

STATE LAND ACQUISITION STUDY
-NATURAL RESOURCES LANDS-

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Governor's Task Force on
Waste and Mismanagement
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INTRODUCTION

This study discusses the problems involved in the state acquisition of natural resource lands in Minnesota by the Department of Natural Resources. We chose to limit our investigation to Department of Natural Resources acquisition for three primary reasons: First, although there are seven state agencies that own land in Minnesota, the Department of Natural Resources administers about 95 percent of all state-owned lands. Second, the Legislative Audit Commission completed a general review of acquisition by all state agencies in 1975. Third, the most significant change that has occurred in state acquisition since 1975 has been a greatly expanded natural resources acquisition program. This program alone has a budget of \$25.5 million for the 1978-1979 fiscal years.

Public land ownership and natural resources land acquisition have an impact on virtually all aspects of the state's economy. It affects local tax bases, delivery of local services, economic growth, tourism, and land and water use.

The major problem that we address in this report is the long period of time the state takes to buy land. We found that when it comes to land acquisition the old saying "Time is Money" rings particularly true. The report shows, through a step-by-step examination of just one state program -- land acquisition -- the high cost of red tape, the subsequent delays, and the resultant public confusion. The Task Force's findings about the present acquisition program were best summarized by a Department of Natural Resources appraiser-negotiator who told us: "Given the federal and state rules and regulations, interagency bickering, horrendous delays, red tape, and miscellaneous 'screw-ups,' it's a miracle we have bought the land we already have."

In 1975 in an effort to hasten land acquisition, the Legislature created the RESOURCE 2000 Program which greatly increased the land acquisition funding for fisheries, wildlife, recreation, and forestry management projects. There were and still are many good reasons for such accelerated acquisition. One is that such lands simply may not be available for acquisition in the future, largely because of land development for other purposes. Another is that the state may not be able to afford these lands later because of the rapid increase in rural land value (about 15 percent annually). RESOURCE 2000 was established to meet these needs and was originally conceived as a six-year \$100 million program, funded by three biennial appropriation phases of \$20, \$40, and \$40 million successively. However, in 1975 the Legislature appropriated \$15 million in General Revenue funds and another \$4.7 million from the state's Natural Resources Acceleration Account. In 1977, the Legislature authorized \$21.9 million in bonding authority to buy additional lands crucial to state natural resource management.

Like many large new programs, this one had its growing pains. But RESOURCE 2000 seemed to have more than its share. In 1977, the Legislature reappropriated \$3.6 million of the \$19.7 million previously appropriated in 1975 because the Department of Natural Resources and the Department of Administration were unable to buy the needed lands. This report will identify some of the reasons why and the problems which currently exist with the program.

Scope of the Study

The primary objectives of this study are to:

1. Reduce the unnecessary delays and procedures of state land acquisition.
2. Identify the overhead and administrative costs of the acquisition program and make recommendations to reduce these costs.
3. Recommend legislative and administrative changes to ensure a more uniform, fair, and open acquisition process, including the adoption of practices which will ensure more equitable treatment to the landowner.
4. Evaluate the RESOURCE 2000 Program to determine how well the agencies are meeting their land acquisition goals established by the Legislature.

The Task Force did not attempt to evaluate the management of existing publicly owned lands, since a Public Lands Impact Study jointly funded by the Legislative Commission on Minnesota's Resources and the Tax Study Commission, is presently being completed. The Task Force did find the summary, the report itself, and the working papers very helpful in evaluating present state acquisition policies and procedures.

In the succeeding sections of the report, the state's procedures for natural resource acquisition are identified and critiqued in detail. The sections are organized chronologically reflecting the steps in the state's acquisition process.

LAND OWNERSHIP

The State of Minnesota is the third largest landowner in the United States, following the federal government and the State of Alaska.

Of the 25 percent of Minnesota's land area in county, state, or federal ownership, the largest single use category is natural resource lands. State-owned lands comprise about ten percent of the state's land area, tax-forfeited lands account for six percent, and federal lands comprise another eight percent. The remaining one percent is state land which is not managed for natural resource purposes. According to the Department of Natural Resources 1975 estimate the timber, water, recreation, wildlife, and forage value of these public lands is estimated to be worth \$11,600,875,000.*

State lands are managed by at least eleven state agencies: The departments of Natural Resources, Administration, Transportation (Highways and Aeronautics), Public Welfare, Corrections, the University of Minnesota, Military Affairs, Historical Society, State Fair, Community College, and the State University Board. The Department of Natural Resources is responsible for the management of over 90 percent of all state land.

Three federal departments -- Agriculture, Interior, and Defense -- are primarily responsible for the administration of four million acres of federally owned lands in Minnesota. At least 22 smaller federal agencies also administer lands in the state.

* Resource Round Up, Minnesota Department of Natural Resources, 1975.

The distribution of public lands is not uniform across the state. In fact, 90 percent of the state and federal land ownership is located in only 17 of Minnesota's 87 counties. Nine counties have over 50 percent of their entire land area in state or federal ownership. (See tables 1 and 2.)

ACQUISITION PROCESS: AN OVERVIEW

Appropriations for natural resources acquisition are made to the Department of Natural Resources Land Bureau. This department and the Department of Administration Real Estate Management Division are primarily responsible for conducting natural resources land acquisition. The specific responsibilities are identified in the interdepartmental cooperative agreement. A summary of these is shown on Table 3.

The general acquisition priorities are identified in the Department of Natural Resources RESOURCE 2000 plans which are submitted to the Legislature, and include the specific parcels to be acquired by the various divisions (i.e. Fish and Wildlife, Parks and Recreation, Forestry). These properties are within boundaries established in accordance with state law.

The Department of Natural Resources has no general condemnation authority, and must acquire land from willing sellers, except where condemnation is specifically authorized by law. Department personnel contact landowners within established project areas to see if they desire to sell to the state. Occasionally, the landowners themselves contact the state.

If the landowner desires to sell to the state, an appraisal is made, the performance of which is governed by state and federal regulations.

Once the appraisal has been completed it is submitted to the Department of Administration's review appraisers for analysis. The review appraiser recommends certification of the appraised value which authorizes the Department of Natural Resources to make that offer to the landowner.

After an appraisal is reviewed and certified by the Department of Administration, it is sent to the Department of Natural Resources where a negotiator is assigned to make the offer to the landowner. If the offer is rejected, a reappraisal of the property can be made after six months has elapsed from the date of the last appraisal. If the offer is accepted, the landowner signs an option to sell his/her land to the state within a time period specified by the Department of Natural Resources in the option.

After the necessary administrative steps have been completed, an election-to-purchase notice (EP) is sent to the landowner notifying him/her that the state has agreed to purchase the property. An up-to-date abstract of title is then requested of the landowner.

The Department of Natural Resources Legal Bureau then checks the title to make certain it is valid and marketable. A document of conveyance of land or interest in land is then prepared by the Legal Bureau and signed by the landowner. Payment is made to the landowner after this document has been recorded and the Legal Bureau has given a final title opinion verifying that the land (or interest in land) is in state ownership. Finally, the Land Bureau notifies the appropriate agency personnel that the land has been acquired.

As previously mentioned, our primary concern with the present acquisition process is the inordinate amount of time

it takes the state to acquire land. Reducing the length of time required to purchase land would have the following impact:

1. Greater fairness to the public (landowner)

Lengthy delays in paying landowners for their property can result in their not being paid fair market value due to increases in land prices.

2. Reduction in overhead costs

A lengthy, complex acquisition process increases professional services/overhead costs and reduces the money available to purchase needed lands. Some of these overhead costs are "fixed," regardless of the number of parcels bought.

3. Improved capability to buy high priority lands

When the acquisition process takes a long time to complete, the Department of Natural Resources is often unable to act quickly to purchase lands crucial to natural resources management programs.

4. Reduction of acquisition costs

The RESOURCE 2000 Program is based on the idea that it is less expensive to acquire lands now than to buy the same lands later at a highly inflated cost. A lengthy acquisition process counteracts the basic reason(s) for accelerated appropriations.

5. Increased public cooperation and satisfaction

The complexity of the existing procedures leads to public confusion and this confusion frequently leads to public dissatisfaction. Cutting some of the red tape from the existing state acquisition procedures should reduce the

ill-feeling caused by the delays in payment that some land-owners have toward the Department of Natural Resources acquisition. A 1975 survey of persons who sold land to the state showed that 36 percent of the respondents were dissatisfied with the time-consuming state procedures. Department of Natural Resources, Department of Administration officials, and others questioned by the Task Force agree that streamlining the existing acquisition procedures would help the state negotiators improve their success in buying land from willing sellers.

LANDOWNER CONTACT

The acquisition process begins when a boundary or a project area is established by state law (i.e. state parks, wildlife, fish, wild and scenic rivers, public access, and forests) and funds are appropriated by the Legislature to acquire the lands within this boundary.

Department of Natural Resources personnel then contact the project area landowners to ask if they are willing to sell their land to the state. Federal and state law prohibits state personnel from discussing purchase price with the landowner until an appraisal has been completed. This initial contact with the individual landowner is only to determine whether he/she would seriously consider selling to the state. If the landowner wishes to sell, the acquisition process continues. If not, it ceases at this point.

Improperly made landowner contacts can dramatically increase the overhead costs of the acquisition program. Specifically, if the landowner is said to be a willing seller and he/she actually is not, the state goes through the considerable time and expense of the appraisal and negotiation process with no results.

At the start of the program in 1975, Department of Natural Resources personnel assumed that affected landowners would be willing sellers. Staff initiated literally hundreds of requests for appraisals which stated that the landowners were willing to sell, when in fact they had never even been contacted by the Department of Natural Resources personnel. Even when they had been, numerous landowners were identified as willing sellers when they probably were not.

Since 1975, the state has appraised 547 landowners' properties which have resulted in unwilling sellers. This amounts to 49 percent of all parcels appraised for purchase. In 20 percent of the cases, the landowners probably never were willing to sell. The state has spent about \$1.5 million to appraise property since 1975. Of this amount about \$500,000 was spent on appraisals of property that was not purchased by the state.

Although this initial problem has been lessened, it has by no means been eliminated. There is a definite need to better assess whether landowners are serious about selling to the state. Not only does this increase state appraisal-overhead costs, it also diverts staff from acquiring the crucial tracts from willing sellers in other areas. The Department of Natural Resources Land Bureau has also recognized this problem by revising its fact sheet to better determine whether landowners are in fact willing sellers.

Recommendations

1. The Commissioner of Natural Resources should attempt to improve the department's present acquisition success rate from 51 percent to 70 percent, by requiring a more thorough initial contact to determine whether landowners are willing to sell to the state.

FACT SHEET

After willing sellers have been identified, the next step is the preparation of the fact sheet (shown in Appendix A) by the person who made the initial landowner contact. The fact sheet includes the owner's name, a legal description of the property, acquisition type (fee title, easement, lease), the name of the person who contacted the landowner, and a "not to exceed" purchase figure. The signatures of the division directors (i.e. Parks and Recreation, Fish and Wildlife, Forestry) and the regional administrators are also required on the fact sheet to verify that they agree that the parcel be bought by the Department of Natural Resources.

The person preparing the fact sheet must also justify, in writing, why the lands are being purchased and what funds should be used to buy the land.

The "not to exceed" purchase figure is included on the fact sheet and is required by M.S.A. 84.0272. We feel it is useless to estimate a "not to exceed" price on the fact sheet since the person filling out the fact sheet often is not an appraiser and does not have an accurate idea of what the property is worth, and because state and federal laws prohibit agency personnel from discussing price with the landowner prior to making an appraisal. Further, when the person completing the fact sheet assigns a maximum purchase price, and the appraised value is more than that, additional paperwork and time are required to buy the property. We also found that the maximum purchase price requirement has cost the state additional money to pay

for unnecessary appraisals. It is also possible that putting a maximum purchase price on a fact sheet could influence the appraiser's opinion of value for that property.

Finally, estimating a "not to exceed" price does not accomplish what the Legislature apparently intended: to reduce costly purchases. Some staff have deliberately assigned extremely high "not to exceed" values to avoid writing additional justifications for the purchases, or, when the estimated value is close to \$50,000, they have set the value just under \$50,000 so the Department of Administration could not require two appraisals on the property because of the inter-departmental agreement.

Requiring the signatures of the Division Director and Regional Administrator on the fact sheet increases the acquisition time, but does not provide adequate review of state purchases. The Regional Administrator or Division Director can delay the acquisition process by simply refusing or holding a decision to sign a fact sheet. Since both signatures are required, either person could stop the acquisition. For example, the Director of Parks and Recreation may decide that a parcel within a state park is critical to the ultimate management of that park. Still, the purchase could be indefinitely delayed by the Regional Administrator because he/she disagreed with the proposed acquisition. This situation can occur even though the Legislature had clearly intended that all land within a state park boundary should be acquired by the state.

The Task Force found situations where this had occurred. Previously, no effective mechanism existed within the Department of Natural Resources for resolving these situations. However, the Commissioner of Natural Resources has told us that regional administrators will no longer be required to sign the fact sheets.

We also found the fact sheet procedures take a long time to complete. The average time elapsed from the first contact with the landowner to the time it is received by the Department of Natural Resources Land Bureau for further action is 60 days. On one major acquisition project (comprised of 24 parcels) the average time was 130 days. On one parcel this procedure alone has taken 247 days. Ironically, the regional and division land acquisition specialists, whose job it is to expedite the acquisition program, have occasionally been the ones who have slowed it down. In some cases we found that the fact sheets crossed nine desks before the appraiser was actually assigned. Department of Natural Resources officials agree with the Task Force that the time needed to process fact sheets is much too long, and that this time could and should be significantly reduced.

When this step has been completed, the Department of Natural Resources Land Bureau and the Department of Administration Real Estate Management Division are responsible for completing the acquisition process.

Recommendations

1. The Commissioner of Natural Resources should require that time needed to process fact sheets be reduced from an average of 60 days to 15 days. (See Table 4.)

2. The Legislature should consider amending M.S.A. 84.0272 which requires a "not to exceed" figure on the fact sheet.

APPRAISAL ASSIGNMENT

The next step in the acquisition process is the assignment of an appraiser to appraise the value of the property to be purchased. This, too, is costly and time consuming.

Under the cooperative agreement between the Department of Administration and the Department of Natural Resources, the Department of Administration has responsibility for making all appraisal assignments. Initially, Department of Administration officials told us they felt this was necessary in order to have a "check and balance" on the Department of Natural Resources acquisition program, as required by state law.

Private fee appraisers are contracted with, report to, and are supervised by the Department of Administration Real Estate Management Division. Frequently, however, we found that the private fee appraisers contact the Department of Natural Resources directly for information about an appraisal assignment, because they say Department of Administration officials often did not have the information they needed. In doing so, the private appraiser must spend additional time and expense.

In the case of both staff and fee appraisers, it would appear to be to the advantage of all concerned if the assignments of both types of appraisers were made by the Department of Natural Resources Land Bureau. Preservation of "check and balance" does not seem to be interfered with by such a shift of responsibility inasmuch as there is probably as much opportunity for undue influence on appraiser(s) under the present system as there would be if the responsibility were shifted to the Department of Natural Resources.

After reevaluation of the present appraisal assignment policies and procedures, Department of Natural Resources and Department of Administration officials agree that authority for appraisal assignments should be transferred to the Department of Natural Resources.

By making this shift of appraisal assignment responsibility it is clear that it should take less time and paperwork to complete appraisal assignments. At the present time it takes 20 days to complete the "paperwork" involved in making the average fee appraisal assignment, while the average staff assignment takes 32 days.

Recommendations

1. The Governor should, under the authority granted in Laws of Minnesota, Chapter 16, amend the cooperative agreement to allow the Commissioner of Natural Resources to make appraisal assignments. This would reduce costs and appraisal assignment time.
2. The Commissioner of Natural Resources should require that the average fee and staff appraisal assignment time(s) be reduced from its present 20 and 32 days to 10 days.
3. The Commissioner of Natural Resources should take appropriate steps to insure that appraisers are not influenced by the department's staff.

APPRAISALS

Before the Department of Natural Resources can make an offer to buy land, it must first obtain an appraisal of its fair market value. The appraisal is completed either by Department of Natural Resources staff appraisers or by contract with private fee appraisers through the Department of Administration.

Presently 63 percent of the appraisals are completed by Department of Natural Resources staff appraisers and 37 percent by private fee appraisers. One of the questions that the Task Force examined was whether the state should use more private fee appraisers rather than Natural Resources staff appraisers.

Generally, Natural Resources staff appraisals are done by the professional appraisers in the Department's Land Bureau. However, Fish and Wildlife purchases are frequently appraised by Fish and Wildlife field personnel. These people are neither solely trained nor assigned as appraisers, and previously have been criticized for not understanding the land valuation process.

This situation has created some problems. Fish and Wildlife personnel do not receive the continuing education and training that the Land Bureau appraisers receive. This affects the appraisal quality. Second, there is a lack of control over the entire acquisition process because they do not report to the Acquisition Supervisor of the Department of Natural Resources Land Bureau. Third, it affects the public's credibility in the independent nature of the appraisal. Fourth, it is a "hidden cost" of the acquisition process which has not been fully

reported to the Legislature. (This is addressed in further detail later in the report.)

Another concern voiced to the Task Force was that some Natural Resource staff appraisers had, in previous years, made offers to buy land before the land was appraised. We found only one instance in the transactions checked where this happened. However, during our interviews, a number of Natural Resources personnel admitted that they had discussed price prior to making an appraisal. These actions cast doubt on the credibility of the state's acquisition procedures. Since the appraisal is the single most important factor in the acquisition process, it is essential to maintain public confidence in its accuracy and fairness.

In 1975, the Legislative Audit Commission recommended that the Department of Natural Resources discontinue the practice of having the same person appraise and negotiate the purchase of the same properties. We found that this procedure has been generally discontinued. Land Bureau sources interviewed agreed that it was wise to avoid this situation because it was vulnerable to price influencing. However, wildlife purchases are still appraised and negotiated by the same person.

According to staff interviewed, an informal policy was agreed to in 1972, to get two appraisals on land valued at over \$50,000. Initially, this policy was flexible, however, and if reliable sales data was available to establish price only a single appraisal was made. Using an average annual inflation rate of 15 percent and applying it to the \$50,000 criteria, for the six-year period from 1972 to 1978, comparable property is

now worth about \$115,000. We believe that this policy should be flexible and that the dollar value for requesting the appraisals be increased.

Further, when two appraisals are required, appraisal assignments and appraisal completion dates should be made at approximately the same time. When this is not done, it only further slows the acquisition process, and likely results in significant differences in appraisal values. These differences can be predicted due to inflation and other increases in property values over a period of time.

In assessing whether the state should use more private fee appraisers in its appraisal process, we looked at the relative costs, time, workload, quality, and independence of such appraisals.

We found that, contrary to opinions expressed by the Department of Natural Resources Land Bureau staff, private fee appraisers completed their appraisals on a more timely basis than did staff appraisers. In 45.5 percent of the purchases reviewed, Natural Resources staff appraisals were not completed until after the due date, as compared to only 17 percent of the private fee appraisals which were not completed on time. Moreover, a survey conducted by Natural Resources regional personnel showed that most staff appraisals completed were over 27 days late. They stated that this delay resulted in not purchasing some key tracts.

The Task Force also examined the staff appraisers' workloads. There was a considerable variation in the number of appraisals completed by the Department of Natural Resources' appraisers. Given a 22-month period, the quantity varied from 109 to 10

appraisals for individual appraisers. The department's acquisition supervisor stated that each staff appraiser should be able to complete an average of three to four appraisals monthly. Workload analysis was more difficult for private fee appraisers since they are contracted with on an appraisal basis. However, our interviews with private fee appraisers revealed that they generally are able to complete eight to ten appraisals per month.

It is difficult to assess appraisal quality, however one indicator might be which appraisals -- private or staff -- are most often certified by Department of Administration review appraisers as being the best estimate of market value. The Task Force examined over 100 Department of Administration reviews where both a staff and fee appraiser had appraised an individual property. In 69 percent of the reviews checked, the Department of Administration certified the appraisal completed by the private appraisers as being the best opinion of market value. Moreover, the Department of Administration review and certification time is longer for Department of Natural Resources staff appraisals than for private appraisals. This quicker review of private appraisals may also be an indication that these appraisals are better in quality. Finally, since the private appraisers contracted with by Administration generally perform appraisals as their sole occupation, it could be expected that the appraisal quality reflects this professionalism.

The last factor considered in the increased use of private appraisers is the question of independence. Department of Natural Resources officials involved with land acquisition, believe that the public has greater confidence in appraisals

done by private appraisers. The Supervisor of the Acquisition Section also agrees that the independence of the private appraiser is advantageous and can yield better success in buying needed property.

One possible problem with greater use of private fee appraisers is the scarcity of qualified rural land appraisers. According to data compiled by Natural Resources acquisition officials, the majority of all Department of Administration private appraisal contracts have gone to only ten private appraisers. Both Administration and Natural Resources staff agree that they have had problems in getting more qualified rural land appraisers to contract with for their appraisal work. This is due, in part, to the scarcity of qualified rural land appraisers in some areas of the state. The Task Force believes that the state could increase its efforts to recruit private appraisers, particularly those located in rural areas.

The Task Force also examined the relative cost of appraisals as they are affected by agency procedures. In a few isolated cases the Department of Administration assigns a single appraiser to conduct all of the appraisals on a given project (i.e. in one state park, trail). Generally, however, the Real Estate Management staff assign many people to do appraisals within a single project area. The Task Force compared appraisal costs for each of these methods. We found that the average cost per appraisal was about \$280 when one appraiser did all the appraisals for a given project. In contrast, it cost an average of about \$630 per appraisal on a project where a number of appraisers were

used. If the assignment of appraisal duties was spread over a variety of acquisition project areas rather than assigning a multitude of individuals to a particular acquisition area, these costs could be considerably reduced. Reduced overhead, travel, research, and appraisal time would all combine to lower the overall cost.

Real Estate Management officials and Natural Resource officials agree with the Task Force that where it is possible and practicable, assigning appraisers on a project basis is desirable and advantageous. For reasons previously stated, however, (shortage of qualified appraisers in some areas and the desire to use more fee appraisers) it is not always feasible. It is felt, however, that by the switch of appraisal assignment responsibility to the Department of Natural Resources, the built-in advantage (advance knowledge of the number and timing of parcels to be acquired in a given project) will allow the Department of Natural Resources to improve this situation.

The Task Force also reviewed how the agencies were implementing the 1975 acquisition law that allows landowners to contract for their own appraisal at state expense. M.S.A. Section 117.232 states that landowners may hire their own appraiser and be reimbursed by the state for the cost up to \$300, provided that the state purchases the land.

We found that although the landowner may get his own appraisal, the state is not legally obliged to consider it in its determination of market value.

Natural Resources staff told us they do not always tell the landowner that they have the right to get their own appraisal. Further, they said that when they do tell them, they advise that their appraisal is not likely to be considered in the determination of market value. To date, there has been little use of this provision by the landowners.

Recommendations

1. The Commissioner of Natural Resources should require that all Natural Resources personnel involved in the appraisal and negotiation process be responsible to the Department's Land Bureau.
2. The Commissioner of Natural Resources should require that the state primarily use private fee appraisers rather than Department of Natural Resources staff.
3. The Commissioner of Natural Resources should assign appraisers on a project basis in order to improve appraisal efficiency, consistency, and reduce costs.
4. The Commissioner of Natural Resources should improve efforts to identify and contract with additional qualified rural land appraisers.
5. The Commissioner of Natural Resources should require that appraisers complete their work on schedule.
6. The Commissioner of Natural Resources should require, to the greatest extent possible, that when two appraisals are needed on a single piece of property both should be assigned and due at the same time in order not to delay the acquisition process.

7. The Commissioner of Natural Resources should establish criteria for the selection of private appraisers and provide more careful screening of qualifications in rural land appraisals.
8. The commissioners of Natural Resources and Administration should improve the training program for their staff working on the land acquisition programs.
9. The Governor should, under the authority granted in Laws of Minnesota Chapter 16, amend the cooperative agreement to allow the present guidelines of \$50,000 to be raised to \$75,000. The Department of Administration must continue to reserve the right to call for additional appraisals as deemed necessary in the review process.
10. The Commissioner of Natural Resources should require that the same agency personnel not be allowed to appraise and negotiate for purchase of the same property.

REVIEW AND CERTIFICATION

Department of Administration review and certification is required by state law and is intended to provide a "check and balance" over natural resources acquisition. Officials from both the Department of Administration and Natural Resources agreed that this "check and balance" is achieved through Administration's review and certification. Once an appraisal has been completed and submitted to the Department of Administration Real Estate Management Division, they are responsible for reviewing the appraisal and certifying that the appraisal value is an accurate estimate of the fair market value.

The Task Force is concerned with two primary aspects of the review and certification process: quality and time. Specifically, is the quality of the appraisal review adequate and is the review and certification prompt.

The Task Force found it difficult to evaluate the quality of the Department of Administration's review and certification process. Our analysis of over 200 appraisals reviewed and certified by Administration found the following problem areas.

First, we found certain instances where the same parcel was appraised and certified at varying values during essentially the same period of time.

Second, Department of Natural Resources negotiators stated that they occasionally were hesitant to make offers to purchase property on the basis of Real Estate Management's certified appraisals because they were familiar with the project and were convinced that the certified appraisals were not at fair market

value. Complaints about the quality of the Department of Administration's review and certification came not only from Department of Natural Resources staff, but from private appraisers as well.

The Department of Natural Resources negotiators should not assume the role of review appraiser. However, the Task Force agrees that when an appraisal has been certified as being at market value and the negotiator finds a factual error in the appraisal report that does have an impact on value; the negotiator should notify the Department of Administration review appraisers. Department of Administration review appraisers should then re-evaluate the certified appraisal in light of the new information.

Third, the appraisal reviews were rarely based on inspection of the subject properties. However, the Department of Administration's appraisal review forms indicate that such inspections are important. Each appraisal review form includes the following statement to be signed by the review appraiser when he certifies it as market value:

On the basis of analysis of appraisals submitted on this parcel together with actual inspection of the property and further investigation when considered necessary, the recommended estimate of market value for the same as of . . .

The U. S. Fish and Wildlife Service Land Manual also recognizes the importance of periodic project inspections by review appraisers. It states on page 260.2B:

2. Field review - when the reviewer is unfamiliar with the subject, the quality of the appraisers and/or the current local market, a field review of the subject and indicies should be made. It is often expeditious for the appraiser to accompany the reviewer during the field review to clarify and/or resolve any questions regarding this interpretation of the data.

Other state acquisition officials informed us that they require review appraisers to periodically make field inspections of the various project areas so they stay familiar with changes in land uses and land values.

When the Task Force checked Administration reviews and certifications, we found that the review appraisers, in many instances, had not seen the property that was appraised. Frequently, the review appraisers stated their review was based on inspection of the property, even though they did not inspect it. Department of Administration officials agree that this has occurred and believe by changing the present language on their review and certification form, that these "oversights," or review mistakes could be eliminated in the future. Review appraisers are not always familiar with the general project area where the parcel to be purchased was located. That is, they did not always visit the state park, wildlife management area, or forest within which the acquisitions were being made.

The departments of Natural Resources and Administration officials agree that more field inspections are needed. Since January, 1978, Administration has increased its field inspections of appraised property.

The Task Force found in checking Real Estate Management records, that the review and certification process is also slow. Although the Task Force is concerned that the review and certification be of high quality, we do feel that it could be accomplished more quickly. Other states and the

federal government have been able to perform such reviews and certifications in a much shorter period of time than that presently done by the Real Estate Management Division. Based on our sample check of 149 appraisals, the average certification time is 37 days for private fee appraisals and 56 days for Department of Natural Resources staff appraisals. On several occasions the review and certification has taken as long as 116 days. The Task Force believes that one of the primary problems with this long review and certification time is that it may necessitate a reappraisal of the property. This essentially means the process must be started over again because inflation has probably increased the value of the property. A lengthy review and certification period could also have the net effect of the state paying less than fair market value for property due to increases in land prices.

Early in this study, Task Force members spoke with top officials in the Department of Administration and expressed concern over the time delays in their review and certification of appraisals. We also discussed the impact this can have on the landowners. As a result of this discussion, steps were taken by Administration officials to expedite the process. Over the course of this study there has been a dramatic improvement in the review and certification time by the Real Estate Management Division staff.

It was mutually agreed between Natural Resources and Administration officials that one reason for the delays in review and certification was discrepancies between appraisals or poor quality appraisals. Agency officials agreed that this review time could be reduced if appraisals were first pre-reviewed

in the Land Bureau before they were sent to Administration. Staff also agreed that where two or more appraisals are done on the same parcel and where there are discrepancies between these, the Department of Natural Resources Engineering Bureau should be contacted to resolve these. Although this is another review step for some appraisals, we are confident that the net effect will be to improve the appraisal quality and reduce the review and certification time.

After the appraisal has been reviewed and certified by the Department of Administration, it is then sent back to the Department of Natural Resources Land Bureau, where a staff negotiator is assigned to contact the landowner and make him/her the offer to buy the property based on the certified appraised value. The Task Force found that it takes approximately eight days to get the appraisal from the Department of Administration to the Department of Natural Resources once it has been certified. It then takes the Land Bureau an average of seven days to assign a negotiator.

Recommendations

1. The Commissioner of Administration should require that the amount of time taken to review and certify appraisals be reduced from its present average of 37 and 56 days to 14 days.
2. The commissioners of Administration and Natural Resources should cooperate to ensure that the amount of time presently taken from certification to the assignment of a negotiator be reduced to seven days.

3. The Commissioner of Administration should increase the department's field inspection in order to improve the quality of reviews.
4. The Commissioner of Administration should require that appraisers be contacted or requested to be present, whenever practical, on field inspections by the review appraisers so that quality control of appraisals can be accomplished partially through the review process.
5. The Commissioner of Administration should require that reviewers contact appraisers when there are appraisal problems, particularly when there is more than one appraiser involved.
6. The Commissioner of Natural Resources should require that the Land Bureau pre-review all appraisals before submitting to Administration for review in order to improve the quality of appraisals.
7. The Commissioner of Natural Resources should require that when two appraisals are taken on the same tract and there is a discrepancy between them, that the Land Bureau submit the appraisals to the Engineering Bureau for clarification before sending them to Administration for review and certification. Such a procedure not only would improve the quality of appraisals but also speed up review and certification time.

NEGOTIATION

The negotiator is a Department of Natural Resources staff person who makes the offer on the landowner's property.

Technically, the state does not negotiate to buy land. That is, the only offer made to purchase is the appraised value. The landowner is then free to accept or reject the state's offer. The negotiator provides a landowner with a written statement (called a Statement of Just Compensation) stating that the offer has been made and is the certified value of the property. If the landowner decides to accept the offer, he/she is then asked to sign an option.

An option is not a contract. It is an agreement that binds the landowner to sell his/her property to the state at the appraised value, but it does not bind the state to purchase the property from the landowner. In essence, it gives the state the sole right to purchase the property within a specified period of time. This time period is generally six months if no land survey is required, 12 months if one is. The state pays \$1 each for their option.

The Task Force believes that the option period is also too lengthy, and that this time delay affects the market value. Over the option time period, land values can increase dramatically which has the effect of the state paying less than fair market value by the time it actually agrees to purchase the property. This problem was also addressed in the 1975 Legislative Audit Commission report. At that time the Department of Natural Resources was taking options up to two years in length, and frequently took

options of 12 to 18 months in length, so that the Department of Natural Resources could option property during one biennium and pay the landowner from funds appropriated by the Legislature in the next biennium. This is now particularly unjustified since the Legislature has appropriated considerable money to buy the needed parcels within existing state units, (i.e. Parks, Wildlife Management areas, etc.). The Legislative Audit Commission also recommended a reduction in the option period time to six months. Since the start of the RESOURCE 2000 Program, the Department of Natural Resources has generally used a six-month option or, when a survey is required, a 12-month option, although the Supervisor of the Department of Natural Resources Acquisition Section changed the option period from six months to four months for parcels where a survey was not required. However, we were informed by Department of Natural Resources staff that virtually all of the 1977-1979 biennial appropriation for wildlife acquisition had been spent and that some department staff are now proceeding to take some 14-month options for wildlife land purchases. We believe this practice should be discontinued. To date, there has been no reduction in the option period where surveys are required.

As previously mentioned, the state technically does not negotiate with landowners concerning price, rather an offer is made based on the appraised value, which can be accepted or rejected by the landowner. However, in 1975 the Legislature changed state acquisition laws to allow the Department of Natural Resources to pay up to ten percent over the certified value of a property. Therefore, under the present state acquisition legislation, the department is able to "negotiate" for that

amount over market value. Department of Natural Resource Policy requires that when up to ten percent over the appraised value is paid, it must be justified in writing by the Department of Natural Resources personnel authorizing such payment. The Task Force reviewed all 120 such purchases since 1975 when these additional amounts were paid. Various justifications were given by Natural Resources personnel for this payment. In 58 percent of the 120 purchases examined, additional payment was explained as a "compromise to the landowner's asking price." Essentially this means that due to the time delays between the appraisal and option periods, the state negotiator and the landowner agreed that inflation had caused an increase in the value of the property which justified the increased payment.

In 19 percent of these purchases the justification given was simply "time delay." Consequently, approximately 77 percent of the purchases where the state paid from one to ten percent over market value, were deemed necessary due to the slowness of the agencies in buying property. Since 1975, the slow state acquisition procedures directly caused the state to pay an additional \$224,943 for the lands purchased.

Recommendations

1. The Commissioner of Natural Resources should allow no more than two months for the option period on purchases without a survey.

SURVEYS

In certain cases the Department of Natural Resources surveys the land to be acquired. Whenever such surveys are requested for these purchases, the option period is extended from six months to one year in length.

The Task Force agrees with the criticism of the Legislative Audit Commission that a one year option is excessively long and unduly delays the acquisition process.

There are a number of ways that these surveys could be expedited in order to reduce the option period. These methods were discussed with or directly suggested by the Department of Natural Resources Engineering Bureau officials.

For example, there is difficulty in digging for and locating section corners and other monuments during the winter months. If engineering received surveying requests prior to the fall freeze-up, they could locate monuments earlier so that surveying could be continued during the winter.

We also agree with the Engineering Bureau staff suggestion that some of the time presently required for surveys could be reduced if more overload work were contracted out to private surveyors. The Engineering Bureau is increasing the number of private surveys of lands to be purchased by the Department of Natural Resources; we believe this should be further accelerated.

Summer is the most productive time for surveying work. Engineering officials have suggested the staff could work 50-60 hours weekly in summer, accumulate compensatory time, and take

time off in the winter. The present state employee contract prohibits such work scheduling. A supplemental agreement with the employees union could be negotiated to allow such flexibility. This arrangement apparently would be favored by the employees. It would also increase productivity and reduce travel costs.

Engineering Bureau officials also raised concerns about the need to correct erroneous surveys. In the course of both public and private land transactions mistakes occasionally occur which result in erroneous land titles.

Errors in surveys and the preparation of legal descriptions can result in the legal descriptions not coinciding with actual land occupancy. This clouds the title of the occupant and adjacent landowners. Presently the Department of Natural Resources does not have the authority to correct these errors without legislative approval of each case.

According to Engineering Bureau staff these situations are uncommon and generally are discovered as a result of a resurvey by the state or at the time of another land transaction.

Presently, Department of Natural Resources officials are aware of about 40 cases of erroneously described ownerships. Many are the result of erroneous surveys conducted many years ago, and only recently discovered. We agree with Department of Natural Resources officials that these situations should be corrected, not only for the benefit of the state but also for adjacent private owners whose titles have been adversely affected.

Recommendations

1. The Commissioner of Natural Resources should, through better scheduling of surveys and increased use of private surveyors, require that the option period be no longer than nine months.
2. The Commissioner of Natural Resources should require that the Land Bureau reduce the time it takes to request a survey from Engineering from 52 days to 7 days after Engineering and Legal approval has been received.
3. The Commissioner of Natural Resources should try to negotiate an agreement with the state employees union to allow greater flexibility in working hours in order to increase productivity and reduce costs.
4. The Legislature should consider legislation to allow the state Executive Council to review and approve corrections in boundary lines of state ownership caused by surveying errors.

PAYMENT

After the option has been taken it is reviewed by Department of Natural Resources Engineering and Legal bureaus. A sequence number is established by the Fiscal Section for payments later to be made to the landowner. Other approvals are also obtained to comply with specific statutory requirements. (These steps are identified in greater detail in Table 5.)

Following the completion of these procedures, the Election to Purchase notice is sent to the landowner. It is not until this point that the state is legally bound to purchase the property from the landowner. From the Election to Purchase notice to the time the landowner is paid, there are a number of administrative procedures to follow -- most are the responsibility of the Legal, Land, and Fiscal sections of the Department of Natural Resources. The approvals and procedures presently required after the Election to Purchase is made are shown on Table 6.

Based on our sample purchases we found that the average time from Election to Purchase until the time the landowner received payment was 191 days. (It took an additional 180 days if a survey was required.) We recognize that there is a difference in the average time taken depending on whether or not the landowner's title needs perfection (either with or without court proceedings) in order to make it marketable and acceptable to the state. A transaction involving a title which is good initially takes considerably less time than a title which needs perfecting. We also recognize that some time delays occurring in land transactions are outside of the state's control, such

as delays in correcting titles or delays by county recorders in recording executed deeds.

Nonetheless, we believe that by amending certain administrative procedures the average time could be significantly reduced without sacrificing safeguards or compliance with applicable statutory requirements. It is important to shorten the time period as much as possible, because it is at the time of the Election to Purchase when both parties are committed to the transaction. From then on, the landowner becomes concerned about payment.

Although it is difficult to recommend an average time which should be met in all acquisitions (situations vary greatly in complexity), we feel that there are certain average times which should be met. When the landowner's abstract shows that his title is marketable (about 60 percent of the time), the state should be able to make payment within 60 days of the Election to Purchase. If steps have to be taken to correct the landowner's title (about 40 percent of the time), it is more difficult to recommend a figure since much of the time taken to correct the title is under the control of the landowner and his attorney, not the state. In such a case it should take no more than 60 days plus the time it takes for the landowner to clear his title, a time which may take on the average up to three months.

Recommendations for expediting legal review(s) and payment of landowners have been made to the Task Force by the Attorney General's Office. These recommendations when implemented could

result in reducing as much as 100 days from the present process. Yet, it will still retain the safeguards and quality of legal review essential to state acquisition. (See Table 4.)

Recommendations

1. The Department of Natural Resources Land Bureau should request an updated abstract from the landowner at the time the option is signed, not at the time of the notice of Election to Purchase. This would save considerable time because the Legal Bureau could proceed to immediately examine the title to the land and have the title examination completed by the time the Election to Purchase is made. After the Election to Purchase deeds could immediately be sent to the landowner if title has been determined to be good. If the title needed perfecting, steps to accomplish that could begin without delay.

We realize that this recommendation may alter somewhat the procedural arrangements for the payment by the state of the landowner's abstracting fees. There is also a slight risk that in certain situations (if the state were to decide not to go ahead with the Election to Purchase) the state would examine the title to and pay abstracting fees for land which it did not ultimately purchase. However, since the state gives notice of Election to Purchase on virtually every parcel on which it receives an option, we feel the benefits of the recommended procedure far outweigh the risks.

2. The Department of Natural Resources Land or Legal Bureau should order warrants of payment as soon as the signed deeds are returned from the landowner. This will eliminate the delay of approximately 20 days the present process creates when warrants are not ordered until after the final recorded deed is returned from the county recorder's office. Under the recommended procedure checks could be sent immediately upon receipt by the Legal Bureau of the recorded deed. Although the recommended procedure would increase paperwork slightly and would require the Department of Natural Resources to store checks temporarily, the savings in time outweigh these relatively minor inconveniences.
3. The Commissioner of Natural Resources should attempt to convince county recorder's offices of the need to expedite the processing and recording of deeds in the Department of Natural Resources land transactions. From two to four weeks of time are sometimes lost because of delays by local recorders in checking and recording the deeds sent them by the Department of Natural Resources Legal Bureau. To the extent that the local recorders could give state transactions priority, the time between when the landowner signs his deed and when he receives his payment could be shortened.
4. The Attorney General's Office should assign another attorney to examine abstracts and issue title opinions. There presently is a position available within this office which could be used for this purpose. (The complement of the Attorney General's staff assigned to land acquisition has remained the same over the past few years despite the fact that the Department

of Natural Resources land acquisition programs have expanded dramatically.) With additional help it should be possible to reduce the average time taken from the issuance of a title opinion from 34 days to 20 days or perhaps even less, depending on the complexity of the titles examined.

AGENCY COOPERATION

Because of the unique situation where the departments of Natural Resources and Administration have joint responsibility for natural resource land acquisition, certain problems have occurred. The primary one seems to be a general lack of communication and cooperation.

At the start of the RESOURCE 2000 Program a cooperative agreement was developed and signed by the commissioners of both Natural Resources and Administration.

However, despite the agreement, agency staff told us that there is an adversary relationship between the two departments. Our review of the agencies' files document this notion.

We believe the cooperative agreement is basically a workable one, but the agency staff disregard parts of it. For example, the agreement states on page five: "The Department of Natural Resources Legal Bureau shall provide all legal service required for land acquisition and disposition procedures." We found several examples where Real Estate Management officials made decisions on the advice of attorneys not in the Department of Natural Resources Legal Bureau. This only serves to make sensitive acquisitions even more difficult.

The cooperative agreement also establishes a schedule of monthly meetings to discuss problems, resolve disputes, and suggest improvements in the program. These meetings have not taken place for over a year. Although we are generally hesitant to recommend such regular meetings -- we do feel that communication should be reestablished.

Considerable delay in the acquisition process has occurred because Administration staff do not discuss appraisal problems with Natural Resources staff. Administration staff told us they chose not to do so because they thought it would further irritate Natural Resources staff. As a result, work sits with no action taken for months. Natural Resources staff contend that they cannot solve problems if they are not aware of them.

Recommendations

1. The commissioners of Natural Resources and Administration should cooperate to establish interagency training sessions to familiarize staff from each department with the others' management programs and the functions of appraisals and reviews.
2. The commissioners of Natural Resources and Administration should reestablish the monthly staff meetings recommended in the cooperative agreement in order to improve inter-departmental communications and expedite the land acquisition process.

ACQUISITION PRIORITIES

The Task Force also examined the degree to which the Department of Natural Resources was following the specific acquisition objectives it set when the program was established by the Legislature. Prior to legislative enactment of the accelerated natural resources acquisition program, the Department of Natural Resources prepared a document entitled RESOURCE 2000. It specifically identified areas and tracts to be acquired by the agency, if funding was approved. A similar document was prepared for the 1977-1979 biennium when additional funding was proposed and legislatively approved.

It is not feasible for the Department of Natural Resources to buy each tract they proposed -- particularly because the agency does not have general condemnation authority and must essentially rely on willing sellers. According to Land Bureau staff, some delays have occurred because various divisions within the department have not delineated what the priority acquisition areas are. In some cases, acquisition of lands identified by the Department of Natural Resources for purchase under the RESOURCE 2000 Program has not even begun. In other cases, lands not identified for priority purchase have been bought. At present, there is no effective mechanism for implementing departmental acquisition priorities for the Land Bureau staff to work on.

Often, the priority is based on which managers complain the most to the Land Bureau about the lack of progress in their program(s). Because of this, there is a great difference between

the purchases to date in each acquisition unit (i.e. parks, trails, wildlife, forestry). As of June 30, 1978 the Department of Natural Resources has spent a total of \$10,654,274 for raw land purchases. There is a balance (as of June 30, 1978) of \$13,607,000 available for additional purchases and a balance of \$838,000 for professional services funds.

Recommendations

1. The Commissioner of Natural Resources should require that the department staff improve its efforts to inform the Land Bureau of lands that should be given priority attention for purchases.
2. The Commissioner of Natural Resources should require that the department improve its planning efforts to identify the specific lands that are needed for purchase. This is particularly needed in fisheries, wildlife, and forestry acquisition projects.
3. The Commissioner of Natural Resources should not initiate the purchase of low priority lands -- land which has not been identified for acquisition in the RESOURCE 2000 Program -- until offers have been made to landowners to buy the high priority acquisition identified in RESOURCE 2000, except in cases of hardship to the landowner or other unique circumstances.
4. The Commissioner of Natural Resources should prepare an overall, master spending plan, to delineate and establish initial priorities. Changes, as dictated, by unwilling sellers or a change of acquisition priority then can be accomplished in an orderly fashion.

PROFESSIONAL SERVICES

Of the total dollars appropriated, since 1975 for natural resource land acquisition, over \$6 million or about 15 percent was the maximum allowed by the Legislature to be used for professional services, which constitutes the overhead costs. That includes title reviews, surveying, appraisals, negotiating, and accounting services.

In a survey of Department of Natural Resources personnel, we found 178 people who spend at least part of their time on land acquisition. However only 48 people are paid from the professional services appropriation. We estimate, conservatively, that an additional \$310,000 in salaries alone is spent biennially for this activity. These costs, too, are a part of the total overhead cost. On the other hand, some acquisition specialists paid solely from the acquisition appropriations stated that they spent 25 percent or less of their time on land acquisition.

These two factors make it impossible to determine the total overhead cost of the program. However, Department of Administration officials said that historically their overhead costs for land acquisition have been about 10 to 12 percent.

One of the major factors that increase the overhead costs is the number of unwilling sellers. From July, 1975 to the present about 50 percent of all parcels appraised for purchase resulted in unwilling sellers, were put in abeyance or were cancelled. This high percentage could be due to inadequate checking as to whether the landowner really wanted to sell

under any circumstances, poor quality appraisals, unrealistically high price wanted by the landowners, or too long an acquisition time.

Large numbers of unwilling sellers divert staff and resources from the landowners who are willing to sell to the state. From 1975 to present, the state has appraised 547 separate tracts of land valued at over \$8,311,700 that have not resulted in state purchase. The appraisal cost alone is estimated at over \$500,000.

The present statutory limit on professional services costs is 15 percent. The actual expenditures for professional services has been less than this. These expenditures are shown on Table 7. By implementing the procedures recommended in this report, we estimate that the professional services (overhead) costs of the program could be reduced from the present limit of 15 percent to 10 percent. This reduction could be realized primarily by:

1. Reduction in acquisition time from 607 days to 257 days.
2. Better initial screening of willing sellers.
3. Greater use of private fee appraisers.
4. Better assignment of appraisers.
5. Greater use of private surveys.
6. Implementation of other recommended changes in agency procedures.

One situation we encountered as a result of interviews with Department of Natural Resources personnel was that there was an uncooperative working relationship between Department of Natural Resources Land Bureau and Fiscal Section. This 'adversary relationship,' as described by a department official, has caused further delays in getting payments to landowners. Under the departments present organizational structure, the Land Bureau and Fiscal Section

are reportable to separate assistant commissioners. This structure complicates any attempts to resolve existing staff conflicts.

Recommendations

1. The Commissioner of Natural Resources should require that the maximum allowed for professional service costs of the acquisition program be reduced from 15 percent to 10 percent.
2. The Commissioner of Natural Resources should consider changing the organizational structure of the department to have both the Land Bureau and Fiscal Section responsible to the same assistant commissioner in order to resolve staff conflicts between these two sections.

OTHER ISSUES

During our discussions with the departments of Natural Resources and Administration staff, other acquisition related concerns were brought to our attention. We felt that some of these issues should be identified for further consideration by the agencies and the Legislature.

Land Exchange

The state is authorized in M.S.A. 94.341 - 94.348 to exchange land with private individuals, corporations, or other public entities. The present land exchange process is a complex one, with many safeguards within it to protect the state's interest. Basically, the state can exchange land after the appraisal(s) has been made and a public hearing conducted. Land exchanges may be proposed either by the state or by other parties. However, all land exchanges must be approved by the State's Land Exchange Board.

During our interviews with Department of Natural Resources personnel it was suggested numerous times that land exchanges could be more frequently used to improve state natural resource management. The primary use suggested was to consolidate state ownerships within existing management units.

According to the Department of Natural Resources personnel, many land exchanges, which could have been advantageous to both the state and other parties, have been proposed over the past four years. Department of Natural Resources regional staff agreed that the primary reason these exchanges have not proceeded was because the Department's Land Bureau has not given it priority

attention. Because of this situation, regional staff have ceased suggesting such exchanges.

We believe land exchanges could be used more effectively in northern Minnesota where there already is considerable state ownership. In these areas exchanges could provide a much better land management tool at a lesser cost than further state land acquisition.

Trust Fund Lands

Trust fund lands were given to the State of Minnesota by the federal government through land grants. These gifts were to be used for specific purposes. The federal government granted 2.9 million acres of school trust fund lands. Department of Natural Resources records showed that in 1976 there were approximately 959,000 acres remaining in school trust land.

Swamp lands were also given to the state to be managed for public school purposes. The original grant from the federal government was 4.7 million acres, in 1976 there were 1.6 million acres still in public ownership.

The Department of Natural Resources is also responsible for the management of another 33,000 acres of other trust fund land. These lands include university lands, territorial university lands, and internal improvement lands.*

The Commissioner of Natural Resources is responsible for the administration and management of these as provided in M.S.A. 84.027, Subdivision 3. Department of Natural Resources staff

* Barton-Aschman Associates, Inc., Minnesota Public Lands Impact Study, Phase I, Natural Resource Lands.

suggested that their agency's statutory obligation to the trust fund has not always been met. Trust fund lands still remain in state parks for example, where no receipts to the fund have been realized. Other trust fund lands also are within state wildlife management areas and are not always managed so as to generate revenue for the trust fund.

Files

In the course of completing this study, the Task Force examined over 200 purchases made by the state. We examined each step in the acquisition process in order to evaluate where the time delays occurred. To do this it was necessary to trace the steps through records kept by both the Department of Natural Resources Land Bureau and Department of Administration Real Estate Management Division.

We found the Land Bureau's records thorough, easy to follow and well-maintained. However, we had considerable difficulty in attempting to track these same purchases in the Real Estate Management Division's files. We found their records often to be incomplete, records transferred or simply lost. Some files were missing assignment sheets, payment records, and other relevant information.

Another complication was that the Department of Natural Resources and Department of Administration organize acquisition project records differently. In the Department of Natural Resources, all purchases are filed according to the county in which it is located. In contrast, Department of Administration file purchases by project (i.e. parks, trails, fish and wildlife).

Local Payments

At the present time, the methods of payments made by the Department of Natural Resources to local units of government for its land purchases vary greatly. Payments are generally not made on land purchased for state park and recreation purposes. Payments in lieu of taxes are made on some forestry, fish and wildlife lands, although these payments are based on a variety of formulas.

We did not address the payments-in-lieu of taxes on state-owned lands because this has been addressed in considerable detail in the Barton-Aschman study prepared for the Legislative Commission on Minnesota Resources and Tax Study Commission.

However, during our interviews with Department of Natural Resources personnel in the St. Paul and regional offices, it was mentioned that occasionally the Department of Natural Resources was not making payments to local units of government in either the manner or the amount prescribed by law. We did not have time to investigate these allegations; however, we do feel they deserve further attention.

Private Foundations

The Task Force found two cases where private funds were used to supplement state funds to buy property at above the appraised market value. Agency correspondence indicates that the Office of the Attorney General questioned this practice. Also, the 1975 Legislative Audit Commission Report criticized

the use of private foundations in the state park acquisition program, because it could affect acquisition priorities and land prices paid by the state. However, the then recently appointed Director of State Parks assured the legislative auditors that such practices would be discouraged in the future.

Recently, a private citizens' group purchased 90 acres of tax-forfeited property adjacent to a state park. This tract was initially included in the park boundary expansion, but was deleted after public meetings. The 1977 Legislature approved the boundary expansion, but did not include these 90 acres in the park expansion bill.

The Director of the Department of Natural Resources Parks and Recreation Division told us that they intend to seek legislation in the 1979 session to further expand the boundary of this state park to include this tract. If authorized, the agency will proceed to acquire this tract from the citizens' group.

The Department of Natural Resources Parks and Recreation Division Director also told us that he intends to seek legislation designating an area along the North Shore as Tettagouche State Park. This proposal was initially considered in 1968 and again in 1975, but was not officially proposed to the Legislature because of significant local opposition.

Another private citizens' organization has recently acquired an option to purchase a large privately-owned tract within the boundaries of the proposed Tettagouche Park. The Director of Parks and Recreation said that he has had discussions with this citizens' organization about the possible purchase of these lands

if designated as a State Park. Organization staff said they would prefer to sell this land to the state for park purposes. The Director said the he will propose this area for State Park designation in the 1979 legislative session.

The legislative purpose of the RESOURCE 2000 acquisition program was primarily to acquire lands within existing state management units, not to purchase new ones. We believe that private foundations should not generally be encouraged by the Department of Natural Resources to acquire new lands outside of the boundaries of existing management units for future sale to the state.

However, there are some advantages to the participation of private citizen organizations in the state's land acquisition process. These include such benefits as the timely purchase of property in cases of financial hardship or other factors which don't permit willing sellers to wait for direct government purchase. Such organizations can also negotiate for the donation or bargain sale of needed lands.

These advantages are predicated on the understanding that such purchases are legislatively authorized and are consistent with state acquisition priorities. A representative of a private citizen organization with national experience in land purchases stated: "We are extremely careful that we only undertake government cooperative projects with a written request from the agency. It is also important that these projects be undertaken at no additional cost to government."

Recommendations

1. The Commissioner of Natural Resources should require that the Natural Resources Land Bureau assign additional staff to work on land exchange proposals, and that it be given priority consideration as a possible alternative to some land purchases.
2. The Commissioner of Natural Resources should require that the department consider the purchase of those trust fund lands, presently within state management units, that should be retained in public ownership for natural resources management purposes.
3. The commissioners of Administration and Natural Resources should cooperate to develop a standard land acquisition file system.
4. The Commissioner of Natural Resources should reexamine payments for natural resource management lands to local units of government to ensure that they are in compliance with state law.
5. The Commissioner of Natural Resources should discourage the use of private citizens' organizations to acquire lands outside of existing state management units for future sale to the state.

LANDOWNERS' RIGHTS

After a review of the state's present acquisition process, the Task Force concluded that there was a need to propose some changes in the laws governing the purchase of natural resources lands.

In 1970, Congress amended the federal acquisition laws to provide the private landowner better protection from abuses that had occurred in past governmental land purchases. In 1975, the Minnesota Legislature amended the state acquisition laws to foster a more equitable climate for the landowner who had his/her land purchased by the state.

In general, we believe that existing laws provide considerable protection to both the landowner and the state from abuses that could occur.

However, the Task Force found that, in some instances, portions of these laws have not always been followed by the affected state agencies nor have they always complied with legislative intent. In some cases this may have been due to the vagueness in the law. Frequently, landowners may have not received the full benefit of their rights under the existing laws because the state acquisition legislation does not always require state personnel to disclose these rights to them. In other cases, state acquisition personnel themselves were not fully aware of the legal requirements of natural resources acquisition.

The Task Force believes that state land acquisition programs should not be a "seller beware" situation. When we raised the

issue of complete disclosure of the landowner's rights by state personnel, some staff argued that this would hinder the acquisition process, and that they probably would not be able to buy land at the rate they are now. While the Task Force agrees that this possibility does exist, we feel that it is outweighed by the public interest in a fairer and more open acquisition process. The Task Force believes that ultimately the state's acquisition process will be more successful as a result of the increased credibility gained through a more open process.

Although existing laws do require disclosure of certain rights to the landowners, we know, as a result of interviews with agency personnel, that these rights have not always been disclosed. At the present time, agency administration cannot be certain that acquisition staff have complied with state law. We believe there is a need to require written disclosure of the landowner's rights. This disclosure should be a clearly worded, understandable document to be given to the landowner. The landowner should then be required to sign a receipt or written acknowledgement that he/she has received such information.

An example of such a written document is:

1. The right to fair market value for property at the time of the sale.
2. The right to see the appraisal report, which is the basis for the determination of fair market value.
3. The right to have all costs related to state purchases paid by the state, except clearing title defects and taxes.

4. The right to defer payment over a period of years with interest or to accept payment in full.
5. The right to obtain one's own appraisal and be reimbursed by the state for an amount up to \$300, if the state buys the property.
6. The right to have one's own appraisal reviewed by the state in its consideration of fair market value.
7. The right to be informed, in writing, of all relevant factors affecting the appraised value.
8. The right to be informed by state personnel of the intended use of the property.
9. The right to be told of the status of the acquisition, if requested.
10. The right to sell or refuse to sell without external pressure or influence by the state.
11. The right to timely payment based upon the certified appraised value.
12. The right to know that the information relating to the acquisition is made public after the landowner signs the option.
13. The right to be advised of all relevant relocation benefits provided by the state.
14. The right to be informed that one may desire to retain legal counsel prior to signing any agreement(s).
15. The right to a written statement informing landowners of their rights under the state and federal acquisition.

SAVINGS

There are two primary areas of savings that can be realized through implementation of the Task Force's recommendations:

(1) a reduction in the overhead costs and (2) a reduction in the purchase price for lands by reducing acquisition time.

By changing the present administrative procedures as recommended by the Task Force, we believe that the present ceiling for professional services costs could be reduced from 15 percent to 10 percent of the appropriation for Fiscal Year 1979. This difference would amount to a savings of \$253,000.

In addition, by reducing the time required to buy land from its present average of 20 months to 9 months, savings can be realized by purchasing lands before prices further increase. This was the basic philosophy for increasing the acquisition appropriation in the first place. According to sales data compiled by the Department of Natural Resources Land Bureau and the University of Minnesota, land value has been increasing at an average annual rate of 15 percent. By reducing the acquisition time by 11 months, the savings realized in purchasing needed lands sooner is esimated to be \$1,880,000. This savings was calculated by using the remaining balance for purchase of additional lands, which is about \$13,675,000 and not by using the total acquisition appropriation.

TABLE 1

ESTIMATED PERCENT OF STATE AND FEDERAL LANDS BY COUNTY (ACREAGE)

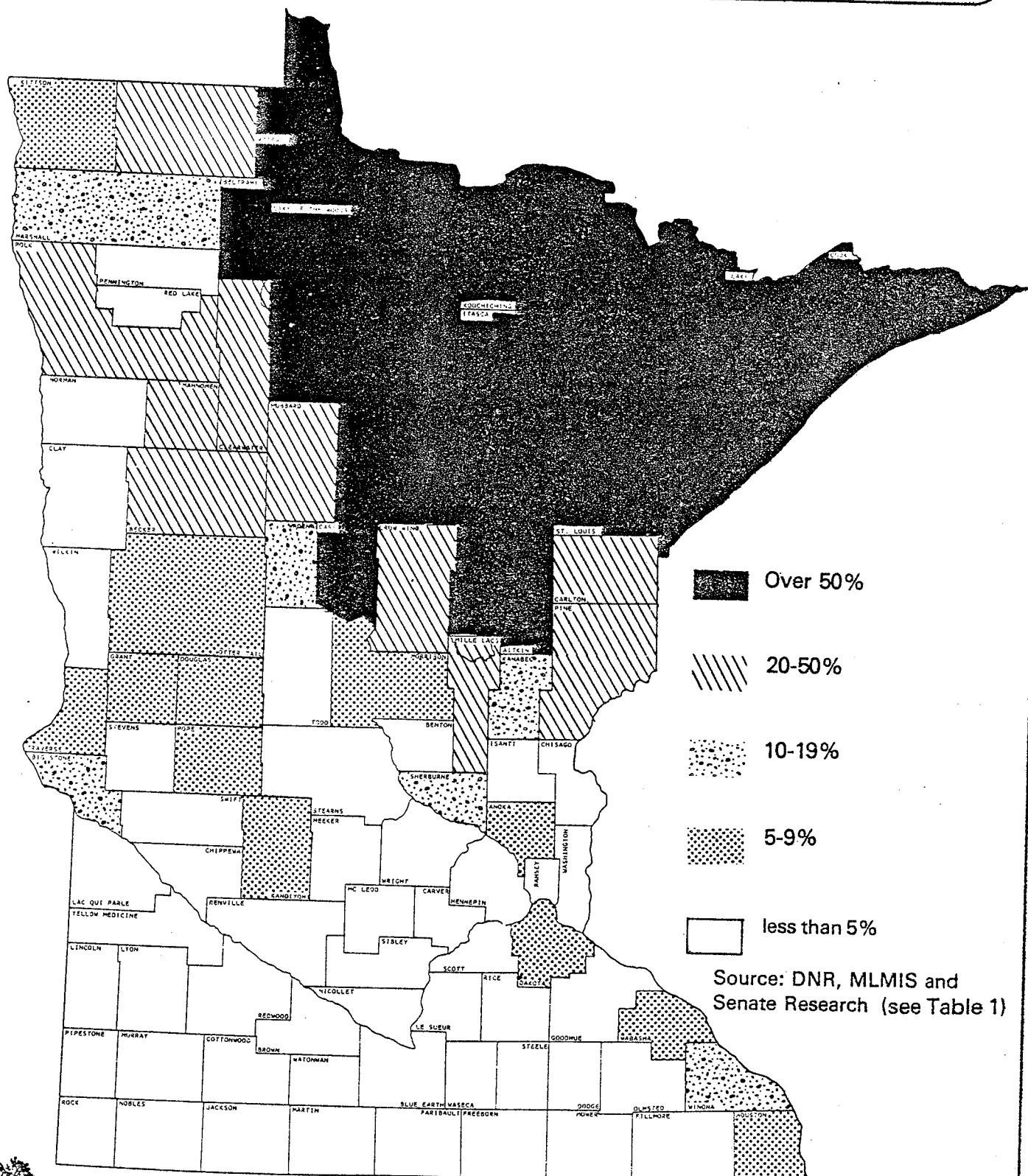


FIGURE 1

Minnesota Public Lands Impact Study

Legislative Commission on Minnesota Resources
in cooperation with the
Tax Study Commission and Barton-Aschman Associates, Inc.

Scale 1:1,000,000

0 10 20 30 MILES
0 10 25 50 KILOMETERS

TABLE 2*

TABLE 1
ESTIMATED STATE AND FEDERALLY OWNED LANDS IN MINNESOTA BY COUNTY⁽¹⁾

County	Total Land Area (Acres)	Public Lands Acres	Percent	Federal Lands ⁽²⁾	DNR Lands ⁽³⁾	Other State Lands ⁽⁴⁾	Tax-Forfeited Lands ⁽⁵⁾
Aitken	1,164,502	631,800	54%	16,160	388,191	4,120	223,329
Anoka	273,735	20,435	7%	0	15,334	4,569	532
Becker	837,688	193,152	23%	62,040	54,639	2,331	74,142
Beltz	1,608,518	1,110,105	69%	393,520	566,793	3,281	146,506
Benton	257,798	2,310	1%	0	1,135	1,175	0
Big Stone	316,501	38,800	12%	30,400	6,802	1,598	0
Blue Earth	477,158	4,560	1%	0	2,711	1,849	0
Brown	387,266	4,760	1%	0	3,365	1,395	0
Carlton	550,092	220,971	40%	9,160	75,385	8,768	127,658
Carver	226,810	2,730	1%	0	658	2,072	0
Cass	1,302,315	762,167	59%	314,000	183,896	4,271	260,000
Chippewa	370,269	13,126	4%	3,160	8,155	1,811	0
Chisago	269,369	11,866	4%	0	9,759	2,107	0
Clay	668,118	18,040	3%	7,800	6,591	3,649	0
Clearwater	640,689	291,440	45%	134,440	54,516	1,426	101,058
Cook	936,428	835,306	89%	694,800	132,725	1,431	6,500
Cottonwood	407,635	6,792	2%	720	4,753	1,319	0
Crow Wing	649,083	169,422	26%	24,280	29,164	2,094	113,884
Dakota	365,190	17,742	5%	2,480	3,495	11,767	0
Dodge	280,638	1,307	0%	0	273	1,034	0
Douglas	601,777	36,203	6%	27,640	5,621	2,942	0
Faribault	454,723	4,888	1%	0	1,882	3,006	0
Fillmore	553,101	9,575	2%	0	7,110	2,465	0
Freeborn	449,241	5,042	1%	0	1,137	3,905	0
Goodhue	491,465	15,240	3%	6,800	5,426	3,014	0
Grant	348,226	19,588	6%	14,920	2,632	2,036	0
Hennepin	354,225	2,903	1%	0	766	2,137	0
Houston	364,079	29,884	8%	18,840	9,303	1,741	0
Hubbard	596,829	224,746	38%	160	84,628	2,120	137,938
Isanti	281,302	6,803	2%	0	3,603	3,200	0
Itasca	1,729,322	935,741	54%	318,920	319,223	5,598	292,000
Jackson	446,068	7,612	2%	1,960	2,930	2,722	0
Kanabec	337,535	37,281	11%	0	23,530	1,459	12,292
Kandiyohi	497,292	29,659	6%	21,480	4,694	3,284	201
Kittson	700,372	55,121	8%	0	53,288	1,833	0
Koochiching	1,989,188	1,469,509	74%	87,520	1,092,669	4,320	295,000
Lac Qui Parle	492,698	20,829	4%	5,600	13,538	1,691	0
Lake	1,367,808	1,152,369	84%	814,360	179,076	1,639	157,294
Lake of the Woods	833,821	603,134	72%	154,600	447,548	986	0
LeSueur	283,692	4,460	2%	0	2,904	1,556	0
Lincoln	334,365	6,057	2%	0	4,835	1,222	0
Lyon	453,072	11,231	2%	0	8,942	2,289	0
McLeod	311,488	3,356	1%	0	1,752	1,604	0
Mahnomen	360,983	108,162	30%	58,280	33,097	1,140	15,645
Marshall	1,142,622	179,128	16%	61,120	115,365	2,643	0
Martin	450,521	4,014	1%	0	1,443	2,571	0
Meeker	382,891	3,421	1%	0	1,331	2,090	0
Miller	365,472	74,744	20%	3,560	61,668	1,506	8,010
Morrison	719,593	60,423	8%	0	7,207	53,216	0
Mower	453,204	3,889	1%	0	1,335	2,554	0
Murray	444,657	8,790	2%	0	7,367	1,423	0
Nicollet	280,866	3,159	1%	0	819	2,340	0
Nobles	454,977	4,383	1%	0	1,382	3,001	0
Norman	558,689	7,577	1%	0	5,776	1,801	0
Olmsted	421,342	7,327	2%	0	2,889	4,438	0
Ottertail	1,267,003	60,354	5%	36,280	16,515	7,119	440
Pennington	391,606	5,833	1%	120	2,347	1,205	2,160
Pine	906,366	222,645	25%	960	173,203	4,207	44,275
Pipestone	296,887	2,880	1%	240	1,456	1,134	0
Polk	1,260,513	26,411	2%	7,560	13,494	5,357	0
Pope	426,102	37,954	9%	31,800	4,375	1,757	22
Ramsey	101,032	1,901	2%	0	245	1,556	0
Red Lake	274,619	2,543	1%	0	1,764	779	0
Redwood	557,474	7,388	1%	2,040	2,914	2,434	0
Renville	621,129	2,119	0%	0	266	1,853	0
Rice	319,162	6,427	2%	0	2,451	3,976	0
Rock	307,716	3,114	1%	0	1,246	1,868	0
Roseau	1,073,344	357,261	33%	32,200	254,188	2,033	58,840
St. Louis	4,043,532	2,280,772	56%	817,400	548,375	7,827	905,670
Scott	225,900	4,469	2%	240	2,617	1,612	0
Sherburne	280,525	31,204	11%	22,960	5,235	3,009	0
Sibley	372,901	2,736	1%	0	1,180	1,556	0
Stearns	864,521	12,061	1%	4,280	2,537	5,244	0
Steele	273,455	3,853	1%	0	1,263	2,590	0
Stevens	355,335	13,857	4%	10,480	2,045	1,332	0
Swift	475,592	19,180	4%	11,000	6,319	1,861	0
Todd	604,286	11,636	2%	0	9,378	2,258	0
Traverse	363,462	16,733	5%	15,360	156	1,217	0
Wabasha	344,324	25,317	7%	13,800	9,989	1,549	0
Wadena	341,128	44,735	13%	0	23,952	7,031	20,080
Waseca	268,158	3,565	1%	0	1,681	1,904	0
Washington	254,868	8,648	3%	1,680	3,347	3,621	0
Watonwan	277,051	2,106	1%	0	942	1,164	0
Wilkin	476,389	8,258	2%	2,400	3,512	2,346	0
Winona	406,320	42,371	10%	10,720	28,147	3,504	0
Wright	424,387	7,246	2%	0	4,538	2,708	0
Yellow Medicine	481,686	8,129	2%	1,520	4,611	1,998	0
TOTAL	51,033,677	12,796,731	25%	4,311,560	5,199,395	281,540	3,004,376

(1) Source: Senate Investigative Research Division.

(2) Source: 1973 data from MLNIS.

(3) Source: 1975 data from DNR Land Ownership File (Land Bureau).

(4) Source: Senate Investigative Research Division (includes aeronautics, administration, corrections, public welfare, university, college and some highway lands).

(5) Source: County Auditors contacted by Senate Investigative Research Division (most counties have at least a few scattered parcels of tax-forfeited land).

*Barton-Aschman Assoc., Inc., Minnesota Public Lands
Impact Study, Phase I, Natural Resource Lands, March, 1977.

TABLE 3

AGENCY RESPONSIBILITIES FOR LAND ACQUISITION

<u>TASKS</u>	<u>AGENCY RESPONSIBLE</u>
Develop work (acquisition) program.	Natural Resources
Identify specific parcels to be acquired.	Natural Resources
Approve work program.	Legislative Commission on Minnesota Resources
Land survey as needed.	Natural Resources
Legal title search.	Natural Resources
Contract for fee appraisals.	Administration
Review appraisals.	Administration
Negotiate with property owner.	Natural Resources
Obtain option to purchase.	Natural Resources
Issue election to purchase to land holder(s).	Natural Resources
Issue payment to land holder(s).	Natural Resources
Negotiate and pay relocation payment to property owners when appropriate.	Natural Resources
Maintain and update land records.	Natural Resources
Report status of acquisition to others; e.g., Legislature and Administration.	Natural Resources

TABLE 4

Step in Acquisition Process	Average Amount of Time Taken Now (Calendar Days)*	Recommended Time
First contact with landowner to fact sheet received by Land Bureau	60	15
Fact sheet received by Land Bureau to request for staff appraisal	15	5
Request for an appraisal to staff appraiser assigned	32	10
Staff appraiser assigned to staff appraisal received by Administration	86	30
Request for fee appraisal received by Administration to fee appraiser assigned	20	10
Fee appraisal assigned to fee appraisal received by Administration	34	30
Fee appraisal received by Administration to appraisal certification	37	14
Staff appraisal received by Administration to appraisal certified	56	14
Appraisal certified by Administration to appraisal received by Land Bureau	8	3
Appraisal received by Land Bureau to request for negotiations	5	3
Request for negotiations to negotiator assigned	2	1
Negotiator assigned to option date	82	60
Option date to election to purchase (without survey)	70	60
Election to purchase to abstract received by Land Bureau	47	--

	Average Amount of Time Taken Now (Calendar Days)*	Recommended Time
Abstract received by Land Bureau to abstract sent to Office of Attorney General	11	7
Abstract sent to Office of Attorney General to preliminary title opinion issued	34	20
Preliminary title opinion issued to deed sent to owner		
1) Title good with no corrections necessary	39	3
2) Title in need of perfecting (Time for this outside of state's control)		No recommended time possible
Deed sent to owner to signed deed returned by owner	7	7
Signed deed returned to signed deed sent to Register of Deeds	9	5
Deed sent to Register of Deeds to warrant mailed to landowner	<u>44</u>	<u>14</u>
Total	607	257
Recommended total time savings		<u>350</u>

*Calendar days

TABLE 5

PRESENT OPTION PERIOD PROCEDURES*

When an option is signed by a landowner and submitted to the Bureau of Land, it is moved through the following stages:

1. The Engineering Aide checks to be certain that the land is located in an approved project.
2. The Assistant Land Acquisition Specialist checks to be certain that the fact sheet has been approved, the appraisal has been completed, there is a memorandum of justification if the appraisal exceeds the commissioner's estimated maximum amount indicated on the fact sheet, the appraisal was certified, a memo was sent to the Department of Transportation if relocation assistance is required, a Statement of Just Compensation was signed and a \$1 receipt was attached to the option.
3. The Assistant Land Acquisition Specialist then sends the option to the Engineering Section for approval of the legal description.
4. The Assistant Land Acquisition Specialist then sends the option to the Attorney General's Office for approval as to the legal acceptability of the option terms, special clauses, etc.
5. Once the option has been approved, the Assistant Land Acquisition Specialist must have the Fiscal Section establish a sequence, obtain a certification from the Section of Fisheries that the lake will be managed intensively for fishing if the land is being acquired for a public access on a lake of less than 150 acres, obtain a memo of justification from the discipline director if the option amount exceeds the certified appraised value, obtain a waiver signed by the owner if the option amount is less than the certified appraised value, obtain approval from the discipline director if there are any special clauses in the option other than those stipulating that a survey will be conducted or payment will be made in annual installments, notify the appropriate federal aid coordinator of the acquisition transaction and secure advice as to whether or not federal reimbursement will be claimed and request that the wildlife manager appear before the county board to obtain a resolution of approval if the land is being acquired for a Wildlife Management Area with certain appropriations. In addition, if the property is being purchased in connection with the Richard J. Dorer Memorial Hardwood State Forest, they must also notify the Minnesota Historical Society, District Highway Engineer and County Highway Engineer.

6. While the Assistant Land Acquisition Specialist is moving through step number five, the Engineering Aide is requesting a survey from the Engineering Section if the property being acquired is a metes and bounds parcel and awaiting the return of the survey plats and legal description which, generally takes one year.

* Department of Natural Resources memorandum, September 13, 1977.

TABLE 6

PRESENT ADMINISTRATIVE PROCEDURES*
ELECTION-TO-PURCHASE NOTICE TO LANDOWNER PAYMENT

1. The Bureau of Land must assemble all pertinent information relating to the transaction and forward it to the Attorney General's Office along with the abstract.
2. The Attorney General's Office must examine the complete chain of title from the day the land was originally patented to the present time, write a preliminary title opinion and write to the owner to advise him of any existing title imperfections.
3. The owner must take the action necessary to complete and perfect the title, and provide the Attorney General's Office with adequate documentation to indicate he has done so.
4. The Attorney General's Office must write the conveyance document, and forward it to the owner for execution. An affidavit is also written and forwarded to the negotiator for execution.
5. The owner executes the conveyance document, and returns it to the Attorney General's Office. The negotiator returns the signed affidavit.
6. The Attorney General's Office forwards the conveyance document to the applicable Register of Deeds for recording. The abstract is sent to the local abstractor to be continued to date.
7. The Register of Deeds records the conveyance document, the abstractor continues the abstract, and both are returned to the Attorney General's Office.
8. The Attorney General's Office authorizes the Bureau of Land to prepare an invoice.
9. The Bureau of Land prepares an invoice, and forwards it to the Fiscal Section.
10. The Fiscal Section relays the applicable information to the Department of Finance.
11. The Department of Finance issues a State Warrant of payment, and forwards it to the Fiscal Section.
12. The Fiscal Section relays the Warrant to the Attorney General's Office.
13. The Attorney General's Office mails the landowner the check in payment for the property.

* Department of Natural Resources memorandum, September 13, 1977.

TABLE 7

PROFESSIONAL SERVICES COSTS

Unit				
<u>Resource 2000 Funds</u>	FY 76	FY 77	Total FY 76 & 77 Expenditures	Total FY 76 & 77 (%)*
Legal	40,834	89,664	130,498	6.03
Fiscal	6,210	-0-	6,210	.29
Fisheries	9,862	66,869	76,731	3.56
Planning	60,173	26,908	87,081	4.02
Parks	7,951	23,498	31,449	1.46
Land	72,336	487,130	559,466	25.84
Wildlife	-0-	25,587	25,587	1.18
Engineering	143,488	268,025	411,513	19.01
Forest	-0-	31,232	31,232	1.44
<u>LCMR Funds</u>				
Federal Project Support	8,127	66,880	75,007	3.46
Planning	67,906	44,445	112,351	5.19
Long Range Planning	51,728	-0-	51,728	2.39
Engineering	232,254	247,044	479,298	22.14
Fiscal	-0-	-0-	-0-	
Administration	<u>46,430</u>	<u>40,077</u>	<u>86,507</u>	3.99
Total	747,299	1,417,359	2,164,658	
Professional Service Levy			(11.39%)	

* These figures are shown as a percent of the total professional services expenditures for FY 76 & 77.

APPENDIX A
STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES
BUREAU OF LAND

LAND ACQUISITION FACT SHEET

Parcel No. _____

Name of Owner _____

Project _____

Address _____

County _____

City _____ State _____ Zip _____

Region Request No. (office use only) _____

Home: _____ Office: _____
Phone _____

Complete Legal Description: (include rough sketch or plat if partial taking)

Section _____ Township _____

Range _____ Estimated Acreage _____

Interest to be acquired by (check one)

Source of funds (check one)

Purchase ()

Resource 2000 ()

Easement ()

LCMR ()

Lease ()

Surcharge ()

Condemnation ()

Public Access ()

Gift ()

Gift ()

Other (describe) _____

Other (describe) _____

_____ ()

_____ ()

Estimated Maximum Purchase Price
(not including relocation benefits)

Estimated Amount of Relocation Benefits
(if not applicable, write "none")

Statute authorizing acquisition _____

Justification for purchase and quality of land:

Check type of seller:

- ☐ Willing Seller
- ☐ Non Committal
- ☐ Reluctant

Date owner indicated a willingness to sell
(must be within previous six months)

Individual who made contact

Address

Phone

The following individual may be contacted for additional information:

Name

Title

Address

City

State

Phone

Initial Contact Comments and/or Instructions:

Director

Date

Regional Administrator

Date

Date submitted to Land Bureau

Date received by Land Bureau