



Date: 01/13/2022

To: Mark Johnson, Executive Director, Lessard-Sams Outdoor Heritage Council

From: Pat Rivers, Deputy Director, Division of Fish and Wildlife

RE: Purchase price of lands acquired with Outdoor Heritage Funds

There is a misconception that the DNR and the broader conservation community are buying lands at higher prices than sales on the private market, and this has negative impacts on the DNR's ability to reach consensus with some local units of government about acquiring additional public lands. Appraisals of land being considered by the agency are based on comparable sales of like lands and provide market-based values to landowners. Further, appraisers are discouraged in the DNR's appraisal guidelines from using sales to "government or quasi-government" entities as comparable sales. This further insulates against conservation sales impacting appraised values. Non-profit organizations that receive Outdoor Heritage funds have generally been limited to paying no more than appraised value. The DNR is concerned that authorizing OHF fund recipients to use non-OHF funding to exceed appraised values could drive additional concerns by local units of government and others about prices being paid for conservation lands and impede the DNR's and the conservation community's ability to protect land in the future.

Valuation of DNR's acquisitions is governed by Minn. Stat. sec. 84.0272. This statute limits the amount the DNR may pay to purchase land. In accordance with Minn. Stat. sec. 84.0272 and the DNR's operational order for land acquisition, the DNR pays no more than appraised value for most acquisitions. With the approval of the Director of the DNR's Division of Lands and Minerals, the DNR may pay up to 110% of appraised value provided that the value paid above that amount is offset by parcels the DNR acquired at less than appraised value. In extraordinarily rare circumstances (e.g., an acquisition that is critical to a larger conservation project), the Commissioner may approve an acquisition above 110% of appraised value provided there is an offset by parcels acquired at less than appraised value. The DNR believes the restrictions on amounts paid for land under Minn. Stat. sec. 84.0272 are appropriate and in the public interest.

Cc: David Hartwell, Chair, Lessard-Sams Outdoor Heritage Council

Joe Pavelko, Assistant Director, Lessard-Sams Outdoor Heritage Council

Bob Meier, Assistant Commissioner, MN DNR

Kelly Wilder, Fish and Wildlife Division Policy and Planning Supervisor, MN DNR