Minnesota Department of Natural Resources
500 Lafayette Road · Saint Paul, Minnesota · 55155-4037
Office of the Commissioner
651-259-5555

December 14, 2009

Representative David Dill, Chair
Game, Fish and Forestry Division
571 State Office Building
Saint Paul, Minnesota 55155

Representative Kent Eken, Chair
Environment Policy and Oversight Committee
575 State Office Building
Saint Paul, Minnesota 55155

Representative Jean Wagenius, Chair
Environment and Natural Resources Finance Division
449 State Office Building
Saint Paul, Minnesota 55155

Senator Satveer S. Chaudhary, Chair
Environment and Natural Resources Committee
205 State Capitol
Saint Paul, Minnesota 55155

Senator Ellen R. Anderson, Chair
Environment, Energy and Natural Resources Budget Division
120 State Capitol
Saint Paul, Minnesota 55155

Dear Senators and Representatives:

Attached is a report to the House and Senate Natural Resources Policy and Finance Committees and Divisions concerning the Forest Management Lease Pilot Study by the Department of Natural Resources, Division of Forestry. This report is a requirement of *Minnesota Statutes,* section 88.795 and is due December 15, 2009.

The report provides background on similar projects in other countries, input from stakeholder information sessions, proposed lease locations and parameters, economic considerations and concluding recommendations.

Please contact Director David Epperly, Division of Forestry at 651-259-5289 if you have any questions or concerns.

Sincerely,

Mark Holsten

Mark Holsten
Commissioner

Copy: Bob Meier, Assistant Commissioner for Policy and Government Relations, Department of Natural Resources

Legislative Reference Library

Attachments

FOREST MANAGEMENT LEASE
PILOT STUDY REPORT

Report to the House and Senate Natural Resources
Policy and Finance Committees and Divisions

A detailed plan for the implementation of a pilot project
to compare forest management lease revenue
with estimated net revenue from state management.

Minnesota Department of Natural Resources
Division of Forestry

December 9, 2009

Minnesota Department of Natural Resources

For more information contact:

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Executive Summary

The following legislation requires the Commissioner of Natural Resources to provide a report to the Legislature detailing a plan for a pilot project for leasing state-owned forest lands for forest management. This report complies with the legislation and provides background on similar projects in other countries, input from stakeholder information sessions, proposed lease locations and parameters, economic considerations and concluding recommendations.

Legislation

MINNESOTA STATUTES 88.795 – FOREST MANAGEMENT LEASE PILOT PROJECT.

(a) Notwithstanding the permit procedures of Minnesota Statutes, chapter 90, the commissioner of natural resources may lease up to 10,000 acres of state-owned forest lands for forest management purposes for a term not to exceed 21 years. No person or entity may lease more than 3,000 acres. The lease shall provide: (1) that the lessee must comply with timber harvesting and forest management guidelines developed under Minnesota Statutes, section 89A.05, and landscape-level plans under Minnesota Statutes, section 89A.06, that have been adopted by the Minnesota Forest Resources Council, and in effect at the time of any management activity; and (2) for public access for hunting, fishing, and motorized and nonmotorized recreation to the leased land that is the same as would be available under state management. (b) For the purposes of this section, the term "state-owned forest lands" may include school trust lands as defined in Minnesota Statutes, section 92.025, or university land granted to the state by Acts of Congress. (c) By December 15, 2009, the commissioner of natural resources shall provide a report to the house and senate natural resources policy and finance committees and divisions on the pilot project. The report will detail a plan for the implementation of the pilot project with a starting date that is no later than July 1, 2010. (d) Upon implementation of the pilot project, the commissioner shall provide an annual report to the house and senate natural resources policy and finance committees and divisions on the progress of the project, including the acres leased, a breakdown of the types of forest land, and amounts harvested by species. The report shall include a net revenue analysis comparing the lease revenue with the estimated net revenue that would be obtained through state management and silvicultural practices cost savings the state realizes through leasing. (e) Nothing in this section supersedes the duties of the commissioner of natural resources to properly manage forest lands under the authority of the commissioner, as defined in Minnesota Statutes, section 89.001, subdivision 13.

Note: Key elements of the legislation are underlined. The 21 year term maximum is based on the Minnesota State Constitution, Article 1, Section 15 which states: *Leases and grants of agricultural lands for a longer period than 21 years reserving rent or service of any kind shall be void.*

Legislative Compliance Process

This report meets the first requirement of the legislation; to complete a report on forest management leasing to the house and senate natural resources policy and finance committees and divisions by December 15, 2009. Department of Natural Resources staff formed several task groups to analyze the legislation and engage numerous stakeholders that would either be potentially interested in entering into a forest management lease agreement or would potentially be affected by such a lease agreement. Stakeholder input was vital to the crafting of this report, providing direction and recommendations that are critical to implementing a pilot project.

Summary of Similar Projects in Other States/Countries

Forest Management Leasing, Forest Management Agreements, Forest Tenures and Forest Concessions are terms used to describe a long-term agreement between the government and a private entity to harvest timber and/or manage the resources on government land. These types of agreements have been found in many forested British colonies including New Zealand, British Columbia and Ontario. The original objective in Canada was to build the local economy by providing a long-term source of fiber to entice the building of a mill in the area. They are also used throughout Russia and Europe. In the United States several states have similar agreements with the United States government to manage federal lands. Two examples are Idaho's joint powers agreement with the US Forest Service and Minnesota's long-term lease of Land Utilization Project (LUP) lands from the US Fish & Wildlife Service.

Each of these agreements has been met with varied success, from outright forest exploitation in Bolivia and Thailand to relatively well-managed forests in Ontario and Minnesota. The smallest of these successful agreements has been over 25,000 acres in size. Many countries have had difficulty implementing new forest policy on existing long-term management agreements. As regulations and ever more complex rules are implemented, additional pressure is being put on forestry administrations to ensure compliance.

In Canada, most provinces establish long-term tenures or license agreements with private companies for timber harvest. In Ontario, 60 percent of forestland is managed via tenures, in Manitoba 39 percent, and Saskatchewan 33 percent. Area-based tenures of 20 to 25 years give holders rights to harvest an allowable annual cut (determined by provincial forest managers) in specific geographic areas. Companies pay stumpage and rents and may be responsible for some management activities such as replanting of logged areas and road building. Area-based tenures generally

1. involve a negotiated agreement between a provincial government and a large forest company rather than a competitive bidding process;
2. are linked to the construction and operation or supply of a major wood processing plant;
3. are renewable at regular intervals following successful review.

Forest management and reforestation expenditures are handled in a variety of ways. In some provinces companies are reimbursed and in other they are required to pay management costs themselves.

In Ontario, the government sets timber prices with no consideration to access, quality or other factors, resulting in much criticism. These forest tenures are not managed by industry as a profit center, but for wood supply security. The lessee does all forest management planning, timber harvesting, road construction and forest renewal. The Ontario Ministry of Natural Resources approves annual plans and monitors for compliance. Some of the criticism includes the failure to adequately recognize environmental value or incorporate non-timber values into management. Management costs are paid from a revolving fund that gains income from timber harvest stumpage payments.

Similarly in British Columbia additional support from general government funds is required to encourage forest management investment due to poor markets for small diameter timber not providing enough consistent product flow. New Zealand finds a reduced willingness to invest in forest management due to the volatility of domestic markets and the high cost of transportation in export markets.

In the US, preliminary responses from State Foresters suggest that contractual arrangements of the sort that we are interested in are rare. Forest management agencies in Arkansas, Colorado, Georgia, Hawaii, Idaho, Kentucky, Michigan, North Carolina, Oregon, South Dakota, West Virginia Maryland contract for specific forest management services (e.g., site preparation, reforestation) and sell timber in much the same way we do. In Maryland, the state accepted a donation of forestland already under (short-term) contract for management with a private firm and is currently evaluating the arrangement.

The U.S. Forest Service is conducting a series of Stewardship End Result Contracting Demonstration Projects. Although stewardship contracts were initially developed to facilitate timber management, they have become important tools for accomplishing more comprehensive forest management goals despite shrinking federal budgets. Stewardship contracting as employed by the Forest Service has characteristics that may be of interest to us. The financial characteristics of stewardship contracts that may be most relevant are:

- the exchange of goods for services
- the retention of receipts within the project
- multiyear contracts

Within the demonstration projects, the Forest Service has considerable flexibility to establish contracts with private companies that allow the companies to harvest timber in exchange for services. These lease contracts generally rely on timber harvest receipts to offset the cost of forest management, which is determined by the lessee and approved by the federal agency. One Minnesota county, which entered into a stewardship agreement with the US Forest Service, is finding that harvest income is not able to keep up with management costs due to the current depressed market value of timber products.

Stakeholder Input

Forest Management Leasing project stakeholders comprise three types:

1. Internal agency staff (DNR),
2. Potential lessees, and
3. Groups affected by the project.

Stakeholders provide input to this project primarily through the following organizations/agencies:

A. Minnesota Forest Resources Council
B. Minnesota Forest Resources Partnership
C. Minnesota Environmental Partnership
D. Minnesota Outdoor Heritage Alliance
E. Minnesota Association of County Land Commissioners
F. Minnesota Association of Consulting Foresters
G. DNR Interdisciplinary Working Team (DNR Division Representatives)

Some of the concerns and opportunities expressed by stakeholders include:

Concerns

From Internal Staff and Other Affected Groups:

- Although a small mill owner might benefit from a lease as a guarantee of a source of material for their mill, they would likely cherry-pick the best value and leave the rest, resulting in reduction of value realized from special products and value added products.
- There are concerns over how the timber is sold. If sold as a lump sum at the onset of the lease, the state is at risk of losing revenue from future timber growth and increases in wood value, whereas potential lessees are concerned over future decreases in wood value (stumpage prices).
- There is concern that forest management leasing could lead to an increased workload for DNR Forestry by increasing the time spent in developing the lease terms and in administrative and supervisory oversight.
- There are concerns over where the funds from a leasing program would go. Currently timber receipts generally go to pay for forest management efforts. Current legislation directs lease receipts to the general fund or trust fund based on land type, with no funds directed to forest management efforts.

From Potential Lessees:

- There is a need to make enough profit from this land to pay for additional staff to manage the land. Concern that this can only be done on land with high value timber that is ready for harvest in less than 15 years.
- With the average rotation of Minnesota forest crops between 40 and 120 years, depending on tree species, it is a concern that a lease term of 21 years is too short to convince a lessee to provide long term investment in a forest lease area.
- There are concerns over the loss of return from the affects of a natural disaster or insect or disease outbreak that sets back the forest value.

- There are concerns over the extent of activities that would be included in the lease. If activities such as weed control and road maintenance were part of the lease, how would these management efforts be funded and how much flexibility the lessee will be given with regards to management techniques and timber harvest timing.
- In this current depressed timber market, similar projects between the county and USFS are losing money.
- Some stakeholders held the US Forest Service stewardship contracting process as an example to follow with this leasing program, while others that were actually contracting with the US Forest Service found the process to be cumbersome and unprofitable.
- The programs in other countries that this initiative is based on lease extensive acreage (over 100,000 acres to a single lessee). There are concerns that a pilot project of only 3000 acres to a single lessee will be too small to obtain a long term favorable rate of return and will not adequately reflect the potential of this type of program.

<u>Opportunities:</u>

From Internal Staff, Potential Lessees and Other Affected Groups:

- The two benefits to a potential lessee are the ability to manage a dispersed ownership as a consolidated block for greater efficiency and assure a long-term supply of fiber to an industry.

From Internal Staff:

- There may be opportunities to use this pilot project to explore biomass utilization and its effects on site fertility.
- There may be opportunities to use this pilot project to create efficiencies in special products marketing in the realm of balsam boughs and spruce tops for decorative uses.

Forest Management Leasing Pilot – Details of Implementation

<u>Purpose</u>
To determine if an alternative to traditional state administered forest management can improve efficiency and save public funds while being a profitable venture for a private enterprise and maintaining or enhancing the long-term sustainability of Minnesota's public-owned forest land for forest products and multiple use.

<u>Proposed Lease Site Locations</u>
Area foresters nominated these locations for the purposes of this report. In January 2010, field and upper level managers from all DNR disciplines and outside stakeholders will review locations. Final detailed locations will be selected in February 2010 for inclusion in a Request for Proposals (RFP). The leasing pilot site(s) will be selected based on responses to the RFP. The fiscal note on this legislation indicated that six (6) pilot areas would be identified ranging from 20 acres to more than 640 acres in size.

1. A site in southeastern Koochching county that contains 6500 acres of scattered state trust fund parcels commingled with industry lands. Forest industry managers could manage this site as one contiguous block of 43,000 acres.

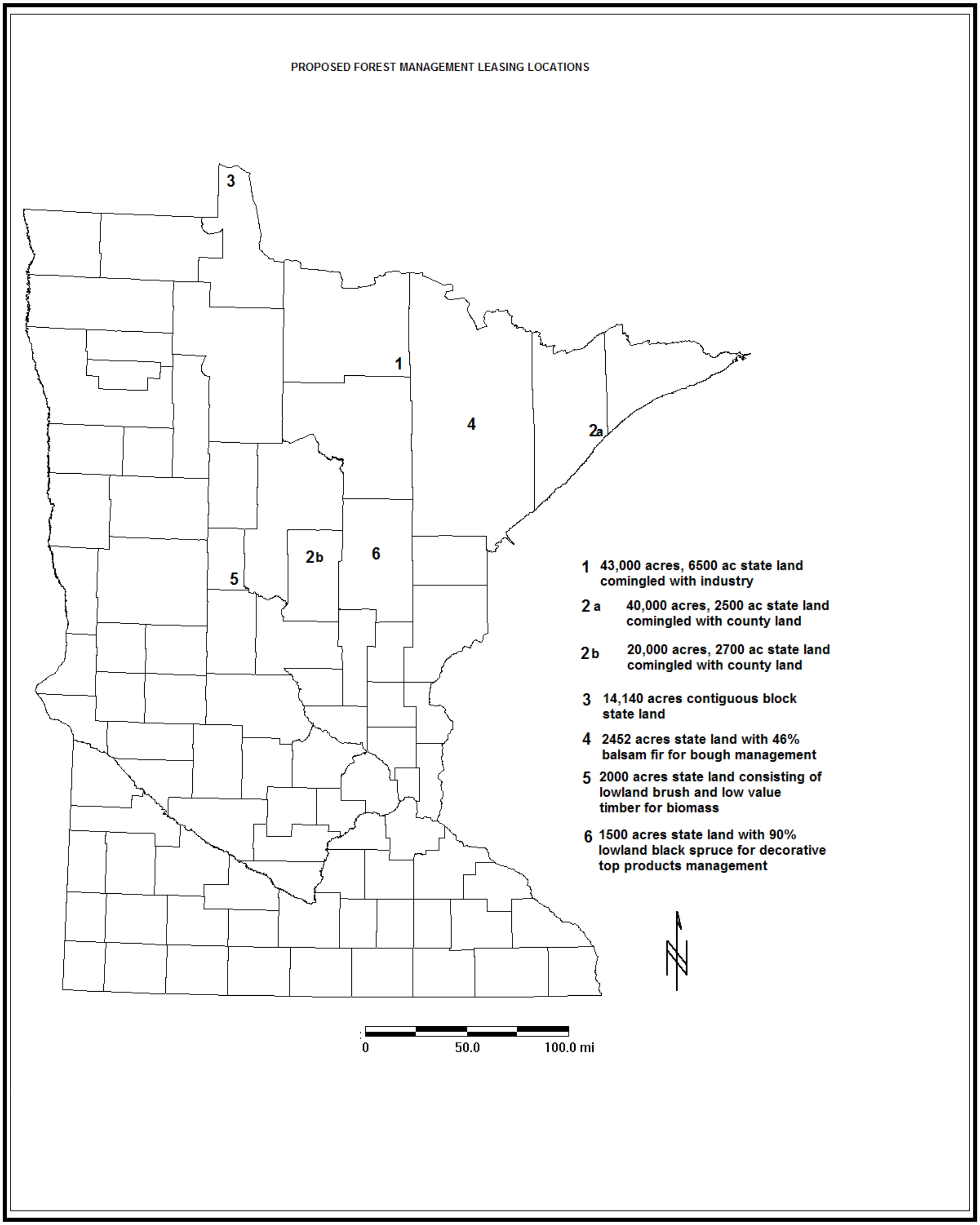
2. A site in Lake county that contains approximately 2500 acres of scattered state mostly trust fund parcels commingled with county lands. County forest managers could manage this site as one contiguous block of over 40,000 acres. Also a site in Crow Wing County that contains approximately 2700 acres of scattered state mostly trust fund parcels commingled with county lands. County forest managers could manage this site as one contiguous block of over 20,000 acres.

3. All state forest lands in the Northwest Angle State Forest, comprising 14,140 acres in Lake of the Woods County. This site is difficult to manage, as foresters must travel through Canada to reach the location. This area could be managed by an independent forest management agency from Manitoba or the United States, the local Indian tribe or a forest industry.

4. A 2452 acre site in St. Louis county with 46% of the site containing adequate balsam fir understory and/or mature balsam fir trees that could be managed long term for balsam boughs by a decorative forest products industry such as a wreath maker. This would provide the industry with a long-term guaranteed supply of boughs, the opportunity to manage the trees for premium bough characteristics and relieve the state of the extensive workload required annually to mark and administer sales for this low return product. Management of other products on the site would be the responsibility of the lessee and could be sublet to another entity.

5. A 2000+ acre site in southeastern Wadena county that contains extensive acres of lowland brush and low value trees that would provide a long-term supply of biomass to a biomass using industry. This is on both Wildlife and Forestry administered lands. The lessee would be able to manage the land for maximum sustainable biomass output (consistent with long-term desired future forest conditions) while providing improved wildlife habitat for deer, grouse and other brushland habitat species. The site will also be examined at regular intervals by DNR and/or research scientists to determine the effects of continued biomass extraction on site fertility.

6. A 1500 acre site in central Aitkin county that contains 90% low productivity (e.g., < SI23) lowland black spruce and tamarack stands that could be managed long term for tops by a decorative forest products industry such as a table-top Christmas tree producer. This would provide the industry with a long-term guaranteed supply of spruce tops and other decorative materials, the opportunity to manage the trees for premium characteristics and relieve the state of the extensive workload required annually to mark and administer sales for this low return product. Management of other products on the site would be the responsibility of the lessee and could be sublet to another entity.


PROPOSED FOREST MANAGEMENT LEASING LOCATIONS
3
1
4
2a
2b
6
5
1 43,000 acres, 6500 ac state land comingled with industry
2 a 40,000 acres, 2500 ac state land comingled with county land
2 b 20,000 acres, 2700 ac state land comingled with county land
3 14,140 acres contiguous block state land
4 2452 acres state land with 46% balsam fir for bough management
5 2000 acres state land consisting of lowland brush and low value timber for biomass
6 1500 acres state land with 90% lowland black spruce for decorative top products management
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Lease Term

All leases under the pilot study will be for a 10-year term, starting on July 1, 2010 and automatically renewed on June 30, 2020 as long as management goal benchmarks have been achieved.

Lease Value Determination

The Request for Proposal (RFP) for each lease site will include an estimate of current timber value based on Forest Inventory data and current timber stumpage prices. The RFP will also include inventory data that provides an indication of spruce top, balsam bough, and biomass potential volumes plus the state of existing regeneration for each site. The potential lessee will consider the inventory data and timber value estimates to submit a bid for an annual lease payment for the rights to all forest products on the site. This bid will be used as a base for indexing future annual lease payments based on future forest product stumpage prices. An index base will be provided in the RFP that will explain how future indexing will be established. For example, the index base may include the current DNR published statewide stumpage price for all timber species plus special products and biomass. The lease rate will be adjusted annually by a percentage based on the percentage increase or decrease from the index base stumpage price for the average timber value, special products value or biomass value.

The lessee's bid should also consider forest management costs, as the lessee will be responsible for associated forest management costs during the term of the lease. Specific forest management goals and objectives, with periodic benchmarks identified for each site, will be provided in the RFP.

Forest Products Payment Schedule

All forest products are paid for in the annual lease payment. No additional payments are made.

Forest Management Parameters

- A Management Plan will be developed for each potential lease site that will provide the long-term goals and desired future condition of the site, including how the site contributes to the goals of the associated DNR SFRMP. The plan will include periodic required benchmarks. This plan will be the responsibility of Department of Natural Resources staff.
- The lessee will have the flexibility to harvest forest products at timings that enable them to maximize their rate of return, consistent with the goals/desired future conditions provided above. They will also have the flexibility to implement forest management practices (site preparation, tree planting, timber stand improvement, etc.) at intervals best suited to maximize their efficiencies, as long as periodic benchmarks are attained.
- The state will monitor progress of timber harvest and management practices through site visits held jointly with the lessee, and review of annual progress reports from the lessee. The lessee will be required to take corrective actions if review of management activities indicates that desired future conditions will not be attainable through the current management efforts.
- Funding for all management activities will be the responsibility of the lessee. Current DNR costs for these management activities will be provided in the RFP.

Other Lease Requirements

- The lessee will be required to provide an annual workplan describing planned harvest, improvement and reforestation efforts, and an annual accomplishment report of timber and other forest products removed from (mill scales), and forest management activities performed on the lease site.
- The lease site will remain open to the public for hunting, fishing and motorized and non-motorized recreation and may only be closed by the lessee for public safety reasons with the written permission of the area forest supervisor.
- Maintenance of all access roads, routes and trails within the leased area will be the responsibility of the lessee with the exception of state forest roads and public roads as indicated on the lease. Routes and trails maintained by the lessee are to be effectively closed by the lessee when not being actively used for forest management in accordance with OHV plan designation.
- Campgrounds and other recreational facilities in the lease area will be managed by the state.
- The lease provides rights to forest products and the management of those products. It does not include the rights to sand, gravel, mineral or other rights to state land that are not specified in the lease contract.

Roles and Responsibilities

DNR will have the following responsibilities related to land leased for forest management:

- Setting landscape objectives (SFRMP)
- Managing the data (Forest Inventory, Road systems, Natural Heritage elements)
- Managing the land asset (Prescriptive easements, land exchanges, acquisitions and sales)
- Guideline development
- Monitoring MFRC guideline implementation
- Wildland fire control
- ECS development (NPC classification, Silvicultural prescription development)
- Road planning
- State Forest Road Maintenance
- Forest Certification
- Monitoring Conservation Easements, Invasive species, Forest health and contracts (leases)
- Law Enforcement
- Check scaling

The Lessee will have the following responsibilities related to land leased for forest management:

- Stand examinations on altered stands & regeneration surveys
- New access road construction and maintenance
- Forest products harvest design, supervision and scaling
- Site preparation & reforestation
- Protection (Pest control, Release)
- Intermediate Stand Treatments (Thinning)
- Forest Health Maintenance (mitigating insect, disease and invasive species)
- Supervision of Contractors

Negotiable responsibilities:

- Record keeping (Updates to SRM, TSM & Wheels)
- Incidental OHV monitoring

Economic and Fiscal Considerations

One of the key purposes of this report is to determine if this type of lease would save the state forest management costs. The following analyses were done by a DNR staff economist as a general estimate of the cost/benefit of forest management leasing. As part of the pilot, a more detailed process will be used to track and analyze this project and make comparisons to the average cost of DNR managing state forest land.

Project Scale - The current legislative cap of 3,000 acres per lessee is unlikely to attract interest (see stakeholder comments). In order to evaluate the optimum acres needed for an entity to enter into a forest management lease, there needs to be enough revenue to pay for the management effort. Generally one FTE is considered the minimum increment in effort. Given current forest management policy as applied via the subsection forest resource management planning (SFRMP) process and existing wood utilization standards, a **minimum** 55,000 acres of state-owned forest land is required to support one full-time equivalent (FTE) timber program forester responsible for timber sales producing 10,000 cords per year and reforestation (Table 1).

Table 1. Hypothetical Harvest Volumes and FTEs by Lease Size.

Lease Acres	Timber Management Acres	Annual Harvest Acres	Annual Harvest Cords	FTE Equivalent
3,000	2,100	29	500	0.05
27,500	19,250	270	5,000	0.5
55,000	**38,500**	**539**	**10,000**	**1.0**
110,000	77,000	1,078	20,000	2.0
220,000	154,000	2,156	40,000	4.0

Notes:
Timberland acres (capable of growing commercial volume) = 0.7 times lease acres.
Annual harvest acres @ 1.4% timberland acres (SFRMP average)
Annual harvest volume = harvest acres times 18.5 cords per acre.
FTE equivalent = annual harvest volume divided by 10,000 cords per FTE.

Fiscal Implications - The primary purpose of this report is to detail the parameters of a forest management lease pilot project. Another purpose is to determine if the lease management approach would provide a "net fiscal benefit" to the State considering both the absolute reduction in gross timber revenues and potential cost savings associated with reducing internal FTE requirements associated with forest management. At this point in time, the market value of a lease arrangement, dependent on specific terms, is the critical unknown value to be determined through a competitive bid process.

Estimates of net benefit and net present value will be used as the benchmarks to evaluate the net fiscal benefits of State management and lessee management of state-owned forest land. For example, State management at a 10,000 cord per year harvest level may produce an annual net benefit of $40,000 to the State while lessee management at a 10,000 cord per year harvest level may produce an annual net benefit to the State of $23,000 (Table 2). Given a 10,000 cord per year harvest level and using a 3 percent real discount rate, State management would provide a NPV = $350,000 while lessee management would provide a NPV = $200,000 over a ten-year period.

Table 2. Hypothetical Benefit / Cost Analysis of Forest Management Leasing.

Annual Harvest Cords	Annual State Mgt Gross Rev	Annual State Mgt Direct Exp	Annual State Mgt Indirect Exp	Annual State Mgt Op Inc		Annual State Mgt Margin			Estimated **State Mgt Net Benefit**
500	$11,000	$6,000	$3,000	$2,000		18.2%			$2,000
5,000	$110,000	$60,000	$30,000	$20,000		18.2%			$20,000
10,000	**$220,000**	**$120,000**	**$60,000**	**$40,000**		**18.2%**			**$40,000**
20,000	$440,000	$240,000	$120,000	$80,000		18.2%			$80,000
40,000	$880,000	$480,000	$240,000	$160,000		18.2%			$160,000
Annual Harvest Cords	Annual Lessee Gross Rev	Annual Lessee Direct Exp	Annual Lessee Mgt Indirect Exp	Annual Lessee Op Inc	Annual Lease PMT	Annual Lessee Margin	Annual State Admin Exp	Net Annual State FTE Savings	Estimated **Lessee Mgt Net Benefit**
500	$11,000	$5,000	$1,500	$4,500	$2,300	20.0%	$2,200	n/a	n/a
5,000	$110,000	$50,000	$15,000	$45,000	$23,000	20.0%	$22,000	$10,500	$11,500
10,000	**$220,000**	**$100,000**	**$30,000**	**$90,000**	**$46,000**	**20.0%**	**$44,000**	**$21,000**	**$23,000**
20,000	$440,000	$200,000	$60,000	$180,000	$92,000	20.0%	$88,000	$42,000	$46,000
40,000	$880,000	$400,000	$120,000	$360,000	$184,000	20.0%	$176,000	$84,000	$92,000

Notes:

Gross revenue estimated using all-species all-product average stumpage value = $22 per cord.
State direct management costs estimated at $12 per cord.
Lessee direct management costs estimated at $10 per cord.
State indirect costs estimated @ 50% of direct costs.
Lessee indirect costs estimated @ 25% of direct costs.
Op Inc = Operating Income which is the Gross Revenue minus Expenses
Annual lease payment estimated using a desired 20% margin.
Margin = revenues minus expenses.
Annual State lessee administrative expenses estimated at 20% of gross revenue.
Net annual State FTE savings based on average DOF salary & fringe = $65,000 per FTE.

According to Minnesota Statute 89.039, only timber sales receipts and money transferred from the forest suspense account under MS 16A.125 are deposited into the Forest Management Investment Account (FMIA). Under current legislation no revenues from leases can be deposited into FMIA for costs of administering those leases. Leasing of forest management would result in a significant reduction of income to FMIA.

Conclusion

The legislation that required this report binds the Commissioner of Natural Resources' existing authority under Minnesota Statutes, chapter 90 to enter into these types of lease agreements. This report shows that lease agreements under the terms of Minnesota Statute 88.795 are too restrictive to be considered by potential lessees, and the costs associated with monitoring a forest management lease would exceed the revenue gained from the lease. The recommendation of this report is to repeal Minnesota Statute 88.795.

DATE: December 9, 2009

LEGISLATIVE REPORT – Cost of Preparation

NAME OF LEGISLATIVE REPORT – Forest Management Lease – Pilot Study Report

Based on: _Legislatively Mandated Report

Minnesota Statute Reference: _*Minnesota Statutes,* section 88.795

Prepared by: _Dave Schuller, Division of Forestry, Department of Natural Resources

Phone: _651-259-5255

E-Mail: _david.schuller@state.mn.us

Description of Cost	Further explanation if necessary	Amount
Staff Time – Stakeholder Meetings	46 hours	$1503.74
Staff Time – Research & Writing	87 hours	$2844.03
Duplication Cost (includes paper)	$0.10 x 14 pages x 7 copies	$9.80
Other:		
	TOTAL TO PREPARE REPORT (*Note: Right click on amount cell and choose update to complete*)	$4,357.57