Land Acquisition Account
Fiscal Year 2016 Annual Report

Creation and Purpose of the Account

The Department of Natural Resources (DNR) administers 5.6 million acres of land within state forests, state parks, wildlife management areas, scientific and natural areas, aquatic management areas, and other recreation and access sites. The Minnesota Legislature established the Land Acquisition Account in 1984 under Minnesota Statutes 94.16 and 94.165 for the acquisition of natural resource lands or interests in land within the Outdoor Recreation System established in Minnesota Statutes, Chapter 86A.

Sources and Uses of the Funds

Receipts from the sale of acquired state natural resource land administered by the DNR are credited to the Land Acquisition Account (the “Account”). These credits provide funding to acquire additional state natural resource land in the Outdoor Recreation System and to cover the costs of sale of surplus state land. The Account helps the DNR reach the following goals:

- Consolidating state forest land into large contiguous blocks to increase forest management efficiencies and protect critical forest habitat;
- Acquiring privately-owned “in-holdings” within state parks;
- Acquiring recreation access; and
- Acquiring lands with significant natural resource characteristics.
**FY2016 Accomplishments**

Receipts to the Account during FY16 included revenue from the sale of:

- Seven homesite lots with deeded lake access in Lake Bronson State Park in Kittson County, sold via public auction.
- An 81.4-acre Pine County parcel which had been used previously as a camp for boys, featuring several buildings and frontage on the Lower Tamarack River.
- 40.22 acres in Dakota County, located near residential and commercial areas and highly suitable for development.
- 30 acres in Hubbard County outside of Itasca State Park, sold over-the-counter. The size and zoning of the parcel allows for single-family residence or a seasonal cabin.
- A wooded 14.58-acre parcel in Winona County, with rolling hills, sold over-the-counter.
- A 5-acre lake-view site in Douglas County, suitable for a single-family homesite and containing several wetlands.
- A .5-acre parcel in Lake County, sold to rectify a trespass onto State property.
- A .2-acre parcel in Otter Tail County, sold to rectify a trespass onto State property.
- A 2-acre parcel in Kandiyohi County, sold to rectify a trespass onto State property.
- A .01-acre parcel in Stearns County, surplus property from the Glacial Lake State Trail sold to a neighboring landowner.

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**Financial Review**

<table>
<thead>
<tr>
<th><strong>FY2016 Beginning fund balance</strong></th>
<th>$453,800</th>
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<tbody>
<tr>
<td>Prior year adjustment</td>
<td>$7805</td>
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**Receipts**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Sale of land</td>
<td>$508,702</td>
</tr>
<tr>
<td>Land sale costs</td>
<td>66,408</td>
</tr>
<tr>
<td>Sale of standing timber</td>
<td>20,205</td>
</tr>
<tr>
<td>Other receipts (1)</td>
<td>23,882</td>
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<tr>
<td>Total receipts</td>
<td>$598,992</td>
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**Expenditures**

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Parks and Trails</td>
<td>$140,195</td>
</tr>
<tr>
<td>Forestry</td>
<td>15,644</td>
</tr>
<tr>
<td>Fish &amp; Wildlife</td>
<td>68,634</td>
</tr>
<tr>
<td>Ecological &amp; Water Resources</td>
<td>991</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$225,513</td>
</tr>
</tbody>
</table>

**FY2016 Ending fund balance**

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<tbody>
<tr>
<td></td>
<td>$835,083</td>
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<tr>
<td>Net change for FY2016</td>
<td>373,478</td>
</tr>
</tbody>
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Notes: (1) Other receipts: Loan interest, Other Agency Deposits, All Other Reimb-External.
• A .36-acre parcel in Todd County sold pursuant to Laws of Minnesota 2015, Chapter 25, Section 27, and Chapter 4, Article 4, Section 131.

The land sale service charges credited to the Account reflect the reimbursement of funds utilized from the Account and other accounts to pay for appraisals and professional services for land sales.

In addition to using the Account funds to purchase land, DNR uses the Account to pay expenses related to land acquisitions, sales and exchanges of state owned lands (e.g., appraisals, recording fees, legal notifications, and professional/technical services). The Account benefitted a wide variety of land transactions during FY16, including the following:

**Forestry:**
• Sales and survey costs associated with the sale of a parcel of land in St. Louis County for the Pike Lake Veteran’s Cemetery.
• Sales costs for the sale of a parcel in Crow Wing County.
• Secured abstracts of title for three acquisitions

**Ecological and Water Resources:**
Paid for professional services used to acquire an inholding for Uncas Dunes SNA.

**Parks and Trails:**
• Paid costs associated with a land exchange project with Breitung Township involving lands near Lake Vermilion State Park in St. Louis County;
• Paid costs associated with two Transfer of Custodial Control projects with MnDOT:
  o Paul Bunyan Trail
  o Gateway Trail
• Paid costs associated with selling surplus properties in Lake Bronson State Park;
• Purchasing land for the following assets:
  o Goodhue Pioneer Trail in Goodhue County
  o Sakatah State Trail in Blue Earth County
  o Bear Head Lake State Park in St. Louis County

**Fish and Wildlife:**
• Purchased land and paid for professional services rendered for land sale and acquisition transactions for Allen’s Bay AMA
• Paid for professional services rendered for various AMA acquisitions, including:
  o South Branch Vermillion River AMA, Dakota County
  o Camp Miller AMA, Pine County
  o Mill Creek AMA, Olmsted County
• Paid for professional services rendered for various WMA acquisitions, including:
  o Root River WMA, Houston County
  o Wolf Lake WMA, Hubbard County
• Paid for professional services rendered for 3 land exchange projects
• Paid for professional services and expenses related to 12 land sales
Financial Summary FY2012 to FY2021
The balance of the Account was bolstered by an increase in lands sold in FY16. This infusion of revenue, combined with continuing to limit expenditures from the Account, closed the gap between revenues and expenditures as anticipated. Going forward, the DNR seeks to maintain this balance through continuing to analyze the land portfolio for parcels that no longer serve conservation goals, and optimizing how the Account proceeds are applied to land transaction projects.

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