



Lessard-Sams Outdoor Heritage Council
The State of Minnesota

State Office Building, Room G95 100 Dr. Rev. Martin Luther King Jr. Blvd. Saint Paul, Minnesota 55155

July 10, 2017

Sen. Bill Ingebrigtsen
Minnesota Senate
Minnesota Senate Bldg., Room 3207
95 University Avenue W.
St. Paul, MN 55155

Rep. Dan Fabian
Minnesota House of Representatives
359 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Sen. Carrie Rudd
Minnesota Senate
Minnesota Senate Bldg., Room 3233
95 University Avenue W.
St. Paul, MN 55155

Rep. Bob Gunther
Minnesota House of Representatives
563 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Pursuant to M.S. 97A.056, Subdivision 15, this letter notifies you that the Lessard-Sams Outdoor Heritage Council has received notice from the Minnesota Department of Natural Resources (DNR) concerning a request by Minnesota Power to acquire transmission line easement for the Great Northern Transmission Line over conservation easement lands in Itasca and Koochiching Counties. A Notice of Funding Restriction filed for the easements in Itasca and Koochiching Counties also requires the Lessard-Sams Outdoor Heritage Council to consent to the conveyance of any interest.

The conservation easements were granted by Blandin Paper Company and Meriwether Minnesota Land & Timber in favor of the State of Minnesota. Minnesota Power is proposing to acquire an easement for the Great Northern Transmission Line over lands in Itasca County (Blandin Easement) and Koochiching County (Meriwether Easement). The attached letter from Richard Peterson, Forest Legacy Coordinator, MN DNR Division of Forestry, describes the action.

The Lessard-Sams Outdoor Heritage Council will discuss the matter at its July 31, 2017 Council meeting. The proposed transmission line easement will affect portions of the Blandin Easement located in Itasca County. Subject to Council approval, funds received by the sale of a transmission line easement impacting areas of the Blandin Easement area are to be repaid to the Outdoor Heritage Fund. The proposed transmission line impacts portions of the Meriwether Easement located in Koochiching County. The Nature Conservancy wholly provided funding for the Meriwether Easement. Subject to Council approval, funds received by the sale of a transmission line easement impacting areas of the Meriwether Easement must be remitted to the Nature Conservancy.

Please contact me if you have questions regarding this matter. We will withhold final notification until August 1, 2017 to hear from you, if you have concerns.

Sincerely,



Mark Wm. Johnson
Executive Director
Lessard-Sams Outdoor Heritage Council

cc: Sen. Chris Eaton, Sen. David Tomassoni, Rep. Rick Hansen, Rep. Leon Lille
Mr. Richard Peterson, DNR Division of Forestry
Members of the LSOHC

Attachment: Letter from Richard Peterson, Forest Legacy Coordinator, MN DNR, July 7, 2017
Blandin Transmission Line Exhibits and Legal Descriptions
Meriwether Transmissions Line Exhibits and Legal Descriptions

DNR Forestry 1810-30th St. NW Faribault, MN 55021

July 7, 2017

Mark Johnson Executive Director
Lessard-Sams Outdoor Heritage Council
100 Rev. Dr. Martin Luther King Jr. Blvd.
State Office Building, Room 95
St. Paul, MN 55155

Mark:

I am writing to you regarding two Conservation Easements for which funding was provided by the Outdoor Heritage Fund. These easements were granted by Blandin Paper Company (“Blandin”) and Meriwether Minnesota Land & Timber LLC (“Meriwether”) in favor of the State of Minnesota. Minnesota Power is proposing to acquire an easement for the Great Northern Transmission Line over lands in Itasca County (Blandin Easement) and Koochiching County (Meriwether Easement) subject to these Conservation Easements. DNR has been asked to consent to the transmission line easement.

Minnesota Power is building the Great Northern Transmission Line which will deliver hydropower generated by Manitoba Hydro to customers in the United States. Copies of the right-of-way plats are attached for your information. The Minnesota Public Utilities Commission approved the Route Permit Application for the Great Northern Transmission Line via final written order on April 11, 2016.

Minnesota Statutes (Minnesota Statutes section 97A.056, subd. 15(b)) require that a recipient of funding that acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council. A Notice of Funding Restriction filed for these easements in Itasca (Document No. 645747) and Koochiching (Document No. 282101) Counties also requires that Lessard-Sams Outdoor Heritage Council consent to the conveyance of any interest.

There are three steps to the easement conveyance process. First, the landowner must negotiate transmission line easements with Minnesota Power. While DNR does not need to approve the final purchase price, DNR does need to ensure that the purchase price equals or exceeds fair market value and the easement terms do not interfere with the purposes of the Conservation Easement. DNR is currently reviewing the appraisal completed by Minnesota Power and will inform the Council of the outcome of the appraisal review as soon as possible. Second, the parties must obtain approval of the Outdoor Heritage Council for the transaction. Third, the landowner would execute a transmission line easement in favor of Minnesota Power and then DNR would execute a consent to the transmission line easement.

The Blandin Conservation Easement encumbers 187,876 acres in Aitkin, Beltrami, Cass, Clearwater, Itasca, Koochiching and St. Louis Counties. The proposed transmission line right-of-way affects

portions of the easement area in Itasca County as shown in the map attachment. The total area impacted is approximately 320.84 acres. Pursuant to the terms of the Conservation Easement, DNR is entitled to a proportional share of .41 of any funds received by the sale of a transmission line easement. DNR would have to use proceeds consistently with the purposes of the Outdoor Heritage Fund. As an alternative to distributing a proportional share to DNR, Blandin could subject replacement property to the Conservation Easement pursuant to Minnesota Statutes section 97A.056, subd. 15(b) as long as replacement properties are equal in market value and reasonably equivalent in location and conservation purpose. The Lessard-Sams Outdoor Heritage Council would have to approve the replacement property. Blandin is currently pursuing this option. If this option is selected, DNR would work with Blandin to prepare a proposal for the Outdoor Heritage Council's consideration and approval.

The Meriwether Conservation Easement encumbers 6,966 acres in Koochiching County. The proposed transmission line impacts approximately 34.74 acres as shown in the map attachment. Pursuant to the terms of the Conservation Easement, DNR is entitled to a proportional share of .59 of any sale of a transmission line easement. Meriwether is not considering replacement property as an alternative to distributing the funds. The Meriwether Conservation Easement further provides that the DNR must reimburse the Nature Conservancy if interests acquired with funds from the Nature Conservancy are sold or exchanged. The Nature Conservancy provided 100% of the funding for the Meriwether Easement, and therefore all funds received by DNR will be remitted to the Nature Conservancy.

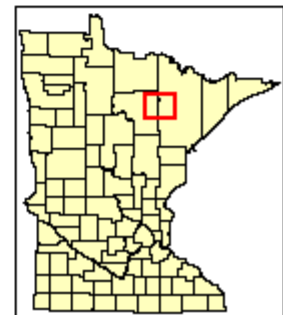
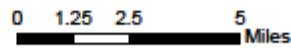
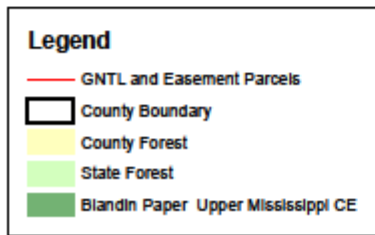
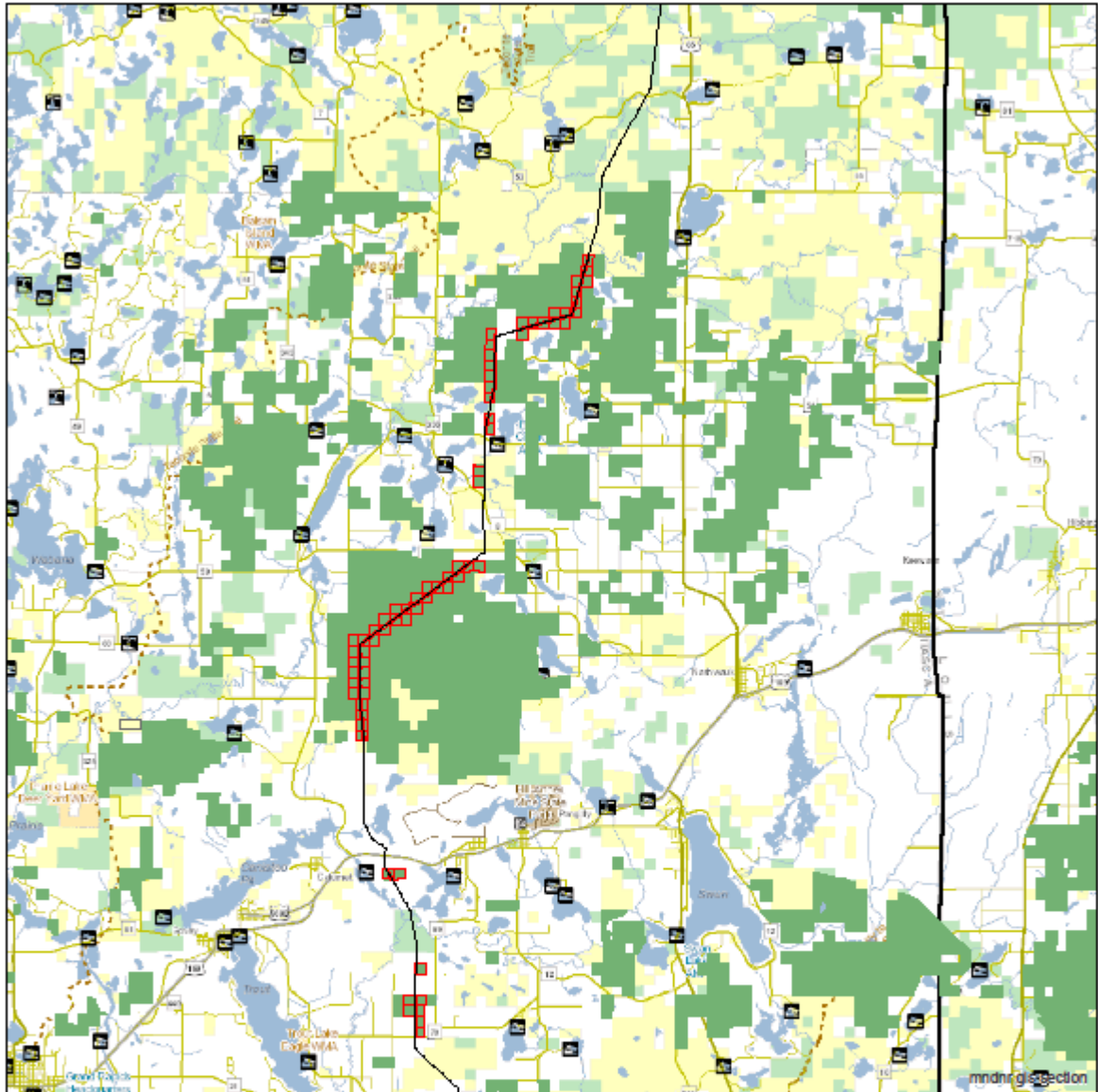
Please forward your written consent to these transactions at your earliest convenience. In addition, if you have further questions or concerns regarding this, please contact me to discuss.

Sincerely,

Richard Peterson
Forest Legacy Coordinator
1810-30th St. NW
Faribault, MN 55021
Phone: 507 333-2012 x222

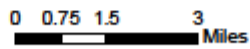
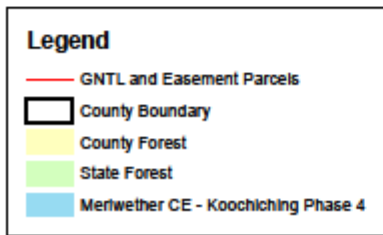
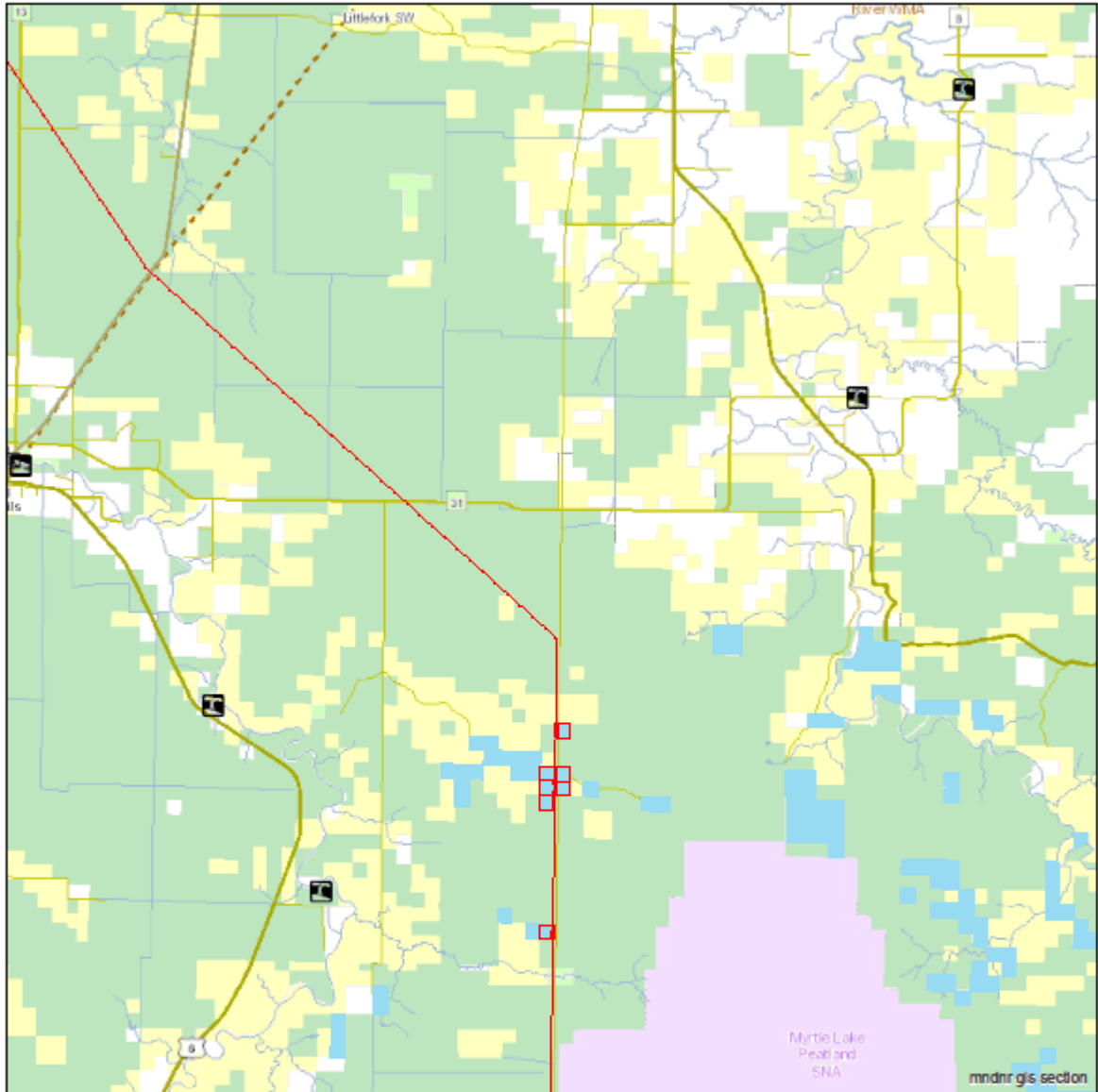
Enc. Right-of-way maps (2)
Right-of-way plats (2)

Blandin Parcels with Great Northern Transmission Line



Right-of-way map – Blandin Paper Company

Meriwether Parcels with Great Northern Transmission Line



Right-of way map – Meriwether Minnesota Land & Timber LLC