance across Blackduck Creek. Site No. 1 of Plat No. 128 should not be sold unless the cabin is moved back to conform with other setback distances within this plat. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BLACKDUCK

PLAT NUMBER: 132-1 & 132-2

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

The plats are located 12 miles north of Orr. Driveways lead into sites directly off County Road #87. All sites have heavy loam soils. Sewage treatment capability of the sites is adequate. The sites are all substandard in size. Additional depth could be added to sites 3 through 6 in order to bring these sites up to minimum requirements. Electrical service is available on the plat. Telephone service is available across the lake. County Road #87 is not snowplowed in the winter. Year-round occupancy on these sites is not feasible due to their remote location. County Road #87 terminates at the public access which is located at the end of the plat.

ECONOMIC ANALYSIS:

Present Appraised Value:	72,500
Net Estimated Discounted Sale Value:	54,812
Net Estimated Capitalized Lease Value:	65,425

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates the sites could be offered for sale. Additional depth should be added to sites 3 through 6 to bring these sites up to minimum zoning standards. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BLACKHOOF

PLAT NUMBER: 302

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 36

RESOURCE ANALYSIS:

This plat consists of 37 lots of which 36 are occupied. Lot 25 is vacant and is not suitable for development. The lots are located on the south shore of Blackhoof Lake and are the only development on the lake. This plat is part of a state administered "school trust fund" parcel of land consisting of 335.4 acres. Access is via a township road that extends along the rear of the lots from State Highway 212, .5 mile to the south. The road is graveled and in good condition. Utilities are available. Only 6 of the 36 lots in this plat meet current zoning standards established for this lake since they do not meet the 40,000 square foot minimum size required or the required 150 foot minimum width or frontage. In addition to this, most of the sites do not have conforming septic systems and many are in the water table. One site, which is being used as a year around residence, was found to be piping their gray water directly into the lake. There were many areas along the shoreline that appeared to be leaking sewage into the lake. Most sites do not meet setback requirements and many are considered to have poor elevation. Holding tanks or mound septic systems would be required to handle sewage. Many lots in this plat required filling before they could be developed.

ECONOMIC ANALYSIS:

Present Appraised Value:	486,300
Net Estimated Discounted Sale Value:	431,029
Net Estimated Capitalized Lease Value:	532,275

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BLIND

PLAT NUMBER: 340

COUNTY: Aitkin

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

Access to this plat is via a township road that extends along the shore of Blind Lake and separates the lots from the lake. Although this plat does not contain any lakeshore frontage, most lease holders are occupying the shoreline across the road by constructing docks or otherwise maintaining the state owned property. Elevation of all lots is low and averages only 2 feet above the water table. None of the sites meet current zoning requirements and they do not appear to be suitable for year around occupancy due to the high water table. Utilities are available and the road is maintained year around.

ECONOMIC ANALYSIS:

Present Appraised Value:	42,000
Net Estimated Discounted Sale Value:	22,617
Net Estimated Capitalized Lease Value:	37,800

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis if they continue to be used for limited seasonal use. They do not appear to be able to support continued year around use. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BURNT SHANTY

PLAT NUMBER: 318

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 42

RESOURCE ANALYSIS:

The plat is located 17 miles northeast of Grand Rapids. Plat is accessible by 3.9 miles of state forest road and 1 mile of lessee maintained road. The state forest road also leads to a public access. Soils are generally capable of treating sewage with steepness a factor on some sites. All sites are substandard but potential exists to add land from either vacant adjacent sites or rearward. Electricity and telephone are available to plat. If year-round services are provided there is potential for conversion to year-round use.

ECONOMIC ANALYSIS:

Present Appraised Value:	279,600
Net Estimated Discounted Sale Value:	230,444
Net Estimated Capitalized Lease Value:	261,300

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates all sites could be offered for sale. Add depth to Sites 9, 31, & 32 in order to allow onsite sewage treatment. Consider adding additional area to all other sites to bring them closer to conformity with zoning standards. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BURNTSIDE

PLAT NUMBER: 13

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

The plat is located 7 miles west of Ely. Access to the sites is by private driveways leading off County Road #88. The sites are located on a rock outcrop, which has very shallow to nonexistent soil covering. The backs of the sites all have high elevations which limit their use. The existing sewage treatment systems ranging from septic tank and drain fields to outhouse and gray water treatment are marginal. Mound type sewage treatment systems could be installed on these sites. Lift pumps would be required. Sites are substandard in size. Additional depth could be added to the sites. Burntside Lake is a very desirable lake with numerous year-round and seasonal residences. If sold, year-round occupancy on these sites could be expected.

ECONOMIC ANALYSIS:

Present Appraised Value:	154,000
Net Estimated Discounted Sale Value:	133,596
Net Estimated Capitalized Lease Value:	167,300

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. There is an encroachment problem involving a cabin owned by Burntside Lodge and Site 1. A survey has been completed and negotiations are underway to resolve the encroachment problem. Site 1 should be retained in state ownership until the problem is resolved.

LAKESHORE REVIEW SUMMARY

LAKE: BURNTSIDE

PLAT NUMBER: 21

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

Access is by water (inland - .25 mile to nearest public access located at Burntside Lodge). Sites are located on bedrock which has very shallow or nonexistent soil with very limited sewage treatment potential. Topography, size, and lack of soil prohibit collector and/or group treatment systems. Existing outhouse and gray water treatment systems are inadequate or very marginal. Electricity is available to the plat. Year-round occupancy on these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	35,500
Net Estimated Discounted Sale Value:	29,378
Net Estimated Capitalized Lease Value:	35,975

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by 2010. Due to site limitations these lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than the loss of revenue to the trust. If conforming sanitation systems cannot be installed by 1990 the leases should be cancelled at that time.

LAKESHORE REVIEW SUMMARY

LAKE: BURNTSIDE

PLAT NUMBER: 26

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The plat consists of a small island accessible by water only. It is a rock island with shallow to non-existent soils and has a very rocky shoreline. (There is a cabin quest cabin, two outhouses and a dock.) No utilities to the island. There is no possibility for conforming sewage treatment systems on the site. Existing outhouse and gray water treatment systems are inadequate. Year around occupancy is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	10,000
Net Estimated Discounted Sale Value:	9,427
Net Estimated Capitalized Lease Value:	10,400

RECOMMENDATION:

Site should be phased out by the year 2010. Due to site limitations, this site is not suitable for continued residential development. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: BURROWS

PLAT NUMBER: 319

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 41

RESOURCE ANALYSIS:

The plat is located 17 miles southeast of Big Fork. These sites are accessible via .75 mile of state forest road off of a county road. Nearly all sites have privies to handle sewage disposal. A few sites have conforming septic tank/drainfield systems and all other sites appear suited for the construction of such systems. All sites are substandard in size except for Sites 3 thru 6 in Plat 319-1. In all cases, there is room available to increase lot areas in a landward direction. Site 15 in Plat 319-1, and Site 24 in Plat 319-5 are vacant. Their land area should be combined into that of the adjacent substandard sites in order to increase the size of the latter. The area is served by electricity and telephone and year-round usage of the sites can be expected if year-round services are provided.

ECONOMIC ANALYSIS:

Present Appraised Value:	309,300
Net Estimated Discounted Sale Value:	259,972
Net Estimated Capitalized Lease Value:	300,525

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource analysis. Extend all sites to the state forest road in order to increase lot areas. Also, combine the land area of vacant Sites 15 and 24 with that of the adjacent sites to increase the land area of the latter. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CARIBOU

PLAT NUMBER: 351-1 thru 351-5

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 37

RESOURCE ANALYSIS:

The plats are located 15 miles west of Grand Marais. A public access is located just off County Road #4. A lessee maintained service road extends from the public access along the back of the sites, with driveways leading into the sites. The sites range from gently to steeply sloping with very rocky clay loam soil having poor drainage. Existing sewage treatment systems range from septic tank and drainfield to a outhouse and minimum gray water treatment. Sites do not meet minimum zoning standards. It would be difficult to add additional usable land unless the service road were relocated. Telephone and electrical service is available. Although the sites are not capable of handling year-round occupancy, such use could be expected if the sites are sold. There are a number of year-round residences located on Caribou Lake.

ECONOMIC ANALYSIS:

Present Appraised Value:	433,400
Net Estimated Discounted Sale Value:	375,575
Net Estimated Capitalized Lease Value:	464,050

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CHILD

PLAT NUMBER: 307

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

This plat consists of 10 lots located on the west shore of Child Lake. Access to the lots is via a township road running along the rear of the lots. The road is a mail and school bus route and is maintained year around. Utilities are available to all lots. Most of the lots are located on a high bank extending along the shore of the lake. This bank is rather steep where it occurs on Lots 1 through 8 and constructed stairways are usually necessary to get to the shoreline. Lots 9 and 10 do not have the high bank and easier access to the lake is available. Except for the steep frontage, the upper portion of the lots is fairly level or gently rolling. All lots are well drained. All of the 10 lots in this plat are too small in size to meet current zoning standards established for this lake since they do not meet the 40,000 square foot minimum required. Only one lot exceeds the 125 feet of minimum frontage required.

ECONOMIC ANALYSIS:

Present Appraised Value:	80,000
Net Estimated Discounted Sale Value:	63,617
Net Estimated Capitalized Lease Value:	79,000

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Lots 1 through 8 could continue to be leased if conforming septic systems are installed. Lots 9 and 10 should be phased out by 1990 for public access development. Child Lake currently does not have a public access and one is currently being sought by the Department. Lots 9 and 10 would make an excellent access site. If a public access is constructed, Lots 9 and 10 should be purchased from the trust by the Trails and Waterways Unit.

LAKESHORE REVIEW SUMMARY

LAKE: CLEAR

PLAT NUMBER: 320

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

The plat is located 5 miles south of Coleraine. Access to the sites is directly off County Road #71. Driveways lead into the individual sites. County Road #71 is a year-round maintained road. School bus and mail service is available. The sites are gently sloping with rocky loam soils. There is an embankment 1 to 6 feet high along the lakeshore. Existing sewage treatment systems consist of outhouses and gray water treatment systems. Sites are capable of handling minimal sewage treatment facilities. Sites do not meet minimum zoning standards. County Road #71 restricts adding additional land to the sites. Telephone and electrical service is available. Year-round occupancy of these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	27,600
Net Estimated Discounted Sale Value:	17,112
Net Estimated Capitalized Lease Value:	24,000

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: COE

PLAT NUMBER: 328

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 11

RESOURCE ANALYSIS:

The plat is located 11 miles south of Biwabik. Access to the westerly portion of the plat is by a lessee maintained service road which extends from County Road #16 along the back of the sites. Driveways lead into the individual sites. A public access is located on the south side of the easterly portion of the plat. A Department maintained road extends to the public access. A lessee maintained service road extends from the public access northward along the back of the sites. Driveways lead into the individual sites. Existing sewage treatment systems consist of outhouses and minimum gray water treatment facilities. The sites are substandard in size. Additional area could be added to all sites to facilitate sewage treatment capability. Telephone and electrical service is available. Year-round occupancy of these sites is not possible. Sites are gently sloping with clay loam soils.

ECONOMIC ANALYSIS:

Present Appraised Value:	63,100
Net Estimated Discounted Sale Value:	46,544
Net Estimated Capitalized Lease Value:	55,775

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates all sites could be offered for sale. Additional depth should be added to all sites to facilitate sewage treatment, however; the sites are not capable of handling heavy year-round use. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CRANE

PLAT NUMBER: 87

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

The plat has water access only (1½ miles to nearest public access located at Crane Lake). The sites are located on bedrock which is covered with heavy loam soil ranging from several feet in depth on some sites to nonexistent on others. Sites have marginal sewage treatment capability if additional depth is added. Existing sewage treatment systems include outhouses, minimal gray water treatment, and septic tanks with drainfields. Telephone and electrical service is available. Year-round occupancy on these sites is not feasible. There are a number of private seasonal cabins located just east of this plat.

ECONOMIC ANALYSIS:

Present Appraised Value:	122,350
Net Estimated Discounted Sale Value:	98,551
Net Estimated Capitalized Lease Value:	134,038

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CRANE

PLAT NUMBER: 155 & 156

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plats have water access only (sites are located 1½ miles from the public access at Crane Lake). Sites 2 through 8 on Plat 156 have a gentle to moderate slope towards the lake. Site 1 on Plat 156 and all the sites on Plat 155 have a steep ridge located directly behind the existing cabins. The steep ridge reduces the sewage treatment capability of these sites. All of the sites have a very rocky loam soil. Telephone and electrical service is available to all sites. Existing sewage treatment needs are handled by outhouses and gray water drain systems. Year-round occupancy on these sites is not feasible. The sites are all substandard in size. Additional depth should be added wherever possible.

ECONOMIC ANALYSIS:

Present Appraised Value:	113,000
Net Estimated Discounted Sale Value:	95,763
Net Estimated Capitalized Lease Value:	113,950

The economic analysis shows that more revenue would be derived by the state from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

A resource analysis indicates the sites could be offered for sale. Additional depth should be added wherever possible. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CROOKED

PLAT NUMBER: 329

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

The plat is located 10 miles northwest of Nashwauk. Access is by private driveways off of County Road #336, a blacktopped all weather road. The sites are high and gently sloping with a fairly high steep bank along the lakeshore. All sites have sandy loam soil with good drainage. Existing sewage treatment systems consist of septic tank and drainfield systems as well as outhouses and minimum gray water treatment. Sites are capable of handling complying sewage treatment systems. The sites do not meet minimum zoning standards; however, all sites could be extended to the county road to facilitate sewage treatment. Telephone and electrical service is available. Year-round occupancy is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	40,500
Net Estimated Discounted Sale Value:	27,946
Net Estimated Capitalized Lease Value:	35,925

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Combine Site 1 (which is vacant) with Site 2. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: CROSS

PLAT NUMBER: 123

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

Access to this plat is over a privately maintained road. Utilities are available to all sites. Only 4 out of the 10 leased sites in this plat meet current zoning requirements for size. Most of those that don't meet the size requirements, however, could be brought up to standards by extending the depth of the lots and relocating the road. Lot 1 is currently using additional state owned lakeshore adjoining the lot and also state land behind it. The DNR is looking for a public access site on this part of Cross Lake.

ECONOMIC ANALYSIS:

Present Appraised Value:	214,000
Net Estimated Discounted Sale Value:	195,151
Net Estimated Capitalized Lease Value:	246,500

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis with the exception of lots 9 and 10 which should be phased out for public access purposes. Lots 9 and 10 should be phased out as determined by Trails and Waterways for a public access and the trust should be compensated for such use. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: DAGGETT

PLAT NUMBER: 120

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 17

RESOURCE ANALYSIS:

Access to this plat is provided by a township road that extends along the rear of all lots. Utilities are available. Most lots in this plat meet local zoning requirements for size. Those that don't are close to the minimum requirement so it should not be necessary to extend the depth of the lots which would require relocating the road. Almost all sites have septic systems and most appear to be conforming to standards. Those that don't should be upgraded.

ECONOMIC ANALYSIS:

Present Appraised Value:	426,000
Net Estimated Discounted Sale Value:	396,042
Net Estimated Capitalized Lease Value:	496,800

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

The resource analysis indicates that all lots in this plat could be sold. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: DEER

PLAT NUMBER: 68

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 29

RESOURCE ANALYSIS:

The plat is located 15 miles northeast of Big Fork. Access is via state forest road which extends .6 mile off County Road #533. Existing sewage treatment disposal is by privy with minimum gray water treatment. Pumping of effluent to an elevated system will be necessary on some sites. Only Sites 3, 6, 14A, and 19 have conforming lot areas - all other sites are substandard. There is potential to add land area to the substandard sites. Site 14A is vacant lowland and undevelopable. Electricity and telephone are available and year-round usage of the sites can be anticipated if year-round services are provided.

ECONOMIC ANALYSIS:

Present Appraised Value:	235,700
Net Estimated Discounted Sale Value:	198,642
Net Estimated Capitalized Lease Value:	233,725

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites could be offered for sale based on the resource analysis. Additional area should be added to all sites except 14A. This site is undevelopable and should be divided between the adjacent sites. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: DEVILS TRACK

PLAT NUMBER: 352-1, 352-2 & 352-3

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 31

RESOURCE ANALYSIS:

The plats are located 7 miles northwest of Grand Marais. Access to the plat is by a service road which extends from County Road #57 along the back of the sites. Driveways lead into the individual sites. Maintenance of the service road is shared by Cook County and the lessees. The sites are level to moderately sloping with rocky gravel loam soils. Existing sewage treatment systems range from septic tank and drainfield to outhouse and minimum gray water treatment. Most of the sites are substandard in size. Telephone and electrical service is available to all sites. Year-round occupancy of these sites is feasible and can be expected if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	450,500
Net Estimated Discounted Sale Value:	406,354
Net Estimated Capitalized Lease Value:	498,025

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: DEVILS TRACK

PLAT NUMBER: 352-5

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

The plat is located 7 miles northwest of Grand Marais. Access to the sites is by a lessee maintained service road which extends .5 mile from County Road #57 along the back of the sites. Driveways lead into the individual sites. The sites have a moderate slope with very rocky gravel loam soils. Existing sites are capable of handling sewage treatment systems. Telephone and electrical service is available to the plat. All sites should be extended to the existing service road. Year-round occupancy of these sites is feasible and can be expected if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	147,500
Net Estimated Discounted Sale Value:	134,279
Net Estimated Capitalized Lease Value:	167,575

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: DEVILS TRACK

PLAT NUMBER: 352-6

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat is located 7 miles northwest of Grand Marais. Sites 1 through 5 access directly off County Road #57. The rest of the sites are accessible by a lessee maintained service road which extends along the back of the sites which are located on a peninsula. The sites are level to moderately sloping with rocky sandy loam soils. Existing sewage treatment systems range from septic tank and drainfields to outhouses and minimum gray water treatment. Sites are substandard in size. Additional area should be added wherever possible to improve sites' sewage treatment capability. Telephone and electrical service is available to all sites. Year-round occupancy is feasible and can be expected if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	198,350
Net Estimated Discounted Sale Value:	179,055
Net Estimated Capitalized Lease Value:	220,638

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Sites #15 and #16 are not suitable for continued residential development and should be phased out by the year 2010.

LAKESHORE REVIEW SUMMARY

LAKE: DUCK

PLAT NUMBER: 308

COUNTY: Hubbard

NUMBER LEASED SITES IN PLAT: 23

NUMBER UNLEASED SITES: 6

RESOURCE ANALYSIS:

The plat is located on the north shore of Duck Lake, 15 miles southeast of Park Rapids. Access is via a lessee maintained road from a township road. Shoreline elevation is less than one foot with high steep banks to cabins. Cabin and back lot elevation ranges from 10 to 33 feet with an average of 22 feet. Existing sewage treatment systems consist of outhouses, gray water treatment and septic system. Sites do not meet minimum zoning size standards. However, soil conditions and high elevation will adequately handle sewage treatment facilities. Telephone and electrical service is available to plat. One lessee is using his lease site as a year around residence and has received homestead credit for tax purposes.

ECONOMIC ANALYSIS:

Present Appraised Value:	148,000
Net Estimated Discounted Sale Value:	118,433
Net Estimated Capitalized Lease Value:	136,700

The economic analysis shows that more revenue would be derived by the trust from continued of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. The entire plat should be resurveyed and vacant lots, with the exception of Lot 29, should be added to the adjoining lots to make them more in compliance with shoreland zoning standards. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ESKER/FISH LAKE RESERVOIR

PLAT NUMBER: 143

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 14

RESOURCE ANALYSIS:

The plat is located 10 miles northwest of Duluth. A DNR maintained road leads from County Road #285 to the public access located in the middle of the plat. Lessee maintained service roads extend in both directions from the access along the back of the sites. Driveways lead into the individual sites. In the past, the department has upgraded and graveled the lessee maintained service road. The sites have a moderate to steep slope with rocky, sandy loam soils. There is a moderately steep embankment 5 to 10 feet in height along the lakeshore. Existing sewage treatment systems consist of outhouses with minimum gray water treatment facilities. Most of the sites are capable of handling sewage treatment systems. Sites are substandard in size. Additional land should be added wherever possible to improve sewage treatment capabilities. Year-round occupancy in this area is not feasible. Telephone and electrical service is available to the plat.

ECONOMIC ANALYSIS:

Present Appraised Value:	84,800
Net Estimated Discounted Sale Value:	65,066
Net Estimated Capitalized Lease Value:	76,600

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Resource analysis indicates most sites could be offered for sale. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Additional land should be added wherever possible to bring lots into closer compliance with zoning standards. Lots which cannot be brought into compliance should be cancelled in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ESKER/FISH LAKE RESERVOIR

PLAT NUMBER: 157

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 21

RESOURCE ANALYSIS:

The plat is located 10 miles northwest of Duluth. A DNR maintained road leads from County Road #285 to the public access located in the middle of the plat. Lessee maintained service roads extend in both directions from the access along the back of the sites. Driveways lead into the individual sites. In the past, the department has upgraded and graveled the lessee maintained service road. The sites have a moderate to steep slope with rocky, sandy loam soils. There is a moderately steep embankment 5 to 10 feet in height along the lakeshore. Existing sewage treatment systems consist of outhouses with minimum gray water treatment facilities. Most of the sites are capable of handling sewage treatment systems. Sites are substandard in size. Additional land should be added wherever possible to improve sewage treatment capabilities. Year-round occupancy in this area is not feasible. Telephone and electrical service is available to the plat.

ECONOMIC ANALYSIS:

Present Appraised Value:	115,300
Net Estimated Discounted Sale Value:	86,789
Net Estimated Capitalized Lease Value:	100,025

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites 19, 20, 21, and 25 as well as Site 15, which is located on an island, should be phased out by 2010. These sites are all very substandard and incapable of handling sewage treatment. The nature of the topography prevents adding additional land to these sites. The phase out of some substandard sites may result in loss of revenue to the trust. However, the long term costs of environmental damage are considered greater than the loss of revenue to the trust. Conforming sanitation systems must be constructed on the remaining sites as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: FALL

PLAT NUMBER: 72

COUNTY: Lake

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

The plat is located 8 miles east of Ely. Access to the sites is by privately maintained driveways which extend from U.S. Forest Service Road #551. Road #551 extends from the Furenberg Road to the federal campground on Fall Lake. Sites are located on bedrock, which is covered with very shallow to nonexistent soil. There is a steep rock embankment along the shore ranging from 10 to 20 feet in height. Existing sewage treatment systems consist of outhouses and very minimal gray water treatment. The nature of the sites severely limits their sewage treatment capability. Sites are substandard in size. Additional area could be added but the sewage treatment capability of the site would not change significantly. There is no telephone or electricity on the plat. Telephone and electrical service is available 1/4 mile away. Year-round occupancy of these sites is not feasible. Site 8A contains an old cabin in poor condition which is not being maintained. Site 9A contains an old garage which is not being utilized or maintained.

ECONOMIC ANALYSIS:

Present Appraised Value:	186,800
Net Estimated Discounted Sale Value:	160,748
Net Estimated Capitalized Lease Value:	202,000

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: GRAVE

PLAT NUMBER: 165 & 166

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

The plats are located 20 miles north of Grand Rapids. A gravel road maintained by the DNR extends from Highway #38 approximately 1 mile to the public access on Graves Lake. A lessee maintained service road extends from the public access .5 mile along the back of the lease sites. This privately maintained service road is also used by a private party who owns a cabin beyond the lease plat. Driveways lead from the service road into the individual sites. The sites are general to moderately sloping with sandy loam, very rocky soil. Existing sewage treatment systems consist of outhouses plus gray water treatment facilities. The sites are capable of handling acceptable sewage treatment facilities. The sites are substandard in size. All sites should be extended back to the service road to provide additional sewage treatment capability. Electrical service is available to the plat. Telephone service is also available. Year-round occupancy on these sites is not feasible since the public access road is not maintained in the winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	89,500
Net Estimated Discounted Sale Value:	68,769
Net Estimated Capitalized Lease Value:	80,375

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource analysis. All sites should be extended back to the service road. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: GREER

PLAT NUMBER: 48

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 18

RESOURCE ANALYSIS:

Access to this plat is via a newly constructed road maintained by the township. This road was relocated and constructed by DNR to allow for enough room on the lots to install conforming septic systems. A new survey on the plat has been made to show the increased depth of the lots and the location of the new road. Although local zoning requires 150 feet of frontage, which none of the lots have, the increase in depth and a new road brings them closer to compliance with local zoning standards. The state platted area is the only development on the lake and is located adjacent to Greer Lake State Forest Campground.

ECONOMIC ANALYSIS:

Present Appraised Value:	162,000
Net Estimated Discounted Sale Value:	136,206
Net Estimated Capitalized Lease Value:	164,700

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: HAENKE

PLAT NUMBER: 330

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

The plat is located 3 miles west of Eveleth. A Township Cartway extends south of County Road #101 to the first site. A service road maintained by the lessees extends from the end of the Township Cartway along the back of the existing sites. Driveways lead into individual sites. The present location of service road is different than that shown on the original plat. Road has been moved to accommodate sewage treatment mound systems which have been installed in recent years. First three sites are low and have existing mound systems. Sites 5 and 6 are somewhat higher and have somewhat better sewage treatment capability. Telephone and electricity is available on the plat. Sites are substandard in size. Additional land should be added wherever possible to more nearly meet zoning requirements. Some sites have year-round residences. There is an undeveloped public access on this lake which is suitable for launching small boats or canoes.

ECONOMIC ANALYSIS:

Present Appraised Value:	48,200
Net Estimated Discounted Sale Value:	35,413
Net Estimated Capitalized Lease Value:	45,550

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Additional area should be added where possible, including existing mound systems.

LAKESHORE REVIEW SUMMARY

LAKE: HAND

PLAT NUMBER: 309-1
309-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 17

RESOURCE ANALYSIS:

This plat consists of 18 lots of which 17 are under lease. They are located on the northeast side of Hand Lake at the end of a long, narrow bay. These lakeshore lots are part of a larger block of public lands of over 1,000 acres lying between Hand and Hay lakes. Access is via a gravel road which extends 1.3 miles from a county road to the south. This road is maintained by DNR and is currently under reconstructions. Utilities are available. The area where the lakeshore lots are located is rolling and hilly. Elevation of the lots is good and varies from 6 to 25 feet above the lake. The land is generally sloped towards the lake and is well drained. The slope varies from gentle to somewhat steep. On some of the steeper slopes, a stairway is necessary to reach the shoreline. All of the lots in this plat are too small in size to meet current zoning standards established for this lake since they do not meet the 40,000 square foot minimum required. Only two of the lots meet the required 125 foot minimum width or frontage needed.

ECONOMIC ANALYSIS:

Present Appraised Value:	109,500
Net Estimated Discounted Sale Value:	86,407
Net Estimated Capitalized Lease Value:	101,175

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Replat to increase depth of lots where possible and utilize Lot 5 which is not leased. Conforming sanitation systems must be constructed as a condition of sale or lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: HAPPY

PLAT NUMBER: 331

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is located 20 miles north of Floodwood. Access is directly off Highway #73. A privately maintained driveway forks into two branches which serves Sites 2 and 3 and Sites 4 and 5. This road continues on and also serves private land located beyond Site 5. Existing sewage treatment systems consist of outhouses plus minimal gray water treatment. Sites do not meet minimum zoning standards. However, soil conditions and size are adequate to handle sewage treatment systems. Additional depth could be added to all sites. Telephone and electrical service is available to the plat. Year-round occupancy on these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	30,300
Net Estimated Discounted Sale Value:	20,564
Net Estimated Capitalized Lease Value:	29,475

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Add additional depth to all sites to improve sewage treatment.

LAKESHORE REVIEW SUMMARY

LAKE: HART

PLAT NUMBER: 357

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 9 miles south of Nashwauk. Access is via 2 miles of county maintained road and .5 mile of lessee maintained road. The site is gently sloping with sandy loam soils. There is a moderately steep bank along the shoreline. The site does not meet minimum zoning standards. Additional land could be added to the site to bring it up to minimum requirements. Existing sewage treatment consists of an outhouse plus minimum gray water treatment. Telephone and electricity are available across the lake. Year-round occupancy is not feasible due to the location. A new cabin is being built.

ECONOMIC ANALYSIS:

Present Appraised Value:	9,000
Net Estimated Discounted Sale Value:	1,130
Net Estimated Capitalized Lease Value:	9,150

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The site could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: HAY

PLAT NUMBER: 310-1,310-2,310-3,310-4,
310-5,310-6

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 41

RESOURCE ANALYSIS:

This plat consists of 41 leased lots on the west shore of Hay Lake. The west shore of Hay Lake is almost entirely state owned and is part of a larger block of public lands of over 1,000 acres. Access is via a DNR maintained state forest road which extends approximately 2 miles from a county road to the south. This road is currently being rebuilt and relocated by the DNR. The new location of the road would allow the lots to be extended in depth for a considerable distance, if needed. The area where the lakeshore lots are located is rolling to hilly. Elevation of the lots is good and varies from 5 to 70 feet above the lake. The land is generally sloped towards the lake and varies from gentle to moderate along the shoreland on about 60% of the lots. On the remaining 40% of the lots, there is a steep bank along the shore. Of the 41 lots in this plat, only one is in compliance with current zoning standards for size. Many sites do not have conforming septic systems.

ECONOMIC ANALYSIS:

Present Appraised Value:	374,000
Net Estimated Discounted Sale Value:	322,457
Net Estimated Capitalized Lease Value:	381,400

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. All lots should have depth added to bring them closer into compliance with local zoning standards. Conforming sewage treatment facilities should be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: JEANETTE

PLAT NUMBER: 332-1

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

The plat is located 16 miles south of Hibbing. Access is directly off the DNR road which extends .8 mile from County Road #443 to the public access. Driveways lead into individual sites. Several of these sites are already utilized on a year-round basis. Telephone and electrical service is available to the plat. Existing sewage treatment systems range from existing septic tank and drainfield to outhouses and minimum gray water treatment. Sites are gently sloping with sandy loam soils. Sites are substandard in size although there is sufficient land available to increase the size of most of the lots. Sites are capable of handling sewage treatment systems.

ECONOMIC ANALYSIS:

Present Appraised Value:	69,100
Net Estimated Discounted Sale Value:	53,162
Net Estimated Capitalized Lease Value:	65,375

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Depth should be added to all sites. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: JEANETTE

PLAT NUMBER: 332-2

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 16 miles south of Hibbing. A DNR maintained road extends .8 mile from County Road #443 to a public access. A lessee maintained service road extends from the public access along the back of the lease sites. Driveways lead into individual sites. The sites are gently sloping and quite low. The soils are generally sandy loam with good sewage treatment potential. Several of the sites have a low, wet area between the lakeshore and the start of the highland where the cabins are located. Sites are all substandard in size. Telephone and electrical service is available. Existing sewage treatment systems range from existing mound systems to outhouses with minimum gray water treatment. Year-round occupancy on these sites is not feasible. The cabin on Site 3 has burned down. At the present time the only improvements on this site are a drilled well and dry well, and drainfield system. The existing septic system appears to be substandard.

ECONOMIC ANALYSIS:

Present Appraised Value:	40,700
Net Estimated Discounted Sale Value:	28,981
Net Estimated Capitalized Lease Value:	38,275

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites except #3 could be offered for sale based on resource analysis. Site #3 is located on a small point which is substandard in size and not suitable for continued residential development. It should not be renewed in 1990. Sites 11 and 12 should be combined into one larger site. Additional area should be added to all sites except site 3. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 10 & 12

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 22

RESOURCE ANALYSIS:

The plats are located 30 miles northwest of Orr. Access to most of the sites is by a lessee maintained service road extending from County Road #123 along the back of the sites. Several sites access directly off County Road #123. Driveways lead into the individual sites. Sites are located on bedrock. Soils range from nonexistent to adequate. Existing sewage treatment systems vary from outhouses and minimum gray water treatment facilities to modern septic tank and drainfield systems. Topography and lack of soil prohibit adequate sewage treatment systems on some sites. Other sites are adequate. Telephone and electrical service is available to the plat. Sites are adjacent to Voyageurs National Park. Year-round occupancy on these sites is not feasible. Some of the sites within Plat 10 are non-lakeshore sites.

ECONOMIC ANALYSIS:

Present Appraised Value:	201,980
Net Estimated Discounted Sale Value:	171,796
Net Estimated Capitalized Lease Value:	206,275

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Phase out of some sites may result in loss of revenue to the trust but the long term cost of environmental damage are considered greater than the loss of revenue to the trust. In Plat 10, phase out Site #'s 8, 11, 12 and 13, which are non-lakeshore sites. Topography and lack of soil prohibit adequate sewage treatment systems on these sites. In Plat 10, extend all sites to the west line of Lot 2 and sell Sites 15, 17, 20, 21, 23 and 24. These are all non-lakeshore sites located adjacent to County Road #123. These sites could be utilized for year-round occupancy. Increase lot size and sell Sites 3, 2, 1, 3A, 3B, 2B, 2A, 1, & 4. On Plat 12, add the existing outlot as an undivided interest to Sites 5, 6 & 7. This outlot would be designated as a future location of a group septic system to be utilized by these three lots. Lessees of these three sites have indicated a willingness to consider such a proposal. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGRAMA

PLAT NUMBER: 27

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 30 miles northwest of Orr. Access to the sites is by a privately maintained road which extends from County Road #23 through the old Kabetogama Ranger Station site and continues on to a commercial lease located on state land. Driveways extend from this privately maintained road into the lease sites. The Department is in the process of condemning the school trust and will be turning approximately 18.45 acres, including the old Kabetogama Ranger Station and adjoining lands, over to Voyageurs National Park in 1987. Although only a portion of the lease sites are part of the 18.45 acres which will be given to Voyageurs National Park, Voyageurs Park officials have requested that the remaining lands be retained in public ownership. Due to the close proximity of these lease sites to their headquarters facility, they feel it is in the best public interest to maintain this area in public ownership. (See attached letter.) The existing sites are located on bedrock. Soils vary from adequate to nonexistent. Telephone and electrical service is available to the plat. Existing sewage treatment facilities consists of outhouse and minimum gray water treatment facilities. Actual lease lot size varies from that shown on the original plat. The plat has been redrawn with a portion of Sites 3 through 5B being deleted. This deleted portion will be included in the transaction to Voyageurs National Park. Year-round occupancy of the lease sites is not feasible. Sites are adjacent to Voyageurs National Park.

ECONOMIC ANALYSIS:

Present Appraised Value:	101,725
Net Estimated Discounted Sale Value:	88,363
Net Estimated Capitalized Lease Value:	114,556

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by the year 2010 to support Voyageur Park management. Voyageurs National Park should consider purchase of these lots to compensate the trust after phase out or the Legislature should appropriate funds for that purpose and donation of land to the Park.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 50

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

The plat is located 30 miles northwest of Orr. Access to the plat is by a lessee maintained service road which exits County Road #523. Driveways lead from service road into individual sites. Existing sewage treatment systems consist of outhouses and minimum gray water treatment facilities. The sites are located on a rock outcropping. Soil depths vary from very shallow to nonexistent. A steep ridge is located just south of the service road behind Sites 26 through 29. This ridge prevents utilizing the land across the road for any type of sewage treatment facility. Most of the sites do not meet minimum zoning standards. Telephone and electrical service is available. Sites are adjacent to Voyageurs National Park. Year-round occupancy on these sites is not feasible. Sites 22 through 25 have better soil conditions and are capable of handling sewage treatment.

ECONOMIC ANALYSIS:

Present Appraised Value:	121,550
Net Estimated Discounted Sale Value:	104,682
Net Estimated Capitalized Lease Value:	133,038

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites 22 through 25 could be offered for sale based on resource analysis. The remaining sites are not suitable for continued residential development and should be phased out by the year 2010. The long term costs of environmental damage are considered greater than the loss of revenue to the trust. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 59

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 19

RESOURCE ANALYSIS:

The plat is located 30 miles northwest of Orr. A lessee maintained service road extends 1/2 mile from County Road #332 through the peninsula. Lease sites are located on both sides of the service road. The sites do not meet minimum zoning standards. Sites are located on bedrock. Sewage treatment capability is inadequate due to size of sites and soil conditions. Lack of space prevents increasing lot sizes. Existing sewage treatment consists of outhouses and minimum gray water treatment facilities. Telephone and electricity are available to the plat. Year-round occupancy on these sites is not feasible. Sites are adjacent to Voyageurs National Park.

ECONOMIC ANALYSIS:

Present Appraised Value:	207,040
Net Estimated Discounted Sale Value:	179,141
Net Estimated Capitalized Lease Value:	218,900

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites should be phased out by the year 2010. Due to site limitations these lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 71

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is located 30 miles northwest of Orr. County Road #695 extends to the public access located on the west side of the plat. A lessee maintained service road extends from the public access along the back of the lease sites. Driveways lead into the individual sites. The existing public access cannot adequately handle vehicle turnaround or parking. It needs to be expanded. Sites are located on bedrock. Soil depths range from adequate to nonexistent. Present sewage treatment facilities range from small septic tank and drainfield systems to outhouses and minimum gray water treatment. Telephone and electrical service is available to the plat. Existing sites do not meet minimum zoning standards. Sites 3 and 4 are leased by one family. Combining these two sites would result in one adequate site. Year-round occupancy in this area is feasible. Sites are adjacent to Voyageurs National Park.

ECONOMIC ANALYSIS:

Present Appraised Value:	18,000
Net Estimated Discounted Sale Value:	8,674
Net Estimated Capitalized Lease Value:	14,100

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites 3 and 4 could be offered for sale as one lot based on a resource analysis. Sites 1 and 2 should be phased out by the year 2010 and the area utilized for public access purposes. The Water Access program should condemn the trust lands to compensate the trust.

~~LAKESHORE~~ REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 98

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 30 miles northwest of Orr. A lessee maintained service road extends .75 mile from County Road #332 to the plat and continues along the back of the sites. Driveways lead into individual sites. A resort and several private cabins also utilize the service road. Sites are located on bedrock covered by very shallow loam soils. The sites do not meet minimum zoning standards. Existing sewage treatment systems range from septic tank and drainfield systems to outhouses and minimum gray water treatment facilities. Site sewage treatment capability could be greatly improved by adding additional depth to all sites across the service road. Telephone and electrical service are available to the plat. Sites are adjacent to Voyageurs National Park. Year-round occupancy on these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	110,430
Net Estimated Discounted Sale Value:	97,068
Net Estimated Capitalized Lease Value:	125,438

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis if additional lands are added. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: KABETOGAMA

PLAT NUMBER: 860

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 30 miles northwest of Orr. Access is by water only (2 miles to closest public access). Site is located on a small rock island which is totally inadequate for leasing purposes. Soil is very shallow or nonexistent. Existing sewage treatment facilities are inadequate. Telephone and electrical service is not available. Year-round occupancy of this site is not feasible. Lack of size and soil prohibits adequate sewage treatment. Site is adjacent to Voyageurs National Park.

ECONOMIC ANALYSIS:

Present Appraised Value:	12,500
Net Estimated Discounted Sale Value:	5,811
Net Estimated Capitalized Lease Value:	13,525

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

This site should be phased out by the year 2010. The site is not suitable for continued residential development due to severe site limitations. The long term costs of environmental damage are considered greater than the loss of revenue to the trust. Do not renew the existing lease in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: KING

PLAT NUMBER: FHS 141

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

This site is located 18 miles southeast of Big Fork. Access to sites is via gravel driveways off County Road #331. Soils are sandy loam with good capability for sewage treatment although Sites 14 & 15 should be extended rearward. Electricity is available to the plat. All sites are capable of year-round use.

ECONOMIC ANALYSIS:

Present Appraised Value:	80,500
Net Estimated Discounted Sale Value:	60,069
Net Estimated Capitalized Lease Value:	69,125

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource analysis. Consider extending all sites to the county road to avoid creating a parcel of unmanageable state land. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LEANDER

PLAT NUMBER: 333

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 33

RESOURCE ANALYSIS:

The plat is located 13 miles north of Buhl. Access to the sites is by private driveways directly off County Road #920. Telephone and electrical service is available to all sites. Sites vary from substandard to adequate in size. The sandy loam soils provide adequate sewage treatment capability. There are a few existing septic tank and drainfield sewage treatment systems. The majority of the sites have minimal gray water treatment plus outhouse facilities. Year-round occupancy on these sites is feasible. There is no developed public access on this lake.

ECONOMIC ANALYSIS:

Present Appraised Value:	282,600
Net Estimated Discounted Sale Value:	240,730
Net Estimated Capitalized Lease Value:	283,950

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource considerations. All sites should be extended to County Road #920. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LEECH-GL2

PLAT NUMBER: 311-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

This plat consists of 10 lots on the southeast shore of Leech Lake. Access is via a privately maintained gravel road extending along the rear of the lots .5 mile west from a paved county highway. The lots are part of a large block of state and federal land within the Chippewa National Forest. Topography is rolling and elevation and slope vary. At the south end of the platted area, the topography slopes gradually to the lake and then rises sharply, moving north to approximately 20 feet above the shore with a steep embankment. This gradually tapers off to a 3 foot embankment at the north end of the platted area. Only 1 of the lots meets zoning requirements established for this lake for size since they do not have the minimum 20,000 square feet. Since all lots have the required 100 foot width for frontage, they would only need additional depth to meet the minimum requirement. However, no suitable land exists to add to lots due to a lowland. Not all sites have conforming septic systems.

ECONOMIC ANALYSIS:

Present Appraised Value:	152,800
Net Estimated Discounted Sale Value:	134,083
Net Estimated Capitalized Lease Value:	170,000

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LEECH-GL5

PLAT NUMBER: 341-1
341-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

This plat consists of 15 lakeshore lots on the southeast shore of Leech Lake. Access is off a township road which runs approximately parallel to the rear of the lots. This road provides year around access. Utilities are available. Most lots have good elevation and are fairly level. The sites slope gradually to the shoreline or have a 3 to 8 foot embankment. Only 3 of the sites in this plat are of sufficient size to meet zoning regulations. However, those that don't meet them usually have the total area necessary but don't have the required 100 feet of frontage. The DNR has been looking for a public access in this area for some time now. Leech Lake is very large and a suitable access site is needed in this vicinity. This part of the lake is exposed to large waves and a site is difficult to locate because a harbor is needed for protection against the waves in order to launch a boat. Lot 15 in this plat has the ideal natural harbor needed for this launching facility and would make an ideal site. Site 15 also has a high water table and a non-conforming septic system. In addition to this, it is encroaching beyond the boundaries of the lot and has constructed a boat house on the natural harbor. Lot 14 also has a high water table and the cabin is in extremely poor condition. Both Lots 14 and 15 should be retained for future public access development.

ECONOMIC ANALYSIS:

Present Appraised Value:	216,200
Net Estimated Discounted Sale Value:	191,186
Net Estimated Capitalized Lease Value:	238,750

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites, with the exception of Lots 14 and 15, could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Lots 14 and 15 should not be renewed in 1990 and the land should be acquired from the trust by Trails and Waterways for public water access purposes.

LAKESHORE REVIEW SUMMARY

LAKE: LEECH OTTERTAIL POINT

PLAT NUMBER: 178-1,178-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

This plat consists of 9 lots on the east side of Ottertail Point, Leech Lake. Ottertail Point is a large peninsula extending several miles into Leech Lake from the north shore. Access to this peninsula is provided by a U.S. Forest Service road which extends from U.S. Highway 2 to the north. The distance from the state lots to the highway is approximately 10 miles and is maintained year around; however, the access road going into the cabin sites is narrow and in poor condition and is maintained by the lessees of the cabin sites. Utilities are available. Elevation and drainage on this plat is good. All lots in the plat meet zoning requirements for size; however, some sites do not have conforming septic systems.

ECONOMIC ANALYSIS:

Present Appraised Value:	82,800
Net Estimated Discounted Sale Value:	67,141
Net Estimated Capitalized Lease Value:	84,600

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming septic systems should be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LEECH-SUCKER BAY

PLAT NUMBER: 67

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 14

RESOURCE ANALYSIS:

This plat consists of 14 lots on the northwest shore of Sucker Bay, Leech Lake. Sucker Bay is a large bay on the north side of the lake which extends northwards for several miles. Access is via a U.S. Forest Service road which extends 11 miles from State Highway 371 to the west and 10 miles from U.S. Highway 2 to the north. The road is in good condition, but is not maintained year around. A lessee maintained road leading to the sites is in poor condition and is badly rutted. Utilities are available. Topography of the lakeshore property is gently rolling with good elevation. The land is slightly inclined towards the lake with a 4 to 10 foot bank near the shoreline. All of the lots in this plat have less frontage and total area than the 100 feet of frontage and the 20,000 square feet minimum required under current zoning standards. Although the width of the frontage on most lots cannot be changed, the depth of the lots could be increased if desired. None of the sites in this plat have a septic system; they all use outdoor privies. Due to the remoteness of this plat within the Chippewa National Forest, it is not suitable for year around use.

ECONOMIC ANALYSIS:

Present Appraised Value:	130,200
Net Estimated Discounted Sale Value:	108,871
Net Estimated Capitalized Lease Value:	133,350

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Lots should be replatted and depth added to bring them into closer compliance with zoning standards. Conforming sewage treatment systems should be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LITTLE ISLAND

PLAT NUMBER: 321

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

The plat is located 20 miles north of Grand Rapids. A DNR maintained road extends from County Road #49 past the lease sites. Driveways extend off this road into the sites. The sites are steep with sandy loam soils and some rock. Elevation at the rear of the sites is estimated to be 30 to 60 feet above the lake. Existing sewage treatment systems consist of outhouses and minimum gray water treatment. Sites are capable of handling sewage treatment systems. Electrical service is available. Telephone service is available 1/2 mile away. Year-round occupancy is not feasible due to lack of road maintenance in the winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	27,500
Net Estimated Discounted Sale Value:	17,016
Net Estimated Capitalized Lease Value:	23,875

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource considerations. Add additional land wherever possible to bring the sites up to minimum zoning standards. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LITTLE LONG

PLAT NUMBER: 83

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 21

RESOURCE ANALYSIS:

The plat is located 15 miles north of Grand Rapids. A DNR maintained road leads from Highway #38 to the public access located on the south side of the plat. A lessee maintained service road extends from the public access .6 mile northward along the backside of the lots. Sites are gently to moderately sloping with sandy loam soils. Existing sewage treatment system consists of outhouses plus minimum gray water treatment. The capability of the sites to handle conforming sewage treatment systems varies with the individual lots. Sites are substandard in size. In some instances, additional land could be added to improve the sites' sewage treatment capability. In other instances, adding additional land is not possible or feasible. Utilities or public services are not available on the plat. Telephone and electrical service is available on Highway #38. Year-round occupancy of the sites is not feasible since the road is not snow plowed in the winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	126,700
Net Estimated Discounted Sale Value:	101,937
Net Estimated Capitalized Lease Value:	114,275

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Most of these sites could be offered for sale based on resource considerations. Sites 5, 15, 16, 17, 18, 21, 22 and 24 are inadequate to properly handle sewage due to size, elevation and water table. There does not appear to be any way to bring these substandard sites into minimum compliance. They should be phased out of the leasing program by the year 2010. The long term costs of environmental damage are considered greater than loss of revenue to the trust. Sites 25, 26 and 27 are marginal, but could probably be adequate if the road leading in to these sites were relocated. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LITTLE SAND

PLAT NUMBER: 313-1,2,3

COUNTY: Hubbard

NUMBER LEASED SITES IN PLAT: 16

NUMBER UNLEASED SITES: 1

RESOURCE ANALYSIS:

The plat is located 8 miles northeast of Park Rapids. Access is directly off from a state forest or township road. Shoreline elevation is less than one foot. Cabin elevation ranges from 2 to 26 feet with an average of 4-10 feet. Back lot line elevation varies from 0 to 26 feet with an average of 13 feet. Existing sewage treatment systems consist of outhouses, gray water treatment and septic systems. Sites can be enlarged to meet zoning standards. Telephone and electrical services are available. Year around occupancy is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	182,500
Net Estimated Discounted Sale Value:	158,815
Net Estimated Capitalized Lease Value:	194,525

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. The entire plat should be resurveyed and additional land should be added to all lots to bring them into closer compliance with shoreland zoning standards. Sites 8 and 9 should not be renewed in 1990 since conforming sanitation systems cannot be constructed. These lots should be added to lot 7 for public access use and the trust should be compensated by Trails and Waterways.

LAKESHORE REVIEW SUMMARY

LAKE: LITTLE THUNDER

PLAT NUMBER: 149, 150

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 19

RESOURCE ANALYSIS:

This plat consists of 19 leased lots on the south shore of Little Thunder Lake. These lots are within the Land-O-Lakes State Forest. Access is via a .25 mile gravel road extending from a township road to the south. This road extends along the rear of the lots. The township has recently taken over this access road and will be maintaining it year around. Utilities are available to all lots. Most sites have good elevation and are well drained. All of the 19 lots in this plat are too small in size to meet current zoning standards established for this lake since they do not meet the 80,000 square foot minimum and the 150 foot minimum width or frontage. The most serious problem in this plat exists on Lot 16 which does not have enough room to install a conforming septic system and there is no way to replat the lot to accomplish this. Since the cabin is in very poor condition, it is recommended to phase this site out and combine the lot with the adjoining properties. Lot 1 should be replatted to include the adjoining outlot.

ECONOMIC ANALYSIS:

Present Appraised Value:	152,000
Net Estimated Discounted Sale Value:	125,854
Net Estimated Capitalized Lease Value:	150,100

The economic analysis shows that more revenue would be derived by the state from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Lot 16 should be phased out by 1990 and replatted to combine with adjoining lots. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LONG

PLAT NUMBER: 343-1
343-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

This plat consists of 12 leased lots on the northerly side of Long Lake. Access is via a privately maintained road that extends from a township road. This road is narrow and in poor condition and does not make this plat suitable for year around occupancy. Utilities are available. Only 3 of the 12 lots in this plat meet size requirements for zoning. It is estimated that 4 of the sites do not have conforming septic systems. Lot 12 has an outdoor privy located only 12 feet from the waters edge.

ECONOMIC ANALYSIS:

Present Appraised Value:	180,000
Net Estimated Discounted Sale Value:	158,647
Net Estimated Capitalized Lease Value:	199,800

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Additional lands should be added where feasible to bring the lots into closer compliance with zoning standards.

LAKESHORE REVIEW SUMMARY

LAKE: LONG

PLAT NUMBER: 151

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

Access to this plat is via lessee maintained driveways from County Road #345. Sites 1 & 2 and 4-7 share driveways. Sandy loam soils make on site sewage treatment feasible for all lots except sites 4 and 5 which lack sufficient area. All sites are presently substandard, but sufficient state lands exist in almost all cases to allow the addition of lands to bring them closer into compliance. The sites are capable of conversion to year around use if sufficient area is added to allow acceptable sewage treatment.

ECONOMIC ANALYSIS:

Present Appraised Value:	39,250
Net Estimated Discounted Sale Value:	26,738
Net Estimated Capitalized Lease Value:	34,363

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Sites 4 and 5 should be combined and sold as one lot. All sites should have additional land added so that they are more in compliance with zoning standards and on site sewage treatment can be provided. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LONG

PLAT NUMBER: 152

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

Access to this plat is via a lessee maintained access road from County Road #345. All sites have privies. Sites 8 and 9 have no potential to increase size for on site sewage treatment. Sites 10, 11 and 12 have potential to bring the lots closer to compliance with zoning standards with the addition of back lands.

ECONOMIC ANALYSIS:

Present Appraised Value:	30,200
Net Estimated Discounted Sale Value:	19,626
Net Estimated Capitalized Lease Value:	27,250

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites 10 through 12 could be offered for sale based on the resource analysis if additional land is added to bring them into closer compliance with zoning ordinances and to allow for adequate sewage treatment. Sites 8 and 9 should be phased out by 1990 or 2010 depending upon whether sewage can be adequately treated during the extended leasing period. Sites 10 through 12 could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LONG

PLAT NUMBER: 181

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

Access to this plat is via a lessee maintained access road from County Road #345. Almost all sites lack sufficient area for on site sewage disposal. A common drainfield in common ownership appears the viable option. All sites are substandard in size. In some cases additional back lands could be added to bring them more into compliance with zoning standards. Electricity is available to the plat. Conversion to year-round use may be possible.

ECONOMIC ANALYSIS:

Present Appraised Value:	29,500
Net Estimated Discounted Sale Value:	17,313
Net Estimated Capitalized Lease Value:	22,175

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis if the following recommendation is followed. Designate an adequate area for a community drainfield serving all seven sites. Extend sites to the rear and relocate access road to make them more in compliance with the local zoning ordinance. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LONG

PLAT NUMBER: 182

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

Access is from CSAH 7 via about .5 mile of state forest road which extends to a public water access. A lessee maintained road extends to the lots from the water access. The sites are capable of onsite sewage treatment where sufficient area is available or if additional lands were added to some of the sites. Sites 4, 17 and 18 are vacant. Electricity is available to the plat and the sites would be capable of year around use if services are provided and sewage treatment systems were upgraded.

ECONOMIC ANALYSIS:

Present Appraised Value:	71,500
Net Estimated Discounted Sale Value:	51,369
Net Estimated Capitalized Lease Value:	57,875

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Sufficient area should be added to sites 14, 15 and 16 to make them more in compliance with local shoreland zoning standards. Vacant lots should be added to adjoining lots if these lots are sold. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LOON

PLAT NUMBER: 353-1 & 353-2

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

The plats are located 35 miles northwest of Grand Marais. Access is by a privately maintained service road which extends from the Gunflint Trail to Loon Lake Lodge and then continues around the east end of Loon Lake to a minimally developed public access. Sites are located adjacent to the service road. Sites have rocky clay loam soil. Existing sewage treatment facilities range from septic tank and drainfield systems to outhouses and minimal gray water treatment. There is little opportunity to add additional area to these sites due to the existing road location. Sites are substandard in size. Telephone and electrical service is available. Year-round occupancy of these sites is not feasible due to their location and the limited sewage treatment capability of the sites.

ECONOMIC ANALYSIS:

Present Appraised Value:	56,100
Net Estimated Discounted Sale Value:	43,721
Net Estimated Capitalized Lease Value:	57,525

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LOON

PLAT NUMBER: 353-3 & 353-4

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 16

RESOURCE ANALYSIS:

The plats are located 35 miles northwest of Grand Marais. Access is by a privately maintained service road which extends .5 mile from the Gunflint Trail to Loon Lake Lodge and then continues around the east end of Loon Lake to a minimally developed public access. Lessees can park by the public access and walk in to their sites. An alternative is to use water access from the minimally developed access at the east end of the lake or from the well developed public access located on the west end of the lake. Water access distance from the east end is 1/2 mile - from the west end, 3½ miles. The sites are gentle to moderately sloping with very rocky clay loam soils. Existing sewage treatment systems consist of outhouses and minimum gray water treatment. Sites are substandard in size with limited capacity for handling sewage treatment. Additional land could be added to the sites, although it will not substantially improve their sewage treatment capability. Electrical service is available in the east end of the plat. Year-round occupancy of these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	140,270
Net Estimated Discounted Sale Value:	116,905
Net Estimated Capitalized Lease Value:	141,738

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: LOST MOOSE

PLAT NUMBER: 322

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 14

RESOURCE ANALYSIS:

The plat is located 20 miles north of Grand Rapids. Access is via 3.5 miles of state forest road off of a county road. The state forest road also serves the public access on Lost Moose Lake. All sites utilize privies for sewage disposal, however all sites are suited for construction of a septic tank/drainfield system. All of the sites in this plat are substandard in size, but can be increased in area slightly by extending the rear of each site back to the forest road. The end sites (Sites 1 and 14) can be widened to increase site areas. The plat is served by electricity and telephone and year-round usage can be anticipated if year-round services are provided.

ECONOMIC ANALYSIS:

Present Appraised Value:	84,000
Net Estimated Discounted Sale Value:	64,389
Net Estimated Capitalized Lease Value:	75,600

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites could be offered for sale based on resource analysis. Additional area should be added wherever possible. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: McCARTHY

PLAT NUMBER: 335

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is located 5 miles northwest of Nashwauk. Access is directly off of County Road #58. There is a small wayside park area directly off of the county road. A lessee maintained service road extends from the wayside park area along the back of the sites. Driveways lead into the individual sites. The sites are sloping with sandy loam soils. Existing sewage treatment systems range from septic tank and drainfield systems to outhouses with minimum gray water treatment. Sites are substandard in size. Additional area should be added if possible to facilitate sewage treatment capability. Telephone and electrical service is available. Year-round occupancy of these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	22,500
Net Estimated Discounted Sale Value:	13,001
Net Estimated Capitalized Lease Value:	19,725

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: McFARLAND

PLAT NUMBER: 105

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

The plat is located 15 miles north of Hovland. Access is by a lessee maintained service road which extends .2 mile from the end of the Arrowhead Trail along the back of the sites. The sites are gently to moderately sloping with very rocky clay loam soils. The area along the lake is low and wet. Existing sewage treatment consists of outhouses plus minimal gray water treatment. The existing sites have very limited sewage treatment capability. Sites are substandard in size. Additional area could be added to the sites but it would not appreciably improve the sewage treatment capability. Telephone and electrical service is not available. Year-round occupancy is not feasible due to the isolated location of the sites. The Arrowhead road is not snowplowed in winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	37,250
Net Estimated Discounted Sale Value:	26,318
Net Estimated Capitalized Lease Value:	36,063

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Additional area should be added to bring the sites into closer zoning compliance. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: MIDGE

PLAT NUMBER: 316

COUNTY: Hubbard

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

The plat is located on the south shore of Midge Lake, 7 miles southeast of Bemidji. Access is via a road from U.S. Highway 2 to a public water access. Lessees maintain a road through all lease sites. Shoreline elevation varies from 2 to 8 feet with an average of 5 feet above the lake level. Cabin and back lot elevation varies from 1 to 10 feet with an average of 6 feet. Existing sewage treatment systems consist of outhouses, minimal gray water treatment and septic systems. Sites do not meet zoning standards. However, by increasing lot size and using mound type sewage systems, 7 sites could then adequately handle sewage disposal. Telephone and electrical services are available. Year around occupancy would require a new access road so that the new road would be wide enough for snow removal.

ECONOMIC ANALYSIS:

Present Appraised Value:	90,000
Net Estimated Discounted Sale Value:	73,819
Net Estimated Capitalized Lease Value:	93,600

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The resource analysis shows that 7 of the 9 sites could be sold. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Sites 8 and 9 are only 1 foot above water and cannot handle any type of sewage system. It appears that site 9 has not been used for several years. Lease sites 8 and 9 should be cancelled and added to site 7. The remaining sites should be surveyed and enlarged prior to sale.

LAKESHORE REVIEW SUMMARY

LAKE: MIRROR

PLAT NUMBER: FHS 153

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

Road access is via 1.25 miles of lessee maintained road from State TH 1. Existing well may have to be relocated when Sites 8 thru 12 are enlarged rearward. Soils are capable of sewage treatment although additional lot area is needed for Sites 8 thru 12. All sites are substandard. Sites are capable of conversion to year-round use if services are provided.

ECONOMIC ANALYSIS:

Present Appraised Value:	83,400
Net Estimated Discounted Sale Value:	65,326
Net Estimated Capitalized Lease Value:	79,050

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Depth should be added to all lots where possible. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: OWEN

PLAT NUMBER: 66 & 81

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

Access is via lessee maintained driveways off CSAH 52 (Sites 3 & 4 have a shared driveway). Soils are suitable for sewage treatment. The lot line between Sites 3 & 4 should be adjusted to allow sufficient high land for sewage treatment. Sites sizes are substandard. Year-round road services are available. Sites are capable of year-round use.

ECONOMIC ANALYSIS:

Present Appraised Value:	30,800
Net Estimated Discounted Sale Value:	26,669
Net Estimated Capitalized Lease Value:	30,100

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Depth should be added where feasible to bring lots into closer compliance with shoreland zoning. Lot lines between sites 3 and 4 should be adjusted to allow sufficient high ground for sewage treatment. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: OWEN

PLAT NUMBER: HS 47

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

The plat is located 13 miles northeast of Big Fork. Public access is from CSAH 52 via about 2 miles of state forest road to the campground, then lessee maintained. Soils are sandy loam and suited for onsite sewage disposal. Most sites are substandard in size and there is some disagreement among lessees as to location of site lines. Electricity is available to the plat. Sites are capable of conversion to year-round use if year-round services are provided.

ECONOMIC ANALYSIS:

Present Appraised Value:	55,000
Net Estimated Discounted Sale Value:	38,087
Net Estimated Capitalized Lease Value:	51,950

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: OWEN

PLAT NUMBER: HS 81

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

Access is off the public access road. Site is capable of sewage disposal. Site size is substandard.

ECONOMIC ANALYSIS:

Present Appraised Value:	6,000
Net Estimated Discounted Sale Value:	3,307
Net Estimated Capitalized Lease Value:	5,400

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Site could be offered for sale based on the resource analysis. Depth and width should be added to the lot where feasible to bring the lot into closer compliance with shoreland zoning requirements. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PELICAN

PLAT NUMBER: 64

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 4 miles west of Orr. Access is by water (4 miles from nearest public access on west side of lake). This site is very low with the exception of a rock point which extends out into the lake. This point is used primarily for duck hunting purposes. The cabin on the site has deteriorated to the point where it is no longer usable. The site is substandard in size and not capable of handling sewage treatment. Telephone and electrical service are not available.

ECONOMIC ANALYSIS:

Present Appraised Value:	5,000
Net Estimated Discounted Sale Value:	505
Net Estimated Capitalized Lease Value:	4,150

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Do not renew lease in 1990. The long term costs of environmental damage are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: PELICAN

PLAT NUMBER: 122

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 4 miles west of Orr. Access is by a lessee maintained service road which extends 3/10 of a mile north from County Road #23. The site is gently to moderately sloping with a 1 - 3' embankment along the lakeshore. The site is located on bedrock overlaid with shallow clay loam soil. The actual area being utilized, which is considerably more than the original lease site, meets zoning requirements. The nature of the site limits sewage treatment capabilities. The existing system consists of an outhouse and graywater treatment. Telephone and electricity is available. Year-round occupancy on this site is possible.

ECONOMIC ANALYSIS:

Present Appraised Value:	25,100
Net Estimated Discounted Sale Value:	20,272
Net Estimated Capitalized Lease Value:	29,275

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Site could be offered for sale based on resource analysis. Lot size should be increased to meet zoning requirements. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PELICAN

PLAT NUMBER: 832

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 5 miles west of Orr. Access is by water (3 miles to nearest public access on west side of the lake). The site is located on a peninsula, with shallow loam soil over bedrock. Lot size is adequate for sewage treatment. This lease is used primarily as a duck hunting camp. Telephone and electrical service is not available. Year-round occupancy on this site is not feasible due to its remote location within a large block of public ownership.

ECONOMIC ANALYSIS:

Present Appraised Value:	10,000
Net Estimated Discounted Sale Value:	2,363
Net Estimated Capitalized Lease Value:	10,400

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

This site could be offered for sale based on resource analysis. A conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PERCH

PLAT NUMBER: 43

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 20

RESOURCE ANALYSIS:

The plat is located one mile northeast of Side Lake. Access to the sites is by driveways directly off County Road #65. Sites No. 1 through 24 are level with a sandy loam soil. Sites No. 25 through 27 have a heavier clay loam soil and more rolling elevation. The soil is capable of handling sewage treatment systems. Telephone and electrical service is available on the plat. Public services such as rural mail delivery and school bus pickup are available along County Road #65. Most of the existing sites are substandard in size. The lease sites are not suitable for public access purposes.

ECONOMIC ANALYSIS:

Present Appraised Value:	215,700
Net Estimated Discounted Sale Value:	186,695
Net Estimated Capitalized Lease Value:	227,625

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990. Sites No. 1 through 24 should be extended to County Road #65. There are known survey problems in this area.

LAKESHORE REVIEW SUMMARY

LAKE: PICKEREL

PLAT NUMBER: 314

COUNTY: Hubbard

NUMBER LEASED SITES IN PLAT: 18

NUMBER UNLEASED SITES: 2

RESOURCE ANALYSIS:

The plat is located 10 miles north of Park Rapids on the south side of Pickeral Lake. Access is via a lessee maintained road from the public water access road. One of these roads serves private land owners west of this plat. A road easement will be necessary for each lease site. Shoreline elevation is less than 1 foot with cabin elevation ranging from 2 to 33 feet with an average of 7 feet. Back lot line elevation varies from 3 to 36 feet with an average of 11 feet. Existing sewage treatment systems consist of outhouse, gray water treatment and septic systems. Sites do not meet minimum zoning standards; however, soil conditions and increasing lot size would make most of them able to construct adequate sewage treatment systems. Several sites would still require a mound type septic system. Additional depth could be added to all sites. Telephone and electrical service is available to plat. Year around occupancy would require new access road for snow removal.

ECONOMIC ANALYSIS:

Present Appraised Value:	88,000
Net Estimated Discounted Sale Value:	64,523
Net Estimated Capitalized Lease Value:	72,200

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Survey plat adding vacant sites to adjacent lots and add depth to the back of all lots. Use new road for back lot line for sites 1 through 17. Easement will be required. All sites should be required to construct conforming sanitation systems as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PIKE BAY

PLAT NUMBER: 131

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 5

RESOURCE ANALYSIS:

This plat consists of five lots on the north side of Pike Bay. U.S. Highway 2 runs just north of the plat but it is separated from it by a railroad track that parallels the highway. Access is via a short dirt road that extends off a township road to the east. This plat has a problem in that all lots are too small to meet zoning standards due to being squeezed between the railroad tracks and the lake. It is recommended to replat this area to give any additional land remaining between the railroad right-of-way and the lake to the cabin sites.

ECONOMIC ANALYSIS:

Present Appraised Value:	30,000
Net Estimated Discounted Sale Value:	19,374
Net Estimated Capitalized Lease Value:	27,000

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites will require additional study before a final recommendation can be made. These lots are located in the Mississippi Headwaters Corridor and, therefore, are not eligible for sale without further legislation. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PLATTE

PLAT NUMBER: 303

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 18

RESOURCE ANALYSIS:

This plat consists of 21 lots of which 18 are under lease. Lots 1 and 2 are being used as a public access site. These lots are part of a state administered "school trust fund" parcel of land consisting of 171.9 acres. Access is via a .33 mile township gravel road extending from a paved county highway to the south. The road is in good condition and is maintained year around. Utilities are available to all sites. The platted area has a gently rolling terrain and all lots have good elevation and are well drained. Lots vary from being nearly level to having a gradual slope towards the lake. Some lots have a small ice ridge along the shore which averages 3 feet in height. This ice ridge creates a bank along the edge of the shoreline. All of the 18 leased lots in this plat meet current zoning standards established for this lake in regard to size and width or frontage. Lots should be replatted to extend depth to road where necessary to give additional elevation for septic systems. Only one site in this plat was found to have a septic system; the rest use an outdoor privy.

ECONOMIC ANALYSIS:

Present Appraised Value:	216,000
Net Estimated Discounted Sale Value:	188,406
Net Estimated Capitalized Lease Value:	232,200

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Lots should be extended to the road so that state ownership is not splintered. Conforming sanitation systems should be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: POKEGAMA

PLAT NUMBER: 323-1

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

The plat is located 4 miles southwest of Grand Rapids. Driveways extend directly off of the township road into sites. The sites range from level to moderately sloping with sandy loam soils. There is a moderate to steep embankment along the lakeshore. Existing sewage treatment systems range from septic tank and drainfields to outhouses and minimum gray water treatment. All sites are capable of handling sewage treatment systems. Sites meet the minimum zoning standards. Telephone and electrical service is available. Year-round occupancy is feasible and can be expected if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	229,800
Net Estimated Discounted Sale Value:	219,900
Net Estimated Capitalized Lease Value:	270,450

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: POKEGAMA

PLAT NUMBER: 323-2 thru 323-4

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 29

RESOURCE ANALYSIS:

The plats are located 4 miles southwest of Grand Rapids. A service road extends from the end of the township road along the back of the sites. Driveways extend into the individual sites. In some cases more than one lessee utilizes a driveway. Maintenance of the service road is shared by Bass Brook Township and the lessees. This service road also provides access to a private plat located west of the lease sites. The sites range from level to moderately sloping with sandy loam soils. There is an embankment along the lake which ranges from 1 to 40 feet in height. Existing sewage treatment systems vary from septic tank and drainfield systems to outhouses with minimum gray water treatment. Sites are substandard in size. Additional land could be added to bring the sites into closer compliance. Telephone and electrical service is available. Year-round occupancy of these sites is feasible and can be expected if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	647,600
Net Estimated Discounted Sale Value:	610,636
Net Estimated Capitalized Lease Value:	746,500

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. The easterly portion of the plat should be extended and the service road relocated behind the sites. The balance of the plat should be extended to the existing service road. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: PORTAGE

PLAT NUMBER: 344

COUNTY: Aitkin

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

This plat consists of 4 leased lots on the east shore of Portage Lake. Access is off of a DNR public access road which extends a short distance from a township road to the east. All of the lots have poor elevation and drainage near the lake where the existing cabins are located. All sites are using outdoor privies. This situation could be improved by extending the depth of the lots to the access road at the rear of the lots which would provide additional elevation. Since none of the lots meet zoning standards for size, the replatting would be beneficial. Utilities are available.

ECONOMIC ANALYSIS:

Present Appraised Value:	18,500
Net Estimated Discounted Sale Value:	12,953
Net Estimated Capitalized Lease Value:	14,725

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. All lots should be extended to the access road to bring them closer to compliance with shoreland zoning standards. Conforming sanitation systems should be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: RAINY

PLAT NUMBER: 348-1

COUNTY: Koochiching

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

The plat is located 12 miles east of International Falls. Access is by a privately maintained road which extends from County Road #11 to two private sites located just north of the state land. There is no direct road access to the state parcels. The sites which are gently to moderately sloping have exposed bedrock with very shallow to nonexistent soil. Both sites are substandard in size. The sites are presently being leased by the adjoining private landowners who utilize the land as part of their front yards. There is a storage building on the second private property which also extends onto Site 2. The use of these two parcels, if sold, will probably not change. Telephone and electrical service is available to the private cabins. The private cabins could be occupied on a year-round basis.

ECONOMIC ANALYSIS:

Present Appraised Value:	6,000
Net Estimated Discounted Sale Value:	-8,401
Net Estimated Capitalized Lease Value:	3,300

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: RAINY

PLAT NUMBER: 349-1

COUNTY: Koochiching

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

The plat is located 12 miles east of International Falls. Access is directly off Highway #11 which extends east from International Falls and terminates on Dove Island. The sites which are gentle to moderately sloping are located on bedrock having shallow to nonexistent soil. Existing sewage treatment systems consist of septic tank and drainfield systems, holding tanks, and outhouses with minimal gray water treatment. Sewage treatment capability of the sites is limited. Most of the sites minimally meet zoning standards. Additional land should be added wherever possible to bring the sites into closer compliance. Telephone and electrical service is available. Year-round occupancy is feasible. Several sites are already occupied on a year-round basis.

ECONOMIC ANALYSIS:

Present Appraised Value:	257,100
Net Estimated Discounted Sale Value:	235,829
Net Estimated Capitalized Lease Value:	296,175

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: RAINY

PLAT NUMBER: 349-2

COUNTY: Koochiching

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 12 miles east of International Falls. Access is by privately maintained driveways which lead off of the main county road. The sites are gentle to moderately sloping. Some of the sites have a high bank along the lakeshore. All sites are located on bedrock, having very shallow or nonexistent soils. Existing systems range from septic tank and drainfield to outhouse and minimal gray water treatment. Sites are minimally capable of handling sewage treatment. Additional land should be added wherever possible. Telephone and electrical service is available. Year-round occupancy is feasible and could be expected if the sites are sold. Site 7A is located on an island which is surrounded by water during periods of high water levels. During periods of low water the site is accessible by a foot trail which leads across some swampy ground. Site 7A is located on a small bedrock island which is totally inadequate for leasing purposes.

ECONOMIC ANALYSIS:

Present Appraised Value:	107,400
Net Estimated Discounted Sale Value:	94,038
Net Estimated Capitalized Lease Value:	121,650

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites except 7A could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Due to site limitations, site 7A is not suitable for continued residential development. This site should be phased out by the year 1990. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: RAINY

PLAT NUMBER: 349-3

COUNTY: Koochiching

NUMBER LEASED SITES IN PLAT: 15

RESOURCE ANALYSIS:

The plat is located 12 miles east of International Falls. Access to the sites is by a privately maintained service road which exits from County Road #11 and extends along the back of the sites. Driveways lead into the individual sites. The sites range from nearly level to moderately steep. All of the sites are located on bedrock, having shallow to nonexistent soil. Part of the sites have a steep embankment along the lakeshore. Existing sewage treatment facilities range from septic tank and drainfield systems to outhouse and minimal gray water treatment. Sites do not meet the minimum zoning standards. Additional area should be added wherever possible. Most of the sites will require lift pumps and construction of some type of mound system over the crest of the hill. Telephone and electrical service is available. Year-round occupancy on these sites is not feasible, but may occur if the sites are sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	207,700
Net Estimated Discounted Sale Value:	183,052
Net Estimated Capitalized Lease Value:	228,125

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Land should be added to the lots to bring them into closer compliance with zoning standards. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ROCK

PLAT NUMBER: 345

COUNTY: Aitkin

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

This plat consists of 16 lots of which 13 are under lease. Lots 9, 10 and 11 are currently being used as a public access and picnic area. The access road is currently being maintained by the DNR due to the public access site. None of the lots in this plat meet zoning standards for size. Due to the fact that the access road near the rear of the lots must bypass a low area and swing towards the lake, it creates a problem for Lots 3, 4 and 5. These lots don't have enough elevation or room for a conforming septic system and drainfield. Lots 4 and 5 appear to have their septic systems too close to the lake and in the water table. The situation can be corrected somewhat by replatting the lot lines at an angle to get additional area and elevation from adjoining lots. This will help Lots 3 and 5, but there is no way to correct the problem for Lot 4. It is therefore recommended to phase out Lot 4 and to reduce the pollution of the lake and water table.

ECONOMIC ANALYSIS:

Present Appraised Value:	77,100
Net Estimated Discounted Sale Value:	58,077
Net Estimated Capitalized Lease Value:	69,075

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. All lots, except Lot 4, could be offered for sale. Lot 4 should be phased out by 1990 due to pollution problems and added to adjacent lots prior to sale. All lots should be required to construct conforming septic systems as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ROUND

PLAT NUMBER: 324

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

The plat is located 25 miles northwest of Deer River. A driveway which services both sites leads directly off of County Road #149. The sites are very low and level with heavy loam soils. Existing sewage treatment systems consist of outhouses and minimum gray water treatment facilities. The sites have very poor sewage treatment capability due to their limited size and the low nature of the sites. The existing water table is within 1 to 2 feet of ground surface. One lessee indicated that last summer a portion of their site was flooded and water was very close to the cabin. Sandbags were used to control the water around the cabin. The sites do not meet minimum zoning standards. The possibility of adding additional land to the sites to improve their sewage treatment capability is very limited. Telephone and electrical service is available. Year-round occupancy of these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	19,000
Net Estimated Discounted Sale Value:	11,205
Net Estimated Capitalized Lease Value:	19,550

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by the year 1990. Due to site limitations, these lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: ST. MARY'S

PLAT NUMBER: 33601

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 22

RESOURCE ANALYSIS:

The plat is located 5 miles south of Virginia. A privately maintained service road extends .75 mile along the back of the sites from County Road #132. Driveways lead into the individual sites. Existing sewage treatment facilities range from septic tank and drainfield systems to outhouse and minimum gray water treatment. The sites have clay loam soil which has poor absorption capabilities. A number of sites are presently utilized year-round. The sites do not meet minimum zoning standards, however, all sites could be extended. Telephone and electrical service is available. Year-round occupancy in this area is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	190,900
Net Estimated Discounted Sale Value:	161,085
Net Estimated Capitalized Lease Value:	192,425

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Additional depth should be added whenever possible to facilitate sewage treatment capability. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: ST. MARY'S

PLAT NUMBER: 33603

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 5 miles south of Virginia. A privately maintained service road extends .75 mile along the back of the sites from County Road #132. Driveways lead into the individual sites. Existing sewage treatment facilities range from septic tank and drainfield systems to outhouse and minimum gray water treatment. The sites have clay loam soil which has poor absorption capabilities. A number of sites are presently utilized year-round. The sites do not meet minimum zoning standards, however, all sites could be extended. Telephone and electrical service is available. Year-round occupancy in this area is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	54,200
Net Estimated Discounted Sale Value:	42,031
Net Estimated Capitalized Lease Value:	55,150

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Additional depth should be added whenever possible to facilitate sewage treatment capability. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SAND POINT

PLAT NO.: 36

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 12

RESOURCE ANALYSIS:

The plat has water access only (4½ miles nearest public access at Crane Lake). All sites are located on bedrock which has very shallow to nonexistent soil cover, with very limited sewage treatment potential. Topography and lack of soil prohibit collector and/or group sewage treatment systems. Nearly all sites are substandard in size. Topography does not facilitate increasing the size of lots. Telephone and electricity are available at the west end of the plat. Sites are located adjacent to Voyageurs National Park. Year-round occupancy in this area is not feasible due to limited access

ECONOMIC ANALYSIS:

Present Appraised Value:	115,350
Net Estimated Discounted Sale Value:	101,588
Net Estimated Capitalized Lease Value:	111,988

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out. Due to site limitations the lots are not suitable for continued residential development. The long term costs of environmental damage are considered greater than loss of revenue to the trust. Continued leasing is inconsistent with the long term management goals of Voyageurs National Park. All sites should be phased out by the year 2010. Do not renew leases in 1990 unless sewage treatment systems are upgraded to meet current standards.

LAKESHORE REVIEW SUMMARY

LAKE: SAND POINT

PLAT NO.: 40

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 17

RESOURCE ANALYSIS:

The plat has water access only (4½ miles nearest public access at Crane Lake). All sites are located on bedrock which has very shallow to nonexistent soil cover, with very limited sewage treatment potential. Topography and lack of soil prohibit collector and/or group sewage treatment systems. Nearly all sites are substandard in size. Topography does not facilitate increasing the size of lots. Telephone and electricity are available at the west end of the plat. Sites are located adjacent to Voyageurs National Park. Year-round occupancy in this area is not feasible due to limited access

ECONOMIC ANALYSIS:

Present Appraised Value:	235,600
Net Estimated Discounted Sale Value:	216,810
Net Estimated Capitalized Lease Value:	258,800

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out. The long term costs of environmental damage are considered greater than loss of revenue to the trust. Continued leasing is inconsistent with the long term management goals of Voyageurs National Park. All sites should be phased out by the year 2010. Do not renew leases in 1990 unless sewage treatment systems are upgraded to meet current standards.

LAKESHORE REVIEW SUMMARY

LAKE: SIDE

PLAT NUMBER: 46

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat is located 1 mile northwest of Side Lake. Sites 1 through 7 are accessible by a privately maintained road extending from County Road #5. This privately maintained road also serves other private sites located between County Road #5 and the lease sites. Sites 8 through 13 are accessible by another privately maintained service road which extends from County Road #5 along the back of the sites. This privately maintained road also provides access to private land located beyond the lease sites. Existing sewage treatment systems range from septic tank and drainfield systems to outhouse with minimum gray water treatment. Sewage treatment potential of Sites 1 through 7 is very limited. Sites 8 through 13 are adequate. Sites 1 through 7 have a very narrow usable area between the lake and the existing road. There is a high ridge directly across the road which severely limits the usability of the remainder of the site. The existing systems on Sites 1 through 7 are probably polluting Side Lake. A possible alternative for Sites 1 through 7 would be a common disposal system located over the crest of the high hill. Further study would be required to determine if this is feasible. Telephone and electricity are available to the plat. Year-round occupancy in this area is feasible, although it is questionable if Sites 1 through 7 are capable of handling year-round or even seasonal use. The usable area on Sites 1 through 7 is substandard, while Sites 8 through 13 meet minimum standards. Soils are sandy loam with good drainage.

ECONOMIC ANALYSIS:

Present Appraised Value:	211,840
Net Estimated Discounted Sale Value:	189,251
Net Estimated Capitalized Lease Value:	237,500

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Additional study is required. The resource analysis shows that sites 8 through 13 could be sold while sites 1 through 7 will require further study of the feasibility of a common septic system before a recommendation could be made. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SILVER

PLAT NUMBER: 337

COUNTY: St Louis

NUMBER LEASED SITES IN PLAT: 11

RESOURCE ANALYSIS:

The plat is located 5 miles south of Biwabik. Access to Sites 1 through 10 is by a lessee maintained service road which extends .5 mile from County Road #525 along the back of the sites. Driveways lead directly into Sites 11 through 14 from County Road #341. Sites are gentle to moderately sloping with sandy loam soils. Existing sewage treatment systems range from septic tank and drainfield systems to outhouses and minimum gray water treatment. Existing sites do not meet minimum zoning standards. However, additional depth could be added to all sites, which would facilitate sewage treatment capability. Telephone and electrical service is available. Year-round occupancy on these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	76,300
Net Estimated Discounted Sale Value:	59,304
Net Estimated Capitalized Lease Value:	72,275

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on the resource analysis. Additional depth should be added to all sites to facilitate sewage treatment capability. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SOUTH STURGEON

PLAT NUMBER: 82

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 16

RESOURCE ANALYSIS:

The plat is located 15 miles north of Nashwauk. Access is by a lessee maintained service road which extends .25 mile from the Stingy Lake Forest Road into the plat. Private driveways lead into the individual sites. The sites are gently sloping with sandy loam soils. Existing sewage treatment systems range from septic tank and drainfield to outhouses and minimum gray water systems. The sites are substandard in size. Additional area should be added to improve sewage treatment capability. Telephone and electrical service is available to the plat. Year-round occupancy of these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	168,300
Net Estimated Discounted Sale Value:	144,124
Net Estimated Capitalized Lease Value:	176,775

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Increase size of all sites to minimum zoning standards by adding additional depth to facilitate future septic needs. Relocate the existing service road to provide for the installation of new sewage treatment systems. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SOUTH STURGEON

PLAT NUMBER: 142

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 26

RESOURCE ANALYSIS:

The plat is located 15 miles north of Nashwauk. Access is by a privately maintained service road which extends from Stingy Lake Forest Road through the plat. Driveways lead into the individual sites. Sites are gently sloping with sandy loam soils. Existing sewage treatment systems consist of septic tank and drainfield systems to outhouses with minimum gray water treatment facilities. Sites are substandard in size. Additional area should be added wherever possible to meet minimum zoning standards. Telephone and electrical service is available for all sites. Year-round occupancy of these sites is probable if sold.

ECONOMIC ANALYSIS:

Present Appraised Value:	266,070
Net Estimated Discounted Sale Value:	230,454
Net Estimated Capitalized Lease Value:	277,988

The economic analysis indicates more revenue would be derived by the state from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Some sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Sites 8 through 14 are not suitable for continued residential development due to their size and lack of additional area which could be added. They should be cancelled by 1990. An economic analysis indicates phase out may result in a loss of revenue to the state but long term environmental damage is considered greater than any loss of revenue to the state. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SOUTH STURGEON

PLAT NUMBER: 168

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 16

RESOURCE ANALYSIS:

The plat is located 15 miles north of Nashwauk. Access to the sites is by a lessee maintained service road which extends .4 mile along the back of the lease sites from County Road #759. Driveways lead into the individual sites. The sites are level to gently sloping with sandy loam soils. Existing sewage treatment systems range from septic tank and drainfield systems to an outhouse with minimum gray water treatment. The sites are capable of handling sewage treatment systems if additional land is added. Sites are substandard in size. Additional land should be added wherever possible to improve sewage treatment capability. Telephone and electrical service is available to the plat. Year-round occupancy of these sites is possible.

ECONOMIC ANALYSIS:

Present Appraised Value:	162,250
Net Estimated Discounted Sale Value:	138,299
Net Estimated Capitalized Lease Value:	169,213

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Additional area should be added to certain sites. Sites 11 through 16 should be extended across the service road 50 to 150 feet to gain sufficient area for sewage treatment. All other sites should be extended to the service road. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SOUTH STURGEON

PLAT NUMBER: 170

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

Access is by a privately maintained service road which extends along the back of the sites from County Road #759. Driveways lead into the individual sites. The sites are gently sloping with sandy loam soils. Existing sewage treatment systems consist of outhouses plus minimum gray water treatment. Sites are very substandard in size. Sites could be brought up to minimum zoning standards if additional county land located across the service road were added. Telephone and electrical service is available. Year-round occupancy of these sites is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	93,650
Net Estimated Discounted Sale Value:	76,870
Net Estimated Capitalized Lease Value:	96,063

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites will require additional study before a final recommendation can be made. The sites could be sold if county tax forfeited land, located across the service road from the sites, were added to the back of the lots. The state could act as an agent for the county and if a state site were sold the sale would include additional county land located across the service road. Such an arrangement would have to be agreed to by both state and county governments and the details would have to be worked out. If additional land cannot be added, the sites should not be sold, and should be phased out by the year 2010. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SPIRIT

PLAT NUMBER: 338

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

The plat is located 5 miles southeast of Buhl or 1/4 mile west of the corporate boundary of the City of Mountain Iron. Driveways extend off County Road #457. In some instances, one driveway is shared by several sites. Existing sewage treatment systems include holding tanks and outhouses with minimum gray water treatment. The sites are located on clay loam soil, having a very slow absorption rate. The northernmost sites are somewhat low which further hinders sewage treatment. Telephone and electricity is available to the plat. Year-round occupancy in this area is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	66,200
Net Estimated Discounted Sale Value:	50,359
Net Estimated Capitalized Lease Value:	61,750

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SPRING

PLAT NUMBER: 45

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 16

RESOURCE ANALYSIS:

The plat is located 15 miles northeast of Duluth. The DNR maintains the road leading from County Road #44 to the public access. A lessee maintained service road extends from the public access along the back of the sites. Driveways lead into the individual sites. Actual location of the service road is different than shown on the existing plat. Sites are gentle to moderately sloping, very rocky, with sandy loam soils. Sites do not meet minimum zoning standards. Telephone and electricity is available to all sites. Existing sewage treatment systems consist of outhouses and minimum gray water treatment facilities. The size of the sites limits their sewage treatment capability. Additional land should be added to all sites wherever possible. Year-round occupancy of these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	105,300
Net Estimated Discounted Sale Value:	83,247
Net Estimated Capitalized Lease Value:	98,025

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: STEVENS

PLAT NUMBER: 346-1
346-2

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

This plat consists of 8 leased lots on the southeast shore of Stevens Lake. These lots are part of a state administered "swamp trust fund" parcel of land consisting of 26.25 acres. It is not within a state management unit; however, it is in an area of large county ownership which is part of the Cass County Memorial Forest system. Access is via a one mile privately maintained dirt road extending from a township road to the east. The road is in good condition, but is not maintained year around. Almost all lots have good elevation and are well drained. All of the 8 lots are too small in size to meet current zoning standards established for this lake since they do not meet the 40,000 square foot minimum area and the 125 foot minimum width or frontage. The width cannot be corrected, but the depth of the lots can be increased and should be so that all lots extend back to the access road. Due to the remoteness of this plat and the condition of the road, it is not suitable for year around occupancy.

ECONOMIC ANALYSIS:

Present Appraised Value:	63,400
Net Estimated Discounted Sale Value:	49,206
Net Estimated Capitalized Lease Value:	62,450

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Lots should be extended to the access road to bring them more into compliance with zoning standards. Conforming sanitation systems should be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: SUPERIOR

PLAT NUMBER: 92

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

The plat is located 20 miles northeast of Grand Marais. A DNR maintained road leads from Highway #61 to the public access located on Horseshoe Bay. Privately maintained service roads extend east and west from the public access along the back of the lease sites. Driveways lead into the individual sites. The sites are gently to moderately sloping with very rocky clay loam soil. Existing sewage treatment systems consist of outhouse and gray water treatment facilities. Existing sites are capable of handling seasonal sewage treatment. Sites are substandard in size. Additional land could be added to the sites to improve sewage treatment capability. Telephone and electrical service is available along Highway #61. Year-round occupancy in this area is feasible. There are numerous year-round homes along Lake Superior.

ECONOMIC ANALYSIS:

Present Appraised Value:	85,000
Net Estimated Discounted Sale Value:	71,658
Net Estimated Capitalized Lease Value:	93,650

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Do not sell. The existing leases should be phased out by 2010. The existing public access will probably be expanded in the future as the Lake Superior fisheries improves. The addition of a breakwater to Horseshoe Bay, which is well protected on three sides, would create an excellent harbor. The Department of Transportation and State Trust Fund own all of Section 16. Sale of the lease sites would limit future development potential. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: THUNDER

PLAT NUMBER: 0

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

This site has not been platted and is occupying part of a state owned three acre island. It was created as a result of an old trespass which was legalized by means of a lease. Access is by water only and launching is from a public access. The cabin is very primitive and in very poor condition and is not considered livable. No utilities are available.

ECONOMIC ANALYSIS:

Present Appraised Value:	12,600
Net Estimated Discounted Sale Value:	8,885
Net Estimated Capitalized Lease Value:	13,650

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Resource analysis show that this leased lot should not be sold. It is recommended that the island be retained entirely in state ownership and the lease be phased out by 1990.

LAKESHORE REVIEW SUMMARY

LAKE: TURTLE

PLAT NUMBER: 325

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat is located 8 miles southwest of Bigfork. A privately maintained service road extends from County Road #3 (Arcadia Spur) to the lease sites. Driveways extend off the service road into the individual sites. The sites are high with sandy loam soils. Most of the sites have a steep bank along the lakeshore. Existing sewage treatment systems vary from septic tank and drainfield systems to outhouses with minimum gray water treatment facilities. The sites have sufficient area to handle acceptable sewage treatment facilities. The sites meet minimum zoning standards. Telephone and electrical service is available to the plat. Year-round occupancy in this area is feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	168,600
Net Estimated Discounted Sale Value:	146,868
Net Estimated Capitalized Lease Value:	183,450

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Site 15 is vacant and should be combined with Site 14. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: TWIN

PLAT NUMBER: 339

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat is located 10 miles south of Nashwauk. Access is by a department maintained road which extends from Highway #65 to the plat. A privately maintained road then continues along the back of the sites. The sites are gently to moderately sloping with sandy loam soils which are very rocky. Existing sewage treatment facilities range from septic tank and drainfield systems to outhouses with minimum gray water treatment. Sites do not meet minimum zoning standards. Additional area should be added wherever possible to improve sewage treatment capability. Telephone and electrical service is available. Year-round occupancy is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	79,300
Net Estimated Discounted Sale Value:	60,545
Net Estimated Capitalized Lease Value:	71,825

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Resource analysis indicates all sites could be offered for sale. Add additional area to sites whenever possible to facilitate sewage treatment capability. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: TWO ISLAND

PLAT NUMBER:

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

The site is located 10 miles north of Grand Marais. A privately maintained road extends .3 mile from County Road #27 to an undeveloped public access. A driveway extends into the site. There is a good public access located at the Two Island campground operated by the U.S. Forest Service. The site is level to gently sloping with very rocky loam soil with that portion of the site along the lakeshore being very low. The existing sewage treatment consists of an outhouse and minimal gray water treatment. The site would be capable of handling sewage treatment if expanded. The existing site is substandard in size, however, additional area could be added to meet minimum zoning standards. Telephone and electrical service is not available. Year-round occupancy of the site is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	5,000
Net Estimated Discounted Sale Value:	358
Net Estimated Capitalized Lease Value:	4,150

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Site could be offered for sale based on resource analysis. Additional area should be added to the existing site to meet zoning requirements. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: UNION

PLAT NUMBER: 317

COUNTY: Polk

NUMBER LEASED SITES IN PLAT: 4

NUMBER UNLEASED SITES: 1

RESOURCE ANALYSIS:

The plat is located 7 miles southwest of Erskine and 29 miles southeast of Crookston on the north shore of Union Lake. A privately owned and maintained access road serves all 4 sites. Shoreline elevation is less than 1 foot with gradual slope to cabins. Cabin elevations range from 3 to 10 feet with an average of 6 feet. Back lot elevation ranges from 5 to 12 feet with an average of 8 feet. Existing sewage treatment systems consist of outhouses, gray water treatment and septic systems. Sites do not meet minimum zoning size standards. Sandy loam soils will handle properly designed septic system. Telephone and electric service is available to the plat. Year around occupancy is feasible on these sites.

ECONOMIC ANALYSIS:

Present Appraised Value:	38,000
Net Estimated Discounted Sale Value:	28,083
Net Estimated Capitalized Lease Value:	39,100

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. The vacant lot should be added to the adjacent lots so that the entire state ownership is sold if the above requirements are met. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: UPPER HAY

PLAT NUMBER: 304

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 8

RESOURCE ANALYSIS:

This plat consists of 9 lots of which 8 are under lease. Access is via a privately maintained dirt road extending from a county highway. Utilities are available to all lots. All sites meet zoning requirements for size; however, there is a problem with elevation of some lots. Lots 2 and 3 have their septic systems located in the water table.

ECONOMIC ANALYSIS:

Present Appraised Value:	96,000
Net Estimated Discounted Sale Value:	80,587
Net Estimated Capitalized Lease Value:	103,200

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. If lots 2 and 3 cannot construct conforming sanitation systems, the lots should be cancelled in 1990. Conforming sanitation systems must be installed in as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VAN DUCE

PLAT NUMBER: 835

COUNTY: Aitkin

NUMBER LEASED SITES IN PLAT: 1

RESOURCE ANALYSIS:

This plat contains 12 sites of which only 1 is being leased. Lot 1, which is the site being leased, does not have any cabin or improvements on it nor does it have any road or access to it. This entire plat is poorly suited for development and should never have been platted.

ECONOMIC ANALYSIS:

Present Appraised Value:	7,000
Net Estimated Discounted Sale Value:	130
Net Estimated Capitalized Lease Value:	6,650

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Resource analysis show that this leased lot should not be sold. The long term costs of environmental damage that could occur if this lease is developed are considered greater than the loss of revenue to the trust. Since this plat is entirely undeveloped and is not suitable for development, it is recommended that it remain entirely in state ownership and Lot 1 be phased out immediately so that no further development occurs.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION

PLAT NUMBER: 909

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

This plat has no road access and due to its location within the BWCA, it will never be accessible by road. The plat has two of the nine platted sites leased. Sites have shallow soils on bedrock with extremely limited sewage treatment potential. Sites as platted do not meet county shoreland standards. These two nonadjacent lots are in the area where there is almost no private ownership or development. The DNR policy is to not perpetuate inholdings in the BWCA.

ECONOMIC ANALYSIS:

Present Appraised Value:	16,000
Net Estimated Discounted Sale Value:	8,376
Net Estimated Capitalized Lease Value:	15,800

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These leases will not be renewed in 1990. Existing use is incompatible with BWCA wilderness legislation. The long term costs of environmental damage are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION (Hibbing Island)

PLAT NUMBER: 4

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

The plat is a two acre island entirely state owned with two leased sites. The nearest public access is 3.75 miles away. There is no electricity or phone service available to the island. The soils are very shallow on bedrock with limited sewage treatment potential. The sites currently do not meet sewage treatment requirements. The plat conforms to shoreland zoning standards in terms of size and width, but neither site meets current building setback requirements. Year around occupancy is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	38,790
Net Estimated Discounted Sale Value:	33,257
Net Estimated Capitalized Lease Value:	44,288

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Due to site limitations, these sites are not suitable for continued residential development. The long term costs of environmental damage are considered greater than the loss of revenue to the trust. These lots should be phased out by 2010 if adequate sewage treatment can be provided. If adequate sewage treatment cannot be provided, they should not be renewed in 1990. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION (Hibbing Point)

PLAT NUMBER: 801

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

Road access is by .625 mile of privately maintained road from County Highway 24. All sites have very shallow soils on bedrock with very limited sewage treatment potential. This problem could be corrected by platting an outlot near the center of the peninsula to provide for a group collector sewage system. Many sites currently do not meet sewage treatment requirements. Lots are large enough to meet size requirements. Outlot A is too narrow to meet building setbacks and too low to be developed and should not be leased or sold. There is not adequate public access to the lake in this area.

ECONOMIC ANALYSIS:

Present Appraised Value:	202,000
Net Estimated Discounted Sale Value:	183,365
Net Estimated Capitalized Lease Value:	231,500

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The resource analysis shows all lots could be offered for sale if a group collector sewage system were installed. These sites will require additional study to determine if a group collector type sewage system is feasible. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION (Hoffs Island)

PLAT NUMBER: 818

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is two acre island entirely state owned with three of the four sites leased. The island has shallow soils on bedrock with extremely limited sewage treatment potential. The sites currently do not meet sewage treatment requirements. The plat does not conform to county shoreland zoning standards in terms of size, width or building setbacks. These four sites would have to be combined into one single site to meet zoning requirements for this area of the lake. Year around occupancy is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	44,100
Net Estimated Discounted Sale Value:	32,686
Net Estimated Capitalized Lease Value:	44,625

At more than 10 percent, the difference between lease value and sale value is significant. The economic factors indicate more income could be derived from continued leasing than from sale.

RECOMMENDATION:

Due to site limitations, these sites are not suitable for continued residential development. These lots should be phased out by 2010 if adequate sewage treatment can be provided. If adequate sewage treatment cannot be provided, they should not be renewed in 1990. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION (Oak Narrows)

PLAT NUMBER: 117

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 13

RESOURCE ANALYSIS:

The plat has no road access and will probably never be accessible by road. There is a public access about .5 mile across the narrows. The plat has shallow soils on bedrock with limited sewage treatment potential. Most sites currently do not meet sewage treatment requirements. All lots would probably require mound systems for continued use and there is potential for collector or group systems, although installation costs may be prohibitive. Plat meets county standards for size and width. Only one lot meets setback requirements. Year around occupancy is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	74,760
Net Estimated Discounted Sale Value:	56,179
Net Estimated Capitalized Lease Value:	66,150

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILION (Schmidts Island)

PLAT NUMBER: 5

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT:

RESOURCE ANALYSIS:

The plat is situated on about 10 acres of a 12 acre island. The closest public access is 3.75 miles away. The plat has shallow soils on bedrock with limited sewage treatment potential. Most sites currently do not meet sewage treatment requirements. The possibility of a collector sewage system is remote due to the high cost of providing electricity to run the system and the installation of a system in a bedrock setting such as this. All sites meet size and width requirements. Only two sites meet current building setback requirements. Year around occupancy is not feasible. No electricity or phone service is available to the island.

ECONOMIC ANALYSIS:

Present Appraised Value:	155,900
Net Estimated Discounted Sale Value:	135.432
Net Estimated Capitalized Lease Value:	169,675

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

The resource analysis shows all lots could be offered for sale if a group collector sewage system were installed. These sites will require additional study to determine if a group collector type sewage system is feasible. If it is feasible, all lot holders should be required to construct such a system prior to lease renewal in 1990. If such a system cannot be installed the lease should be cancelled by 1990. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: VERMILLION RIVER

PLAT NUMBER: 83 & 124

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plats are located 14 miles northeast of Orr. Access is from County Road #24. There are 2½ miles of county maintained road and 3 miles of lessee maintained road to Gold Mine Resort and then .1 mile of lessee maintained road leading from Gold Mine Resort to the lease sites. All sites have rocky clay loam soil. Soil conditions limit sewage treatment capability on the sites. The area is very remote. A private electrical generator located at Gold Mine Resort provides very limited electrical service to the sites. Year-round occupancy is not feasible due to the isolated location. There is a plan entitled, "Cooperative Plan and Management for the Vermillion River Between the State of Minnesota Department of Natural Resources and the U.S. Department of Agriculture Forest Service, Superior National Forest", dated August, 1972. This plan addresses management of the Vermillion River shorelines. The plan calls for the State and U.S.F.S. to acquire private lands within the management unit as they become available.

ECONOMIC ANALYSIS:

Present Appraised Value:	24,300
Net Estimated Discounted Sale Value:	13,719
Net Estimated Capitalized Lease Value:	21,975

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by the year 2010. Continued leasing is contrary to the intent of the existing cooperative management plan. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WABANA

PLAT NUMBER: 326

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

The plat is located 12 miles north of Grand Rapids. A DNR maintained road extends from County Road #49 to the public access. A lessee maintained service road extends .4 mile from the public access through to lease sites. Sites are gently sloping with sandy loam soils. Existing sewage treatment facilities consist of outhouses plus gray water treatment. Sites have limited sewage treatment capability due to size, however there is sufficient area available to consider a common mound system. Lessees appear to be receptive to this type of arrangement. Telephone and electrical service is available. Year-round occupancy of these sites is not feasible since the road is not snow plowed in the winter.

ECONOMIC ANALYSIS:

Present Appraised Value:	34,000
Net Estimated Discounted Sale Value:	24,117
Net Estimated Capitalized Lease Value:	34,100

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. A public easement should be provided across the sites to allow public access to the portion of Government Lot 2 which is not leased. Consideration should be given to establishing a common collector sewage system which would serve all four sites.

LAKESHORE REVIEW SUMMARY

LAKE: WASHBURN

PLAT NUMBER: 126

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 10

RESOURCE ANALYSIS:

This plat consists of ten leased lakeshore lots near the south end of Washburn Lake. These lakeshore lots are part of a state administered "school trust fund" parcel of land consisting of approximately 418 acres of land which also includes a campground and recreation area. The state parcel of land is part of a large block of state and county ownership within the Land-O-Lakes State Forest. Access is just off a township road which is maintained year around. A service road extends from the township road along the rear of the lots. Utilities are available. All lots have good elevations and are well drained. Elevations range from a few feet up to 15 feet and shoreline slopes vary from gradual to moderate. All of the ten lots in this plat are too small in size to meet current zoning standards established for this lake since they do not meet the 20,000 square foot minimum area requirement. Since all lots have the necessary 100 feet of minimum frontage needed to qualify for current zoning standards, it would be possible to bring them to current size standards by simply extending their depth since the state owns the land to the rear of the lots.

ECONOMIC ANALYSIS:

Present Appraised Value:	180,000
Net Estimated Discounted Sale Value:	157,359
Net Estimated Capitalized Lease Value:	204,000

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Lot size should be expanded to bring them into closer compliance with zoning standards. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WAUKENABO

PLAT NUMBER: 347

COUNTY: Aitkin

NUMBER LEASED SITES IN PLAT: 4

RESOURCE ANALYSIS:

This plat consists of 4 lots on the south shore of Waukenabo Lake. Access is provided by a lessee maintained road extending off a township road along the rear of the lots. Utilities are available. All sites have good elevation except for site 4 which needed to install holding tanks for its septic system.

ECONOMIC ANALYSIS:

Present Appraised Value:	24,000
Net Estimated Discounted Sale Value:	14,109
Net Estimated Capitalized Lease Value:	21,600

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Sites could be offered for sale based on resource analysis. Conforming sanitation systems must be installed as a condition of lease renewal in 1990. Lot 1 should be extended to the township road.

LAKESHORE REVIEW SUMMARY

LAKE: WEST BEARSKIN

PLAT NUMBER: 355-1 & 355-2

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 19

RESOURCE ANALYSIS:

The plats are located 22 miles northwest of Grand Marais. Plat is accessible by water from the public access located adjacent to County Road #66 or on foot. Lessees often park their cars at the public access which is located just west of the plat and walk into their sites. The sites are moderate to steeply sloping with very rocky clay loam soils. The embankment along the lake varies from 3 to 6 feet in height. Existing sewage treatment systems range from septic tank and drainfield to outhouse and minimum gray water treatment. Sites are substandard in size. Electrical service is available. Year-round occupancy is not feasible due to the isolated location and lack of snowplowing in winter. It may be possible to construct an access road along the back of the sites by following an existing ridge which runs more or less parallel to the back of the sites. Additional study would be required before a final feasibility determination could be made.

ECONOMIC ANALYSIS:

Present Appraised Value:	126,650
Net Estimated Discounted Sale Value:	106,143
Net Estimated Capitalized Lease Value:	118,413

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on a resource analysis. Additional area should be added to sites whenever possible. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WEST BEARSKIN

PLAT NUMBER: 355-3 & 355-4

COUNTY: Cook

NUMBER LEASED SITES IN PLAT: 17

RESOURCE ANALYSIS:

The plats are located 22 miles northwest of Grand Marais. Access is directly off of County Road #66. Driveways lead into the individual sites. Site 19 is located on a narrow ridge between the county road and the lake. The location and size of the site results in an inadequate leasing situation. The remainder of the sites have a very steep slope extending 30 to 70 feet upward from the lake before leveling off on top of the hill. Existing sewage treatment consists of outhouses and minimum gray water treatment. Sites are substandard in size. Additional area should be added wherever possible to improve the sites' sewage treatment capability. Lift stations will be necessary on most sites. Telephone and electrical service is available. Year-round occupancy of these sites is not feasible.

ECONOMIC ANALYSIS:

Present Appraised Value:	108,100
Net Estimated Discounted Sale Value:	89,906
Net Estimated Capitalized Lease Value:	99,425

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

All sites, except #19, could be offered for sale based on resource analysis. Site #19 is not suitable for continued residential development due to size and topography. This site should be phased out by the year 2010. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WHITEFACE FLOWAGE

PLAT NUMBER: 356-6 & 356-7

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 11

RESOURCE ANALYSIS:

The plats are located 14 miles southeast of Aurora. From County Road #16 go 2.1 miles on U.S.F.S. Road #417; then .5 mile on DNR maintained road to existing public access. A service road which is maintained by the lessees extends from the public access along the back of the sites. Driveways lead into individual sites. Most of the sites have a moderately heavy loam soil with some rock. An esker running parallel to the existing service road is located along the north side of the road. This esker averages 10 to 30 feet in height and limits sewage treatment potential across the road. There is no telephone or electrical service to the plat. Sites are substandard in size, which limits the sewage treatment capability.

ECONOMIC ANALYSIS:

Present Appraised Value:	82,500
Net Estimated Discounted Sale Value:	65,297
Net Estimated Capitalized Lease Value:	80,025

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Sites could be offered for sale based on economic and resource considerations. The depth of all sites should be extended to the service road. Conforming sanitation systems must be constructed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WHITEFACE RESERVOIR

PLAT NUMBER: 356-1 thru 356-5

COUNTY: St. Louis

NUMBER LEASED SITES IN PLAT: 78

RESOURCE ANALYSIS:

The plats are located 14 miles southeast of Aurora. Access is over County Road #265 and 2.2 miles of state forest road to a public water access. Sites are located on a peninsula with a lessee maintained service road extending along the back of the existing sites. Driveways lead into individual sites. Soil is a loam to sandy loam with some rock. Most of the sites are substandard in size, with limited sewage treatment capability. Telephone and electrical service is available on the plat. There is sufficient state land available to allow for road relocation and expansion of existing sites to improve lot size. A major planning effort would be required due to the number of sites involved. Common sewage treatment systems may be necessary in some locations.

ECONOMIC ANALYSIS:

Present Appraised Value:	539,540
Net Estimated Discounted Sale Value:	452,292
Net Estimated Capitalized Lease Value:	510,625

The economic analysis shows that more revenue would be derived by the trust from continued leasing of these lots than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WHITEFISH/CLAMSHELL

PLAT NUMBER: 305-1
305-2

COUNTY: Crow Wing

NUMBER LEASED SITES IN PLAT: 9

RESOURCE ANALYSIS:

This plat is located in a bay on the easterly side of Clamshell Lake. Clamshell Lake is connected to Whitefish Lake by a channel. Access is via a privately maintained road that extends a short distance from a county road. All of the lots in this plat meet zoning requirements for size except Lots 4, 5 and 6. Lot 4 cannot be corrected, but Lots 5 and 6 can be increased in size by adding additional land. This would not bring them up to zoning standards, but it would give them some badly needed room for proper septic systems since these lots are extremely small. Lot 2 is in gross violation of zoning ordinances due to construction of a living quarters and deck over an existing boathouse with no set-back from the lake. It also has a cesspool located only 35 feet from the shoreline which is seeping into the lake. Currently, Lot 3 is being used as a year around residence.

ECONOMIC ANALYSIS:

Present Appraised Value:	228,000
Net Estimated Discounted Sale Value:	210,469
Net Estimated Capitalized Lease Value:	266,100

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Based on resource analysis, these sites could be offered for sale. Conforming sanitation systems must be installed as a condition of lease renewal in 1990.

LAKESHORE REVIEW SUMMARY

LAKE: WILSON

PLAT NUMBER: FHS 108

COUNTY: Itasca

NUMBER LEASED SITES IN PLAT: 2

RESOURCE ANALYSIS:

The plat is located 15 miles east of Big Fork. Access is from County Road #52 via approximately 4 miles of state forest road to the public access, then by lessee maintained driveways. Records show two leases although there appear to be three separate living structures on separate sites. All three structures are essentially deer hunting shacks. Soils and lot sizes are adequate for sewage treatment. Conversion to year-round use is unlikely.

ECONOMIC ANALYSIS:

Present Appraised Value:	6,000
Net Estimated Discounted Sale Value:	(1,313)
Net Estimated Capitalized Lease Value:	3,300

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

These sites should be phased out by the year 2010. The long term costs of potential environmental damage and remote location are considered greater than the loss of revenue to the trust.

LAKESHORE REVIEW SUMMARY

LAKE: WINNIBIGOSHISH

PLAT NUMBER: 49

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 7

RESOURCE ANALYSIS:

The plat is located 15 miles east of Cass Lake. Access to the plat is by a lessee maintained service road which extends 1/4 mile from the West Winnie Road along the back of the plat. Driveways lead into individual sites. The sites are level to gently sloping with sandy loam soils. There is a 5 to 10 foot embankment along the lakeshore. A very serious problem of wave erosion is occurring in this plat. The shoreline has already been eroded to the base of one of the cabins. Present sites are substandard in size. Existing sewage treatment systems consist of outhouses and minimal gray water treatment. Sewage treatment capability of sites will be improved if additional area is added. Telephone and electricity is available. Year-round occupancy of these sites may occur if the sites are sold. Judds Resort is located just southeast of the plat. The resort has utilized state land for recreation purposes for many years without permission. There is a long standing legal dispute involving present and past owners of the resort and the State of Minnesota, concerning the encroachment problem and existing breakwater which extends into the lake. A land exchange is in progress between the State of Minnesota and owners of Judds Resort to resolve the recreational encroachment problem. This exchange involves land adjacent to Site 1. The plat is located within the Mississippi Headwaters Management Corridor.

ECONOMIC ANALYSIS:

Present Appraised Value:	51,500
Net Estimated Discounted Sale Value:	38,521
Net Estimated Capitalized Lease Value:	49,675

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Additional study is necessary. The existing leasing may continue until the question of disposing of state land within the Mississippi Headwaters Management Corridor has been addressed by the legislature.

LAKESHORE REVIEW SUMMARY

LAKE: WINNIBIGOSHISH

PLAT NUMBER: 76

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 11

RESOURCE ANALYSIS:

The plat is located 25 miles northeast of Cass Lake. A U.S. Forest Service Road extends northward from County Road #9. A lessee maintained service road extends .2 mile from the Forest Service road which goes through the lease plat. Two of the lease sites are backlots without lake frontage. The sites range from level to gently sloping with a 5 to 10 foot embankment along the lakeshore. The existing sewage treatment systems vary from septic tank with drainfield to outhouse and minimum gray water treatment facilities. The soils are sandy loam with good sewage treatment capability. The existing sites are substandard in size, which limits their sewage treatment capability. Telephone and electricity is available. Some of the sites have year-round residences on them. The plat is located within the Mississippi Headwaters Management Corridor.

ECONOMIC ANALYSIS:

Present Appraised Value:	133,600
Net Estimated Discounted Sale Value:	114,612
Net Estimated Capitalized Lease Value:	143,900

The economic analysis indicates more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased.)

RECOMMENDATION:

Additional study is necessary. The existing leasing may continue until the question of disposing of state land within the Mississippi Headwaters Management Corridor has been addressed by the legislature.

LAKESHORE REVIEW SUMMARY

LAKE: WOMAN

PLAT NUMBER: 315-1

COUNTY: Cass

NUMBER LEASED SITES IN PLAT: 6

RESOURCE ANALYSIS:

This plat consists of 6 lots located on a peninsula on the north side of Woman Lake. These lakeshore lots are part of a state administered "indemnity school" parcel of land consisting of 34.8 acres. Access is via a township gravel road extending about 1.33 miles from a county highway and another .33 mile over a privately maintained road. The township road is in good condition and is maintained year around. The road going to the homesites is a seasonal one lane dirt road in fair condition. Utilities are available. The lots are located on rolling upland with generally good elevation and are well drained except for Lot 1 which has a high water table. All of the 6 lots in this plat are too small to meet current zoning standards established for this lake since they do not meet the 20,000 square foot minimum required. Only one of the lots meets the required 100 foot minimum width or frontage needed. Woman Lake is quite large with approximately 5360 acres of water and about 24 miles of shoreline. Its outstanding scenic qualities, sandy beaches and good fishing have made it a well known and highly desirable lake for recreation. Woman Lake has been a highly desirable lake and the sale of lots on this lake brings the highest prices in the area. At the present time, there is limited public access to this lake in spite of its high desirabilities and qualities. The Woman Lake plat is one of the last state owned parcels of land on the lake and is under considerable demand for development. The DNR is currently trying to get additional access sites on this large lake to improve recreational opportunities.

ECONOMIC ANALYSIS:

Present Appraised Value:	97,100
Net Estimated Discounted Sale Value:	83,656
Net Estimated Capitalized Lease Value:	108,775

The economic analysis indicates that more revenue would be derived by the trust from continued leasing than from sale. (Assumes that all lots would be sold or all lots would continue to be leased)

RECOMMENDATION:

Since this is one of the last remaining parcels of public land on this premium lake and there are only 6 developed sites on this tract, it is recommended that this plat be reserved from sale for future recreational use and public access. The lots should be gradually phased out by 2010 and the trust compensated by the state to make this land available for public use.

HISTORY OF LAKESHORE LEASING PROGRAM

The leasing of lakeshore cabin sites on state owned land began in 1917 on Lake Vermilion. The original rationale for this program was to put desirable public land to use until it might be needed for a definite public benefit. It was also seen as an opportunity to establish a greater tax base in the northern counties, since the leased land was subject to real estate taxes on the land and the improvements. This leasing was based on Minnesota General Statutes of 1913, Section 65 which granted authority to the State Auditor for the leasing of state lands. Additional lakes were platted and leased under this authority through 1923. The annual rental fee for these lots was \$10 a year, except for a few especially desirable sites which were leased for \$15 a year.

In 1923 a law was passed which withdrew from sale all state land on meandered lakes and other public waters (M.S. 92.45) and also granted authority to the state to lease these lands as public campgrounds (M.S. 92.46). The law stipulated that the leases be for no longer than ten years, with renewal privileges, and also stated that the revenues received from these leases shall be credited to the appropriate funds, e.g., school trust or university. This leasing program remained under the control of the State Auditor until the creation of the Department of Conservation in 1931. Additional shorelands were platted by state personnel and Civilian Conservation Corps and offered for lease over the next few decades.

In 1957, the Department raised the rate charged for these lakeshore lots to \$25 annually, beginning with the next renewal period.

In 1964, the Commissioner of Conservation ordered the termination of the platting of new lots. This order remained in effect through 1973 when the legislature passed a law prohibiting the issuance of leases on any new state lakeshore lots (M.S. 92.46, Subdivision 1a).

In 1974-75 a Land Lease Task Force developed a department-wide leasing policy. In 1975, the Commissioner approved a plan to increase lease rates and the new lease rate of 5% of the appraised value of the unimproved lakeshore lots was incorporated into each lease as it expired and was renewed. This action has continued to draw severe criticism from lease holders, especially among those leaseholders who are established permanent residents of northeastern Minnesota.

Problems developed in the 1970's regarding the failure of state lakeshore lots and cabins to comply with county-wide lakeshore regulations. The counties had no authority over state-owned land in zoning matters. In 1973, the legislature took a small step towards dealing with the problem by requiring the lessee to comply with applicable county shoreland management ordinances and requiring the Commissioner of DNR to cancel any lease for non-compliance with these standards, except for those substandard uses authorized by the county ordinance. No leases have ever been cancelled under this law.

The DNR undertook the task of establishing all of the lakeshore leases on a standard ten year cycle in 1980. All leases were cancelled on December 31, 1980 and re-issued on January 1, 1981 for a ten year period providing for a readjustment after five years.

The majority of DNR lakeshore leases occur on school trust lands. The administration of these lands is touched upon only briefly in the state constitution. Article XI, Section 8 of the constitution deals with the Permanent School Fund (PSF) and it states that "All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund."

In June, 1981, the office of the Legislative Auditor produced a report entitled "A Review of the Department of Natural Resources Operation and Management of the Permanent School Fund" that was critical of DNR management of school trust lands. The report included a section on the lakeshore leasing program:

We did find that the procedures were inadequate for leasing lakeshore lots. The yearly rates for the leases are 5% of the appraised value, or amounting to approximately \$150 per lease per year. The Land Division has advised us that the rate is probably too low and should compare dollar-wise to the \$300-\$350 charged by the U.S. Forest Service. One probable reason for the difference in rates is the frequency that land appraisals are done by DNR. The U.S. Forest Service appraises their leased land every five years, while DNR has done it every ten years. . . . The DNR should review this situation. If the assumption by the Land Division that the lakeshore lease rates should be doubled is correct, the state, primarily the PSF, is losing up to \$240,000 each year in lease revenue.

In 1982 the legislature created a state Permanent School Fund Advisory Committee, directed DNR to deliver a report on the management of school trust lands by February 1, 1983, and created the Forest Management Fund. The PSF Advisory Committee, composed of four legislators, two school superintendents and the Commissioner of Education, was instructed to "review the policies of the Department of Natural Resources on management of school trust fund lands and shall recommend necessary changes in policy and implementation in order to ensure provident utilization of the permanent school fund lands." In the report the DNR states its school trust management goal: "To secure the maximum long-term economic return from the school trust lands consistent with sound natural resource conservation and management principles and specific policy guidance as provided in state law."

From 1983-1985 all funds generated from the lakeshore leasing program were deposited in the Forest Management Fund. (M.S. 16A.125 Subdivision 5 and M.S. 89.04). Basically, the fund receives the revenue generated from surface management use of school trust lands (e.g., lakeshore leasing and timber harvesting) and these revenues are used to pay for the costs of reforestation, fire protection, forest pest prevention, and other management costs on school trust lands. Any funds in excess of these management costs are deposited in the PSF. Beginning in Fiscal Year 1983, investments in trust land management have exceeded the revenues received and thus no funds from the lakeshore leasing program were deposited in the PSF until Fiscal Year 1986.

The DNR had been reappraising the lots since 1981 in preparation for the 1986 rate adjustment. In January 1985, an explanatory letter was sent to each lessee stating that on the average the new appraised values were 3½ times higher than in 1975. As a result, this issue was the subject of a hearing before the House Environment Committee during the 1985 session. Ultimately, language was included in the tax bill which phased the increases in over three years and exempted lessees from local property taxation of their lots. (Lessees would still be liable for taxation on their personal property.) This same legislative session resulted in the passage of an expanded goal statement for management of the school lands in M.S. 120.85 as follows:

"The legislature intends that it is the goal of the permanent school fund to secure the maximum long-term economic return from the school trust lands consistent with the fiduciary responsibilities imposed by the trust relationship established in the Minnesota Constitution, with sound natural resource conservation and management principles, and with other specific policy provided in state law."

Other provisions required that 50% of the revenues received from the lakeshore leasing program be deposited into the PSF and that the Department submit a report to the natural resources committees in both houses by January 1, 1987 on any leased land which should be sold. (This is that report.)

In 1986, a bill was passed during the special session which requires the DNR to sell the lakeshore lots at the request of the lessee and if recommended to be sold in this report. The bill requires sales to be held from 1987 through 1991 during the months of June, July or August. The bill also authorizes revenues from leasing to be used to survey the lots in the case of school trust lands. A complete summary of the legislation can be found in the appendix. The implementation of the legislation has been delayed due to questions regarding the implementation costs and the constitutionality of the legislation. Copies of correspondence between the Commissioners of DNR and the Department of Finance, the Chairs of House Appropriations and Senate Finance, and the Attorney General's Office are in the appendix of this report.

There is 70 years of history behind the lakeshore leasing program. Many plans, studies, legislative audits and constitutional review committees have examined the lakeshore leasing program. The Legislative Auditor's report on state land acquisition and disposal in 1983 stated that "Selling trust land yields short-term gains; retaining trust land permits DNR to earn revenues from timber sales or mineral leases in perpetuity. These considerations must be carefully weighed." "We do not recommend stepped up land sale activity at a time when market conditions are likely to yield a low dollar return for state lands." The DNR must consider the effects of market conditions (as well as conditions in the sale legislation) which will cause the property to sell at less than optimum prices or will cause the state to incur financial losses in selling its lakeshore property. Factors in the sale legislation such as the opportunity for lessees to cancel sale after the appraisal, to apply a portion of the lease payment towards the purchase, to require cash payment for the improvements on the day of the sale, and especially the state's inability to market all lots within a platted area create conditions which may restrict the market and hence cause the property to sell for less. The lakeshore leasing history and these factors need to be carefully considered in making recommendations on the future retention or sale of lakeshore lease lots.

AN ACT

1 A bill for an act

2 relating to public lands; providing for maximum lease
3 rates; providing for an endowment fund and the
4 disposition of proceeds of the land acquisition
5 account; permitting Winona county to convey certain
6 real estate to a county agricultural society; amending
7 Minnesota Statutes 1985 Supplement, section 92.46,
8 subdivision 1; proposing coding for new law in
9 Minnesota Statutes, chapter 92.

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

12 Section 1. Minnesota Statutes 1985 Supplement, section
13 92.46, subdivision 1, is amended to read:

14 Subdivision 1. [PUBLIC CAMP GROUNDS.] (a) The director may
15 designate suitable portions of the state lands withdrawn from
16 sale and not reserved, as provided in section 92.45, as
17 permanent state public camp grounds. The director may have the
18 land surveyed and platted into lots of convenient size, and
19 lease them for cottage and camp purposes under terms and
20 conditions he or she prescribes, subject to the provisions of
21 this section.

22 (b) A lease may not be made for a term more than 20 years.
23 The lease may allow renewal, from time to time, for additional
24 terms of no longer than 20 years each. The lease may be
25 canceled by the commissioner 90 days after giving the person
26 leasing the land written notice of violation of lease
27 conditions. The lease rate shall be based on the appraised

1 value of leased land as determined by the commissioner of
2 natural resources. The appraised value shall be the value of
3 the leased land without any private improvements and must be
4 comparable to similar land without any improvements within the
5 same county.

6 (c) By July 1, 1986, the commissioner of natural resources
7 shall adopt rules under chapter 14 to establish procedures for
8 leasing land under this section. The rules shall be subject to
9 review and approval by the commissioners of revenue and
10 administration prior to the initial publication pursuant to
11 chapter 14 and prior to their final adoption. The rules must
12 address at least the following:

- 13 (1) method of appraising the property;
14 (2) determination of lease rates; and
15 (3) an appeal procedure for both the appraised values and
16 lease rates.

17 (d) All money received from these leases must be credited
18 to the fund to which the proceeds of the land belong.

19 Notwithstanding section 16A.125 or any other law to the
20 contrary, 50 percent of the money received from the lease of
21 permanent school fund lands leased pursuant to this subdivision
22 shall be deposited into the permanent school trust
23 fund. However, in fiscal years 1986, 1987, 1988, and 1989 up to
24 50 percent of the money received from the lease of permanent
25 school fund lands that would otherwise be deposited into the
26 permanent school trust fund may be used to survey lots as
27 required in section 2, subdivision 3. Any money that is not
28 needed to survey lots shall be deposited in the permanent school
29 trust fund.

30 Sec. 2. [92.67] [SALE PROCEDURE.]

31 Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section
32 92.45, at the request of a lessee the commissioner of natural
33 resources shall sell state property bordering public waters that
34 is leased for the purpose of a private cabin under section 92.46
35 and recommended to be sold under the inventory prepared pursuant
36 to Laws 1985, First Special Session chapter 14, article 17,

1 section 4. Requests for sale must be made prior to July 1,
2 1991, and the commissioner shall complete all requested sales by
3 July 1, 1992. The lessee making the request may designate the
4 lesser of \$500 or the lease payment in the year the request is
5 made to be used as part of the down payment. The sale shall be
6 made in accordance with laws providing for the sale of trust
7 fund land except as modified by the provisions of this section.

8 Subd. 2. [APPRAISAL.] An appraisal shall be made in
9 accordance with section 92.12, except as modified by this
10 section. The improvements that are owned by the lessee shall be
11 appraised separately.

12 Subd. 3. [APPOINTMENT OF APPRAISERS; ALLOCATION OF
13 APPRAISAL AND SURVEY COSTS.] (a) The commissioner of natural
14 resources shall provide the lessee requesting the sale with a
15 list of all appraisers approved by the commissioner of
16 administration for the appraisal of property for the state. The
17 lessee requesting the sale may select a person from the list to
18 appraise the property to be sold. If more than one lessee of a
19 cabin site lot leased by the commissioner under section 92.46
20 within a platted area requests the sale of a leased lot, all
21 requesting lessees may jointly agree upon an appraiser from the
22 list. If the lessee or lessees do not select an appraiser, the
23 commissioner of natural resources shall select the appraiser.

24 (b) The costs of appraisal shall be allocated by the
25 commissioner to the lots offered for sale and the successful
26 bidder on each lot shall reimburse the commissioner for the
27 appraisal costs allocated to the lot bid upon. If there are no
28 successful bidders on a lot, the commissioner is responsible for
29 the appraisal cost allocated to that lot.

30 (c) The commissioner shall survey a lot prior to offering
31 it for sale. The commissioner is responsible for the survey
32 cost.

33 (d) The lessee may stop the sale process after the
34 appraisal but before the sale. The lessee must reimburse the
35 commissioner for the cost of the appraisal if the sale is
36 stopped.

1 Subd. 4. [TIMING OF SALES.] (a) The commissioner shall
2 offer lakeshore cabin site lots for sale pursuant to written
3 request and in accordance with the following schedule:

4 (1) as to requests received before January 1, 1987, the
5 sale shall be held in June, July, or August 1987;

6 (2) as to requests received each calendar year after
7 December 31, 1986, the sale shall be held in June, July, or
8 August of the year after the request is received.

9 (b) The last sales shall be held in 1992. Lots not sold
10 the first year offered may be reoffered in a succeeding year,
11 following reappraisal if it is determined necessary by the
12 commissioner.

13 (c) If a person other than the lessee purchases the leased
14 lakeshore cabin site, the purchaser must make payment in full to
15 the lessee at the time of the sale for the appraised value of
16 any improvements. Failure of a successful bidder to comply with
17 this provision voids the sale and the property must be rebid, if
18 possible, at the same sale.

19 Subd. 5. [TERMS OF SALE.] For the sale of the public lands
20 under this section, the purchaser shall pay the state ten
21 percent of the purchase price at the time of the sale. The
22 balance must be paid in no more than 20 equal annual
23 installments. The interest rate on the remaining balance shall
24 be eight percent per year.

25 Subd. 6. [SALE PROCEEDS.] After deducting the costs of the
26 sale, excluding survey costs, from the purchase price, the
27 balance shall be invested as provided by the Minnesota
28 Constitution, article XI, section 8.

29 Sec. 3. [92.68] [MISCELLANEOUS.]

30 Subdivision 1. [SHORELINE INCLUDED.] Notwithstanding
31 section 92.45, the shoreline of leased sites sold under section
32 2 is not reserved for public travel.

33 Subd. 2. [LOCAL ZONING.] For the purpose of local zoning
34 ordinances, land sold under section 2 shall be treated as if
35 purchased at the time the state first leased the sites.

36 Subd. 3. [ROAD ACCESS.] Rights of access across state

1 property to the lots offered for sale that are in existence at
2 the time of sale, and not included in the sale, may not be
3 terminated by the commissioner without the consent of the
4 purchasers of the lots or their successors in interest. The
5 commissioner may impose a fee for the access rights in the same
6 manner as for other similar accesses except that the
7 commissioner may not impose a fee for access rights where no fee
8 is now being charged.

9 Sec. 4. [92.69] [ENDOWMENT ACCOUNT.]

10 Subdivision 1. [PROCEEDS OF LAND ACQUISITION ACCOUNT.] To
11 ensure educational opportunities provided by Minnesota
12 scientific and natural areas as described in section 86A.05,
13 subdivision 5, are adequately available for present and future
14 generations, the proceeds received under sections 1 to 3 that
15 are credited to the land acquisition account under section
16 94.165 must be spent on scientific and natural areas.

17 Subd. 2. [ACCOUNT.] (a) A natural areas legacy endowment
18 account is established in the state treasury. The commissioner
19 of natural resources shall accept private contributions for
20 educational opportunities provided by scientific and natural
21 areas and deposit the contributions in the account. The
22 principal deposited in the account shall be retained in the
23 endowment account.

24 (b) The interest from the principal may be spent by the
25 commissioner of natural resources for the protection,
26 management, and inventory of lands with rare and endangered
27 species or undisturbed plant communities that qualify as state
28 scientific and natural areas under section 86A.05, subdivision 5.

29 Sec. 5. [WINONA COUNTY LAND SALE.]

30 Subdivision 1. [AUTHORITY.] Notwithstanding any contrary
31 provision of Minnesota Statutes, section 373.01 or other law,
32 Winona county may sell and convey the real estate described in
33 this section for a nominal consideration to a county
34 agricultural society that owns adjoining property and conducts a
35 county fair on it.

36 Subd. 2. [DESCRIPTION.] That part of the South Half of the

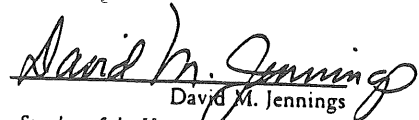
1 Northwest Quarter and the North Half of the Southwest Quarter,
2 of Section 19, Township 106 North, Range 10 West of the Fifth
3 Principal Meridian, bounded and described as follows:
4 Commencing at a point on the West line of Lot 65 in Ives and
5 Fox's Addition to St. Charles, distant 200 feet Northeasterly,
6 measured at right angles, from the center line of the main track
7 of the Winona and South Western Railway Company (later the
8 Wisconsin Minnesota and Pacific Rail Road Company, the Chicago
9 Great Western Railway Company, now the Chicago and North Western
10 Transportation Company), as said main track center line was
11 originally located and established across said Section 19;
12 thence Northwesterly parallel with said original main track
13 center line a distance of 550 feet to the point of beginning of
14 the parcel of land herein described; thence continuing
15 Northwesterly parallel with said original main track center line
16 to a point on the East and West Quarter line of said Section 19;
17 thence Northwesterly along a straight line to a point of
18 tangency with a line parallel with and distant 50 feet
19 Northerly, measured radially, from said original main track
20 center line; thence Westerly parallel with said original main
21 track center line to a point distant 50 feet Northeasterly,
22 measured radially, from the center line of the main track of the
23 Chicago and North Western Transportation Company (formerly the
24 Winona and St. Peter Railroad Company), as said main track is
25 now located; thence Southeasterly parallel with said last
26 described main track center line to a point distant 10 feet
27 Northerly, measured radially, from the center line of the most
28 Northerly side track of said Transportation Company, as said
29 side track is now located; thence Easterly parallel with said
30 side track center line to a point on a line drawn at right
31 angles to said original (Winona and South Western Railway
32 Company) main track center line through the point of beginning;
33 thence Northwesterly along said last described right angle line
34 to the point of beginning.

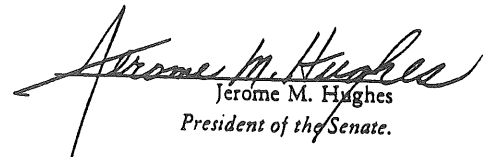
35 Sec. 6. [REPEALER.]

36 Sections 2 and 3 of this act are repealed on July 1, 1992.

1 Sec. 7. [EFFECTIVE DATE.]

2 Sections 1 to 4 and 6 are effective the day following final
3 enactment. Section 5 is effective the day after compliance with
4 Minnesota Statutes, section 645.021, subdivision 3, by the
5 governing body of Winona county.


David M. Jennings
Speaker of the House of Representatives.


Jerome M. Hughes
President of the Senate.

Passed the House of Representatives this 17th day of March in the year of Our Lord
one thousand nine hundred and eighty-six.



Edward A. Burdick
Chief Clerk, House of Representatives.

Passed the Senate this 17th day of March in the year of Our Lord one thousand
nine hundred and eighty-six.



Patrick E. Flahaven
Secretary of the Senate.

Approved

March 24, 1986


Rudy Perpich
Governor of the State of Minnesota.

Filed 3/25/86


Joan Anderson Grove
Secretary of State.



STATE OF
MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

BOX 30 . 500 LAFAYETTE ROAD • ST. PAUL, MINNESOTA • 55146

DNR INFORMATION
(612) 296-6157

August 11, 1986

The Honorable Gerald Willet
Senate Finance Committee
121 Capitol
St. Paul, MN 55155

Dear Senator Willet:

Legislative enactment of Laws of 1986, Chapter 449 relating to leased lakeshore lots, requires the Department of Natural Resources to sell these leased lots if requested to do so by the lessee. Prior to the sale, it is necessary for the Department to survey the lots and appraise their value. Questions have arisen as to the interpretation of the portion of the law dealing with the funding mechanisms. The act states in Subd. 1 that "in fiscal years 1986, 1987, 1988 and 1989 up to 50 percent of the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school trust fund may be used to survey lots." There is no other appropriation language. Can the cited language be interpreted as an appropriation for expenditure? No other funds have been appropriated to be used to implement this act which requires surveys and appraisals in preparation for the sale of lots in June, July or August of 1987. To date, almost 400 sale requests have been received which involve 115 plats in 11 northern counties. (The deadline for submitting requests for the 1987 sale is December 31, 1986.)

Additionally, although it was the apparent intent by the authors and conferees that all of the revenues that would otherwise be deposited into the permanent school trust fund (which is 50 percent of the total lakeshore revenues on school trust land) may be used for surveying lots, some persons are interpreting the law to mean 50 percent of the 50 percent, in other words, one-quarter of the total lakeshore revenues on school trust land. We understand that the bills' authors are willing to provide a letter substantiating the first interpretation.

Because some members of the conference committee felt that the money was appropriated in this bill, we request your advice to the following two questions: Is the language in this bill to be deemed an appropriation? If so, can DNR expend up to 50 percent of the money received from these leases?

Even if this money is made available for surveys, the receipts will only provide for partial implementation of the program. Estimated survey costs for requests received to date is \$1.5 to \$2 million while one half of the projected lakeshore receipts for fiscal year 1986 would be \$201,756. (Approximately one-tenth of the total needs.)

AN EQUAL OPPORTUNITY EMPLOYER

August 11, 1986

The law also requires the appraisal costs to be repaid to the state by the successful bidder at the time of sale. No funds were authorized to "front" these costs to the state of approximately \$200,000 for requests to date. In addition, there is no assurance that land requested to be sold, will be sold. If not sold, the appraisal costs would not be recovered.

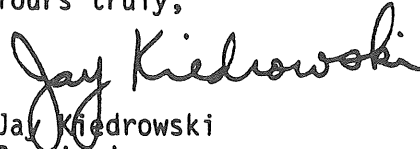
If you or your staff have any questions please do not hesitate to contact Gene Gere at 6-0533 or Doug Watnemo at 6-9530. Your early attention to this matter would be greatly appreciated.

Yours truly,



Joseph N. Alexander
Commissioner
Department of Natural Resources

Yours truly,



Jay Kiedrowski
Commissioner
Department of Finance

cc: Representative Forsythe
Rod Sando
Stephanie Warner
Conference Committee Members:
Senator Gene Merriam
Senator Ronald Dicklich
Senator James Pehler
Representative Lona Minne
Representative Sally Olson
Representative Paul Thiede

Mary M. Forsythe

District 42B
Hennepin County

Committees:

Chairman, Appropriations
Budget Committee
Judiciary

Legislative Commission on Employee
Relations

Legislative Advisory Commission



Minnesota House of Representatives

David M. Jennings, Speaker

RECEIVED

SEP 04 1986

LAND BUREAU
Dept. of Natural Resources

September 2, 1986

TO : Commissioner Joseph Alexander
Minnesota Department of Natural Resources

Commissioner Jay Kiedrowski
Minnesota Department of Finance

FROM: Representative Mary M. Forsythe *MF*

The issue of lake shore leases has been a difficult challenge for your agencies and for those of us in the Legislature. 1986 Laws of Minnesota Chapter 449 is legislation that was unfamiliar to me, therefore I asked my staff to do some research.

It appears that there are three issues which lead me to the conclusion that it is in the best interest of the state to resolve this problem when the Legislature convenes in January of 1987.

One concern is whether or not this law is constitutional. Article XI, Section 8, of the Constitution indicates that funds arising from the sale of public lands be credited to the permanent school fund. While Chapter 16A.125, Subd. 5, is cited as a precedent setting exception, it may be so only because of specific language in Article XI, Section XI, and unrelated to Chapter 449. In either case there has not been an opinion rendered from the Minnesota Attorney General.

Secondly, this bill was never referred to or heard in the Appropriations Committee and therefore contains no appropriations language allowing the receipts to be expended. There was not a fiscal note which might have estimated the costs before passage. It's difficult for me to commit the next session of the Legislature to such a large sum of money, especially when there is no mechanism in the bill to recover those costs and when the revenue forecasts reflect a need for us to be guarded in our appropriation of funds.

Thirdly, with all the concern that's been expressed by leasees over higher lease rates, I'm not convinced that the number of requests received for purchasing of these lots will equate to a significant number of sales. When a potential purchaser realizes the impact of the out-of-pocket expenses versus a continued leasing arrangement, the number of actual buyers may be substantially less.

Commissioner Joseph Alexander
Commissioner Jay Kiedrowski
September 2, 1986
Page Two

In conclusion, the discrepancy between receipts and costs for the survey and uncertainty of recovering appraisal costs suggest that the most prudent course of action is to delay further implementation of this law until we can consider it next January.

MMF:CJ:rc

cc: Senator Gerald Willet
Rod Sando
Stephanie Warne
Conference Committee Members:
Senator Gene Merriam
Senator Ronald Dicklich
Senator James Pehler
Representative Lona Minne
Representative Sally Olsen
Representative Paul Thiede

GERALD L. WILLET
Chairman, Senate Finance Committee
State Senator 4th District
207 Mill Road
Park Rapids, Minnesota 56470
Phone: (218) 732-3520
and
121 State Capitol
St. Paul, Minnesota 55155
Phone: (612) 296-4147

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SEP 15 1986

LAND BUREAU
Dept. of Natural Resources

Senate

State of Minnesota

September 10, 1986

MEMO

TO: Joseph Alexander, Commissioner
Department of Natural Resources

FROM: Senator Jerry Willet, Chairman
Senate Finance Committee

RE: Sales of leased lakeshore lots

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SEP 15 1986

COMMISSIONER'S
OFFICE

This is in response to your letter and questions regarding leased lakeshore lots and the requirement that the Department of Natural Resources sell these lots when requested to do so by the lessee.

In researching the question on revenues which may otherwise be deposited into the permanent school trust fund, it is interpreted that 50 percent of the 50 percent may be used to survey lots. This means, one-quarter of the total lakeshore revenues on school trust land. Also, it is interpreted that the legislation which requires the selling of leased lots (M.L. 1986 Ch. 449) does not appropriate money for Natural Resources to expend.

There are other considerations in this program; (1) who pays for the cost of the sale? (2) the 1985 legislative request in which the Department will report on leased land that should be sold. This report is due to the Legislature January 1, 1987.

Given the above considerations, the 1987 Legislature may want to review and revise the laws pertaining to the cost of the sale of leased lakeshore lots.

GLW:av

cc: Representative Forsythe
Commissioner Kiedrowski
Conference committee members:
Senator Merriam
Senator Pehler
Representative Minne
Representative S. Olson
Representative Thiede

9/16 - copies to:

Steve Thorne
Gene Gere
✓ Rod Sands
FYI

COMMITTEES • Chairman, Finance • Agriculture & Natural Resources • Rules & Administration • Elections & Ethics

COMMISSIONS • Legislative Commission on Minnesota Resources • Legislative Commission on Employee Relations • Legislative Advisory Commission • Legislative Audit Commission

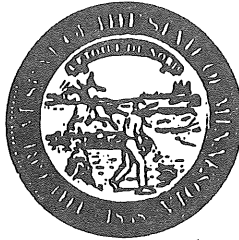
Mary M. Forsythe
District 42B
Hennepin County

Committees:
Chairman, Appropriations
Budget Committee
Judiciary

Legislative Commission on Employee
Relations
Legislative Advisory Commission

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OCT 06 1986



By 30
Minnesota
House of
Representatives

David M. Jennings, Speaker

September 29, 1986

The Honorable Hubert H. Humphrey III
Minnesota State Attorney General
102 State Capitol
St. Paul, MN 55155

*10/6 - copies to:
Steve Thorne
Gene Hare
Rod Sands
fyi*

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OCT - 1 1986

COMMISSIONER'S
OFFICE

Dear Mr. Humphrey,

Minnesota Statutes 120.85 states "the legislature intends that it is the goal of the permanent school fund to secure the maximum long term economic return from school trust lands consistent with the fiduciary responsibilities imposed by the trust relationship established in the Minnesota Constitution".

1986 Laws of Minnesota, Chapter 449, requires the DNR to sell leased lake shore lots at public auction. The legislation includes several provisions which could be construed as interference with the trustees (DNR) duty to manage the lands for the benefit of the trust.

There have been similar laws passed in other states, such as Alaska, Arizona, Nebraska, California and Washington to name a few, which have been later ruled unconstitutional. It appears that many provisions of Chapter 449 are in conflict with Article XI, Section 8, of the State Constitution and with M.S. 120.85. I would like your opinion rendered on this matter. Here are the provisions which raise concern:

- (1) Lessee must request the sale in order for a public auction to occur. This puts the trustee at the mercy of the lessee inhibiting the trustee from determining or having any input into whether or not the sale is in the best interest of the trust fund and may contribute to poor land use management.
- (2) The lease payment or \$500 may be applied to the down payment on the property.
- (3) The lessee has the option of selecting the appraiser.
- (4) The cost of the appraisal must be borne by the trustee if no successful bidder is found.
- (5) The trust fund is solely responsible for the cost of the survey.

- (6) 50% of the funds that would otherwise be deposited into the permanent school fund may be used to survey lots. The DNR has indicated that the amount generated by lake shore leases is far below what will be required based on the requests for sale received to date. Does Article XI, Section 11 allow this expenditure?
- (7) The trustee will not benefit from the sale of improvements to the land. All proceeds from improvements will be paid to the leasee.
- (8) Under M.S. 92.06, the interest rate on the unpaid balance is a floating rate. Chapter 449 sets it at 8%.
- (9) Chapter 449 requires only a 10% down payment. M.S. 92.06 requires a 15% down payment.

All of these nine points give the perception of denying the trustee the duty to secure the best price and the best terms for the ongoing benefit of the permanent school trust fund. In other words, it's my belief that this law impairs the duty of undivided loyalty on the part of the trustee.

I would appreciate your response by October 15. Thank you for your consideration of this matter.

Sincerely,


Mary M. Forsythe
State Representative

MMF:rc

cc: Commissioner Joe Alexander



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY, III
ATTORNEY GENERAL

ST. PAUL 55155

ADDRESS REPLY TO:
102 CAPITOL BUILDING
ST. PAUL, MN 55155
TELEPHONE: (612) 396-6196

October 24, 1986

Honorable Mary M. Forsythe
District 42B, Hennepin County
Minnesota House of Representatives
State Office Building
St. Paul, Minnesota 55155

Dear Representative Forsythe:

Thank you for asking me about possible constitutional problems raised by 1986 Minn. Laws, ch. 449. I gather from your letter you raise these questions on your own behalf rather than on behalf of any particular committee. Unfortunately, I cannot give you, as an individual legislator, a formal opinion on these issues since formal opinions are issued only to the legislative houses themselves, their committees and commissions, and as further enumerated in Minn. Stat. § 8.05.

Additionally, even if your request were made on behalf of a committee, we "do not ordinarily undertake to . . . [d]etermine the constitutionality of state statutes since this office may deem it appropriate to intervene and defend challenges to the constitutionality of statutes." Op. Atty. Gen. 629-a (May 9, 1975). See also Op. Atty. Gen. 454-e (Oct. 11, 1955), in which we wrote:

When considering the constitutionality of a statute we begin with the premise that an act of the legislature must be sustained unless its unconstitutionality appears beyond a reasonable doubt.

This is not to say that the concerns you raise are without merit and would not ultimately be upheld in a court of law, only that our office does not presume to obviate the judicial process unless the unconstitutionality of a statute is without doubt and no reasonable argument could be made in its defense.

With this background in mind, let me make a few comments which may be helpful as you study chapter 449. In your letter you write that chapter 449 "includes several provisions which could be construed as interference with the trustee's (DNR) duty to manage the lands for the benefit of the trust." One might have the impression from this statement that the legislature has attempted to perform functions which properly belong only to the Commissioner of Natural Resources. That may not be the case. The position of the Commissioner of Natural Resources has been created by the legislature. Minn. Stat. §§ 84.01 and 84.024.

AN EQUAL OPPORTUNITY EMPLOYER

Honorable Mary M. Forsythe

Page 2

The duties and functions of the commissioner as trustee and manager of the public lands, timber, minerals and water are given to him by statute. See Minn. Stat. § 84.027, subd. 2, and related statutes such as §§ 16A.125, 84.024, 84.027, subd. 8, 89.002, 89.01, 90.041, subd. 1, 92.02, 93.04 and 120.84. Presumably, the legislature could alter the way some of these duties are carried out.

The commissioner derives no power over these lands from the Minnesota Constitution because the constitution is silent on the question of who is the trustee of the permanent school fund lands. Thus, since these lands were granted to the state itself, not to the commissioner or Department of Natural Resources, when the legislature passes laws governing these lands it is, in a sense, exercising its overriding power to act as the state's trustee and determine policies as to how these lands can best be managed. Furthermore, on questions where elements of judgment and discretion are involved such as trust fund land management and disposition issues, it is presumptuous in all but the most extreme cases for our office to declare that the legislature has no power to exercise its discretion and judgment in the manner it chose rather than in some other manner. The question you seem to be asking is whether chapter 449 is a sound exercise of the state's (or legislature's) trustee function over these lakeshore lands? There are many varied elements that go into answering that question. Analysis of those elements does not yield a conclusive clear-cut answer.

Certainly one can suppose that a trustee seeking to responsibly exercise its trust duties might have chosen methods of managing or selling these lands differently than the choices made in chapter 449. For example, a trustee may not have allowed application of previously paid rent to the downpayment in the event of sale, or offered lands for sale based on the current lessee's request, or (an item not raised in your letter) prohibited itself from charging a right of way fee where none is now charged for access over public lands to the previously owned lands. Similar questions arise with respect to the minimum downpayment requirement, the length of time to pay off the purchase price and the interest rate on the unpaid balance. One way to analyze such issues would be to ask whether a reasonable and prudent trustee of privately-owned lands would sell or manage them in a similar manner.

Probably the major question, however, is whether trust land rental proceeds may be used to offset survey costs and whether sale costs may be deducted from the proceeds. It would seem that the constitution would so allow if consistent with Minn. Const. art. XI, § 11. But, if the lands to be sold are trust lands not

Honorable Mary M. Forsythe

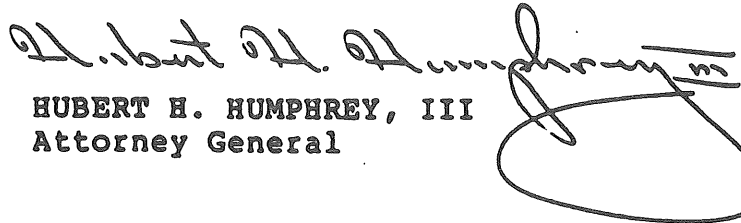
Page 3

within the boundaries of state forests, then the answer to the question is unclear. A 1955 Attorney General's opinion held that management costs for such lands could not be deducted from the proceeds to be deposited in the permanent school fund. See Op. Atty. Gen. 454-e (Oct. 11, 1955). It must be recognized, however, that some of the key constitutional provisions analyzed in that opinion have been amended since that opinion was drafted.

In the last analysis, it is probably fair to say that the provisions of chapter 449 which you question may be in the grey area of constitutionality. It might be prudent for the legislature to take another look at this law and consider amending it so that the constitutional uncertainty is reduced.

I hope these thoughts provide some usefulness to you as you analyze this law.

Best regards,


HUBERT H. HUMPHREY, III
Attorney General

cc: Jenny Engh

I understand that in making a request for sale of land leased to me that the sales procedure to be used if my request is granted is contained in Minn. Stat. §§ 92.06, 92.12, 92.67 and 92.68 (1986). I agree, however, that if an appraisal cannot be completed prior to the date of sale, then there shall be no offer

of the parcel for sale in that calendar year and that the parcel may be offered for sale in the succeeding calendar year. In the event I am not the successful bidder, I agree to quit the premises peaceably and without damage to the parcel within thirty (30) days after the date of sale and to remove all of my personal property within that period.

I hereby agree that the parcel shall be open for inspection by authorized department of natural resources personnel and appraisers, realtors, prospective purchasers, their agents, etc. at reasonable times prior to the public sale. I understand that "being open for inspection at reasonable times" may include such things as periodic "open houses", on weekends or other times, as are customarily practiced by sellers of real estate to facilitate the opportunity for prospective purchasers to view the parcel as well as view others in the vicinity.

I hereby certify that there are no mortgages, liens, or encumbrances of any kind on my improvements and that I have not sold them to any other party under a contract for deed except as follows:

(List all mortgages, liens, encumbrances, contracts for

deeds, etc., and give amounts owed or due.)

I further certify that all taxes have been paid.

In the event the state offers this parcel for sale, I agree to notify the department of natural resources of any mortgages, liens, encumbrances, unpaid taxes, or any other thing

or event that may affect the value of the parcel at least twenty (20) days prior to the date of sale.

I hereby recognize and agree that in the event the department of natural resources concludes that I or my agents have impeded the prospects for sale of this parcel by, for example, excluding inspection of the improvements at reasonable times, that the department of natural resources, without any liability on its part whatsoever, may cancel sale of this parcel and shall not be required to offer it for sale again unless I agree in writing not to impede the prospects for sale.

In the event I withdraw my request for sale of this parcel prior to the public sale, I agree to notify the department of natural resources of my decision no later than forty (40) days prior to the date of sale. I realize that I shall be liable for the cost of appraisal of the parcel if I withdraw my request for sale.

NOTE: All mortgagees and
contract for deed holders
must sign this document.

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me
this _____ day of _____, 198__, by
_____.

Notary Public



CABIN SITE LEASE

Lease Number
Area Number
Plat Number

This lease, executed in quadruplicate this _____ day of _____, 19____ to become effective on the _____ of _____, 19____ by and between the State of Minnesota under authority and subject to the limitations of M.S. Section 92.46 for Lakeshore leases and M.S. 92.50 for Hunting leases, acting by and through its Commissioner of Natural Resources as "lessor" and

Name(s)	
Address	Telephone Number (include Area Code)

as "lessee", WITNESSETH:

1. In case of change of address, the lessee shall IMMEDIATELY notify the Bureau of Land and the Area Forestry Office in writing.

2. The lessor, in consideration of the payments, covenants and conditions hereinafter recited, does hereby lease to the lessee the following described lands:

Site	Lot	Section	Township	Range	Name of Lake	County

except for an easement for public travel over and across a strip 33 feet wide parallel landward to ordinary high water mark, for the purpose of maintaining a cabin site and necessary sanitary facilities not to be rented, leased, or sublet.

3. This lease shall terminate December 31, 1990, or earlier upon failure to pay when due the annual rental fee as stated in paragraph 4, or upon breach of any other covenant or condition. This lease may be cancelled at any time at the discretion of the lessor upon thirty days written notice for Lakeshore leases written under M.S. 92.46 and upon 3 months written notice for Hunting leases written under M.S. 92.50, sent to the lessee at his last known address by United States mail without any refund for advance rental previously paid due lessee.

4. The lessee shall pay in advance on or before December 31 of each year as annual rental to the lessor, through the Bureau of Land the sum of _____ Dollars. If the rental is not paid before December 31, this lease will be considered terminated. It may be reinstated before the following March 31 by paying the annual rental plus a reinstatement fee of Ten (\$10.00) Dollars or 10% of the lease fee, whichever is greater.

5. The lessee may surrender this lease by giving the lessor thirty days written notice of such intention and by paying all rents, taxes, and other charges up to the date of surrender. Lessee understands and agrees that Lessor shall not refund any annual rental fee previously paid upon lessee's surrender.

6. Upon the surrender, termination or cancellation of this lease, if all rentals, taxes, and other charges are paid, the lessee may remove all buildings and personal property owned by him from the premises within three months after the date of surrender, termination or cancellation or such additional time at the discretion of the lessor; and to leave the property in as good condition as on the effective date of this lease. If the lessee shall fail to remove such property within the times above set out for surrender, termination, or cancellation, time being the essence hereof, all such property remaining after expiration of such times shall become, by virtue of such failure, the property of the lessor, to be used or disposed of as its officers or agents elect, and the lessee may be ejected or removed from said premises. The right to remove said buildings shall not include the right to occupy said buildings after the surrender, termination or cancellation date. In the event of the sale of the premises, this lease shall be terminated and buildings remaining on the premises shall be disposed of in accordance with M.S. 92.06, subd. 4.

7. Disorderly or otherwise objectionable conduct by the lessee or those occupying the premises with his permission shall be cause for immediate cancellation of this lease.

8. Construction or remodeling of a cabin. No construction or remodeling of a cabin, sanitary facilities, or any other structure, shall begin without first obtaining the required approval and permits from the County and all other units of government exercising jurisdiction over the premises and also written permission of the lessor.

a. Summer Lakeshore Cabin. Not to exceed one residence shall be constructed upon the land.

b. Hunting Cabin Site. The building of not to exceed one residence cabin may be built if so elected by lessee. A trailer may be used upon the premises if removed from the premises for at least six months every calendar year.

c. The exterior walls of all buildings must be constructed of materials that are normally used in standard cabin construction such as peeled logs, siding, brick or stone, wooden shingles or shakes, batten walls, or similar material that is acceptable to the lessor. Such wall surfaces must be painted, varnished, stained or oiled periodically to keep them maintained in a neat condition and of earthtone colors to blend into the surroundings. Asphalt shingles or rolled roofing may be used on the roof, but only the materials mentioned above may be used on the exterior walls. All other structures, including docks, must be maintained in a safe and sanitary condition.

9. Barbed wire may not be used in the construction of any fences upon the premises.

10. The lessor shall not be responsible for the construction or maintenance of any road to this site. The lessee shall fully repair all damage to roads and trails on State lands caused in the exercise of privileges granted by this lease.

11. The lessee shall take all necessary precautions to prevent pollution of all public waters and shall keep the premises in a neat and orderly condition. This shall include but not be limited to the disposal of all garbage and refuse in an approved landfill.

12. The lessee shall take all necessary precautions to prevent and suppress forest fires, including the maintenance of hoods or screens over the outlets of all chimneys. The lessee shall pile and burn or otherwise dispose of all brush and debris caused by building or improving the premises at places where living trees will not be injured or killed. All burning must be done under favorable weather conditions when there will be no danger of a fire spreading. Burning permits must be obtained from Township Fire Wardens or District Forestry Offices as provided by law.

13. No timber shall be cut except what is absolutely necessary and then only upon the written approval of the Area Forest Supervisor.

14. The premises and their use shall be subject to inspection at all reasonable times by the duly authorized representatives of the lessor.

15. Occupancy and use under this lease is not intended in any way to cause development that shall increase local or State expenditures.

16. The lessee agrees to pay all taxes when due that may be levied against the premises and improvements thereon.

17. The charges for this lease shall be readjusted at the end of the fifth year, according to lessor's appraised value of the premises.

18. It is understood and agreed that this lease is subject at all times to the leasing of the land for mineral or other purposes under legal provisions.

19. Hunting of wild game is prohibited on any land which has been posted by the lessee to prohibit hunting. Such prohibition shall apply to all persons including the lessee.

20. The lessee hereby agrees not to assign this lease or premises or any portion thereof without the written consent of lessor, subject to such conditions as may be imposed at time of transfer. This shall include but is not limited to bill of sale, proof of taxes paid to date and a transfer fee.

21. The terms, covenants, and conditions herein contained shall extend to and bind the heirs, executors, and assigns of the lessee.

IN TESTIMONY WHEREOF, the parties have set their hands in quadruplicate in the day and year first above written.

STATE OF MINNESOTA
Department of Natural Resources

Commissioner of Natural Resources

APPROVED AS TO FORM AND EXECUTION

By _____

Attorney General

By _____
Special Assistant Attorney General
Department of Natural Resources

Lessee

Date _____

Lessee

Lessee

Lessee

PERCENT OF LAKESHORE LOTS REQUESTED FOR SALE, BY PLAT
(Excluding Salt Spring Plats)

LAKE	COUNTY	PLAT STATUS	RECOMMEND	TOTAL LEASES	REQUESTS FOR SALE	PERCENT REQUESTED
LEECH	CASS	17801 SCHOOL	SELL	9	9	100.0%
OWENS	ITASCA	881 SCHOOL	SELL	1	1	100.0%
POKEGAMA	ITASCA	32301 SCHOOL	SELL	9	9	100.0%
WINNIE	CASS	49 SCHOOL	ADD'L STUDY	7	7	100.0%
SOUTH STURGEON	ITASCA	170 SCHOOL	ADD'L STUDY	10	9	90.0%
WOMAN	CASS	31501 SCHOOL	PHASE OUT	6	5	83.3%
WINNIE	CASS	76 SCHOOL	ADD'L STUDY	11	9	81.8%
TURTLE	ITASCA	32501 SCHOOL	SELL	13	10	76.9%
OWENS	ITASCA	66 SCHOOL	SELL	4	3	75.0%
WABANA	ITASCA	32601 SCHOOL	SELL	4	3	75.0%
LONG	ITASCA	151 SCHOOL	SELL	7	5	71.4%
GRAVE	ITASCA	165 SCHOOL	SELL	15	10	66.7%
POKEGAMA	ITASCA	32302 SCHOOL	SELL	29	19	65.5%
ADA	CASS	30601 SCHOOL	SELL	8	5	62.5%
DEVIL'S TRACK	COOK	35205 SCHOOL	SELL	8	5	62.5%
SOUTH STURGEON	ITASCA	82 SCHOOL	SELL	16	10	62.5%
SOUTH STURGEON	ST. LOUIS	168 SCHOOL	SELL	16	10	62.5%
TWIN	ITASCA	33901 UNIV	SELL	13	8	61.5%
DAGGETT	CROW WING	120 SCHOOL	SELL	17	10	58.8%
BLACKHOOF	CROW WING	30101 SCHOOL	ADD'L STUDY	7	4	57.1%
GREER	CROW WING	31 SCHOOL	SELL	18	10	55.6%
BIRCH	ST. LOUIS	172 SCHOOL	SELL	13	7	53.8%
DEVIL'S TRACK	COOK	35206 SCHOOL	SELL	13	7	53.8%
RAINY	ST. LOUIS	34903 SCHOOL	SELL	15	8	53.3%
DEVIL'S TRACK	COOK	35201 SCHOOL	SELL	31	16	51.6%
HAPPY	ST. LOUIS	33101 SCHOOL	SELL	4	2	50.0%
JEANETTE	ST. LOUIS	33202 SCHOOL	SELL	6	3	50.0%
KABETOGAMA	ST. LOUIS	98 SCHOOL	SELL	6	3	50.0%
RAINY	ST. LOUIS	34801 SCHOOL	SELL	2	1	50.0%
RAINY	ST. LOUIS	34902 SCHOOL	SELL	6	3	50.0%
STEVENS	CASS	34601 SCHOOL	SELL	8	4	50.0%
WAUKENABO	AITKIN	34701 CON CON	SELL	4	2	50.0%
WHITEFISH	CROW WING	30501 SCHOOL	SELL	9	4	44.4%
BEATRICE	ITASCA	69 ACB FOR	SELL	25	11	44.0%
DUCK	HUBBARD	30801 SCHOOL	SELL	23	10	43.5%
BURNT SHANTY	ITASCA	31801 SCHOOL	SELL	42	18	42.9%
JEANETTE	ST. LOUIS	33201 SCHOOL	SELL	10	4	40.0%
LONG	ITASCA	182 SCHOOL	SELL	15	6	40.0%
MCFARLAND	COOK	105 SCHOOL	SELL	5	2	40.0%
PLATTE	CROW WING	30301 SCHOOL	SELL	18	7	38.9%
CARIBOU	COOK	35101 SCHOOL	SELL	37	14	37.8%
LITTLE SAND	HUBBARD	31301 SCHOOL	SELL	16	6	37.5%
BIG BASS	HUBBARD	31201 SCHOOL	SELL	11	4	36.4%
LEANDER	ST. LOUIS	33301 SCHOOL	SELL	33	12	36.4%
ST. MARY'S	ST. LOUIS	33601 SCHOOL	SELL	22	8	36.4%
DEER	ITASCA	6801 SCHOOL	SELL	29	10	34.5%
BURROWS	ITASCA	31901 SCHOOL	SELL	41	14	34.1%
BELTRAMI	BELTRAMI	85 SCHOOL	SELL	9	3	33.3%
KABETOGAMA	ST. LOUIS	50 SCHOOL	SELL	9	3	33.3%
ST. MARY'S	ST. LOUIS	33603 SCHOOL	SELL	6	2	33.3%

ONE WITHDRAWN REQUEST

PERCENT OF LAKESHORE LOTS REQUESTED FOR SALE, BY PLAT
(Excluding Salt Spring Plats)

LAKE	COUNTY	PLAT	STATUS	RECOMMEND	TOTAL LEASES	REQUESTS FOR SALE	PERCENT REQUESTED
KABETOAGAMA	ST. LOUIS	59	SCHOOL	PHASE OUT	19	6	31.6%
CROSS	CROW WING	123	SCHOOL	SELL	10	3	30.0%
WHITE FACE	ST. LOUIS	35601	SCHOOL	SELL	78	23	29.5%
BLIND	AITKIN	34002	SCHOOL	SELL	7	2	28.6%
COE	ST. LOUIS	32801	SCHOOL	SELL	11	3	27.3%
KABETOAGAMA	ST. LOUIS	10	SCHOOL	SELL	22	6	27.3%
KING	ITASCA	141	SCHOOL	SELL	15	4	26.7%
LEECH	CASS	34101	SCHOOL	SELL	15	4	26.7%
BURNTSIDE	ST. LOUIS	13	SCHOOL	SELL	12	3	25.0%
LONG	CASS	34301	SCHOOL	SELL	12	3	25.0%
MCCARTHY	ITASCA	33501	SCHOOL	SELL	4	1	25.0%
OWENS	ITASCA	847	SCHOOL	SELL	8	2	25.0%
PERCH	ST. LOUIS	43	SCHOOL	SELL	20	5	25.0%
PORTAGE	AITKIN	34401	SCHOOL	SELL	4	1	25.0%
RAINY	ST. LOUIS	34901	SCHOOL	SELL	12	3	25.0%
UNION	POLK	31701	SCHOOL	SELL	4	1	25.0%
UPPER HAY	CROW WING	30401	SCHOOL	SELL	8	2	25.0%
WEST BEARSKIN	COOK	35503	SCHOOL	SELL	17	4	23.5%
CRANE	ST. LOUIS	87	SCHOOL	SELL	9	2	22.2%
PICKEREL	HUBBARD	31401	SCHOOL	SELL	18	4	22.2%
LEECH	CASS	67	SCHOOL	SELL	14	3	21.4%
LOST MOOSE	ITASCA	32201	SCHOOL	SELL	14	3	21.4%
LITTLE THUNDER	CASS	149	ACQ FOR	SELL	19	4	21.1%
BLACKHOOF	CROW WING	30201	SCHOOL	SELL	29	6	20.7%
BEAUTY	ITASCA	32701	UNIV	SELL	20	4	20.0%
CHILD	CASS	30701	SCHOOL	SELL	10	2	20.0%
FALL	LAKE	72	SCHOOL	SELL	15	3	20.0%
VERMILLION	ST. LOUIS	1	SCHOOL	SELL	10	2	20.0%
BIG BEAR	ITASCA	44	SCHOOL	SELL	43	8	18.6%
SAND POINT	ST. LOUIS	40	SCHOOL	PHASE OUT	17	3	17.6%
BEAR ISLAND	ST. LOUIS	133	SCHOOL	SELL	54	9	16.7%
LOON	COOK	35301	SCHOOL	SELL	6	1	16.7%
SUPERIOR	COOK	92	SCHOOL	PHASE OUT	6	1	16.7%
SIDE	ST. LOUIS	46	SCHOOL	SELL	13	2	15.4%
SOUTH STURGEON	ITASCA	142	ACQ FOR	SELL	26	4	15.4%
HAENKE	ST. LOUIS	33001	SCHOOL	SELL	7	1	14.3%
LONG	ITASCA	181	SCHOOL	SELL	7	1	14.3%
BLACKDUCK	ST. LOUIS	112	ACQ FOR	SELL	16	2	12.5%
LOON	COOK	35303	SCHOOL	SELL	16	2	12.5%
HAND	CASS	30901	SCHOOL	SELL	17	2	11.8%
MIDGE	HUBBARD	31601	SCHOOL	SELL	9	1	11.1%
WEST BEARSKIN	COOK	35501	SCHOOL	SELL	19	2	10.5%
SPIRIT	ST. LOUIS	33801	SCHOOL	SELL	10	1	10.0%
WASHBURN	CASS	126	SCHOOL	SELL	10	1	10.0%
HAY	CASS	31001	SCHOOL	SELL	41	4	9.8%
BIRCH	ST. LOUIS	119	SCHOOL	SELL	22	2	9.1%
SILVER	ST. LOUIS	33701	SCHOOL	SELL	11	1	9.1%
WHITE FACE	ST. LOUIS	35606	SCHOOL	SELL	11	1	9.1%
BLACKDUCK	ST. LOUIS	132	SCHL/ACQ	SELL	12	1	8.3%
MIRROR	ITASCA	153	SCHOOL	SELL	12	1	8.3%

PERCENT OF LAKESHORE LOTS REQUESTED FOR SALE, BY PLAT
(Excluding Salt Spring Plats)

LAKE	COUNTY	PLAT	STATUS	RECOMMEND	TOTAL LEASES	REQUESTS FOR SALE	PERCENT REQUESTED
SAND POINT	ST. LOUIS	36	SCHOOL	PHASE OUT	12	1	8.3%
VERMILLION	ST. LOUIS	5	SCHOOL	SELL	12	1	8.3%
ROCK	AITKIN	34501	SCHOOL	SELL	13	1	7.7%
ESKER	ST. LOUIS	14301	SCHOOL	SELL	14	1	7.1%
SPRING	ST. LOUIS	45	SCHOOL	SELL	16	1	6.3%
LITTLE LONG	ITASCA	18301	SCHOOL	SELL	21	1	4.8%
ASH RIVER	ST. LOUIS	114	ACB FOR	SELL	6	0	0.0%
ASH RIVER	ST. LOUIS	113	ACB FOR	SELL	4	0	0.0%
BAPTISM RIVER	LAKE	65	SCHOOL	SELL	1	0	0.0%
BATTLE	ITASCA	140	SCHOOL	PHASE OUT	1	0	0.0%
BEAR ISLAND	ST. LOUIS	25	SCHOOL	SELL	5	0	0.0%
BEAR ISLAND	ST. LOUIS	39	SCHOOL	PHASE OUT	2	0	0.0%
BIRCH	ST. LOUIS	823	SCHOOL	PHASE OUT	8	0	0.0%
BURNTSIDE	ST. LOUIS	21	SCHOOL	PHASE OUT	4	0	0.0%
BURNTSIDE	ST. LOUIS	26	SCHOOL	ADD'L STUDY	1	0	0.0%
CLEAR	ITASCA	32001	SCHOOL	SELL	5	0	0.0%
CRANE	ST. LOUIS	155	ACB FOR	SELL	13	0	0.0%
CROOKED	ITASCA	32901	SCHOOL	SELL	7	0	0.0%
ESKER	ST. LOUIS	157	SCHOOL	SELL	21	0	0.0%
HART	ITASCA	0	SCHOOL	SELL	1	0	0.0%
ISLAND	ITASCA	32101	SCHOOL	SELL	5	0	0.0%
KABETOAGAMA	ST. LOUIS	60	SCHOOL	PHASE OUT	1	0	0.0%
KABETOAGAMA	ST. LOUIS	71	SCHOOL	SELL	4	0	0.0%
KABETOAGAMA	ST. LOUIS	27	SCHOOL	PHASE OUT	6	0	0.0%
LEECH	CASS	31101	SCHOOL	SELL	10	0	0.0%
LONG	ITASCA	152	SCHOOL	SELL	5	0	0.0%
PELICAN	ST. LOUIS	32	SCHOOL	SELL	1	0	0.0%
PELICAN	ST. LOUIS	122	SCHOOL	SELL	1	0	0.0%
PELICAN	ST. LOUIS	64	SCHOOL	PHASE OUT	1	0	0.0%
PIKE BAY	CASS	131	SCHOOL	ADD'L STUDY	5	0	0.0%
ROUND	ITASCA	32401	SCHOOL	PHASE OUT	2	0	0.0%
THUNDER	CASS	0	SCHOOL	PHASE OUT	1	0	0.0%
TWO ISLAND	COOK	0	SCHOOL	SELL	1	0	0.0%
VAN DUSE	AITKIN	35	SCHOOL	PHASE OUT	1	0	0.0%
VERMILLION	ST. LOUIS	4	SCHOOL	PHASE OUT	2	0	0.0%
VERMILLION	ST. LOUIS	117	SCHOOL	SELL	13	0	0.0%
VERMILLION	ST. LOUIS	909	SCHOOL	PHASE OUT	2	0	0.0%
VERMILLION	ST. LOUIS	18	SCHOOL	PHASE OUT	3	0	0.0%
VERMILLION RIVER	ST. LOUIS	34	SCHOOL	PHASE OUT	4	0	0.0%
WILSON	ITASCA	108	SCHOOL	PHASE OUT	2	0	0.0%
TOTAL:		140			1,754	521	29.7%

WITHDRAWN REQUEST

ECONOMIC ANALYSIS OF LAKESHORE SALES:
COMPARISON OF THREE OPTIONS, BY PLAT

LAKE	COUNTY	PLAT STATUS	TOTAL LEASES	TOTAL APPRAISED VALUE	RECOMMEND	LOTS PHASED OUT	REQUESTS FOR SALE	SELL ALL LOTS				SELL REQUESTED LOTS				LEASE ALL LOTS	
								LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	TOTAL SALE COST	TOTAL LEASE VALUE*
ADA	CASS	30601 SCHOOL	8	132,000	SELL	2	5	6	111,500	20,216	96,523	3	49,500	16,774	107,965	0	129,613
BATTLE	ITASCA	140 SCHOOL	1	4,400	PHASE OUT	1	0	0	0	0	2,030	0	0	0	2,030	0	2,030
BEAR ISLAND	ST. LOUIS	25 SCHOOL	5	32,500	SELL	0	0	5	32,500	12,640	21,860	0	0	0	30,125	0	30,125
BEAR ISLAND	ST. LOUIS	39 SCHOOL	2	16,300	PHASE OUT	2	0	0	0	0	9,659	0	0	0	9,659	0	9,659
BEAR ISLAND	ST. LOUIS	133 SCHOOL	54	417,700	SELL	0	9	54	417,700	85,165	354,135	9	68,600	46,319	367,756	0	408,725
BEATRICE	ITASCA	69 ACB FOR	25	257,800	SELL	1	11	24	250,775	43,692	217,568	11	112,500	31,182	232,147	0	263,954
BEAUTY	ITASCA	32701 UNIV	20	115,500	SELL	0	4	20	115,500	33,696	89,804	4	23,200	20,907	85,668	0	102,375
BELTRAMI	BELTRAMI	85 SCHOOL	9	121,500	SELL	0	3	9	121,500	23,144	101,956	3	40,500	15,221	115,129	0	132,975
BIG BASS	HUBBARD	31201 SCHOOL	11	98,400	SELL	0	4	11	98,400	22,497	80,303	4	35,500	15,873	85,152	0	99,900
BIG BEAR	ITASCA	44 SCHOOL	43	248,100	SELL	0	8	43	248,100	66,132	199,168	8	46,800	38,236	189,889	0	219,825
BIRCH	ST. LOUIS	119 SCHOOL	22	165,100	SELL	0	2	22	165,100	37,767	136,133	2	15,000	20,651	140,774	0	160,175
BIRCH	ST. LOUIS	172 SCHOOL	13	97,700	SELL	1	7	12	89,100	23,667	70,233	6	44,700	18,528	71,472	0	86,175
BIRCH	ST. LOUIS	823 SCHOOL	8	34,200	PHASE OUT	8	0	0	0	0	13,394	0	0	0	13,394	0	13,394
BLACKDUCK	ST. LOUIS	112 ACB FOR	16	95,645	SELL	0	2	16	95,645	28,143	73,902	2	11,000	16,832	71,374	0	85,956
BLACKDUCK	ST. LOUIS	132 SCHL/ACB	12	72,500	SELL	0	1	12	72,500	22,499	54,801	1	5,000	13,572	53,103	0	65,425
BLACKHOOF	CROW WING	30101 SCHOOL	7	156,800	SELL	0	4	7	156,800	17,695	141,905	4	89,600	14,183	154,717	0	181,300
BLACKHOOF	CROW WING	30201 SCHOOL	29	329,500	SELL	0	6	29	329,500	51,976	289,124	6	67,800	29,164	319,861	0	350,975
BLIND	AITKIN	34002 SCHOOL	7	42,000	SELL	0	2	7	42,000	22,283	22,517	2	12,000	17,864	21,936	0	37,800
BURNT SHANTY	ITASCA	31801 SCHOOL	42	279,600	SELL	0	18	42	279,600	65,964	230,436	18	124,800	46,261	228,839	0	261,300
BURNTSIDE	ST. LOUIS	13 SCHOOL	12	154,000	SELL	0	3	12	154,000	25,216	133,584	3	37,500	15,863	149,562	0	167,300
BURNTSIDE	ST. LOUIS	21 SCHOOL	4	35,500	PHASE OUT	4	0	0	0	0	21,483	0	0	0	21,483	0	21,483
BURNTSIDE	ST. LOUIS	26 SCHOOL	1	10,000	PHASE OUT	1	0	0	0	0	6,211	0	0	0	6,211	0	6,211
BURNOWS	ITASCA	31901 SCHOOL	41	309,300	SELL	0	14	41	309,300	65,736	259,964	14	111,300	42,801	264,749	0	300,525
CARRIBOU	COOK	35101 SCHOOL	37	433,400	SELL	0	14	37	433,400	72,643	375,557	14	168,200	49,759	407,241	0	464,050
CHILD	CASS	30701 SCHOOL	10	80,000	SELL	2	2	8	64,000	18,691	57,944	1	8,000	12,467	60,668	0	72,635
CLEAR	ITASCA	32001 SCHOOL	5	27,600	SELL	0	0	5	27,600	12,495	17,105	0	0	0	24,000	0	24,000
COE	ST. LOUIS	32801 SCHOOL	11	63,100	SELL	0	3	11	63,100	20,968	46,532	3	17,000	14,565	44,460	0	55,775
CRANE	ST. LOUIS	87 SCHOOL	9	122,350	SELL	0	2	9	122,350	27,411	98,539	2	29,700	20,060	111,553	0	134,038
CRANE	ST. LOUIS	155 ACB FOR	13	113,000	SELL	0	0	13	113,000	22,449	95,751	0	0	0	113,950	0	113,950
CROOKED	ITASCA	32901 SCHOOL	7	40,500	SELL	0	0	7	40,500	15,362	27,938	0	0	0	35,925	0	35,925
CROSS	CROW WING	123 SCHOOL	10	214,000	SELL	2	3	8	164,000	20,641	181,374	3	61,000	14,922	200,343	0	223,015
DASSETT	CROW WING	120 SCHOOL	17	426,000	SELL	0	10	17	426,000	36,758	396,042	10	251,000	28,831	430,219	0	496,800
DEER	ITASCA	6801 SCHOOL	29	235,700	SELL	0	10	29	235,700	48,666	198,634	10	78,200	31,892	207,283	0	233,725
DEVIL'S TRACK	COOK	35201 SCHOOL	31	450,500	SELL	0	16	31	450,500	56,564	406,336	16	159,000	37,634	460,641	0	498,025
DEVIL'S TRACK	COOK	35205 SCHOOL	8	147,500	SELL	0	5	8	147,500	16,440	134,260	5	53,700	12,263	154,387	0	167,575
DEVIL'S TRACK	COOK	35206 SCHOOL	13	198,350	SELL	2	7	11	159,350	22,117	168,237	6	56,600	15,517	188,024	0	202,691
DUCK	HUBBARD	30801 SCHOOL	23	148,000	SELL	0	10	23	148,000	38,767	118,433	10	65,000	27,850	117,600	0	136,700
ESKER	ST. LOUIS	157 SCHOOL	21	115,300	SELL	0	0	21	115,300	36,923	86,777	0	0	0	100,025	0	100,025
ESKER	ST. LOUIS	14301 SCHOOL	14	84,800	SELL	5	1	9	57,700	21,423	53,836	1	5,600	14,820	53,464	0	67,184
FALL	LAKE	72 SCHOOL	15	186,800	SELL	0	3	15	186,800	32,052	160,748	3	30,000	18,180	183,820	0	202,000
GRAVE	ITASCA	165 SCHOOL	15	89,500	SELL	0	10	15	89,500	26,739	68,761	10	59,500	22,669	67,831	0	80,375
GREER	CROW WING	31 SCHOOL	18	162,000	SELL	0	10	18	162,000	32,994	136,206	10	90,000	25,563	141,637	0	164,700
HENKE	ST. LOUIS	33001 SCHOOL	7	48,200	SELL	0	1	7	48,200	15,599	35,401	1	6,900	10,564	35,761	0	45,550
HIND	CASS	30901 SCHOOL	17	109,500	SELL	0	2	17	109,500	29,942	86,358	2	13,000	17,537	85,388	0	101,175
HAPPY	ST. LOUIS	33101 SCHOOL	4	30,300	SELL	0	2	4	30,300	11,348	20,552	2	15,000	9,595	21,130	0	29,475
HUNT	ITASCA	0 SCHOOL	1	9,000	SELL	0	0	1	9,000	8,278	1,122	0	0	0	9,150	0	9,150
HAY	CASS	31001 SCHOOL	41	374,000	SELL	0	4	41	374,000	67,992	322,408	4	35,500	34,236	348,289	0	381,400
ISLAND	ITASCA	32101 SCHOOL	5	27,500	SELL	0	0	5	27,500	12,492	17,008	0	0	0	23,875	0	23,875

* Includes lease value of lots where phase-out or additional study is recommended.

ECONOMIC ANALYSIS OF LAKESHORE SALES:
COMPARISON OF THREE OPTIONS, BY PLAT

LAKE	COUNTY	PLAT STATUS	TOTAL LEASES	TOTAL APPRAISED VALUE	RECOMMEND	LOTS PHASED OUT	REQUESTS FOR SALE	SELL ALL LOTS				SELL REQUESTED LOTS				LEASE ALL LOTS	
								LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	TOTAL SALE COST	TOTAL LEASE VALUE*
JEANETTE	ST. LOUIS	33201 SCHOOL	10	69,100	SELL	0	4	10	69,100	19,950	53,150	4	27,500	14,905	53,595	0	63,375
JEANETTE	ST. LOUIS	33202 SCHOOL	6	40,700	SELL	1	3	5	35,450	13,352	24,689	2	13,700	10,780	25,199	0	34,404
KABETOBAHA	ST. LOUIS	10 SCHOOL	22	201,980	SELL	4	6	18	181,980	35,914	163,179	5	40,750	23,321	178,580	0	199,588
KABETOBAHA	ST. LOUIS	27 SCHOOL	6	101,725	PHASE OUT	6	0	0	0	0	68,409	0	0	0	68,409	0	68,409
KABETOBAHA	ST. LOUIS	50 SCHOOL	9	121,550	SELL	5	3	4	43,550	14,861	82,243	2	24,050	12,968	84,011	0	97,991
KABETOBAHA	ST. LOUIS	59 SCHOOL	19	207,040	PHASE OUT	19	6	0	0	0	130,720	0	0	0	130,720	0	130,720
KABETOBAHA	ST. LOUIS	60 SCHOOL	1	12,500	PHASE OUT	1	0	0	0	0	8,077	0	0	0	8,077	0	8,077
KABETOBAHA	ST. LOUIS	71 SCHOOL	4	18,000	SELL	2	0	2	9,000	9,431	4,579	0	0	0	11,250	0	11,250
KABETOBAHA	ST. LOUIS	98 SCHOOL	6	110,430	SELL	0	3	6	110,430	15,774	97,056	3	56,350	12,427	106,423	0	125,438
KING	ITASCA	141 SCHOOL	15	80,500	SELL	0	4	15	80,500	26,439	60,061	4	21,500	17,780	55,970	0	69,125
LEANDER	ST. LOUIS	33301 SCHOOL	33	282,600	SELL	0	12	33	282,600	55,082	240,718	12	100,100	36,282	252,643	0	283,950
LEECH	CASS	67 SCHOOL	14	130,200	SELL	0	3	14	130,200	26,978	108,822	3	27,900	16,795	117,080	0	133,350
LEECH	CASS	17801 SCHOOL	9	82,800	SELL	0	9	9	82,800	19,308	67,092	9	82,800	19,177	67,223	0	84,600
LEECH	CASS	31101 SCHOOL	10	152,800	SELL	0	0	10	152,800	22,766	134,034	0	0	0	170,000	0	170,000
LEECH	CASS	34101 SCHOOL	15	216,200	SELL	2	4	13	187,373	28,894	167,897	3	42,600	17,899	190,085	0	211,134
LITTLE LONG	ITASCA	18301 SCHOOL	21	126,700	SELL	8	1	13	77,000	26,683	55,517	1	6,000	17,020	52,930	0	68,950
LITTLE SAND	HUBBARD	31301 SCHOOL	16	182,500	SELL	2	6	14	159,688	28,117	140,392	6	67,100	19,900	151,756	0	173,431
LITTLE THUNDER	CASS	149 ACB FOR	19	152,000	SELL	1	4	18	152,000	33,191	126,009	4	32,000	20,607	133,593	0	152,200
LONG	ITASCA	151 SCHOOL	7	39,250	SELL	1	5	6	39,250	14,716	26,934	4	27,000	13,049	26,663	0	36,463
LONG	ITASCA	152 SCHOOL	5	30,200	SELL	2	0	3	19,100	11,004	15,073	0	0	0	23,353	0	23,353
LONG	ITASCA	181 SCHOOL	7	29,500	SELL	0	1	7	29,500	14,955	17,305	1	5,000	10,504	12,921	0	22,175
LONG	ITASCA	182 SCHOOL	15	71,500	SELL	0	6	15	71,500	26,139	51,361	6	28,500	19,221	46,529	0	57,875
LONG	CASS	34301 SCHOOL	12	180,000	SELL	0	3	12	180,000	26,202	158,598	3	43,000	16,137	179,913	0	199,800
LOON	COOK	35301 SCHOOL	6	56,100	SELL	0	1	6	56,100	14,797	43,703	1	11,400	10,132	47,043	0	57,525
LOON	COOK	35303 SCHOOL	16	140,270	SELL	0	2	16	140,270	29,783	116,887	2	18,600	17,118	124,970	0	141,738
LOST MOOSE	ITASCA	32201 SCHOOL	14	84,000	SELL	0	3	14	84,000	25,219	64,381	3	18,000	16,326	62,274	0	75,600
MCDONNATHY	ITASCA	33501 SCHOOL	4	22,500	SELL	0	1	4	22,500	11,107	12,993	1	5,000	8,662	12,313	0	19,725
MCFARLAND	COOK	105 SCHOOL	5	37,250	SELL	0	2	5	37,250	12,950	26,300	2	12,500	10,158	27,779	0	36,063
MOOSE	HUBBARD	31601 SCHOOL	9	90,000	SELL	2	1	7	90,000	18,573	74,227	0	0	0	97,800	0	97,800
MIRROR	ITASCA	153 SCHOOL	12	83,400	SELL	0	1	12	83,400	22,882	65,318	1	7,200	13,649	66,101	0	79,050
OMENS	ITASCA	66 SCHOOL	4	30,800	SELL	0	3	4	30,800	5,739	26,661	3	24,800	4,884	26,516	0	30,100
OMENS	ITASCA	847 SCHOOL	8	55,000	SELL	0	2	8	55,000	20,121	38,079	2	13,200	15,054	38,596	0	51,950
OMENS	ITASCA	881 SCHOOL	1	6,000	SELL	0	1	1	6,000	3,101	3,299	1	6,000	3,050	3,350	0	5,400
PELICAN	ST. LOUIS	32 SCHOOL	1	10,000	SELL	0	0	1	10,000	8,049	2,351	0	0	0	10,400	0	10,400
PELICAN	ST. LOUIS	64 SCHOOL	1	5,000	PHASE OUT	1	0	0	0	0	550	0	0	0	550	0	550
PELICAN	ST. LOUIS	122 SCHOOL	1	25,100	SELL	0	0	1	25,100	5,240	20,260	0	0	0	29,275	0	29,275
PERCH	ST. LOUIS	43 SCHOOL	20	215,700	SELL	0	5	20	215,700	37,017	186,683	5	55,000	22,567	203,808	0	227,625
PICKEREL	HUBBARD	31401 SCHOOL	18	88,000	SELL	0	4	18	88,000	30,677	64,523	4	19,500	19,640	57,685	0	72,200
PIKE BAY	CASS	131 SCHOOL	5	30,000	MORE STUDY	0	0	0	0	0	27,000	0	0	0	27,000	0	27,000
PLATTE	CROW WING	30301 SCHOOL	18	216,000	SELL	0	7	18	216,000	34,794	188,406	7	84,000	23,551	205,149	0	232,200
POKEBAMA	ITASCA	32301 SCHOOL	9	229,800	SELL	0	9	9	229,800	14,212	219,188	9	229,800	14,161	219,239	0	268,350
POKEBAMA	ITASCA	32302 SCHOOL	29	647,600	SELL	0	19	29	647,600	47,868	611,332	19	425,500	36,779	652,946	0	748,600
PORTAGE	AITKIN	34401 SCHOOL	4	18,500	SELL	0	1	4	18,500	7,247	12,853	1	4,000	4,552	11,673	0	14,725
RAINY	ST. LOUIS	34801 SCHOOL	2	6,000	SELL	0	1	2	6,000	15,213	(8,413)	1	3,000	14,474	(9,424)	0	3,300
RAINY	ST. LOUIS	34901 SCHOOL	12	257,100	SELL	0	3	12	257,100	26,083	235,817	3	66,500	16,113	270,937	0	296,175
RAINY	ST. LOUIS	34902 SCHOOL	6	107,400	SELL	1	3	5	100,650	14,671	91,764	2	30,100	11,323	105,249	0	119,097
RAINY	ST. LOUIS	34903 SCHOOL	15	207,700	SELL	0	8	15	207,700	30,660	183,040	8	109,200	23,114	197,711	0	228,125
ROCK	AITKIN	34501 SCHOOL	13	77,100	SELL	1	1	12	71,100	23,519	53,096	1	6,000	14,307	51,083	0	64,390

* Includes lease value of lots where phase-out or additional study is recommended.

ECONOMIC ANALYSIS OF LAKESHORE SALES:
COMPARISON OF THREE OPTIONS, BY PLAT

LAKE	COUNTY	PLAT STATUS	TOTAL LEASES	TOTAL APPRAISED VALUE	RECOMMEND	LOTS PHASED OUT	REQUESTS FOR SALE	SELL ALL LOTS				SELL REQUESTED LOTS				LEASE ALL LOTS	
								LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	LOTS SOLD	APPRAISED VALUE	TOTAL SALE COST	COMBINED NET VALUE*	TOTAL SALE COST	TOTAL LEASE VALUE*
ROUND	ITASCA	32401 SCHOOL	2	19,000	PHASE OUT	2	0	0	0	0	11,675	0	0	0	11,675	0	11,675
SAND POINT	ST. LOUIS	36 SCHOOL	12	115,350	PHASE OUT	12	1	0	0	0	71,056	0	0	0	71,056	0	71,056
SAND POINT	ST. LOUIS	40 SCHOOL	17	235,600	PHASE OUT	17	3	0	0	0	154,547	0	0	0	154,547	0	154,547
SIDE	ST. LOUIS	46 SCHOOL	13	211,840	SELL/STUDY	0	2	6	98,800	20,074	207,726	2	34,200	15,623	218,327	0	237,500
SILVER	ST. LOUIS	33701 SCHOOL	11	76,300	SELL	0	1	11	76,300	21,408	59,292	1	7,100	13,027	59,973	0	72,275
SOUTH STURGEON	ITASCA	82 SCHOOL	16	168,300	SELL	0	10	16	168,300	30,584	144,116	10	105,600	24,820	150,555	0	176,775
SOUTH STURGEON	ITASCA	142 ACQ FOR	26	266,070	SELL	7	4	19	197,870	39,523	208,077	2	21,450	23,327	225,879	0	249,568
SOUTH STURGEON	ST. LOUIS	168 SCHOOL	16	162,250	SELL	0	10	16	162,250	30,363	138,287	10	100,100	24,633	144,554	0	169,213
SOUTH STURGEON	ITASCA	170 SCHOOL	10	93,650	MORE STUDY	0	9	0	0	0	96,063	0	0	0	96,063	0	96,063
SPIRIT	ST. LOUIS	33801 SCHOOL	10	66,200	SELL	0	1	10	66,200	19,853	50,347	1	6,200	12,383	50,317	0	61,750
SPRING	ST. LOUIS	45 SCHOOL	16	105,300	SELL	0	1	16	105,300	28,465	83,235	1	6,700	16,085	82,765	0	98,025
STEVENS	CASS	34601 SCHOOL	8	63,400	SELL	0	4	8	63,400	17,443	49,157	4	32,000	13,851	50,599	0	62,450
ST. MARY'S	ST. LOUIS	33601 SCHOOL	22	190,900	SELL	0	8	22	190,900	38,627	161,073	8	70,500	26,124	168,676	0	192,425
ST. MARY'S	ST. LOUIS	33603 SCHOOL	6	54,200	SELL	0	2	6	54,200	14,581	42,019	2	18,100	10,927	44,698	0	55,150
SUPERIOR	COOK	92 SCHOOL	6	85,000	PHASE OUT	6	1	0	0	0	55,925	0	0	0	55,925	0	55,925
THUNDER	CASS	0 SCHOOL	1	12,600	PHASE OUT	1	0	0	0	0	1,808	0	0	0	1,808	0	1,808
TURTLE	ITASCA	32501 SCHOOL	13	168,600	SELL	0	10	13	168,600	26,940	146,860	10	129,100	23,761	152,414	0	183,450
TWIN	ITASCA	33901 UNIV	13	79,300	SELL	0	8	13	79,300	23,963	60,537	8	48,900	19,880	59,720	0	71,825
TWO ISLAND	COOK	0 SCHOOL	1	5,000	SELL	0	0	1	5,000	5,061	339	0	0	0	4,150	0	4,150
UNION	POLK	31701 SCHOOL	4	38,000	SELL	0	1	4	38,000	11,517	28,083	1	9,500	8,756	30,469	0	39,100
UPPER HAY	CROW WING	30401 SCHOOL	8	96,000	SELL	0	2	8	96,000	18,613	80,587	2	24,000	12,390	85,810	0	103,200
VAN DUSE	AITKIN	35 SCHOOL	1	7,000	PHASE OUT	1	0	0	0	0	881	0	0	0	881	0	881
VERMILLION	ST. LOUIS	1 SCHOOL	10	202,000	SELL	0	2	10	202,000	22,647	183,353	2	42,000	13,780	212,220	0	231,500
VERMILLION	ST. LOUIS	4 SCHOOL	2	38,790	PHASE OUT	2	0	0	0	0	26,447	0	0	0	26,447	0	26,447
VERMILLION	ST. LOUIS	5 SCHOOL	12	155,900	SELL	0	1	12	155,900	25,279	135,421	1	9,620	13,726	156,044	0	169,675
VERMILLION	ST. LOUIS	18 SCHOOL	3	44,100	PHASE OUT	3	0	0	0	0	29,157	0	0	0	29,157	0	29,157
VERMILLION	ST. LOUIS	117 SCHOOL	13	74,760	SELL	0	0	13	74,760	23,793	56,167	0	0	0	66,150	0	66,150
VERMILLION	ST. LOUIS	909 SCHOOL	2	16,000	PHASE OUT	2	0	0	0	0	2,093	0	0	0	2,093	0	2,093
WABANA	ITASCA	32601 SCHOOL	4	34,000	SELL	0	3	4	34,000	11,491	24,109	3	24,000	10,503	25,097	0	34,100
WASHBURN	CASS	126 SCHOOL	10	180,000	SELL	0	1	10	180,000	26,690	157,310	1	18,000	16,625	185,375	0	204,000
WALKEBORO	AITKIN	34701 CON CON	4	24,000	SELL	0	2	4	24,000	11,591	14,009	2	12,000	9,583	14,017	0	21,600
WEST BEARSKIN	COOK	35501 SCHOOL	19	126,650	SELL	0	2	19	126,650	28,126	106,124	2	12,750	13,908	106,317	0	118,413
WEST BEARSKIN	COOK	35503 SCHOOL	17	108,100	SELL	1	4	16	92,350	23,883	85,369	4	24,850	14,231	81,896	0	92,340
WHITE FACE	ST. LOUIS	35601 SCHOOL	78	539,540	SELL	0	23	78	539,540	118,460	452,280	23	159,100	72,531	455,819	0	510,625
WHITE FACE	ST. LOUIS	35606 SCHOOL	11	82,500	SELL	0	1	11	82,500	21,615	65,285	1	6,700	13,014	67,836	0	80,025
WHITEFISH	CROW WING	30501 SCHOOL	9	228,000	SELL	0	4	9	228,000	21,131	210,469	4	102,000	15,412	235,188	0	266,100
WILSON	ITASCA	108 SCHOOL	2	6,000	PHASE OUT	2	0	0	0	0	1,971	0	0	0	1,971	0	1,971
WINNIE	CASS	49 SCHOOL	7	51,500	MORE STUDY	0	7	0	0	0	49,675	0	0	0	49,675	0	49,675
WINNIE	CASS	76 SCHOOL	11	133,600	MORE STUDY	0	9	0	0	0	143,900	0	0	0	143,900	0	143,900
WOMAN	CASS	31501 SCHOOL	6	97,100	PHASE OUT	6	5	0	0	0	64,957	0	0	0	64,957	0	64,957
ASH RIVER	ST. LOUIS	113 ACQ FOR	4	28,000	SELL	0	0	4	28,000	19,226	10,374	0	0	0	26,600	0	26,600
ASH RIVER	ST. LOUIS	114 ACQ FOR	6	49,200	SELL	0	0	6	49,200	9,771	41,829	0	0	0	48,900	0	48,900
BAPTISM RIVER	LAKE	65 SCHOOL	1	1,800	SELL	0	0	1	1,800	5,864	(3,664)	0	0	0	150	0	150
VERMILLION RIVER	ST. LOUIS	34 SCHOOL	4	24,300	PHASE OUT	4	0	0	0	0	13,123	0	0	0	13,123	0	13,123
TOTAL:		140	1,754	\$17,114,740		156	521	1,558	\$15,075,831	\$3,039,779	\$14,022,214	466	\$4,920,420	\$1,876,438	\$14,994,409	90	\$16,935,951

* Includes lease value of lots where phase-out or additional study is recommended.