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MANAGEMENT STUDY
OF THE DEPARTMENT OF NATURAL RESOURCES'
LAND ACQUISITION PROCESS

November 1987

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FINDINGS & RECOMMENDATIONS

**MANAGEMENT STUDY
OF THE DEPARTMENT OF NATURAL RESOURCES'
LAND ACQUISITION PROCESS**

**DNR OFFICE OF PLANNING
POLICY & MANAGEMENT ANALYSIS SERVICES SECTION**

November 1987

TABLE OF CONTENTS

	PAGE
LIST OF FIGURES.....	iii
LIST OF TABLES.....	iii
ACKNOWLEDGEMENTS.....	iv
EXECUTIVE SUMMARY.....	vi
SUMMARY OF RECOMMENDATIONS BY PRINCIPALS TO BE INVOLVED IN IMPLEMENTATION.....	viii
Bureau Alone.....	viii
Disciplines Alone.....	xi
Attorney General's Office Alone.....	xiii
Commissioner's Office Alone.....	xiii
Bureau with Attorney General.....	xiv
Bureau with Disciplines.....	xiv
Bureau with Commissioner's Office.....	xvi
Disciplines with Commissioner's Office.....	xvii
Bureau-Disciplines-Commissioner's Office.....	xviii
INTRODUCTION.....	xix
METHODOLOGY.....	xix
TERMINOLOGY.....	xx
CHAPTER 1: ORGANIZATION FOR ACQUISITION	
Mission, Goals	
Findings.....	1
Recommendations.....	1
Structure, Procedures	
Findings.....	2
Recommendations.....	4
Decision-Making	
Findings.....	4
Recommendations.....	5

TABLE OF CONTENTS (CONTINUED)

	PAGE
Staffing & Financial Resources	
Findings.....	5
Recommendations.....	6
Roles	
Findings.....	8
No Recommendations	
Relationships	
Findings.....	8
Recommendations.....	9
CHAPTER 2: PROCESS OF ACQUISITION	
Landowner Contacts, Attitudes, Motives	
Findings.....	10
Recommendations.....	11
Fact Sheets	
Findings.....	12
Recommendations.....	12
Process in Disciplines	
Findings.....	13
Recommendations.....	14
Internal DNR Status Reports	
Findings.....	14
Recommendations.....	15
Appraisal Assignment	
Findings.....	16
Recommendations.....	17
Appraisal Reports & Appraisal Review	
Findings.....	18
Recommendations.....	21
Negotiations	
Findings.....	22
Recommendations.....	23
Closing	
Findings.....	24
Recommendations.....	25
Overall Process Timeframes	
Findings.....	26
Recommendations.....	26

TABLE OF CONTENTS (CONTINUED)

	PAGE
 APPENDICES	
Appendix A - Executive Summary and Principal Findings of "Preliminary Review of Land Acquisition History and Procedures in the Minnesota Department of Natural Resources," July 1987...	A-1
Appendix B - Natural Resource Management Acquisition Goals, 1987.....	B-1
Appendix C - Biennial Planning and Priority Setting Cycle (Model).....	C-1
Appendix D - Excerpt from "Land Acquisition Training Packet," Wisconsin Department of Natural Resources, September 1986.....	D-1
Appendix E - Suggestions for Public Relations Activity....	E-1
Appendix F - Summary of Acquisition Training Recommendations from Report.....	F-1
Appendix G - Sample Screens from Automated Acquisition Inquiry System in Bureau of Lands.....	G-1

LIST OF FIGURES

Figure 1.	The DNR Land Acquisition System: The Funnel Phenomenon.....	3
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LIST OF TABLES

Table 1.	Estimated Professional Service Needs For Land Acquisition, By Program, June 1987.....	7
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Julie Smendzuik-O'Brien
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November 1987

EXECUTIVE SUMMARY

This is the second report of an ongoing consultation with the DNR Bureau of Lands conducted by the DNR Office of Planning, Policy and Management Analysis Services Section. The consultation was requested by the Bureau of Lands and the Commissioner's Office. The objective of the management study resulting in this report was to identify specific problems related to the mission and goals, decision making authority, structure and procedures, staffing and financial resources, roles and relationships, and overall land acquisition process and to provide recommendations to improve the overall system of acquisition at DNR. The study took as its starting point the report, "Preliminary Review of Land Acquisition History and Procedures in the Minnesota Department of Natural Resources," June/July 1987.

Study methodology included on-site observations of Bureau staff and acquisition-related meetings; review of acquisition correspondence; on-site review of acquisition programs at the Michigan and Wisconsin Departments of Natural Resources; indepth, structured interviews with 36 DNR employees; structured telephone interviews with eight landowners who had sold land to DNR; mail survey of 85 DNR field employees involved in acquisition; and mail survey of 51 contract fee appraisers used for DNR appraisals. A steering committee consisting of a regional administrator, Land Bureau managers, representatives of the Commissioner's Office, and project staff members guided the study.

Findings and recommendations are reported in two main chapters: the organization for acquisition and the process of acquisition. The organization chapter covers mission, goals; structure, procedures; decision-making; staffing and financial resources; roles; and relationships. The process chapter covers the steps in the acquisition process, from landowner contacts to closing on the parcel.

The recommendations for improving the acquisition process at DNR have the following general themes:

- * Shortening the length of time and improving status reporting for landowners (e.g., appointing a parcel "caseworker," creating a closing officer position in the Bureau, asking for evaluation of the process by the landowner at the end).
- * Improving coordination between natural resource disciplines and the Land Bureau (e.g., assigning a "customer service representative" in the Bureau, designing an annual goal-setting and a biennial planning cycle in the disciplines, automating the acquisition inquiry system for status reporting).
- * Improving internal Bureau coordination (e.g., selecting 10-12 weekly review priorities, separating appraisal assignment and appraisal review functions in the section, monitoring process timeframes to find areas for improvement).

- * Improving intra-discipline coordination (e.g., providing regular quarterly status reports to directors, determining in advance parcels likely to be successful and parcels for federal reimbursement, communicating annual acquisition goals from central office to the field).
- * Improvements for contract appraisers (e.g., providing bonuses as incentives for early appraisal reports, lessening the number of revisions required in reports).
- * Documentation by Bureau to help process (e.g., written procedures manual and more accessible publications to assist communications about the acquisition process).
- * Improving the Bureau's image (e.g., conducting a campaign within DNR to explain professional service funding, training field staff in the acquisition process).
- * Creating formal conflict resolution channels within DNR for acquisition-related problems.

The report calls for a general clarification of the Department's mission and annual goals in acquisition. It also recommends staffing changes: addition of a management analyst and one additional review position in the Bureau; mobilities for discipline staff willing to work as staff appraisers; and converting acquisition positions to general funding.

Seven appendices cover the following:

- Summary and principal findings from the preliminary acquisition review, dated June/July 1987;
- Stated DNR acquisition goals reported to the Legislative Commission on Natural Resources in August 1987;
- Model for Biennial Planning and Priority Setting Cycle;
- Excerpt from a training packet developed by the Wisconsin Department of Natural Resources;
- Suggestions for Bureau public relations activity;
- Summary of report's training recommendations; and
- Sample screens from automated acquisition inquiry system.

**SUMMARY OF RECOMMENDATIONS BY PRINCIPALS
TO BE INVOLVED IN IMPLEMENTATION**

BUREAU ALONE

Recommendation 1.1: The Bureau needs to develop its own sense of mission as a balance among servicing disciplines, insuring just compensation and reasonable timelines to landowners, and properly husbanding taxpayers' money. All Bureau acquisition staff, regional land specialists, and the Bureau Administrator should participate in developing this mission.

Recommendation 1.16: The Bureau Administrator and the acquisition manager should involve the regional land specialists in the acquisition work of the Bureau by doing some of the following: greater involvement in the mission and goal-setting for acquisition; visits or phone calls by realty specialists whenever the realty specialists are in the region; provide them information about acquisition so they might be better advocates in the field; use them as a sounding board for training developed for field staff and as a "barometer" of sentiment in the field; make better use of quarterly staff meetings to integrate the workforce; have acquisition supervisor phone them weekly with news they could pass on at regional weekly staff meetings, etc.

Recommendation 1.17: Several recommendations in this report will potentially help the Bureau's image. A combination of service orientation, interpersonal skill improvement, documentation of procedures, training for discipline staff, accessibility, and performance should go some distance toward improving the Bureau's image. (See Appendix E for public relations ideas.)

Recommendation 1.18: The Bureau should undertake to improve its internal operations by implementing the recommendations for team building, skill-building and procedural improvements contained in a separate report to the Administrator.

Recommendation 2.1: The Bureau should create a brochure to inform landowners about all aspects, including procedures and length, of acquisition process. Distribute before or during signing of the Landowner's Bill of Rights.

Recommendation 2.2: Include in a training program for field staff, guidelines for early discussion with landowners developed by the Bureau based on statutes and real estate experience.

Recommendation 2.5: Amend form titled, "Record of Contact with Property Owner", to include "Return one copy to Bureau of Lands, Box 30" to provide a feedback loop to the Bureau on contacts made by field staff.

Recommendation 2.7: Guidelines for completing fact sheets should be updated and then reviewed annually by the acquisition manager. If necessary, they should be updated to accord with evolving appraisal requirements and distributed annually to discipline coordinators,

BUREAU ALONE (CONTINUED)

regional land specialists, and field personnel who complete fact sheets.

(It must be emphasized to field staff that all buildings and features on the site must be noted on the fact sheets, since they are important for appraisal purposes even though they may not be important for natural resource purposes. Such information will enhance the Bureau's ability to provide the acquisition service.)

Recommendation 2.8: The acquisition manager should develop and conduct annual training sessions on the acquisition process as a whole for discipline personnel. (See Appendix F.) These could include both basic and advanced sessions. The basic session would provide new field staff with orientation to the process; the advanced session would cover developments during the year.

Discipline schools or quarterly meetings would be good opportunities. Specially planned meetings would also be helpful. At these sessions, revised guidelines for fact sheet completion could be distributed and general feedback on fact sheet problems could be given.

By December 31, 1988, all discipline staff involved in land acquisition must complete the training session to be developed and offered by the Bureau.

Recommendation 2.9: Specific feedback on fact sheet quality should be given to discipline personnel by realty specialists based on information provided by the appraisal review supervisor. Realty specialists, rather than the appraisal review supervisor, should gather from discipline personnel any additional information required by the appraisal review supervisor to assign appraisals. This should ensure that those completing fact sheets learn requirements over time.

Recommendation 2.10: Fact sheet forms should be amended to include an area for disciplines to indicate whether the particular project will be sent for federal reimbursement. A section should also be added where "urgency" could be indicated, e.g. sick or dying landowner, farm foreclosure, capital gains information needed for end of tax year, etc.

Recommendation 2.15: The Bureau should continue its automation of the Acquisition Inquiry System and begin as soon as possible to introduce discipline coordinators to its contents and method of operation. The Bureau should insure that the automated system can develop discipline-specific reports on parcel status. (See Appendix G for samples of screens.)

This will help the central office discipline coordinators in the short run, as well as the field managers when the System 36 becomes operational in regional offices.

Recommendation 2.17: When special problems arise, such as the depletion of money for appraisals in May of the fiscal year ending June 30, the Bureau Administrator (or the Administrator's designee, preferably the acquisition manager) should communicate those special problems in writing to the discipline coordinators with copies to appropriate Bureau caseworkers. Discipline coordinators should routinely transmit this information in writing to all field personnel.

BUREAU ALONE (CONTINUED)

These problems may be specific to one discipline or be of a general nature and applicable to all disciplines. Communication of important information should not be left to casual verbal reporting.

Recommendation 2.18: The Bureau's acquisition supervisor/customer service representative should keep discipline coordinators informed as to parcel status informally as well as through the automated system. This will require close coordination both between the acquisition supervisor and the appraisal review supervisor and between the acquisition supervisor and the attorney general's office.

Recommendation 2.19: As part of the customer service responsibility, the acquisition supervisor should track the time between when the request for appraisal is relayed to the appraisal review supervisor and the appraisal assignment date. The acquisition supervisor should alert the acquisition manager if more than one month elapses between the two dates.

The matter should then be brought to the attention of the appraisal review supervisor and the Bureau Administrator, if necessary. The acquisition supervisor should assist the appraisal review supervisor during this period to gather whatever additional information may be required for the appraisal to be assigned.

Recommendation 2.20: The two functions of appraisal assignment and appraisal review should be separated within the review section.

The appraisal review supervisor should handle screening of fact sheets, appraiser training and qualifications, contract management, negotiate fees with appraisers and relay assignments, supervise staff, and ensure that appraisal-related information on the automated system is kept current. The appraisal review supervisor should also spend time with professional appraisal association marketing the DNR acquisition program's need for qualified appraisers.

Appraisal reviews should be handled by separate staff. (See Recommendation 2.30.) Position descriptions should be rewritten accordingly.

Recommendation 2.22: The Bureau Administrator should direct the appraisal review supervisor to document the degree of acceptability of alternate forms of conducting appraisals, including short form and project appraisals. Results of this effort should be communicated in writing by the appraisal review supervisor to all acquisition staff so that there is a common understanding of acceptable and unacceptable appraisal approaches. The appraisal review supervisor should consider consultation with outside experts in the completion of this task.

Recommendation 2.25: Bureau staff involved in training discipline staff on acquisition procedures should include a discussion of exactly what "appraisal standards" means so that the various meanings are clearly understood by DNR employees outside the Bureau.

Recommendation 2.26: The appraisal review supervisor should continue to exercise care in the degree of guidance given to appraisers conducting

BUREAU ALONE (CONTINUED)

DNR appraisals so that the statutory requirement for an independent appraisal is met. Under no circumstances should an appraisal reviewer conduct and certify the same appraisal; an arms-length relationship must be maintained.

Recommendation 2.28: The inefficiency of having 50% of the appraisers revising appraisal reports must be addressed by the appraisal review supervisor in consultation with the Bureau Administrator and possibly an outside expert. Some possibilities are: improved training for appraisers on DNR requirements, clearer directions at the time of appraisal assignment, reviewer comments on minor items rather than appraiser's revising the report, regular feedback to appraisers so that similar mistakes are avoided in the future, etc.

The acquisition manager and/or supervisor, discipline coordinators, and regional land specialists should be asked to participate in appraiser training sessions to give overviews of the whole DNR central office and field acquisition process, and how the appraisal reports fit in.

Recommendation 2.41: Once the entire acquisition process is complete, the acquisition manager or supervisor in conjunction with the management analyst (see Recommendation 1.8) should send evaluation materials to landowners, discipline field staff and discipline coordinators involved, to gain a sense of what went well and where improvements might be made.

Recommendation 2.43: The acquisition manager and the management analyst should review either files or records in the "Automated Inquiry System" regularly (at least quarterly) to note where performance delays are occurring. In the short run, these "real time" timeframes can be used as an informational item in training sessions, in the brochure for landowners, or other promotional pieces.

DISCIPLINES ALONE

Recommendation 1.5: As priorities and goals are developed for the land acquisition system, they should be communicated to all affected field and central office staff. Discipline directors should inform all affected staff, discipline coordinators and field staff, formally in writing of decisions that are made. The Bureau Administrator should take the initiative to inform discipline coordinators formally in writing and informally through the acquisition supervisor/customer service representative, if for some reason the goals are not otherwise communicated.

Recommendation 1.6: Discipline managers and staff should select suitable parcels with the most likelihood of being successfully acquired so that limited Bureau resources can be most effectively used.

Recommendation 1.10: Discipline staff should use the annual and biennial planning systems and less formal opportunities to involve the

DISCIPLINES ALONE (CONTINUED)

acquisition supervisor/customer service representative in discipline decision-making so that coordination might improve. (See Recommendation 2.13.)

Recommendation 1.15: Discipline directors should review position descriptions of discipline coordinators and field staff to insure that their responsibilities for land acquisition are stated in terms of fact sheets, negotiations, and coordination. It would not be appropriate for discipline staff's performance to be based on acquiring a certain acreage or number of parcels per year, since those are measures of a successful system, rather than measures of any single individual in the system.

Recommendation 2.3: Field staff should be authorized to contact landowners to determine landowner willingness to sell land and to determine the type of opportunity for acquisition. However, field staff should not begin the formal process of acquiring land (i.e., completing fact sheets) until authorized in writing by their discipline coordinator.

Recommendation 2.12: In some disciplines, coordination and communication must be improved between field and central offices regarding the location of fact sheets. (Other field-central office coordination in the disciplines could also be improved.) The automated "Acquisition Inquiry" function that is part of the Land Records System in the Bureau, slated to be on-line in January 1988, will help this status reporting.

Recommendation 2.14: Each discipline should have only one discipline coordinator to interact with the acquisition supervisor/customer service representatives. This, along with the automated system, should reduce the amount of time discipline staff have to spend checking status and reduce the number of interruptions for Bureau staff.

Recommendation 2.16: Discipline coordinators should give written and oral land acquisition status reports to their discipline directors at least quarterly before the Land Acquisition Quarterly meeting (See Recommendation 1.3). These could be jointly developed with the Bureau's acquisition supervisor/customer service representative.

Recommendation 2.23: Discipline coordinators whose programs are eligible for federal reimbursement under Pittman-Robertson (P-R), Dingell-Johnson (D-J), or LAWCON auspices should determine in advance of submitting a fact sheet whether the expenditures for a particular project will be sent for reimbursement under one of these programs. An advance determination could influence the approach to the appraisal, since review by federal review appraisers may not be required.

Recommendation 2.27: The Bureau should continue to use credentialed/qualified appraisers in its appraisal program, whether contract or staff appraisers. However, the Bureau Administrator in

DISCIPLINES ALONE (CONTINUED)

consultation with the Assistant Commissioner for Administration (and possibly the Assistant Commissioner for Operations, if disciplines are willing to finance), should consider offering incentive or bonus payments to contract appraisers for reports turned in early. This would have a more positive effect than the "penalty for lateness" approach, especially since the supply of qualified appraisers is limited.

To finance these bonuses, either the Bureau needs a larger appraisal budget, or disciplines should agree to finance these bonuses on a regular basis or just for particularly urgent parcels. The acquisition supervisor/customer service representative and the acquisition manager would determine discipline interest and relay the request to the appraisal review supervisor. This supervisor would then inform the appraiser.

Recommendation 2.33: The practice of using field staff as negotiators should continue, but field staff should keep the realty specialist/caseworker informed as to progress, so that the realty specialist knows about significant features of the option and the landowner's interests once the option is returned to St. Paul. (See Recommendation 2.6.b.) This will become increasingly important if the Bureau appoints a closing officer to deal directly with the Attorney General's Office. (See Recommendation 2.36.)

ATTORNEY GENERAL ALONE

Recommendation 2.36: The Attorney General's Office should continue to seek financing for hardware compatible with the Bureau's Acquisition Inquiry System on the IBM System 38. This would enable that office to have ready access to its status reporting capacity, and provide the AGO's information simultaneously to the Bureau.

COMMISSIONER'S OFFICE ALONE

Recommendation 1.9: The Commissioner's Office should cultivate the idea of the bureaus being part of the cost of doing business. When amounts of dollars for land acquisition are being considered, the workload impact on the Bureau should be considered as well. The Bureau Administrator should be involved in the discussions, and staff and financial resources should be provided to cover the increased workload. In accordance with DNR Preferred Norms, the affected should be involved.

Recommendation 1.11: The Assistant Commissioners for Administration and Operations and the Deputy Commissioner should affirm the Commissioner's Office position on the management of professional service funds in the Bureau as opportunities arise. The Bureau should include this information in its training programs for discipline staff.

Recommendation 2.24: The Bureau Administrator should prepare a report

COMMISSIONER'S OFFICE ALONE (CONTINUED)

on current appraisal and review standards to be submitted to the Commissioner's Office for a decision that will affirm or change what the Department standards will be. An outside expert on appraisal standards may be useful in this effort.

BUREAU WITH ATTORNEY GENERAL

Recommendation 2.37: The Bureau Administrator should create the position of closing officer within the Bureau and negotiate with the Attorney General's Office for which administrative duties connected with closing might be transferred to that position. (Responsibility for the final title opinion would remain with the Attorney General's Office.) The Assistant Commissioner for Administration should assist in this negotiation.

Possible duties of the Bureau's closing officer include: facilitate obtaining copy of abstract for landowner; oversee dealings with the AGO's office; prepare deeds for signature; provide backup when key Bureau clerical staff are absent; hand-deliver checks to landowner when necessary; receive copies of all correspondence sent by the AGO's office to landowners and keep caseworkers informed; etc.

Recommendation 2.42: The Bureau Administrator, the Assistant Commissioner for Administration, and the Deputy Commissioner should consider negotiating with the Deputy Attorney General about the use of title insurance with 20-year waterbank easements or 20-year RIM easement parcels.

BUREAU WITH DISCIPLINES

Recommendation 1.8: The Bureau, in cooperation with discipline coordinators, should develop documentation to fully explain the land acquisition process in at least two formats. The first should be a formal service manual outlining all required procedures, made available to Bureau staff and discipline coordinators. The second should be a more "popular" version, more intelligible to general DNR employees and landowners. (See Appendix D for an excerpt of a packet prepared by the Wisconsin Department of Natural Resources.)

To facilitate this documentation process and to work on other elements of implementing the recommendations of this study, the Bureau Administrator should employ a management analyst.

Recommendation 2.4: To insure that landowners are not misled about the state's interest, no Landowner Bill of Rights should be signed nor should fact sheets be completed by discipline personnel or realty specialists unless there is money available to purchase the parcel, it is on the discipline's priority list submitted to the Bureau, and the discipline coordinator has formally authorized the parcel. Fact sheets

BUREAU WITH DISCIPLINES (CONTINUED)

should not be used for planning purposes.

Recommendation 2.6: The Bureau's acquisition supervisor should continue the practice of assigning a realty specialist to the case, even if discipline personnel become lead negotiators. This "caseworker's" name should appear on all correspondence to the landowner as a point of reference for the landowner.

- 2.6.a. If a Bureau realty specialist or regional land specialist is the lead negotiator, these "caseworkers" should take the initiative to 1) contact field personnel regularly about the status of the parcel being acquired to impart information; 2) inform or encourage field personnel to inform landowners as to the status of their land being acquired; and 3) follow the case from its entry into the acquisition system until closing on the parcel.
- 2.6.b. In cases when a discipline staff member is the lead negotiator, either from the field or the central office, the staff person should keep the Bureau's caseworker apprised of the progress with the parcel and should ask for technical real estate assistance.

Recommendation 2.13: The Bureau's acquisition supervisor's position should include a primary responsibility to be the chief customer service representative with the disciplines.

In this role, the acquisition supervisor, or designee, should be asked by discipline staff to participate in planning sessions so that overall coordination is improved, real estate expertise would be readily available to the disciplines, and discipline requirements would be better understood by the Bureau. The customer service representative should also be introduced to the disciplines' principal clientele so as to better understand acquisition needs. (See Recommendation 1.10.)

Recommendation 2.30: The Bureau Administrator in consultation with the appraisal review supervisor should develop time goals for handling the various stages of appraisal assignment and review (e.g., two weeks to review/approve fact sheet and assign appraisal, 4-6 weeks to conduct appraisal, two weeks for review, etc.) These management controls should be instituted for all phases of acquisition within and outside the Bureau by joint agreement between the disciplines and the Bureau.

They should be publicized to Department employees and landowners in some format. (See Recommendation 1.8.) When time goals will not be met for specific parcels, the acquisition supervisor/customer service representative must notify the affected discipline in writing.

Recommendation 2.39: The Bureau should use the landowner's brochure (see Recommendation 2.1) and the caseworker approach (see Recommendation 2.6) to enhance the department's customer-approach to landowners, and possibly dispel negative views currently displayed at the end of the process. Discipline staff should also use the brochure and be careful to keep owner's expectations realistic.

BUREAU WITH COMMISSIONER'S OFFICE

Recommendation 1.12: The Assistant Commissioner for Administration and the Bureau Administrator should recommend to the Commissioner and the Deputy Commissioner that land acquisition positions be converted to general funding, since some level of acquisition is likely to continue in the Department.

Recommendation 1.13: The Bureau Administrator and the Assistant Commissioner for Administration should undertake an internal DNR campaign to discuss uses of the various acquisition accounts, similar to the Fish & Wildlife campaign to explain the use of the Game & Fish Fund to anglers and hunters throughout the state.

Recommendation 1.14: The Assistant Commissioner for Administration with the Bureau Administrator and the Financial Management Administrator should investigate alternative funding mechanisms for land acquisition.

Recommendation 2.21: The acquisition manager should continue to chair the current Bureau task force on appraisal credentials for staff. The task force should determine not only required credentials, but outline a phase-in program. This phase-in program should include the option of having not-yet qualified staff appraisers work under the direction of qualified staff appraisers to gain needed experience in appraising. (The not-yet qualified staff person would do the work under the direction of the qualified appraiser who would officially sign the appraisal report.)

The group should also determine how many additional staff hours would actually be necessary to meaningfully contribute to appraisal work. Upon completion of the task force's work, the Bureau Administrator should consult with the Assistant Commissioner for Administration as to how many additional positions might be reasonably requested at the Department level. Reassignment or mobility from divisions to the Bureau should be an option for employees willing to study for appropriate appraisal credentials.

Recommendation 2.29: The current practice of having the acquisition manager identify 10-12 priority parcels weekly for the appraisal review section to work on should be continued. The acquisition supervisor should aid this activity by weekly consultations with discipline coordinators.

In instances of too many "priority" or "urgent" parcels, the matter should be brought by the Bureau Administrator to the attention of the Assistant Commissioner for Administration and the Assistant Commissioner for Operations, who will confer and set the priorities. Use of this channel for conflict resolution should be minimal, however, if good communication within the disciplines and between disciplines and the acquisition supervisor is occurring.

Recommendation 2.31: The Bureau Administrator and the Assistant Commissioner for Administration should advocate the addition of one more FTE position to the review section. (See Recommendation 2.20.)

Short of an additional staff person, the Bureau Administrator should reallocate qualified staff appraisers to act as reviewers for

BUREAU WITH COMMISSIONER'S OFFICE (CONTINUED)

necessary periods of time, and should involve not-yet qualified staff appraisers to periodically participate in "group reviews" so that cross-learning and enhanced understanding can occur.

Recommendation 2.32: The appraisal review supervisor should clearly document conditions under which an appraisal value submitted by a contract appraiser will be administratively altered so that discipline and other acquisition staff can understand the procedures.

The Assistant Commissioner for Administration and the Assistant Commissioner for Operations in consultation with the Bureau Administrator should set up an appeals mechanism for discussing appraisal values in dispute. The two assistant commissioners should determine who is to be involved in the problem-solving and conduct the activity.

Recommendation 2.34: The Bureau Administrator and Assistant Commissioner for Administration should seek legislation to reinstate the 10% (plus or minus) negotiating flexibility. It might be appropriate to involve affected discipline directors and the Deputy Commissioner in this effort.

Recommendation 2.35: The Bureau Administrator, in consultation with the appraisal review supervisor, acquisition manager and Assistant Commissioner for Administration, should determine whether there is need to provide comments on the Statement of Just Compensation provided to the landowner.

Recommendation 2.38: The Assistant Commissioner for Administration in consultation with the Bureau Administrator and discipline directors should consider recommending to the Commissioner that landowners be compensated for a pro-rated share of taxes for the following reasons: similarity to real estate transactions landowners are already familiar with, provide some additional incentive to sell land to the department, enhance the department's public image, balance this benefit against their costs of bearing with a cumbersome governmental process.

Recommendation 2.40: The Bureau Administrator, in consultation with the Assistant Commissioner for Administration and the Financial Management Administrator, should investigate ways to shorten the timeframe between the state's receipt of the deed and the mailing of the check to the landowner.

DISCIPLINES WITH COMMISSIONER'S OFFICE

Recommendation 2.11: Discipline directors should institute internal annual and biennial planning cycles to determine desirable programs, projects, and parcels to be on the priority lists for the system outlined in Recommendation 1.4. (See also Recommendation 1.3.) Fact sheets should not be used for this process, since their preparation may give landowners a false impression of the state's willingness to buy.

BUREAU-DISCIPLINES-COMMISSIONER'S OFFICE

Recommendation 1.2: Bureau representatives, representatives of the disciplines, the Assistant Commissioners for Administration and Operations, and a regional administrator should then discuss the overall mission of the department in acquisition and discuss how it will become operational.

Recommendation 1.3: Annually, the Assistant Commissioners for Administration and Operations, the discipline directors, and the Bureau Administrator should meet, with appropriate staff present, to discuss acquisition goals (number of parcels per discipline) for the fiscal year. Thereafter, the same group should meet quarterly to monitor progress toward goals. (See Recommendation 1.7.)

Recommendation 1.4: A biennial priority-setting system should also be designed and adopted with set dates for priority lists to be completed and submitted to the Bureau. (A possible model for this biennial cycle is in Appendix C.) The priority-setting procedure should also include methods for disciplines to change their parcel priorities during the fiscal year and a formal mechanism for informing the Bureau of the change. This would considerably rationalize the present system and give discipline and Bureau managers and staff a good sense of what could be expected.

Recommendation 1.7: At the time of the annual goal setting, the Assistant Commissioners for Administration and Operations, the discipline directors, the discipline coordinators, the Bureau Administrator and the acquisition manager must determine the rate at which the fact sheets will come into the Bureau from each discipline so as to better stream work.

This should reduce discipline frustration with service delays and help Bureau staff address fact sheets more uniformly rather than on a boom and bust cycle. This should also reduce the number of spurious fact sheets.

INTRODUCTION

This report is one of three that have been prepared as part of a consultation by the DNR's Office of Planning, Policy and Management Analysis Services Section, with the DNR's Bureau of Lands. The first report, entitled, "Preliminary Review of Land Acquisition History & Procedures in the Minnesota Department of Natural Resources, was completed in July 1987. It described the land acquisition system at DNR: its phases, problems in certain phases, costs, staffing levels, dollars available for acquisition, length of processing time, historical number of parcels purchased by program, etc. (See Appendix A.) *

Based on its conclusions, a management study was designed to examine more closely the various stages of the land acquisition system, stages involving DNR employees, other state and federal agency personnel, DNR contractors, as well as Minnesota citizens who were willing to sell land to the DNR. Not only did the study focus on the stages of acquisition and workflow, but also concentrated on how the Department has organized itself to accomplish the tasks of land acquisition.

METHODOLOGY

This management study was conducted from July to October 1987. It consisted of:

- On-site observation at Bureau of Lands staff meetings, other DNR meetings related to land acquisition, and informally during regular office hours.
- Review of all correspondence related to land acquisition received or sent by Bureau staff members.
- On-site review of land acquisition programs at the Michigan and Wisconsin Departments of Natural Resources.
- Indepth structured interviews with:
 - 1 Assistant Commissioner for Administration
 - 16 discipline acquisition coordinators
 - 4 Land Bureau managers and supervisors
 - 5 Land Bureau realty specialists
 - 3 Land Bureau clerical support staff
 - 5 Regional land specialists
 - 2 Attorney General's Office staff.
- Structured telephone surveys with eight landowners who had sold land to the DNR.

* Copies of the Preliminary Review Report are available from the DNR Library or the DNR Office of Planning, both located in St. Paul.

- Mail survey of 85 field staff (44 respondents) involved in acquisition.
- Mail survey of 50 contract fee appraisers (31 respondents) involved in appraisals for DNR acquisition.
- Guidance provided by Steering Committee consisting of Gene Gere, Assistant Commissioner for Administration; Jeff Hanson, Acquisition Manager; Ray Hitchcock, Assistant Commissioner for Operations; Rod Sando, Land Bureau Administrator; and Jim Schneider, DNR Region 4 Administrator.

TERMINOLOGY

These words are commonly used throughout the report.

- * Bureau - The DNR Bureau of Lands.
- * Discipline Coordinators - The 16 DNR employees who play liaison roles between their disciplines and the Bureau on the acquisition of parcels.
- * Disciplines - DNR resource units involved in land acquisition, including fisheries, forestry, trails, waterways, parks & recreation, waters, wildlife. Together these disciplines have eleven accounts from which funds can be allocated to acquire lands.
- * Realty specialists - Four central office staff members and one regional staff member (Region 4, New Ulm) of the Bureau, performing acquisition work and reporting to the acquisition supervisor in St. Paul.
- * Regional land specialists - Seven field staff members located in all regional offices (except Region 4, where the realty specialist reports to St. Paul.) Only one, in Region 5, performs land acquisition work.

CHAPTER 1: ORGANIZATION FOR ACQUISITION

MISSION, GOALS

Findings:

1. Individual disciplines have specific missions and goals in acquiring lands, related to natural resource management. (See Appendix B.) Disciplines view the Bureau's mission in acquisition as one of service. Yet, there have been no attempts to jointly develop a clear mission and work out the service interrelationships.
2. A desirable goal for number of parcels to be acquired in a year has not been set at the department level. This leads to numerous and variable demands on the Bureau, with no common understanding of what can realistically be accomplished. In the absence of an integrated top management decision, the Bureau Administrator, Bureau staff and discipline staff are left to negotiate daily the number of parcels that will be worked on.
3. In FY1986 and FY1987, the Bureau Administrator requested priority lists from disciplines. While a good idea, it was not precisely defined as to what should appear on those lists. As a result, programs (e.g., RIM), projects (e.g., Swan Lake), and individual parcels are intermingled. Despite the high priority of certain projects, resource managers have requested that individual parcels be handled first. Beyond these misunderstandings, discipline coordinators were uncertain as to whether to include old or new parcels or both on priority lists. The Bureau can very easily end up working on the wrong parcels.
4. In FY1987, the Assistant Commissioners for Administration and Operations, the discipline directors, and the Bureau Administrator came to consensus on an overall system quota of 150 parcels. The Bureau could manage this number, and a certain number were allocated to each resource discipline. This study found that discipline and Bureau staff were confused by whether the allocations included "old" and "new" parcels, or just new ones. Half of the field staff responding to the survey had not heard about the quota introduced into the system. Those who heard did so via: reading meeting minutes, seeing the original memo, receiving another memo with the information in it, hearing from discipline coordinator, hearing through rumor/grapevine.

Recommendations:

Recommendation 1.1: The Bureau needs to develop its own sense of mission as a balance among servicing disciplines, insuring just compensation and reasonable timelines to landowners, and properly husbanding taxpayers' money. All Bureau acquisition staff, regional

land specialists, and the Bureau Administrator should participate in developing this mission.

Recommendation 1.2: Bureau representatives, representatives of the disciplines, the Assistant Commissioners for Administration and Operations, and a regional administrator should then discuss the overall mission of the department in acquisition and discuss how it will become operational.

Recommendation 1.3: Annually, the Assistant Commissioners for Administration and Operations, the discipline directors, and the Bureau Administrator should meet, with appropriate staff present, to discuss acquisition goals (number of parcels per discipline) for the fiscal year. Thereafter, the same group should meet quarterly to monitor progress toward goals. (See Recommendation 1.7.)

Recommendation 1.4: A biennial priority-setting system should also be designed and adopted with set dates for priority lists to be complete and submitted to the Bureau. (A possible model for this biennial cycle is in Appendix C.) The priority-setting procedure should also include methods for disciplines to change their parcel priorities during the fiscal year and a formal mechanism for informing the Bureau of the change. This would considerably rationalize the present system and give discipline and Bureau managers and staff a good sense of what could be expected.

Recommendation 1.5: As priorities and goals are developed for the land acquisition system, they should be communicated to all affected field and central office staff. Discipline directors should inform all affected staff, discipline coordinators and field staff, formally in writing of decisions that are made. The Bureau Administrator should take the initiative to inform discipline coordinators formally in writing and informally through the acquisition supervisor/customer service representative, if for some reason the goals are not otherwise communicated.

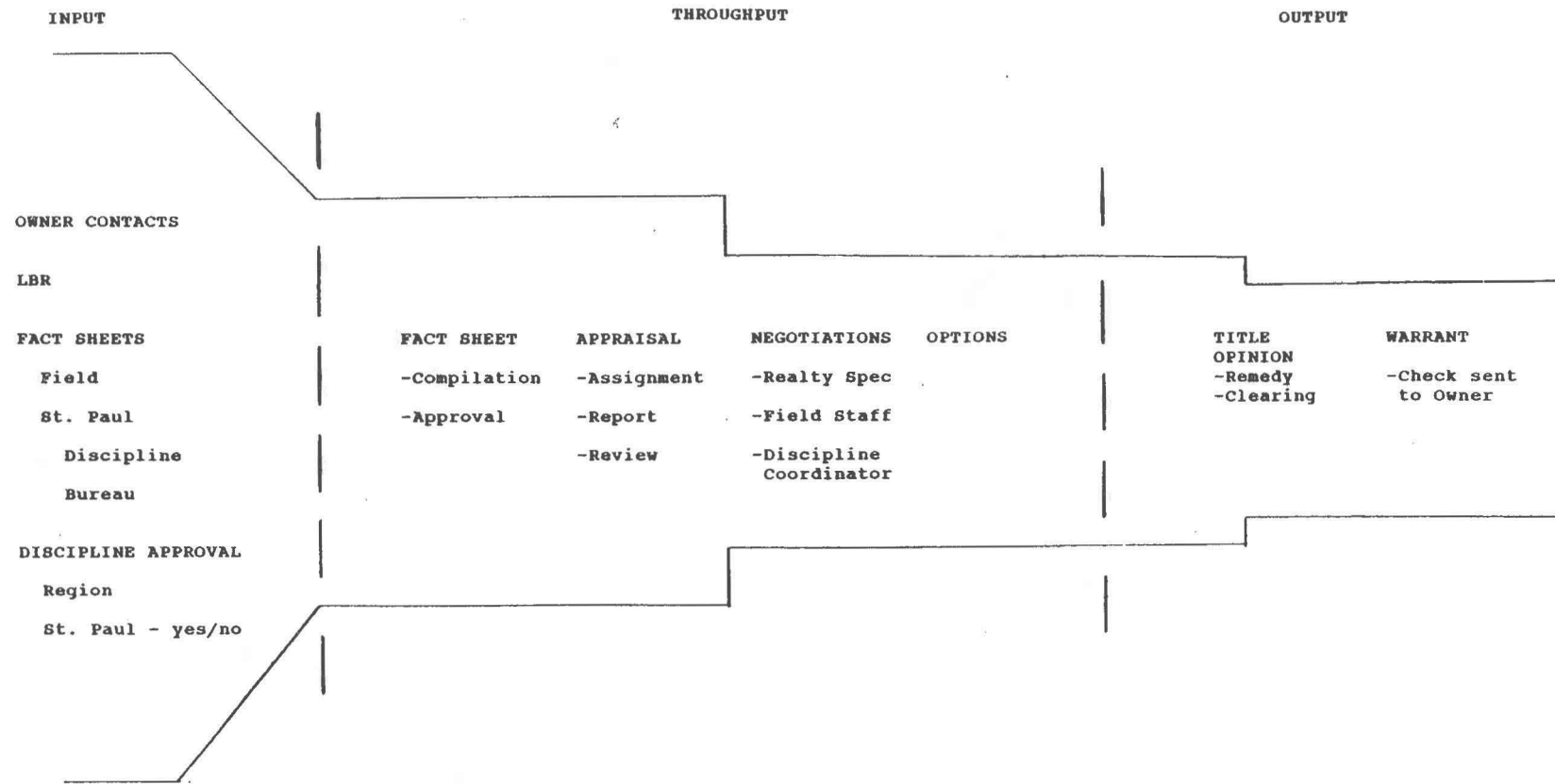
STRUCTURE, PROCEDURES

Findings:

1. The structure of the acquisition system at DNR resembles a funnel lying on its side with the large end to the left. (See Figure 1.) The parts of the funnel are described in the figure. Operationally, this means that of the large number of parcels coming into the system, fewer get out than come in. The attrition can occur for a number of reasons: landowner disinterest, change in resource manager's mind, inability of owner to clear title, etc. While the Bureau may play a coordinating role in the input and output phases, its main functions are in the "throughput" phase. Thus, actions beyond the Bureau itself will be required to improve the working of the overall system.

Figure 1.

The DNR Land Acquisition System: The Funnel Phenomenon



2. A corollary phenomenon to this "funnel phenomenon" is the "stuffing principle." Prior to the coming of the quota effort in FY1988, discipline staff knew that all parcels entering the acquisition system would not come out. Therefore, they would intentionally put in more than they expected to get out so that the attrition would not adversely affect their programmatic effort. While advantageous to disciplines, this strategy at times makes an impossible situation in the Bureau. Each parcel requires the same level of effort from Bureau staff, even if it eventually goes into abeyance for some reason. While disciplines are judging performance by option output, in practical terms, the Bureau must assess its performance by how many parcels are in the system and being worked on at any one time. The high demand for acquisition services is thwarted by the physical constraints (supply) in the Bureau.

Recommendations:

Recommendation 1.6: Discipline managers and staff should select suitable parcels with the most likelihood of being successfully acquired so that limited Bureau resources can be most effectively used.

Recommendation 1.7: At the time of the annual goal setting, the Assistant Commissioners for Administration and Operations, the discipline directors, the discipline coordinators, the Bureau Administrator and the acquisition manager must determine the rate at which the fact sheets will come into the Bureau from each discipline so as to better stream work.

This should reduce discipline frustration with service delays and help Bureau staff address fact sheets more uniformly rather than on a boom and bust cycle. This should also reduce the number of spurious fact sheets.

Recommendation 1.8: The Bureau, in cooperation with discipline coordinators, should develop documentation to fully explain the land acquisition process in at least two formats. The first should be a formal service manual outlining all required procedures, made available to Bureau staff and discipline coordinators. The second should be a more "popular" version, more intelligible to general DNR employees and landowners. (See Appendix D for an excerpt of a packet prepared by the Wisconsin Department of Natural Resources.)

To facilitate this documentation process and to work on other elements of implementing the recommendations of this study, the Bureau Administrator should employ a management analyst.

DECISION-MAKING

Findings:

1. Bureau acquisition staff, from the Administrator on down, are not systematically involved in decisions in legislative or other

settings affecting their ability to deliver services. At times, Bureau staff are consciously excluded; other times, errors are inadvertent.

2. Sometimes the Assistant Commissioner for Administration is similarly not involved in key decisions about the service capacity of the Bureau.

Recommendations:

Recommendation 1.9: The Commissioner's Office should cultivate the idea of the bureaus being part of the cost of doing business. When amounts of dollars for land acquisition are being considered, the workload impact on the Bureau should be considered as well. The Bureau Administrator should be involved in the discussions, and staff and financial resources should be provided to cover the increased workload. In accordance with DNR Preferred Norms, the affected should be involved.

Recommendation 1.10: Discipline staff should use the annual and biennial planning systems and less formal opportunities to involve the acquisition supervisor/customer service representative in discipline decision-making so that coordination might improve. (See Recommendation 2.13.)

STAFFING & FINANCIAL RESOURCES

Findings:

1. Discipline coordinators are concerned that acquisition accounts are not equitably assessed for professional service dollars (one submitted to the study group a cost comparison of \$6000 per parcel to \$17,000 per parcel for two disciplines.) Yet, it has been a long-standing position of the Commissioner's Office to allow the Bureau Administrator to manage these funds so that they are effectively used. Staff are not idled, waiting for the parcels of the user who paid. Thus, service inequities do exist and some disciplines receive more attention than others.
2. Some discipline coordinators think land acquisition positions in the Bureau should be general-funded, since the acquisition program is now more likely to continue than in its earlier years.
3. There are probably sufficient staff and financial resources in the overall acquisition system at DNR. However, they may be allocated in the wrong places. There are approximately 85 field staff, 16 discipline acquisition coordinators, and 13 Land Bureau staff (11% of the total staff) involved in acquisition of land. Similarly, there are large balances in acquisition accounts for the 1987-89 biennium (including carryover funds), but only about 13% (\$320,000 of \$17,000,000) is available to the Bureau for professional

services and related expenses.

At the same time that the Bureau is stretching these resources to provide service to all disciplines, new Fisheries and RIM staff have recently been hired to complete fact sheets. The activity of these new hires will only clog the front end of the funnel further. The throughput and output phases, which have more constraints, probably need more of the resources.

Further, no single person has control over the whole system, and feedback loops are cumbersome, so it is difficult for system corrections to occur. If discipline staff push on one end, they will not necessarily get more out of the other end.

4. The Bureau Administrator prepared an "Estimated Professional Services Needs for Land Acquisition, by Program" table in June 1987. (See Table 1.) Based on historical patterns of parcel acquisition by program and Bureau staff productivity, the comparison revealed that to completely spend all the acquisition funds during the biennium, Bureau staffing would have to increase by almost 100%. Short of full funding for staffing needs, accounts that carry over the end of the biennium would likely suffer mild neglect while accounts that cancelled at the end of the fiscal year or biennium would be spent.
5. Since most of the staff work to acquire a parcel occurs during the year before it is acquired, staffing costs and related expenses do not appear in the same year for cost accounting purposes. Thus a full picture of costs is not currently possible. Gift parcels, while not treated in this study, are examples of the situation where real estate work must be done by the Bureau and there exists no fund to charge. This requires a constant balancing act within the Bureau's budget.

Recommendations:

Recommendation 1.11: The Assistant Commissioners for Administration and Operations and the Deputy Commissioner should affirm the Commissioner's Office position on the management of professional service funds in the Bureau as opportunities arise. The Bureau should include this information in its training programs for discipline staff.

Recommendation 1.12: The Assistant Commissioner for Administration and the Bureau Administrator should recommend to the Commissioner and the Deputy Commissioner that land acquisition positions be converted to general funding, since some level of acquisition is likely to continue in the Department.

Recommendation 1.13: The Bureau Administrator and the Assistant Commissioner for Administration should undertake an internal DNR campaign to discuss uses of the various acquisition accounts, similar to the Fish & Wildlife campaign to explain the use of the Game & Fish Fund to anglers and hunters throughout the state.

Table 1.

Estimated Professional Service Needs for Land Acquisition,
By Program, June 1987

(DOLLARS IN THOUSANDS)

Program	FY88-89 Approp*	Carry- Over	Total Funds Available	Avg Parcels Per \$MM	Est Parcels	Parcels Per Yr	Staffing 8.3 Pos/ 100 Parc.	Estimates 1.5 Pos/ \$MM	Current Staffing	Percent Increase
FMA	85.2 **	126.6	211.8	102.5	22	11	0.9	0.3		
SNA	979.6 **	368.6	1,348.2	28.8	39	20	1.6	2.0		
SFT	425.9 **	564.6	990.5	69.9	69	35	2.9	1.5		
SPK	1,022.1 **	1,081.7	2,103.8	11.4	24	12	1.0	3.2		
TRA		565.8	565.8	22.3	13	7	0.5	0.8		
WAS	255.5 **		255.5	37.2	10	5	0.4	0.4		
WBK	638.8 **	1,019.3	1,658.1	59.4	98	49	4.1	2.5		
WSR		172.7	172.7	58.8	10	5	0.4	0.3		
WMA		287.8	287.8	26.0	7	4	0.3	0.4		
RIM	2,700.0	2,614.0	5,314.0	32.6	173	87	7.2	8.0		
Sur- charge	1,700.0		1,700.0	26.0	44	22	1.8	2.6		
LCMR	1,125.0		1,125.0	26.0	29	15	1.2	1.7		
Water Rec	1,000.0		1,000.0	37.2	37	19	1.5	1.5		
Spec. Pr***		350.0	350.0	32.6	11	6	0.5	0.5		
TOTAL	9,932.1	7,151.1	17,083.2		586	293	24.3	25.6	12.9	93.6%

* Net funds available for acquisition; i.e., total appropriation less professional service costs.

** R2000 appropriations.

*** Miscellaneous special projects.

Source: Land Bureau Research Analyst, June 1987.

Recommendation 1.14: The Assistant Commissioner for Administration with the Bureau Administrator and the Financial Management Administrator should investigate alternative funding mechanisms for land acquisition.

Recommendation 1.15: Discipline directors should review position descriptions of discipline coordinators and field staff to insure that their responsibilities for land acquisition are stated in terms of fact sheets, negotiations and coordination. It would not be appropriate for discipline staff's performance to be based on acquiring a certain acreage or number of parcels per year, since those are measures of a

successful system, rather than measures of any single individual in the system.

ROLES

Findings:

1. Fifty percent of the field staff responding found regional land specialists helpful in the acquisition process. Three-fourths found their discipline coordinators helpful.
2. Almost half of the field staff responding found realty specialists helpful in the acquisition process, though discipline coordinators gave them mixed reviews, citing some very helpful and others less so.
3. Landowners interviewed found DNR employees helpful; some dealt more with discipline staff than with realty specialists.
4. Forty-four field staff responded to the survey. Half were from wildlife, another 25% were from trails & waterways, about 10% were from forestry. The remainder were from parks & recreation, fisheries and waters. Twenty five percent each were from regions 3 and 4. Approximately 15% were from each of regions 1 and 5. About 10% each were from regions 2 and 6. The bulk of field involvement in acquisition comes from two disciplines: fish & wildlife and trails & waterways. Two-thirds of the field said they knew procedures that the Bureau went through to acquire a parcel; 25% said they did not know procedures the Bureau went through.

RELATIONSHIPS

Findings:

1. While included in Bureau quarterly meetings and performing land work, regional land specialists are not entirely satisfied with their relationship with Bureau staff. Communications, formal and informal, are a particularly sore point.

2. The overall image of the Bureau could stand improvement.. Advances have been made in the last 2-3 years, more might be made as a result of this study. Yet, negative images and old war stories persist.

Recommendations:

Recommendation 1.16: The Bureau Administrator and the acquisition manager should involve the regional land specialists in the acquisition work of the Bureau by doing some of the following: greater involvement in the mission and goal-setting for acquisition; visits or phone calls by realty specialists whenever the realty specialists are in the region; provide them information about acquisition so they might be better advocates in the field; use them as a sounding board for training developed for field staff and as a "barometer" of sentiment in the field; make better use of quarterly staff meetings to integrate the workforce; have acquisition supervisor phone them weekly with news they could pass on at regional weekly staff meetings, etc.

Recommendation 1.17: Several recommendations in this report will potentially help the Bureau's image. A combination of service orientation, interpersonal skill improvement, documentation of procedures, training for discipline staff, accessibility, and performance should go some distance toward improving the Bureau's image. (See Appendix E for public relations ideas.)

Recommendation 1.18: The Bureau should undertake to improve its internal operations by implementing the recommendations for team building, skill-building and procedural improvements contained in a separate report to the Administrator.

CHAPTER 2: PROCESS OF ACQUISITION

LANDOWNER CONTACTS, ATTITUDES, MOTIVES

Findings

1. There are several good things about the manner in which DNR employees first contact landowners about selling their land:
 - * Landowners did receive the Landowner's Bill of Rights (LBR) and it was helpful in explaining the process to them;
 - * Landowners interviewed were not pressured to sell land to DNR;
 - * They were told they would not get an offer for their land until the appraisal was completed.
 - * Owners were informed about the process, what would happen with the appraisal, the time it would take;
 - * The specific price of a parcel was never discussed;
 - * Employees encouraged or discouraged owners on appropriate bases. They encouraged if the parcel is desirable and suitable, if money is available, if it is a priority parcel, and if there are advantages to the owner. They discourage if it is not suitable or is a low priority, if the landowner wants an immediate sale, if owner price expectations are too high, if other land management agreements can be reached.
2. There were also some problems with initial landowner contacts:
 - * The process is structured to the advantage of DNR, not for the landowner. The variety of DNR contact persons confuses owners. For example, they may see one person to sign the LBR and then hear from an assortment of others during the process as to the parcel status (e.g., field staff, realty specialists, regional land specialists or discipline coordinators.)
 - * There is some confusion in the field as to whether discipline guidelines exist for contacting landowners.
 - * There are difficulties in the field staff-Bureau coordination at this early stage:
 - Managers do not seek Bureau assistance prior to contacting landowners;
 - Contacts with owners made by resource managers are not always conveyed to realty specialists handling the case;
 - Resource managers, seeing the resource value of the land, may create unrealistic expectations of land value which may be considerably different based on approved appraisal practices.
 - * Rural landowners compare the acquisition process with the

thirty-day transaction they are accustomed to with rural land and do not understand the length of time the process takes.

- * Some fact sheets are developed, used as planning tools, and the parcel is not eventually acquired. This can be a problem for a landowner who has high expectations.

3. Landowners were invited by appraisers to accompany them on appraisals.
4. Landowners have an assortment of motives for selling land to DNR: profit, hear about it from others, thought DNR could use the land, wanted DNR to manage access to parcel, heard about it from town board, etc.
5. Most landowners interviewed said they would sell another parcel to DNR, but would like to see some changes in the process: faster, better ways to find out if DNR is interested, change closing process (didn't like to send signed deed without first receiving check), quicker appraisals.

Recommendations

Recommendation 2.1: The Bureau should create a brochure to inform landowners about all aspects, including procedures and length, of acquisition process. Distribute before or during signing of the Landowner's Bill of Rights.

Recommendation 2.2: Include in a training program for field staff, guidelines for early discussion with landowners developed by the Bureau based on statutes and real estate experience.

Recommendation 2.3: Field staff should be authorized to contact landowners to determine landowner willingness to sell land and to determine the type of opportunity for acquisition. However, field staff should not begin the formal process of acquiring land (i.e., completing fact sheets) until authorized in writing by their discipline coordinator.

Recommendation 2.4: To insure that landowners are not misled about the state's interest, no Landowner Bill of Rights should be signed nor should fact sheets be completed by discipline personnel or realty specialists unless there is money available to purchase the parcel, it is on the discipline's priority list submitted to the Bureau, and the discipline coordinator has formally authorized the parcel. Fact sheets should not be used for planning purposes.

Recommendation 2.5: Amend form titled, "Record of Contact with Property Owner", to include "Return one copy to Bureau of Lands, Box 30" to provide a feedback loop to the Bureau on contacts made by field staff.

Recommendation 2.6: The Bureau's acquisition supervisor should continue

the practice of assigning a realty specialist to the case, even if discipline personnel become lead negotiators. This "caseworker's" name should appear on all correspondence to the landowner as a point of reference for the landowner.

- 2.6.a. If a Bureau realty specialist or regional land specialist is the lead negotiator, these "caseworkers" should take the initiative to 1) contact field personnel regularly about the status of the parcel being acquired to impart information; 2) inform or encourage field personnel to inform landowners as to the status of their land being acquired; and 3) follow the case from its entry into the acquisition system until closing on the parcel.
- 2.6.b. In cases when a discipline staff member is the lead negotiator, either from the field or the central office, the staff person should keep the Bureau's caseworker apprised of the progress with the parcel and should ask for technical real estate assistance.

FACT SHEETS

Findings:

- 1. A variety of DNR discipline staff and Bureau staff complete fact sheets, however, field staff do not spend a lot of time compiling them. All said they complete the fact sheet within a month of the Landowner Bill of Rights being signed. They generally complete them with no Bureau assistance, although some seek assistance from the regional land specialists. Most of the field staff thought that the fact sheets they completed were acceptable.
- 2. Bureau staff review fact sheets twice, once in the acquisition section, once in the review section. There are some inefficiencies in this double screening of fact sheets.
- 3. Appraisers report that they find encumbrances on the parcels even after these screenings; often they are items a person familiar with the site should have noted on the fact sheet.
- 4. Evidently, field and Bureau staff preparing fact sheets are not getting sufficient feedback as to the adequacy of information provided.
- 5. Half the field staff was very interested in attending a training session on fact sheet completion sponsored by the Bureau.

Recommendations:

Recommendation 2.7: Guidelines for completing fact sheets should be updated and then reviewed annually by the acquisition manager. If

necessary, they should be updated to accord with evolving appraisal requirements and distributed annually to discipline coordinators, regional land specialists, and field personnel who complete fact sheets.

(It must be emphasized to field staff that all buildings and features on the site must be noted on the fact sheets, since they are important for appraisal purposes even though they may not be important for natural resource purposes. Such information will enhance the Bureau's ability to provide the acquisition service.)

Recommendation 2.8: The acquisition manager should develop and conduct annual training sessions on the acquisition process as a whole for discipline personnel. (See Appendix F.) These could include both basic and advanced sessions. The basic session would provide new field staff with orientation to the process; the advanced session would cover developments during the year.

Discipline schools or quarterly meetings would be good opportunities. Specially planned meetings would also be helpful. At these sessions, revised guidelines for fact sheet completion could be distributed and general feedback on fact sheet problems could be given.

By December 31, 1988, all discipline staff involved in land acquisition must complete the training session to be developed and offered by the Bureau.

Recommendation 2.9: Specific feedback on fact sheet quality should be given to discipline personnel by realty specialists based on information provided by the appraisal review supervisor. Realty specialists, rather than the appraisal review supervisor, should gather from discipline personnel any additional information required by the appraisal review supervisor to assign appraisals. This should ensure that those completing fact sheets learn requirements over time.

Recommendation 2.10: Fact sheet forms should be amended to include an area for disciplines to indicate whether the particular project will be sent for federal reimbursement. A section should also be added where "urgency" could be indicated, e.g. sick or dying landowner, farm foreclosure, capital gains information needed for end of tax year, etc.

PROCESS IN DISCIPLINES

Findings:

1. All resource disciplines have some internal process for determining priority parcels, usually based on resource considerations rather than an owner's willingness to sell or real estate considerations.
2. Most disciplines do not have an annual or biennial planning cycle for determining parcels to acquire. Some have "reactive" programs in which they react to availability because the supply of desirable parcels is limited (e.g., parcels within state park boundaries, appropriate trout stream easements, waterbank applicants.) Others are opportunity programs with potential for acquisition across a very broad land base (e.g., water access sites, wildlife management

areas.)

3. While most field staff know that their discipline's central office must approve the parcel before the fact sheet is sent to the Bureau, half think that the approval occurs within a month. Discipline coordinators said they report verbally to field staff that they take time, in some cases, more than a month, to review fact sheets. But some field staff are left with the false impression that their fact sheets are in the Bureau sooner than they in fact are. Realty specialists observe that it is sometimes difficult for field staff to "get on" the discipline's central office agenda.

Recommendations:

Recommendation 2.11: Discipline directors should institute internal annual and biennial planning cycles to determine desirable programs, projects, and parcels to be on the priority lists for the system outlined in Recommendation 1.4. (See also Recommendation 1.3.) - Fact sheets should not be used for this process, since their preparation may give landowners a false impression of the state's willingness to buy.

Recommendation 2.12: In some disciplines, coordination and communication must be improved between field and central offices regarding the location of fact sheets. (Other field-central office coordination in the disciplines could also be improved.) The automated "Acquisition Inquiry" function that is part of the Land Records System in the Bureau, slated to be on-line in January 1988, will help this status reporting.

Recommendation 2.13: The Bureau's acquisition supervisor's position should include a primary responsibility to be the chief customer service representative with the disciplines.

In this role, the acquisition supervisor, or designee, should be asked by discipline staff to participate in planning sessions so that overall coordination is improved, real estate expertise would be readily available to the disciplines, and discipline requirements would be better understood by the Bureau. The customer service representative should also be introduced to the disciplines' principal clientele so as to better understand acquisition needs. (See Recommendation 1.10.)

INTERNAL DNR STATUS REPORTS

Findings:

1. Discipline coordinators often have to initiate inquiries on the status of parcels because of the current reporting mechanism. The Bureau provides a quarterly "Fact Sheet Status Report" which gets mixed reviews from coordinators: some find it valuable, others think it useless. Coordinators speak with whichever Bureau staff

person they think has the information. Often, the realty specialist assigned to the case does not always know the status if the parcel is in the review section or at the attorney general's office. This is inefficient because several Bureau staff may be interrupted by the same inquirer seeking information.

2. Sometimes discipline coordinators are not informed of problems with their parcels.
3. Less than half the field respondents said they knew the status of their parcel as it moved through the system. They asked their discipline coordinator or found out themselves most frequently; a little over half of them found out through realty specialists or regional land specialists. Field staff keep supervisors and discipline coordinators informed about parcel status (apparently once they find out.)
4. Discipline coordinators give status reports to directors on an "as requested" basis rather than on a more systematic basis. This appears to hamper directors' abilities to discuss acquisition issues in interdisciplinary settings.
5. Bureau realty specialists will sometimes prepare special status reports for discipline coordinators, upon request. The appraisal review supervisor prepares a status report of parcels being appraised and in review which does not get widespread distribution and is not easily understood by users.

Recommendations:

Recommendation 2.14: Each discipline should have only one discipline coordinator to interact with the acquisition supervisor/customer service representatives. This, along with the automated system, should reduce the amount of time discipline staff have to spend checking status and reduce the number of interruptions for Bureau staff.

Recommendation 2.15: The Bureau should continue its automation of the Acquisition Inquiry System and begin as soon as possible to introduce discipline coordinators to its contents and method of operation. The Bureau should insure that the automated system can develop discipline-specific reports on parcel status. (See Appendix G for samples of screens.)

This will help the central office discipline coordinators in the short run, as well as the field managers when the System 36 becomes operational in regional offices.

Recommendation 2.16: Discipline coordinators should give written and oral land acquisition status reports to their discipline directors at least quarterly before the Land Acquisition Quarterly meeting (See Recommendation 1.3). These could be jointly developed with the Bureau's acquisition supervisor/customer service representative.

Recommendation 2.17: When special problems arise, such as the depletion of money for appraisals in May of the fiscal year ending June 30, the Bureau Administrator (or the Administrator's designee, preferably the acquisition manager) should communicate those special problems in writing to the discipline coordinators with copies to appropriate Bureau caseworkers. Discipline coordinators should routinely transmit this information in writing to all field personnel.

These problems may be specific to one discipline or be of a general nature and applicable to all disciplines. Communication of important information should not be left to casual verbal reporting.

Recommendation 2.18: The Bureau's acquisition supervisor/customer service representative should keep discipline coordinators informed as to parcel status informally as well as through the automated system. This will require close coordination both between the acquisition supervisor and the appraisal review supervisor and between the acquisition supervisor and the attorney general's office.

APPRAISAL ASSIGNMENT

Findings:

1. There are approximately fifty contract fee appraisers available to DNR for appraisal work related to acquisition. About 30 are used by DNR on a regular basis. Appraisers are not readily available in all parts of the state, however, and sometimes parcels "wait" for assignment. As noted earlier (Fact Sheets, Finding 2), a second screening occurs at this phase which may cause delays if additional information is required.
2. Appraisers said that DNR gave them more or similar amounts of time (4-8 weeks) to complete appraisals. This appears to be a sufficient amount of time for them to complete the assignments. Instructions and expectations are clear. About half the appraisers said that the information provided by DNR is complete. Almost all contract appraisers said they would continue to take assignments from DNR. They find the work varied, challenging and rewarding.
3. The responsibility for assigning appraisals and managing contracts with appraisers shifted from the acquisition supervisor to the appraisal review supervisor in June 1986. This shift was simultaneous with changes in appraisal standards of national associations. Thus, FY 1987 saw a slowdown in appraisal assignments as the minor reorganization took effect, and the adjustment period evened out. The additional responsibility of the appraisal review supervisor lessened time available for other duties (only about 30% of the time was spent on reviews.) This coupling of assignment and review of appraisals in the same section was viewed by both landowner interviewees and professionals in other states as a potential conflict of interest.
4. Three-fourths of the appraisers charged DNR the same or a lower fee

for appraisal services. Those fees ranged from \$800-\$2600 (mean=\$1821; mode=\$800). The factors appraisers consider in negotiating their fees are: time involved, type of property, location, complexity, size of parcel, expenses incurred for travel, lodging, etc.

5. Compared to other Minnesota state and federal agencies, appraisers noted that DNR has similar requirements for fee negotiation, appraisal procedures, narrative reports, and the review process. Differences noted by appraisers were: appraisers had to bid for some agency work, others required less detail in their appraisal reports or had less demanding reviewers.
6. DNR qualified staff are periodically, though not frequently, assigned appraisals by the appraisal review supervisor. These staff appraisers allow a certain flexibility, since they can more readily be assigned to difficult or urgent parcels. The problem is that these staff are already functioning in another capacity, usually as a negotiator (caseworker.) The appraisal responsibility is not only an increase in workload but it is also a different type of work. Whereas negotiations require short, intense bursts of concentration, with several manageable at a time, appraisals and reports require long, uninterrupted periods of time, from 3-4 weeks needed on one appraisal. Thus, the transition between roles requires an adjustment period. This use of staff resources is further inefficient in that appraisers get better at appraising the more consistently they use the talent. Sporadic use of staff in both roles is not a productive allocation of staff time.

Recommendations:

Recommendation 2.19: As part of the customer service responsibility, the acquisition supervisor should track the time between when the request for appraisal is relayed to the appraisal review supervisor and the appraisal assignment date. The acquisition supervisor should alert the acquisition manager if more than one month elapses between the two dates.

The matter should then be brought to the attention of the appraisal review supervisor and the Bureau Administrator, if necessary. The acquisition supervisor should assist the appraisal review supervisor during this period to gather whatever additional information may be required for the appraisal to be assigned.

Recommendation 2.20: The two functions of appraisal assignment and appraisal review should be separated within the review section.

The appraisal review supervisor should handle screening of fact sheets, appraiser training and qualifications, contract management, negotiate fees with appraisers and relay assignments, supervise staff, and ensure that appraisal-related information on the automated system is kept current. The appraisal review supervisor should also spend time with professional appraisal association marketing the DNR acquisition program's need for qualified appraisers.

Appraisal reviews should be handled by separate staff. (See Recommendation 2.30.) Position descriptions should be rewritten accordingly.

Recommendation 2.21: The acquisition manager should continue to chair the current Bureau task force on appraisal credentials for staff. The task force should determine not only required credentials, but outline a phase-in program. This phase-in program should include the option of having not-yet qualified staff appraisers work under the direction of qualified staff appraisers to gain needed experience in appraising. (The not-yet qualified staff person would do the work under the direction of the qualified appraiser who would officially sign the appraisal report.)

The group should also determine how many additional staff hours would actually be necessary to meaningfully contribute to appraisal work. Upon completion of the task force's work, the Bureau Administrator should consult with the Assistant Commissioner for Administration as to how many additional positions might be reasonably requested at the Department level. Reassignment or mobility from divisions to the Bureau should be an option for employees willing to study for appropriate appraisal credentials.

Recommendation 2.22: The Bureau Administrator should direct the appraisal review supervisor to document the degree of acceptability of alternate forms of conducting appraisals, including short form and project appraisals. Results of this effort should be communicated in writing by the appraisal review supervisor to all acquisition staff so that there is a common understanding of acceptable and unacceptable appraisal approaches. The appraisal review supervisor should consider consultation with outside experts in the completion of this task.

Recommendation 2.23: Discipline coordinators whose programs are eligible for federal reimbursement under Pittman-Robertson (P-R), Dingell-Johnson (D-J), or LAWCON auspices should determine in advance of submitting a fact sheet whether the expenditures for a particular project will be sent for reimbursement under one of these programs. An advance determination could influence the approach to the appraisal, since review by federal review appraisers may not be required.

Recommendation 2.24: The Bureau Administrator should prepare a report on current appraisal and review standards to be submitted to the Commissioner's Office for a decision that will affirm or change what the Department standards will be. An outside expert on appraisal standards may be useful in this effort.

APPRAISAL REPORTS & APPRAISAL REVIEW

Findings:

1. Most of the appraisers (84%) say they know federal regulations governing appraisals well or very well; 97% indicated they were able to meet DNR's basic standards for appraisal. Most of them

have high volume practices, completing 40 or more appraisals per year for all their customers, including some for DNR. Most of them have done work for other agencies; about half said they did work for MnDOT during FY1987. All appraisers responding had done both rural and nonrural work. Differences they report between rural and nonrural work: fewer and less comparable sales data, differences in highest and best use, parcel sizes, distance to parcels, rural properties require more expertise.

2. The phrase "appraisal standards" as used by interviewees throughout this study can have up to four different meanings, which usually confuses discussion.

- * Appraisal credentials--are required by an inter-departmental group convened under the auspices of the Department of Administration. These credentials permit appraisers to be hired for a year under master contracts to perform "piece work," or individual appraisals, without having to recontract with the state for each "piece."
- * Appraisal guidance or guidelines--provided by the appraisal review supervisor in the Bureau to appraisers about to conduct an appraisal for DNR. Usually site-specific direction.
- * Professional appraisal standards--nine national associations of appraisers, including some related to rural appraising, developed appraisal standards for the profession in May 1986. This came close on the heels of a national controversy about high appraisal values of residential housing, believed to be a major factor in the closing of savings and loan associations and the run on the FSLIC (Federal Savings & Loan Insurance Corporation). These standards were an attempt on the part of the professional disciplines to stave off possible tighter federal regulation.
- * Uniform Standards for Federal Land Acquisition, 1973--are the federal standards for appraisals against which DNR appraisals completed for federal reimbursement are measured.
- * NOTE: The DNR "Basic Standards" text is a blend of the last ~~three~~ items; it was developed by the Bureau's appraisal review section.

3. Federal review appraisers at the U.S. Fish & Wildlife Service (Bob Heittiko) and U.S. National Park Service (Les Parnell), agencies responsible for P-R and D-J, and LAWCON reimbursements, respectively, compliment the work performed by the review section. The USFWS reviewer notes that since the review function has moved from the Department of Administration to DNR, requests for "clarification" from his office has dropped from 30-40 per year, to 3-4 per year. USNPS reviewer notes that Minnesota is doing the best job of any states he deals with in the region (including Michigan and Wisconsin.)

4. The FWS and NPS reviewers also noted that the future of appraisals and reviews will be that professional associations, state agencies and various regulatory bodies will continue to advocate high appraisal and review standards, even to the point of licensure or certification of appraisers. Agency real estate professionals in Michigan and Wisconsin saw this same trend, but both agencies used staff appraisers trained to agency standards but not otherwise credentialed.
5. During FY1987, appraisers did appraisals for virtually all DNR programs, with wildlife management (19), water access (14), waterbank (10), state parks (8), and state trails (6) receiving the bulk of the appraisals. Appraisers worked in 51 Minnesota counties doing DNR work that same year.
6. Two-thirds of the appraisers who responded indicated that narrative reports were required half the time in all the work they do.
7. About one-third of the appraisers reported that they were never late submitting reports. Reasons given for reports that were late: backlog in their offices, too short a timeline from DNR, unexpected interruptions such as court proceedings on other matters, easier and more profitable assignments get higher priority because DNR work is difficult.
8. A little over half the appraisers said that revisions in their reports were usually requested. A little under half of them said that more extensive revisions were required by DNR than other customers; about a third said DNR requests the same amount of revisions.
9. Just about half the appraisers agreed that the quality and quantity of training opportunities provided them by DNR was adequate. However, many felt that appraisal approaches, except for techniques and rationales specific to DNR, should be taught by professional associations. DNR training should focus on formats and administrative methodology rather than appraisal philosophy.
10. Two-thirds of the appraisers agreed that the appraisal review section knew the real estate business well and that staff in the section were helpful and professional during the appraisal process. The section has received letters of commendation for professional work in inter-departmental matters.
11. Discipline coordinators experience the appraisal review period generally as "too long." Their two main concerns are an apparent lack of performance standards (low production and length of time), and the failure of the section to deliver in a timely manner even when commitments for a certain delivery date have been made. They agree that appraisal quality has probably improved, but find the cost high. This reasoning is behind many of the demands for short cuts in appraisal forms or use of staff appraisers. In this, most realty specialists and regional land specialists concur. While overall productivity goals do exist for the review function, cost

and time parameters for individual parcels are lacking.

Recommendations:

Recommendation 2.25: Bureau staff involved in training discipline staff on acquisition procedures should include a discussion of exactly what "appraisal standards" means so that the various meanings are clearly understood by DNR employees outside the Bureau.

Recommendation 2.26: The appraisal review supervisor should continue to exercise care in the degree of guidance given to appraisers conducting DNR appraisals so that the statutory requirement for an independent appraisal is met. Under no circumstances should an appraisal reviewer conduct and certify the same appraisal; an arms-length relationship must be maintained.

Recommendation 2.27: The Bureau should continue to use credentialed/qualified appraisers in its appraisal program, whether contract or staff appraisers. However, the Bureau Administrator in consultation with the Assistant Commissioner for Administration (and possibly the Assistant Commissioner for Operations, if disciplines are willing to finance), should consider offering incentive or bonus payments to contract appraisers for reports turned in early. This would have a more positive effect than the "penalty for lateness" approach, especially since the supply of qualified appraisers is limited.

To finance these bonuses, either the Bureau needs a larger appraisal budget, or disciplines should agree to finance these bonuses on a regular basis or just for particularly urgent parcels. The acquisition supervisor/customer service representative and the acquisition manager would determine discipline interest and relay the request to the appraisal review supervisor. This supervisor would then inform the appraiser.

Recommendation 2.28: The inefficiency of having 50% of the appraisers revising appraisal reports must be addressed by the appraisal review supervisor in consultation with the Bureau Administrator and possibly an outside expert. Some possibilities are: improved training for appraisers on DNR requirements, clearer directions at the time of appraisal assignment, reviewer comments on minor items rather than appraiser's revising the report, regular feedback to appraisers so that similar mistakes are avoided in the future, etc.

The acquisition manager and/or supervisor, discipline coordinators, and regional land specialists should be asked to participate in appraiser training sessions to give overviews of the whole DNR central office and field acquisition process, and how the appraisal reports fit in.

Recommendation 2.29: The current practice of having the acquisition manager identify 10-12 priority parcels weekly for the appraisal review section to work on should be continued. The acquisition supervisor should aid this activity by weekly consultations with discipline coordinators.

In instances of too many "priority" or "urgent" parcels, the matter should be brought by the Bureau Administrator to the attention of the Assistant Commissioner for Administration and the Assistant Commissioner for Operations, who will confer and set the priorities. Use of this channel for conflict resolution should be minimal, however, if good communication within the disciplines and between disciplines and the acquisition supervisor is occurring.

Recommendation 2.30: The Bureau Administrator in consultation with the appraisal review supervisor should develop time goals for handling the various stages of appraisal assignment and review (e.g., two weeks to review/approve fact sheet and assign appraisal, 4-6 weeks to conduct appraisal, two weeks for review, etc.) These management controls should be instituted for all phases of acquisition within and outside the Bureau by joint agreement between the disciplines and the Bureau.

They should be publicized to Department employees and landowners in some format. (See Recommendation 1.8.) When time goals will not be met for specific parcels, the acquisition supervisor/customer service representative must notify the affected discipline in writing.

Recommendation 2.31: The Bureau Administrator and the Assistant Commissioner for Administration should advocate the additional of one more FTE position to the review section. (See Recommendation 2.20.)

Short of an additional staff person, the Bureau Administrator should reallocate qualified staff appraisers to act as reviewers for necessary periods of time, and should involve not-yet qualified staff appraisers to periodically participate in "group reviews" so that cross-learning and enhanced understanding can occur.

Recommendation 2.32: The appraisal review supervisor should clearly document conditions under which an appraisal value submitted by a contract appraiser will be administratively altered so that discipline and other acquisition staff can understand the procedures.

The Assistant Commissioner for Administration and the Assistant Commissioner for Operations in consultation with the Bureau Administrator should set up an appeals mechanism for discussing appraisal values in dispute. The two assistant commissioners should determine who is to be involved in the problem-solving and conduct the activity.

NEGOTIATIONS

Findings:

1. In most cases, realty specialists or regional land specialists function as lead negotiators with landowners. Field staff assist in these instances. However, about one-fourth of discipline field staff who responded say they function as lead negotiators, getting assistance primarily from their discipline coordinators, but also from realty specialists and regional land specialists.
2. Discipline coordinators, realty specialists and regional land

specialists are concerned about the loss of the 10% (plus or minus) flexibility in negotiating for two reasons. First, very often land prices will have changed somewhat during the length of time it takes to complete the process. Second, unknown factors may enter into the picture during negotiations that were not earlier taken into account.

3. Realty specialists and the Attorney General's Office have a good working relationship generally, with realty specialists consulting the AGO about language to put into the option prior to the landowner's signature so that option need not be re-signed because of error.
4. As an agency independent of DNR, the Attorney General's Office may accept the changing or discounting of appraisal values in instances when they, on behalf of the state, are willing to accept less than clear title to a parcel. This action is independent of any action DNR might intend or find desirable.
5. Some negotiators indicated that comments about the appraisals on the Statement of Just Compensation that suggest something is wrong with the appraisal hamper negotiations with the landowner.
6. Discipline field or central office staff arrange for special approvals by other levels of government (e.g., LCMR for forest roads, county boards on wildlife management areas, etc.)
7. Disciplines, as customers of the Bureau, are "relieved" when the option is signed because then they are able to encumber funds. They are satisfied with the process when the deed is finally signed.

Recommendations:

Recommendation 2.33: The practice of using field staff as negotiators should continue, but field staff should keep the realty specialist/caseworker informed as to progress, so that the realty specialist knows about significant features of the option and the landowner's interests once the option is returned to St. Paul. (See Recommendation 2.6.b.) This will become increasingly important if the Bureau appoints a closing officer to deal directly with the Attorney General's Office. (See Recommendation 2.36.)

Recommendation 2.34: The Bureau Administrator and Assistant Commissioner for Administration should seek legislation to reinstate the 10% (plus or minus) negotiating flexibility. It might be appropriate to involve affected discipline directors and the Deputy Commissioner in this effort.

Recommendation 2.35: The Bureau Administrator, in consultation with the appraisal review supervisor, acquisition manager and Assistant Commissioner for Administration, should determine whether there is need to provide comments on the Statement of Just Compensation provided to

the landowner.

CLOSING

Findings:

1. The procedures for closing on a parcel may be slow. While one real estate attorney in the Attorney General's Office is dedicated to acquisition 60-70% of the time and keeps up with demand most of the time, some delays occur. Landowners may not immediately remedy their titles or send their abstracts within 30 days. The Attorney General's tracking system for correspondence sent to landowners is a manual one, and sometimes cases do not receive timely attention. County governments may take anywhere from 10 days to 6 weeks to check abstracts and record deeds. (Some counties lag because they do not like state ownership of land, intentionally work more slowly, and so inform the AGO.) If key Bureau clerical staff who route materials and arrange for warrants are absent or unavailable for some reason, closing will slow.
2. Negotiators/caseworkers are not routinely copied on letters sent from the Attorney General's Office to landowners. Sometimes a Bureau clerical staff person is copied, but there is no requirement for her to route the letter to the caseworker.
3. Some landowners found the Attorney General's Office unresponsive, i.e., phone calls were not returned.
4. Unlike other states, Minnesota elects not to pay a share of pro-rated taxes on parcels being acquired because technically the taxes are for the previous year, during which the landowner had use of the land. DNR's Commissioner could legally make a policy decision to pay a pro-rated portion of the taxes.
5. By the time the landowners are dealing with the Attorney General's Office, some have been involved in the process for 1 1/2 years. In 50% of the cases, the owners are upset by either the length of time it has taken or they had higher expectations because someone along the way led them to believe something different would happen than what they actually experienced.
6. Even after the title is cleared and the deed is signed, it takes an average of three weeks for the owners to receive their checks/warrants.
7. The Attorney General's Office agrees that some of the administrative work connected with closing might be better handled by the Bureau to provide consistency for the landowners.
8. The Attorney General himself has approved the use of title insurance for only certain uses in state agencies, i.e., Housing Finance, where the principal interest of the state is financial;

and RIM 20-year easements at Agriculture, where the principal interest is not permanent but only temporary. MnDOT's use of title insurance is backed up with a clear authority to condemn land when necessary. When the state has a long-term interest and when the state will be investing public funds into a parcel for development, both of which apply to DNR land acquisition, the Attorney General will not support use of title insurance.

9. The Bureau Administrator maintains that there may be cost savings in the use of title insurance, since it would spare appraisers having to seek out certain title information pertinent to parcels. The Attorney General's Office maintains that their services cost less than those of a title insurance company and the results are more permanent.

Recommendations:

Recommendation 2.36: The Attorney General's Office should continue to seek financing for hardware compatible with the Bureau's Acquisition Inquiry System on the IBM System 38. This would enable that office to have ready access to its status reporting capacity, and provide the AGO's information simultaneously to the Bureau.

Recommendation 2.37: The Bureau Administrator should create the position of closing officer within the Bureau and negotiate with the Attorney General's Office for which administrative duties connected with closing might be transferred to that position. (Responsibility for the final title opinion would remain with the Attorney General's Office.) The Assistant Commissioner for Administration should assist in this negotiation.

Possible duties of the Bureau's closing officer include: facilitate getting copy of abstract for landowner; oversee dealings with the AGO's office; prepare deeds for signature; provide backup when key Bureau clerical staff are absent; hand-deliver checks to landowner when necessary; receive copies of all correspondence sent by the AGO's office to landowners and keep caseworkers informed; etc.

Recommendation 2.38: The Assistant Commissioner for Administration in consultation with the Bureau Administrator and discipline directors should consider recommending to the Commissioner that landowners be compensated for a pro-rated share of taxes for the following reasons: similarity to real estate transactions landowners are already familiar with, provide some additional incentive to sell land to the department, enhance the department's public image, balance this benefit against their costs of bearing with a cumbersome governmental process.

Recommendation 2.39: The Bureau should use the landowner's brochure (see Recommendation 2.1) and the caseworker approach (see Recommendation 2.6) to enhance the department's customer-approach to landowners, and possibly dispel negative views currently displayed at the end of the process. Discipline staff should also use the brochure and be careful to keep owner's expectations realistic.

Recommendation 2.40: The Bureau Administrator, in consultation with the Assistant Commissioner for Administration and the Financial Management Administrator, should investigate ways to shorten the timeframe between the state's receipt of the deed and the mailing of the check to the landowner.

Recommendation 2.41: Once the entire acquisition process is complete, the acquisition manager or supervisor in conjunction with the management analyst (see Recommendation 1.8) should send evaluation materials to landowners, discipline field staff and discipline coordinators involved, to gain a sense of what went well and where improvements might be made.

Recommendation 2.42: The Bureau Administrator, the Assistant Commissioner for Administration, and the Deputy Commissioner should consider negotiating with the Deputy Attorney General about the use of title insurance with 20-year waterbank easements or 20-year RIM easement parcels.

OVERALL PROCESS TIMEFRAMES

Findings:

Elapsed times (ranges) for eight parcels owned by landowners interviewed for this study (taken from paper files):

2.00 - 7.75 months	Fact Sheet to Appraisal Report
0.25 - 3.00 months	Appraisal Report to Approved Appraisal
0.00 - 6.00 months	Approved Appraisal to Option
2.00 - 7.00 months	Option Taken to AGO Title Opinion
0.25 - 7.00 months	AGO Title Opinion to Check Issued
8.50 - 18.50 months	TOTAL ELAPSED TIME

Recommendation:

Recommendation 2.43: The acquisition manager and the management analyst should review either files or records in the "Automated Inquiry System" regularly (at least quarterly) to note where performance delays are occurring. In the short run, these "real time" timeframes can be used as an informational item in training sessions, in the brochure for landowners, or other promotional pieces.

APPENDIX A

Executive Summary and Principal Findings of "Preliminary Review of Land Acquisition History and Procedures in the Minnesota Department of Natural Resources," July 1987

EXECUTIVE SUMMARY

Today, the State of Minnesota owns and manages approximately 5.6 million acres of land--94% of it managed by the Department of Natural Resources. The Department's Bureau of Lands is important in all phases of land transactions. This review focuses on land acquisition in the Department and the role of the Bureau.

The Bureau currently has 3 sections and 31 field and central office employees. Thirteen staff in the Acquisition and Exchange Section work to purchase about 125 parcels of land annually. The acquisition process falls into nine different phases, from landowner contact and fact sheet generation to Attorney General's review and payment to landowner. A May 1986 internal study by the Bureau showed that it took an average of 544 days (1½ years) to acquire a parcel.

Over the last few years, professional service costs have been declining, ranging between 6-15% of the cost of the land acquired. The number of staff has been halved since 1978, the number of parcels acquired has fallen, yet the average number of parcels acquired per position is higher than the performance in the previous five years.

The Bureau has 2 main customers, and one "shadow" customer. Landowners experience an often lengthy process, ranging from 6½ months to 2½ years. DNR resource disciplines, the second customer group, all get some level of service from the Bureau, but in recent months have raised several issues to be addressed. The "shadow" customer, the taxpaying general public, whose money is being spent for acquisition, also has an interest.

Bureau staff perceptions are that there are about 45 steps in the entire acquisition process, not many of which are under their control. Fifteen were characterized as somewhat problematic; almost all would have to involve other actors to solve the problems.

The Bureau has made improvements in several of the phases of the acquisition process over the last few years. Overall improvements have been made in creating workplans, priority lists, and an automated land record system.

Conclusions reached during this preliminary review:

- * The Bureau's mission must be affirmed or changed and communicated to all levels of the Department.
- * The decision making roles of various actors in the process must be further investigated and clarified.
- * Procedures and organization to accomplish the work must be further examined.
- * Short-and Long-term staffing and funding concerns are serious; a better match of staff and funds must be made.
- * The Bureau's relationships and image need improvement all the way around.
- * Employee morale may be low and adversely affecting productivity.

Final recommendations are expected in October 1987.

PRINCIPAL FINDINGS

BACKGROUND

- STATE OF MN OWNS 5.6 MILLION ACRES OF LAND, 94% MANAGED BY DNR. MN IS ONE OF LARGEST LANDOWNERS IN U.S.

LAND BUREAU: OVERVIEW

- CREATED IN 1974 TO ACQUIRE AND LEASE LAND.
- HISTORY OF CHANGES IN ACQUISITION
 - 1973 - FEDERAL ACQUISITION STANDARDS ADOPTED BY LEGISLATURE
 - 1974-78 - SHARED RESPONSIBILITY WITH DEPARTMENT OF ADMINISTRATION
 - 1978 - RESPONSIBILITY FOR APPRAISAL ASSIGNMENT TRANSFERRED FROM DOA TO DNR
 - 1979-80 - LEGISLATURE PASSES LANDOWNER BILL OF RIGHTS LAW.
 - 1980 - BUREAU LOST 1/2 ACQUISITIONS STAFF
 - 1983 - RESPONSIBILITY FOR APPRAISAL REVIEW TRANSFERRED TO DNR
 - 1986 - PROFESSIONAL APPRAISERS CLAMP DOWN ON THEMSELVES
 - 1984-87 - CREDIT TO BUREAU FROM FEDS FOR GOOD APPRAISALS AND REVIEWS
- THREE SECTIONS IN BUREAU:
 - * RECORDS, SALES & LEASES - 13 STAFF
 - * APPRAISAL REVIEW - 3 STAFF
 - * ACQUISITION & EXCHANGE - 13 STAFF
- SEVEN REGIONAL LAND SPECIALISTS -- ALL DO LEASES AND EXCHANGES: ONLY NEW ULM AND ROCHESTER HANDLE ACQUISITIONS

STEPS IN ACQUISITION AND BUREAU PERFORMANCE

- NINE "PHASES" IN ACQUISITION - FROM LANDOWNER CONTACT TO WARRANT.
- MAY 1986 BUREAU STUDY SHOWED ACQUISITION TAKES AN AVERAGE OF 544 DAYS (18 MONTHS). NO FORMAL TIME GOALS EXIST.
- PERFORMANCE
 - * BETWEEN \$4-5 MILLION SPENT ON LAND ACQUISITION EACH OF LAST TWO FISCAL YEARS.
 - * OVERALL PROFESSIONAL SERVICE COSTS ARE DECLINING--FEWER POSITIONS IN BUREAU.
 - * PROFESSIONAL SERVICE COSTS AS A % OF COSTS OF LAND RANGES BETWEEN 6-15%, AVERAGES OUT AT ABOUT 11% OF LAND COSTS.
 - * BETWEEN FYS 1977 AND 1985, NUMBERT OF BUREAU STAFF DECLINED FROM 30 TO 12.
 - * NUMBER OF PARCELS ACQUIRED PER YEAR HAS FALLEN OFF, FROM 350 IN 1980 TO 150 IN 1986.
 - * IN LAST FIVE YEARS, NUMBER OF PARCELS ACQUIRED PER POSITION IS HIGHER THAN THE AVERAGE NUMBER PER POSITION IN PREVIOUS FIVE YEARS.

CUSTOMER PERCEPTIONSLANDOWNERS

- * 3 MAIN STAGES FOR OWNER: INITIAL CONTACT, LETTER ABOUT APPRAISER ARRIVES, OPTION IS OFFERED.
- * MAY TAKE FROM 6 1/2 MONTHS - 2 1/2 YEARS, BASED ON BUREAU STAFF ESTIMATES.

RESOURCE DISCIPLINES:

- * ALL DISCIPLINES RECEIVE SOME LEVEL OF SERVICE FROM BUREAU.
- * BECAUSE EACH PARCEL REQUIRES SOME LEVEL OF EFFORT FROM BUREAU, DISCIPLINES WITH MONEY AND SMALLER VALUE PARCELS GET MORE SERVICE FROM BUREAU THAN DISCIPLINES WITH COMPARABLE MONEY AND HIGHER VALUE PARCELS.
- * DIRECTORS IDENTIFIED SEVERAL ISSUES RELATED TO ACQUISITION: TIME, APPRAISAL COSTS, APPRAISAL STANDARDS, ACQUISITION FUNDS, PRIORITY LISTS.

TAXPAYING PUBLIC:

- * TECHNICALLY, PAY FOR LAND ACQUIRED FOR THEIR BENEFIT.
- * CAN BECOME VERY VISIBLE WHEN LEGISLATORS THINK DNR VALUES ARE "TOO HIGH" OR "TOO LOW."

LAND BUREAU STAFF PERCEPTIONS

- IDENTIFIED 44 STEPS IN THE LAND ACQUISITION PROCESS, 15 STEPS PERCEIVED AS PROBLEMS (ABOUT A THIRD).
- OF 15 PROBLEM STEPS,
 - * 7 CONTROLLED BY "OTHERS"
 - * 7 JOINTLY CONTROLLED BY BUREAU AND OTHERS
 - * 1 TOTALLY CONTROLLED BY BUREAU.
- IMPROVEMENTS IN OVERALL PROCESS MUST BE JOINT UNDERTAKING BETWEEN BUREAU, DISCIPLINES, LANDOWNERS, ATTORNEY GENERAL'S OFFICE.

ANALYST'S OBSERVATIONS

- BACKLOGS IN 7 OF 9 ACQUISITION PHASES

IMPROVEMENTS: ATTEMPTED, ACHIEVED, INCONCLUSIVE

- DEVELOPED FACT SHEET GUIDELINES, GUIDELINES FOR ACQUISITION IN CERTAIN DISCIPLINES.
- CONTRACTING WITH FEE APPRAISERS HAS SOMEWHAT UNBURDENED BUREAU STAFF, BUT THERE ARE PROBLEMS FINDING CONTRACT APPRAISERS.
- BUREAU HAS DEVELOPED AN 8-HOUR TRAINING COURSE FOR APPRAISERS.
- ABBREVIATED APPRAISAL REPORT DEVELOPED BUT SLOW IN BEING USED.
- BUREAU SLOW IN IMPROVING APPRAISAL REVIEW PROCESS.
- ATTORNEY GENERAL'S OFFICE HAS LIMITED THE USE OF TITLE INSURANCE.
- BUREAU ATTEMPTS TO IMPROVE OVERALL PROCESS:
 - * DEVELOPED LAND ACQUISITION WORKPLAN
 - * REQUESTED DISCIPLINE PRIORITY LIST
 - * PROPOSED TO COMMISSIONER'S OFFICE AND DIRECTORS A QUOTA SYSTEM FOR ACQUISITION. DIRECTORS CONCURRED.
 - * AUTOMATING LAND RECORD SYSTEM, INCLUDING ACQUISITION.

CONCLUSIONS

- * BALANCE AMONG RESOURCE GOALS, ASSUMING JUST COMPENSATION FOR OWNER, AND FAIRLY SPENDING TAXPAYER MONEY NOT WIDELY ACCEPTED AT DNR.
- * MANY ACTORS IN ACQUISITION PROCESS OVER WHOM BUREAU HAS NO CONTROL; BUREAU HAS INFLUENCE OVER OTHERS BUT NO FINAL AUTHORITY.
- * WITHIN THE BUREAU, QUESTIONS ABOUT ROLES AND AUTHORITY EXISTS; HAMPERS PRODUCTIVITY.
- * INEFFICIENCIES IN PROCESS WITHIN BUREAU--SOME MATERIALS REVIEWED TWICE, DISCIPLINE INQUIRERS DISRUPT BUREAU WORKERS.
- * BUREAU STAFFING AND FINANCING ARE TENUOUS EACH FISCAL YEAR. THERE ARE BOTTLENECKS DUE TO STAFF SHORTAGES.
- * BUREAU IMAGE NOT VERY GOOD; IT DOES NOT COMMUNICATE ABOUT ITSELF OR ITS WORK VERY WELL.
- * TENSION EXISTS AMONG BUREAU STAFF BOTH BECAUSE OF PERSONAL STYLES AND DISCIPLINE DEMANDS. MORALE LOW.

APPENDIX B

Natural Resource Management Acquisition Goals, 1987

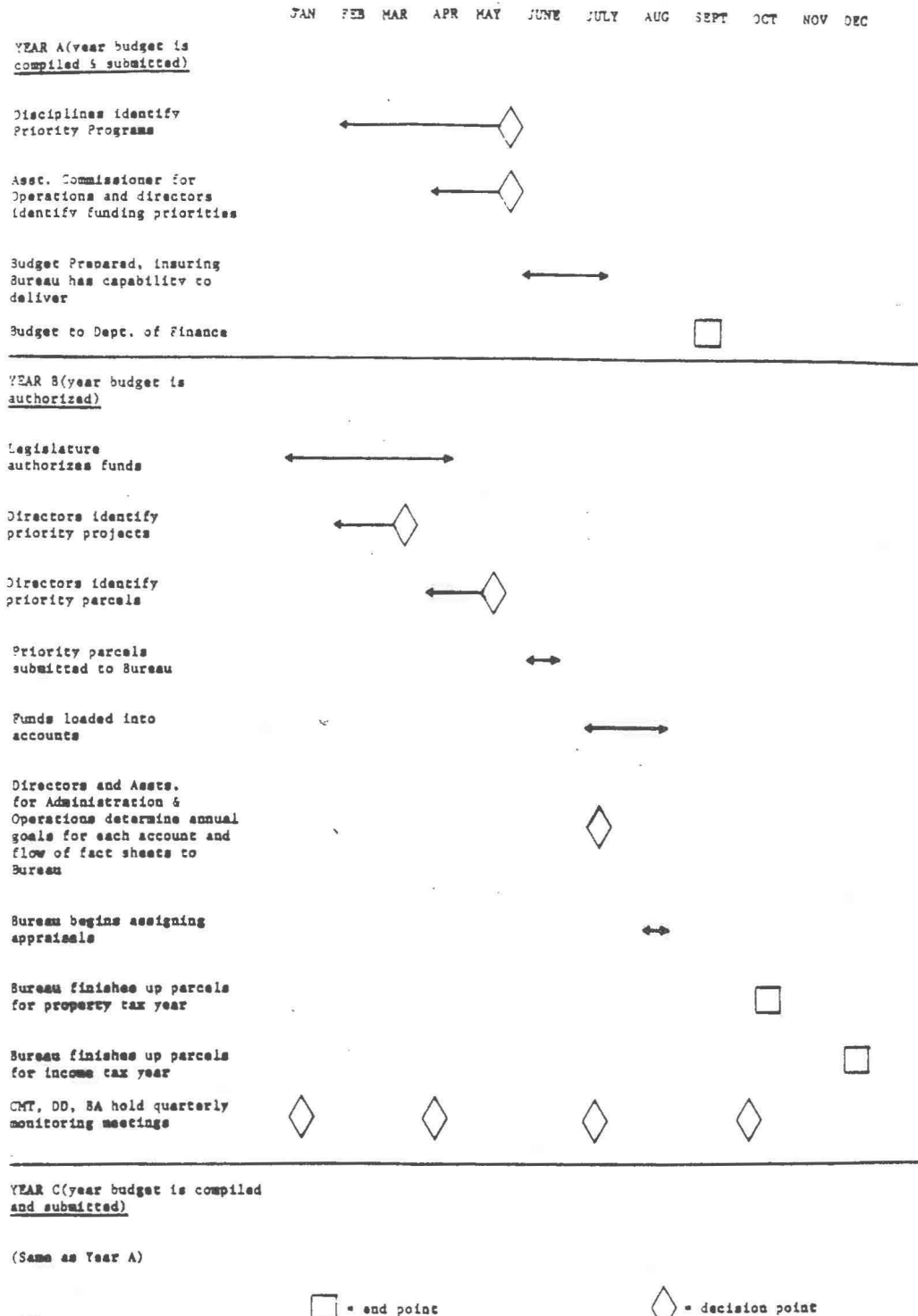
Based on current plans, the DNR has set the following long-range acquisition and development goals to provide high quality recreation opportunities and critical fish and wildlife habitat:

- State Parks - acquire approximately 23,000 acres of private land and 10,000 acres of trust fund land within present state park boundaries; major rehabilitation of existing facilities.
- State Forests - acquire 41,000 acres in the Dorser Memorial Hardwood Forest and key parcels in state forests in northern Minnesota; develop new facilities and rehabilitate existing state forest recreation facilities according to forest unit plans.
- Wildlife and Waterbank - acquire 465,000 acres to reach the one million acre goal for WMA lands and another 125,000 acres under the waterbank program; develop necessary improvements on WMAs based on new acquisitions and increased wildlife recreation pressures.
- Fisheries - acquire 3,000 acres of stream easements, spawning areas, roughfish control sites and auxiliary management sites; develop fish hatchery and fish rearing facilities to maintain and enhance the state's high quality fisheries.
- Scientific and Natural Areas - acquire 60 SNAs bringing the total to 100 units by the year 2000 to provide protection to the majority of the 454 plant communities, plant species, animal species and geologic features identified as worthy of preservation; develop needed improvements on the 100 units to protect the state's investment.
- State Trails - acquire 650 miles of rights-of-way along designated trails, approximately 500 miles of which involve public lands along the North Shore, Taconite, International Falls to Tower, and the Minnesota-Wisconsin Boundary Trails; complete development on the designated rights-of-way so as to allow trail use by various trail user groups.
- Wild and Scenic/Canoe and Boating Route Rivers - acquire 10,000 acres of scenic easements and up to 310 recreation sites depending on additions to the canoe and boating routes system; development would be needed on most of the new recreation sites.
- Public Water Access - acquire 220 sites over the next 10 years; develop 220 sites over the same period.

Source: "DNR Land Acquisition and Development Programs," a report prepared for the Legislative Commission on Minnesota Resources, August 1987.

APPENDIX C

Biennial Planning and Priority Setting Cycle (Model)



APPENDIX D

Excerpt from
"Land Acquisition Training Packet,"
Wisconsin Department of Natural Resources,
September 1986

LAND ACQUISITION TRAINING PACKET

BUREAU OF REAL ESTATE
DEPARTMENT OF NATURAL RESOURCES
STATE OF WISCONSIN

LAND ACQUISITION TRAINING PACKET

Table of Contents

Chapter I Land Acquisition Program

- I-1 Program objectives
- I-2 History and funding sources
- I-3 Legislative Acts

Chapter II Land Acquisition Process

- II-1 Flow chart
- II-3 Acquisition steps
- II-8 Acquisition time line

Chapter III Optioning Property

- III-1 Option checklist
- III-3 Option (Form 2200-4)

Chapter IV Option Package

- IV-1 Processing the option package
- IV-2 Option notification (Form 2200-105)
- IV-3 Option (Form 2200-4)
- IV-5 Tract appraisal report (Form 2200-12)
- IV-7 Section map (Form 8600-16)
- IV-8 Building survey (Form 8600-5)
- IV-9 Property map
- IV-11 Negotiations record (Form 2200-34)
- IV-12 Appraisal review (Form 2200-111)
- IV-14 Appraisal review and certification (Form 2200-123)
- IV-16 Just Compensation statement (Form 2200-94)
- IV-17 Offer to option (Form 2200-113)
- IV-18 Justification statement

Chapter V Leases, Permits, Easements, Agreements and Other Forms

- V-1 General definitions; authorizations
- V-2 Forms and examples of use: Department is the landowner
- V-2,3 Forms and examples of use: Department is not landowner
- V-4 Other forms: guidelines for use
- V-5 Appraisal request fact sheet
- V-7 Option Time Extension (Form 2200-25)

Chapter VI Legal Descriptions

- VI-1 Metes and bounds
- VI-2 Plats and government surveys
- VI-3 Townships
- VI-4 Sections
- VI-5 Quarter sections and smaller divisions
- VI-6 Wisconsin map, identifying townships and ranges
- VI-7 Sources of maps

Table of Contents (continued)

Chapter VII Appraisal Theory

- VII-1 Introduction
- VII-2 Value
- VII-3 Highest and Best Use
- VII-4 Approaches to value: cost
- VII-5 Approaches to value: market data, income

Chapter VIII Relocation Rights

- VIII-1 Business, farm or nonprofit organization
- VIII-7 Residence: tenant-occupant, owner-occupant

Appendix - Brochures available for public distribution

- "Public Lands: An investment in Wisconsin's outdoor future"
- "Who Pays the Taxes of Lands Administered by the DNR?"

Land Acquisition

Objective

The objective of the land acquisition program administered by the Department of Natural Resources is to preserve and protect significant natural resources and to provide needed outdoor recreational opportunities for present and future generations. This objective of "public trust" has become the backbone of the Department's resource management program.

Important wetlands, scenic, historical, archaeological and geologic areas, scientific areas, fish and wildlife habitat, endangered species habitat and other resources have been preserved and the public trust ensured through the actions of the land acquisition program. This goal is an interpretation of numerous statutes, legislative acts and Natural Resource Board policies which began in 1876 with the purchase of the "Nine Springs" area (Nevin Hatchery) near Madison for a "State Fish Hatchery House".

The Department pursues its overall objective through a number of functional objectives:

Fish Management: To acquire land to protect, manage and improve fishery resources and provide maximum, compatible outdoor recreation opportunities.

Wildlife Management: To acquire land to protect, manage and improve wildlife resources and provide compatible outdoor recreation opportunities.

Northern Forests: To acquire state forest lands to improve management and assure a sustained yield of forest products and other public benefits.

Southern Forests: To acquire lands for the protection of significant scenic, geologic and natural features to help meet statewide recreational and outdoor educational needs.

State Parks and Recreation Areas: To acquire exceptional areas for the protection of significant, scenic, historical, archaeological, geologic and natural features. These lands help meet statewide recreational and outdoor recreational needs and provide needed recreational opportunities near urban areas.

Wild and Scenic Rivers: To acquire land to preserve and make accessible for the benefit of all people, selected parts of Wisconsin's diminishing resource of free-flowing wild and scenic rivers, particularly the Pike, Pine, Popple and Wolf rivers.

Scenic and Natural Areas: To acquire land to preserve examples of all types of biotic communities, unique natural features native to different regions and archaeological sites. This insures preservation for the future and makes these areas available for research and educational uses.

HISTORICAL BACKGROUND

Since 1876 the Department of Natural Resources has acquired over 1.1 million acres of land for resource protection and public recreation. The total cost has been just over \$100 per acre. The land acquisition program follows from an interpretation of numerous statutes and Natural Resources Board policies. In general, the program was established through four legislative acts: the 1927 Conservation Act, the 1961 Outdoor Recreation Action Program (ORAP) Act, the 1969 ORAP-200 Act and the 1981 ORAP-2000 Act.

The Conservation Act consolidated previously enacted authorities into a purposeful policy. It established a six-member Conservation Commission and the basic authority for and acquisition. The 1961 ORAP Act established a funding program, other than license fee monies, by a one cent per pack tax on cigarettes. The 1969 ORAP-200 Act expanded the recreational program. It recognized the need for a continuing and flexible funding source by establishing a bonding program with a funding limit to expire after 12 years. The 1981 ORAP-2000 Act again supported long-term land acquisition by extending the bonding program through 1991.

FUNDING

A variety of federal and state funding sources are available to the Department for acquiring land. Each funding source has specific limitations on its use and federal funds are utilized to the maximum extent possible.

Federal funding programs used for recreational land acquisition are:

Land and Water Conservation Fund (LAWCON): Monies are from a tax on West Coast off-shore oil profits. The program's primary purpose is to directly provide recreational opportunities. Cost sharing amounts to 50 percent of the total acquisition cost.

Wildlife Restoration Act (Pittman-Robertson): Monies are from a tax on sporting goods and equipment relating to wildlife and hunting. Funds received are based on the number of hunting licenses sold in each state. The program's primary purpose is to conserve and manage wildlife. Cost sharing amounts to 75 percent of the total acquisition cost.

Sport Fish Restoration Act (Dingell-Johnson): Monies are from a tax on sporting goods and equipment relating to fisheries and fishing. Funds received are based on the number of fishing licenses sold in each state. The program's primary purpose is to conserve and manage fish. Cost sharing amounts to 75 percent of the total acquisition cost.

State funding programs used for recreational land acquisition are:

ORAP Recreational Bonding: Monies are derived from the sale of bonds to the general public. Bonding authorization is by legislative action. Since the general public funds the program, monies are primarily used for programs which benefit the public at large such as state parks, wild rivers and scientific areas.

ORAP Formula: Monies are from an appropriation from the general fund equal to 0.0165 percent of the state's equalized valuation. The funds are primarily used for acquisitions which benefit the general public at large such as state parks, wild rivers and scientific areas. Funds are also used for debt service on recreational bonds, local park aids, state park operations and youth camps.

Segregated Conservation Fund: Monies from several major accounts: fish and game, forestry, state parks, southern forests, snowmobile and motorcycle outdoor recreational funds (MORP). The MORP funds are used only for local aids; the other funds may be appropriated for land acquisition.

PUBLIC LANDS IN WISCONSIN

<u>Unit</u>	<u>Acres</u>	<u>% of Total Area</u>
Federal	1,665,553	5%
Trust Lands	86,026	.002%
DNR	1,114,587	3%
County	2,320,817	7%
Other	<u>221,224</u>	<u>.006%</u>
Totals	5,408,207	15%

*35,849,277 Acres in Wisconsin

BASIC ACTS CREATING THE ACQUISITION PROGRAM

1. 1927 Conservation Act

- consolidated previous acts and authorities (since 1876) into an acquisition policy

2. 1961 ORAP ACT

- 1 cent tax on cigarettes over a 10-year period to raise \$50,000,000
- fell far short of its goal (about \$10 million), now goes to General Fund.

3. 1969 ORAP-200 Act

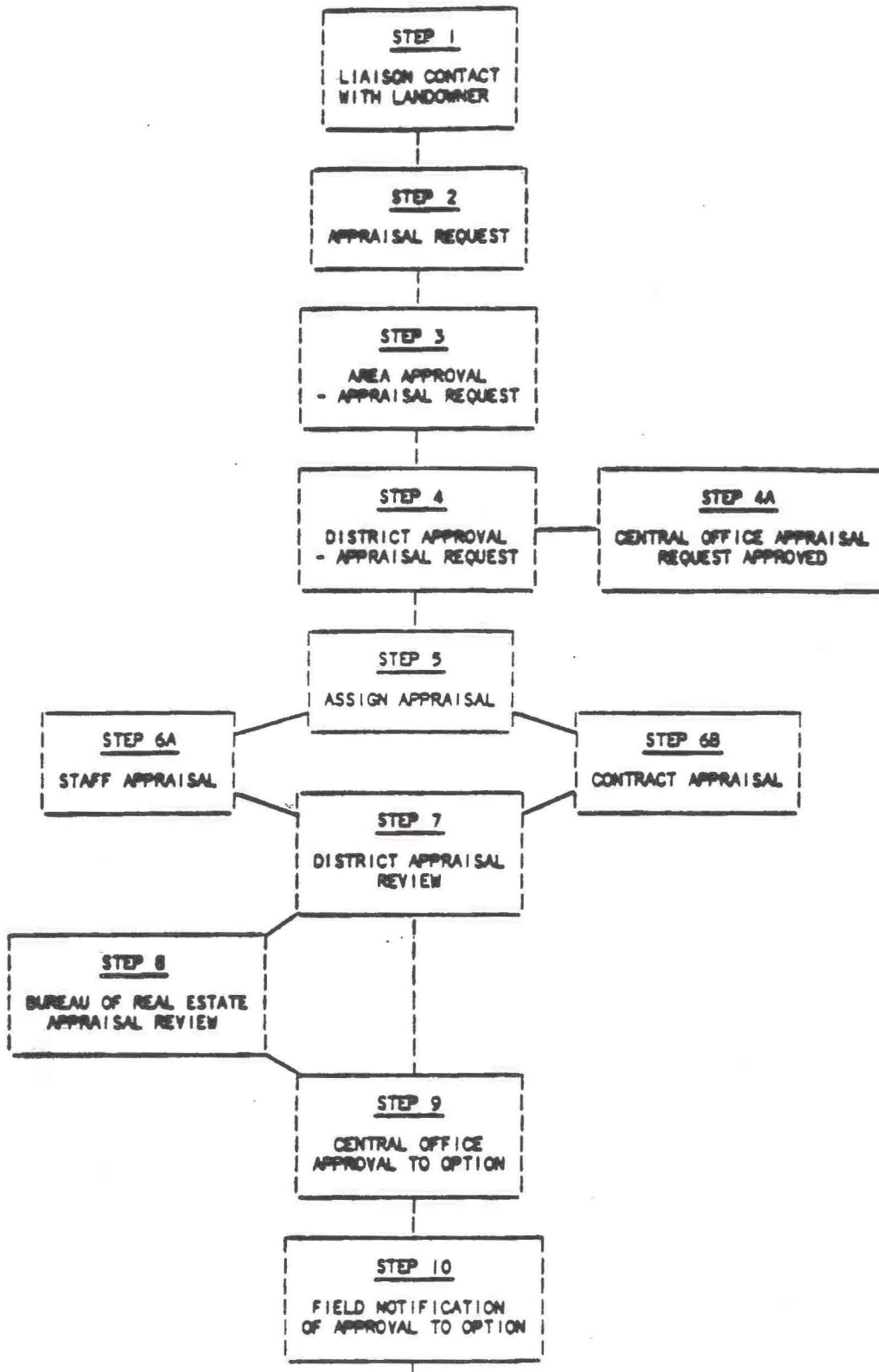
- approved by Wisconsin voters
- sale of bonds for acquisition/development and pollution abatement
- 72% of revenue goes to pollution abatement

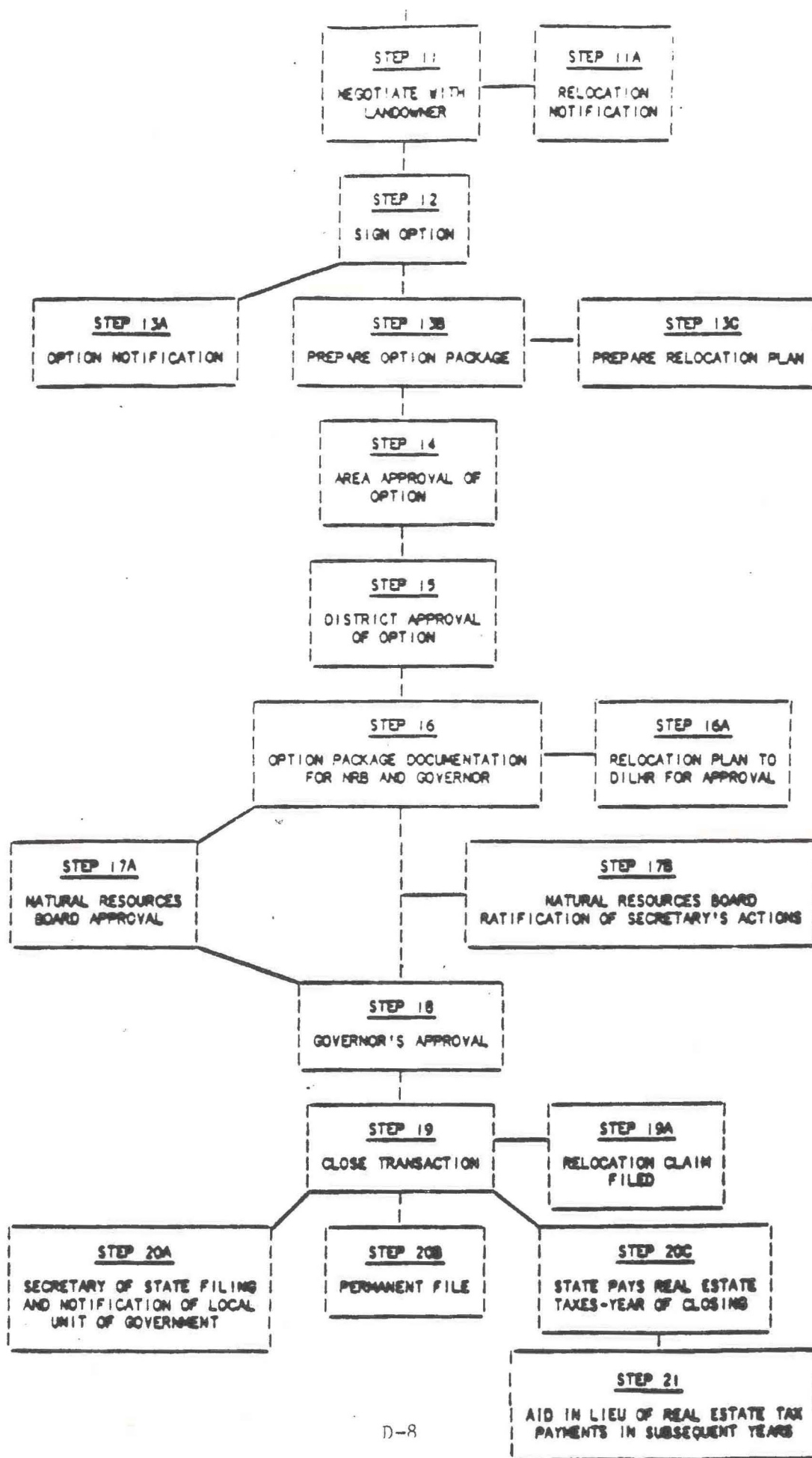
4. 1981 ORAP-2000 Act

- Continued bonding authority for another 10 years
- created ORAP formula

4191M

LAND ACQUISITION FLOW CHART





Step 1

Liaison Contacts - Property managers are required to periodically contact landowners located within the boundaries of Department projects. This is a Natural Resources Board policy (M.C. 2210.03). If a landowner expresses a desire to sell property to the Department and previous policy decisions indicate the Department would like to acquire it, the landowner should be informed of the Department's interest and acquisition procedures.

Step 2

Appraisal Request - The property manager should prepare an appraisal request. The form and content of this request is the district's decision. Included is a sample of an appraisal request fact sheet which should assist in this process. The accuracy of information on the fact sheet or appraisal request is extremely important.

Step 3

Area Approval - The appraisal request may be submitted to the district office for approval. The procedures at each office vary. This step may require the approval of the area director, area staff specialist and/or area land agent.

Step 4

District Approval - The appraisal request may be submitted to the district office for approval. This procedure varies by district. District approval may include the district director, assistant district director, functional staff specialist, and district land agent.

Step 4A

Central Office Approval - The appraisal request may require the approval of the functional bureau and the Bureau of Real Estate. Memoranda from the division administrator's office set forth these requirements. The district land agent, area land agent, and district functional staff specialist will be familiar with these requirements.

Step 5

Appraisal Assignment - Upon final approval of an appraisal request, the appraisal will be assigned to a land agent and/or a private contract appraiser. This assignment will be made by the area or district land agent.

Step 6A

Staff Appraisal - Staff appraisals are prepared by a land agent.

Step 6B

Contract Appraisal - Contract appraisals are prepared by qualified independent fee appraisers. The district or area land agent will complete the

contracting process. The decision to contract will be based on workload levels, conflicts of interest, complexity of appraisal problem, and value of property to be valued. Parcels to be acquired in excess of \$100,000 require two appraisals, one of which must be prepared by a contract appraiser.

Step 7

District Appraisal Review - Upon completion of an appraisal, it will be reviewed by the district land agent. The district has final review authority on appraised values of \$20,000 or less. The district will approve just compensation on these parcels.

Step 8

Bureau of Real Estate Appraisal Review - Parcels with an appraised value in excess of \$20,000 will be reviewed by the Bureau of Real Estate. The Bureau of Real Estate review appraiser will approve just compensation on these parcels.

Step 9

Central Office Optioning Approval - All appraisals with just compensation established will be circulated to the Bureau of Real Estate and the property's functional bureau for approval to proceed with negotiations and optioning. At this time fund availability and purchase priorities are verified.

Step 10

Field Notification - Upon receipt of approvals in step 9, the Bureau of Real Estate will notify the district land agent and the area land agent. They will inform the negotiator of this approval. It should be noted, optioning approvals are issued for a limited period of time. This time period may be extended by contacting the Bureau of Real Estate. The time limit is required for expenditure accounting.

Step 11

Negotiate with Landowner - Upon notification of the approval to option (step 10), the negotiator shall meet with the landowner as often as necessary. Guidance on the negotiation process is available in the Land Acquisition and Sales Handbook (Chapter 30) and from the district and bureau real estate staff.

Step 11A

Relocation Notification - If the landowner or tenant have rights under the relocation statutes, they are to be advised and provided with brochures.

Step 12

Sign Option - Upon mutual agreement of all landowners with rights in the appraised parcel, they shall sign an option (Form 2200-4). The option grants the state the right to approve the purchase of the parcel during a specific period of time at a set price. An option checklist and the real estate staff specialists are available to assist you with this process.

Step 13A

Option Notification - Immediately after optioning (one working day) a Land Transaction Option Notice (Form 2200-105) shall be distributed by the negotiator as indicated in the Land Acquisition and Sales Handbook (Page 41-1, items B-1 and B-2).

Step 13B

Prepare Option Package - Immediately after optioning and within three working days, the required option documentation shall be submitted with the option to the office of the area director. The required documentation is identified in the Land Acquisition and Sales Handbook (Pages 41-1 and 41-2, item B-3). This information shall be prepared by the negotiator, property manager or area land agent. The area procedure may require the option package to be forwarded through the area staff specialist and area land agent.

Step 13C

Prepare Relocation Plan - If individuals, farms or businesses are to be dislocated as a result of the purchase, a relocation plan will be prepared at this time. The plan will be prepared by the area or district land agent.

Step 14

Area Approval of the Option - The area director shall make a recommendation of the proposed purchase and sign the Tract Appraisal Report (Form 2200-12). The area director will forward the option package to the district within three working days after the option is signed.

Step 15

District Approval of Option - Within four days, the district will forward the option package with its recommendation to the Bureau of Real Estate.

Step 16

Option Documentation for NRB and Governor - The option package will be prepared and documented for presentation to the Secretary, Natural Resources Board and Governor. Documentation will be drafted by the Bureau of Real Estate. Internal processing requires the approval of the functional bureau, Bureau of Real Estate, Bureau of Legal Services, division administrator, and Department Secretary.

Step 17A

Natural Resources Board Approval - Any purchase with a price over \$150,000, a high unit value, excessive improvement value (35% or more) or lands outside approved project boundaries require presentation to the Natural Resources Board as an item on the agenda. The NRB must approve of the purchase.

Step 17B

NRB Ratification - Purchases which do not require individual NRB action require their approval through a vote ratifying the Department Secretary's actions.

Step 18

Governor's Approval - The governor must approve of all fee title purchases and sales proposed by the Department. Upon receipt of this approval, the Bureau of Real Estate notifies the landowner of the Department's intent to exercise their option. ONLY after this time is the Department legally bound to purchase the optioned real estate.

Step 19

Close Transaction - The Bureau of Real Estate's closing officer will coordinate the closing of the purchase. Most closing actions are accomplished through the mail. If a personal closing is required, contact the closing officer.

Step 19A

Relocation Claim Filed - If the landowner or tenant have a relocation claim, it should be submitted at this time for payment.

Step 20A

Secretary of State Filing - After the purchase is closed, the original copy of the deed and title policy are filed with the Secretary of State's Office.

Also,

Local Unit of Government - The local unit of government (town, village, or city) is notified of the Department's purchase. The Bureau of Real Estate takes these actions.

Step 20B

Permanent File - After closing, the Bureau of Real Estate establishes a permanent file for each purchase.

Step 20C

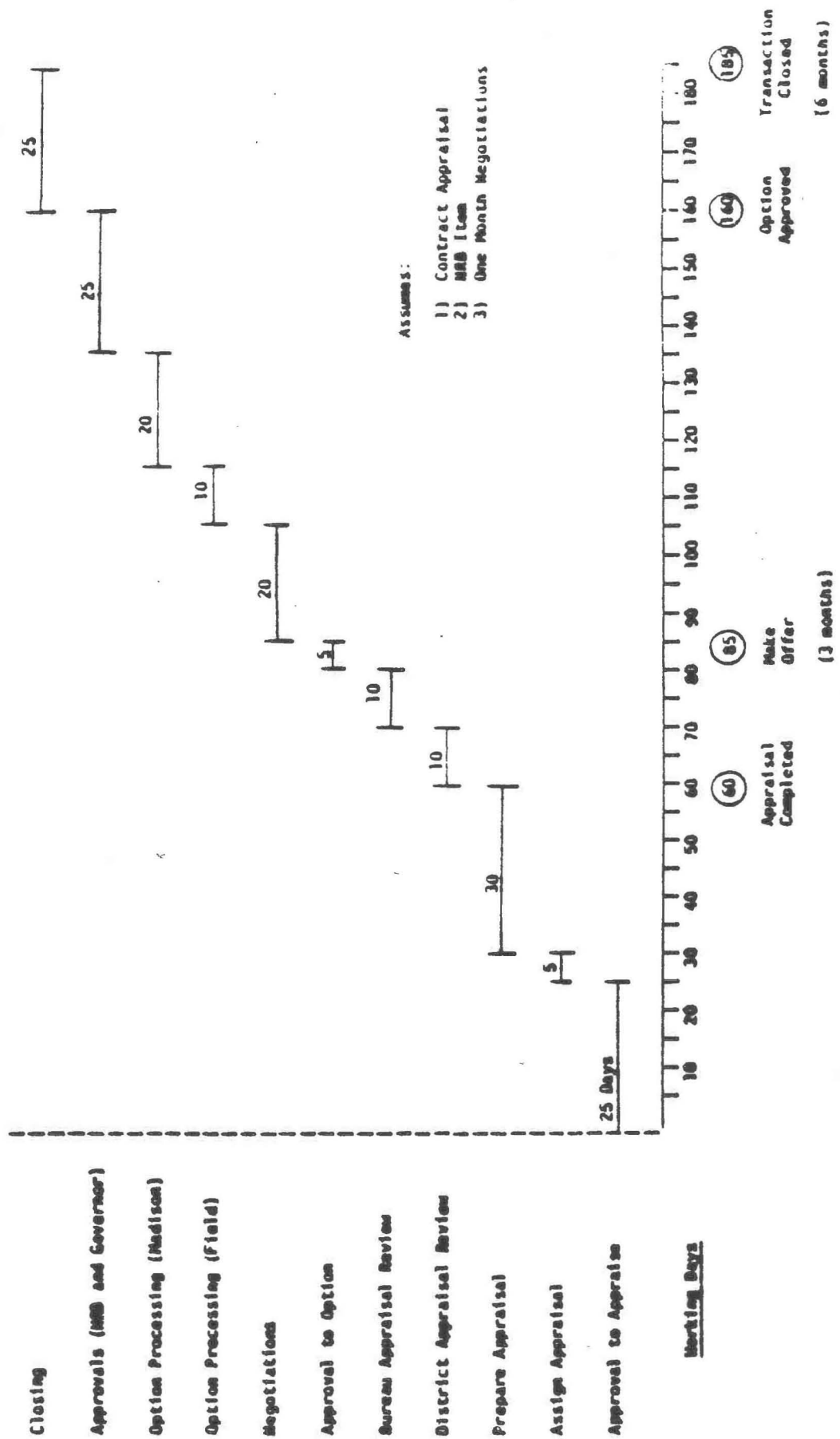
Real Estate Taxes--Year of Closing - The state will make a real estate tax payment for all purchases for the year of closing. For purchases in excess of \$10,000, the tax liability of the landowner will be prorated as of the closing date.

Step 21

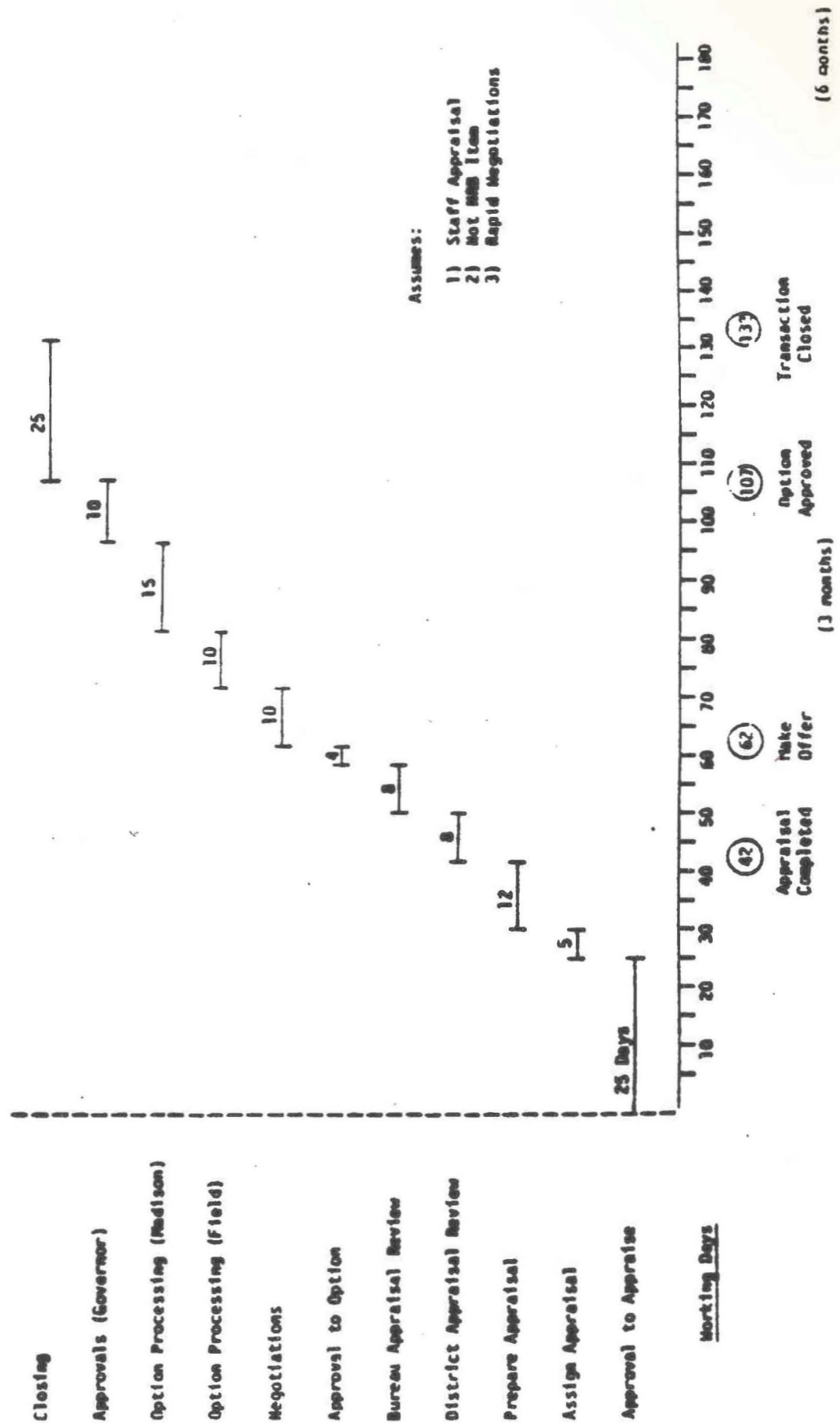
Aid in-Lieu of Taxes - The Department will make aid in-lieu of real estate tax payments to the local unit of government in each year after the tax payment in Step 20C.

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LAMP ACQUISITION FLOW CHART - COMPLEX ACQUISITION



LAND ACQUISITION FLOW CHART - BASIC ACQUISITION



APPENDIX E

Suggestions for Public Relations Activity

Publications Needed:

- * Brochure for landowners describing land acquisition process. Consider other brochures such as:
 - * Estimating the Fair Market Value of Your Property
 - * Giving Land to DNR
 - * Historical Perspective on DNR Land
- * Training materials for field staff:
 - * Completing fact sheets,
 - * Contacting landowners, and
 - * Negotiation skills.
- * Training materials for appraisers:
 - * IBM-PC diskette with required format for appraisal reports,
 - * Information on other specifics related to the reports.
- * Consider creating "The Land Acquisition Quarterly Newsletter":
 - * Recognize employees for outstanding acquisition work,
 - * Regularly report the highlights of accomplishments, give status reports of parcels of major significance,
 - * Co-produce it with the disciplines.
- * Better status reports, tailored to information needs of disciplines.
- * "Popular version" documentation of the acquisition process as well as the formal service manual.

Activities

- * Develop and go "on the road" with Land Bureau's slide/tape presentation. Make special effort to notify disciplines of availability for staff meetings, public meetings, special interest group meetings, etc.

- * Initiate "public affairs" seminars, mini-training sessions, for Bureau personnel, such as "tips on how to deal with the public," public speaking, case examples, etc.
- * Customer surveys or focus group meetings to measure successful performance and get ideas of areas for improvements.
- * Mount a campaign to think "public relations" within the Bureau. Consider a half day seminar on customer-relations, such as "Service America."

APPENDIX F

Summary of Acquisition Training Recommendations from Report

FOR DNR STAFF

From Chapter 1

Recommendation 1.8: The Bureau, in cooperation with discipline coordinators, should develop documentation to fully explain the land acquisition process in at least two formats. The first should be a formal service manual outlining all required procedures, made available to Bureau staff and discipline coordinators. The second should be a more "popular" version, more intelligible to general DNR employees and landowners. (See Appendix D for an excerpt of a packet prepared by the Wisconsin Department of Natural Resources.)

To facilitate this documentation process and to work on other elements of implementing the recommendations of this study, the Bureau Administrator should employ a management analyst.

Recommendation 1.11: The Assistant Commissioners for Administration and Operations and the Deputy Commissioner should affirm the Commissioner's Office position on the management of professional service funds in the Bureau as opportunities arise. The Bureau should include this information in its training programs for discipline staff.

Recommendation 1.13: The Bureau Administrator and the Assistant Commissioner for Administration should undertake an internal DNR campaign to discuss uses of the various acquisition accounts, similar to the Fish & Wildlife campaign to explain the use of the Game & Fish Fund to anglers and hunters throughout the state.

Recommendation 1.16: The Bureau Administrator and the acquisition manager should involve the regional land specialists in the acquisition work of the Bureau by doing some of the following: greater involvement in the mission and goal-setting for acquisition; visits or phone calls by realty specialists whenever the realty specialists are in the region; provide them information about acquisition so they might be better advocates in the field; use them as a sounding board for training developed for field staff and as a "barometer" of sentiment in the field; make better use of quarterly staff meetings to integrate the workforce; have acquisition supervisor phone them weekly with news they could pass on at regional weekly staff meetings, etc.

Recommendation 1.17: Several recommendations in this report will potentially help the Bureau's image. A combination of service orientation, interpersonal skill improvement, documentation of procedures, training for discipline staff, accessibility, and performance should go some distance toward improving the Bureau's image. (See Appendix E for public relations ideas.)

From Chapter 2

Recommendation 2.2: Include in a training program for field staff, guidelines for early discussion with landowners developed by the Bureau based on statutes and real estate experience.

Recommendation 2.7: Guidelines for completing fact sheets should be updated and then reviewed annually by the acquisition manager. If necessary, they should be updated to accord with evolving appraisal requirements and distributed annually to discipline coordinators, regional land specialists, and field personnel who complete fact sheets.

(It must be emphasized to field staff that all buildings and features on the site must be noted on the fact sheets, since they are important for appraisal purposes even though they may not be important for natural resource purposes. Such information will enhance the Bureau's ability to provide the acquisition service.)

Recommendation 2.8: The acquisition manager should develop and conduct annual training sessions on the acquisition process as a whole for discipline personnel. (See Appendix F.) These could include both basic and advanced sessions. The basic session would provide new field staff with orientation to the process; the advanced session would cover developments during the year.

Discipline schools or quarterly meetings would be good opportunities. Specially planned meetings would also be helpful. At these sessions, revised guidelines for fact sheet completion could be distributed and general feedback on fact sheet problems could be given.

By December 31, 1988, all discipline staff involved in land acquisition must complete the training session to be developed and offered by the Bureau.

Recommendation 2.25: Bureau staff involved in training discipline staff on acquisition procedures should include a discussion of exactly what "appraisal standards" means so that the various meanings are clearly understood by DNR employees outside the Bureau.

Recommendation 2.32: The appraisal review supervisor should clearly document conditions under which an appraisal value submitted by a contract appraiser will be administratively altered so that discipline and other acquisition staff can understand the procedures.

The Assistant Commissioner for Administration and the Assistant Commissioner for Operations in consultation with the Bureau Administrator should set up an appeals mechanism for discussing appraisal values in dispute. The two assistant commissioners should determine who is to be involved in the problem-solving and conduct the activity.

Recommendation 2.43: The acquisition manager and the management analyst should review either files or records in the "Automated Inquiry System" regularly (at least quarterly) to note where performance delays are occurring. In the short run, these "real time" timeframes can be used as an informational item in training sessions, in the brochure for landowners, or other promotional pieces.

For Appraisers

Recommendation 2.28: The inefficiency of having 50% of the appraisers revising appraisal reports must be addressed by the appraisal review supervisor in consultation with the Bureau Administrator and possibly an outside expert. Some possibilities are: improved training for appraisers on DNR requirements, clearer directions at the time of appraisal assignment, reviewer comments on minor items rather than appraiser's revising the report, regular feedback to appraisers so that similar mistakes are avoided in the future, etc.

The acquisition manager and/or supervisor, discipline coordinators, and regional land specialists should be asked to participate in appraiser training sessions to give overviews of the whole DNR central office and field acquisition process, and how the appraisal reports fit in.

Other Possible Training Materials

- * "Quiz" from Survey sent to Field Staff
- * Steps in Acquisition and Problems, from the Preliminary Review Report
- * Diagram of the "Funnel Phenomenon"

APPENDIX G

Sample Screens from Automated Acquisition Inquiry System in Bureau of Lands

CLIENT: DNR
SYSTEM TITLE: LAND

PROGRAM NUMBER: LAINQR20
DATE: 4/01/86 SCREEN: LAINQS20A

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1      2      3      4      5      6      7      8
123456789012345678901234567890123456789012345678901234567890
-----
1 MM/DD/YY                      ACQUISITION INQUIRY                      LAINQS20A
2
3
4 Please Select Inquiry Option By: 99
5
6 1. Acquisition Number..... 99999
7 2. Administrator..... 99
8 3. Appraiser Code..... XXX
9 4. Appropriation Code..... XXX
10 5. Appropriation Type..... X
11 6. Appropriation Year(s)..... 99-99
12 7. Interest..... X
13 8. Means of Acquisition..... X
14 9. Mgmt Pgm/Project Number..... XXX99999
15 10. Name / Address Number..... 99999999
16 11. Negotiator Code..... XXX
17 12. Priority..... X
18 13. Region..... 9
19 14. Status..... 99
20 DATES..... 99 99 9999 TO 99 99 9999
21
22
23
24
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123456789012345678901234567890123456789012345678901234567890
1      2      3      4      5      6      7      8

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CLIENT: DNR
SYSTEM TITLE: LAND

PROGRAM NUMBER: LARPTROO
DATE: 4/01/86 SCREEN: LARPTS00A

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      1      2      3      4      5      6      7      8
123456789012345678901234567890123456789012345678901234567890
-----
1: MM/DD/YY                LAND ACQUISITION REPORT MENU                LARPTS00A
2:
3:
4:      PLEASE SELECT OPTION:  99
5:
6:      1. Acquisition Status Report
7:      2. Active Land Acquisition Parcels
8:      3. Acquisition Financial Summary
9:      4. Annual Acquisition Completion Report
10:     5. Annual Acquisition Financial Report
11:     6. Weekly or Yearly Summary Report
12:     7. Negotiation Workload Report
13:     8. Acq. Number Master List by County
14:     9. Acq. Number Master List by Acq. #
15:    10. Master Report Generator
16:
17:
18:
19:
20:
21:
22:
23:
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123456789012345678901234567890123456789012345678901234567890
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