

Sale & Exchange of Property & BWCAW Subcommittee
Permanent School Fund Advisory Committee
Wednesday, December 2, 2009
1:00 p.m., 112 State Capitol

Minutes

Present: Ron Nargang - Chair, Representative Denise Dittrich, Senator Tom Saxhaug, John Herman, Superintendent Patty Phillips

Absent: Senator Satveer S. Chaudhary, Robert Krepps, Mark Johnson

Ron Nargang called the meeting to order at 1:10 p.m.

Legacy Funding Presentation – Bill Becker (Executive Director, Lessard-Sams Outdoor Heritage Council(LSHOC))

Ron Nargang introduced Bill Becker.

Bill Becker gave a presentation on LSOHC funding. Mr. Becker stated that LSOHC funding is to be used to “protect, restore, or enhance” natural resources. He then discussed how LSOHC funding could possibly be used with regard to school trust lands.

Discussion followed.

Sale and/or Exchange of School Trust Lands within the BWCAW – Discussion with Jim Sanders (Supervisor, Superior National Forest)

Jim Sanders gave a presentation that focused on a map of the BWCAW, state lands, and federal lands within the Superior National Forest that could be exchanged for school trust lands within the BWCAW. Mr. Sanders pointed out the federal lands in the Pigeon River and Kabetogema areas as possible exchange areas.

Paul Pojar (DNR) gave a presentation on the amount of income that could be generated off of the proceeds from the sale of the lands within the BWCAW.

The subcommittee discussed the following:

- 1.) Past efforts for sale or exchange to remove school trust lands from the BWCAW.
- 2.) The value of the school trust lands within the BWCAW. This included discussion on past appraisals and appraisal methods to be used in a transaction of this nature.
- 3.) The amount of income that could be generated off of the proceeds from the sale of the lands within the BWCAW.

- 4.) Consolidation of USFS and state lands outside of the BWCAW via an exchange.
- 5.) The pros and cons of a sale, exchange, or combination sale or exchange.
- 6.) What other stakeholders involved would be willing to accept as far as a sale, exchange, or combination.
- 7.) The fact that Minnesota is in a good position to get this exchange done because of the present status of Minnesota's representatives in Congress.
- 8.) That parcels where the mineral and surface rights are severed should be given attention in any exchange.

Next step:

- 1.) An exchange of approximately 15, 000 to 20,000 acres will be looked at more closely, with the remainder of the school trust lands within the BWCAW being considered for a sale to the federal government.
- 2.) The subcommittee will take a closer look at which parcels (on both sides of the exchange) could be exchanged.

Discussion of Future Meeting Topics

The Subcommittee decided the following topics would be addressed at the next meeting:

- 1.) BWCAW Sale or Exchange.
- 2.) Discussion of state programs that charge fees for the use of state lands. DNR will provide a handout to facilitate discussion.
- 3.) A report from the DNR regarding per acre values and expenses on school trust lands.

Next Meeting

The Subcommittee decided to meet again in February or March 2010, in a room at the State Capitol.

The meeting was adjourned at 3:00 p.m.

Ron Nargang, Chair