



Board of County Commissioners Agenda Request

8B

Agenda Item #

Requested Meeting Date: October 24, 2017

Title of Item: Aitkin Growth Land Exchange

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input checked="" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
Submitted by: Ross Wagner		Department: Economic Development & Forest Ind
Presenter (Name and Title): Ross Wagner, Economic Development & Forest Industry Coordinator		Estimated Time Needed: 25 Minutes
Summary of Issue: <p>This item is being placed on the October 24th agenda as a discussion only item with the idea that action on the land exchange will be taken at the next regularly scheduled meeting. Attached is a project description, Shovel Ready Guidelines and a map of the property in question.</p> <p>Essentially the request is for the Trust for Public Land to purchase Mississippi River frontage from Aitkin Growth and deed it over to Aitkin County. The total property is 247.5 acres, Aitkin Growth would retain 40 acres that has all weather road frontage as well public utilities and high speed internet. Aitkin Growth would also take proceeds from the land sale and apply them towards developing the 40 Acres and when complete, apply for shovel ready status through MN DEED. It is anticipated that the improvements and resulting increase in value to the 40 acres would offset any loss of property taxes the county would lose by having the remaining acres in public ownership.</p>		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Discussion of Agenda Item with possible action on the November 14 agenda.		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Legally binding agreements must have County Attorney approval prior to submission.

Aitkin Growth – Trust for Public Land - Aitkin County

Mississippi River Land Project

Overview: Aitkin Growth owns 247.5 acres of land in Aitkin and Spencer townships, map attached. Of the 247.5 acres, only about 40 acres is suitable for development. Even though the 40 acres are suitable for development, currently they need work. Issues that need to be addressed on the 40 acres include soil testing, site survey, an environmental assessment and more. Once the testing and assessments are complete, remediation activities will be needed to truly transform these 40 acres into a property that can be attractive for Industrial Development, something that is sorely lacking in Aitkin County. The remaining 207.5 acres, due to it abutting the Mississippi River, is of great interest to The Trust for Public Land (TPL) for its value to wildlife habitat. TPL would be willing to purchase the 207.5 acres at market rate from Aitkin Growth and donate the property to Aitkin County. By accepting the donation, Aitkin County would commit to manage the property primarily for wildlife habitat and compatible outdoor recreation, including hunting, fishing, and wildlife viewing.

The Trust for Public Land: TPL's Mississippi Headwaters Habitat Corridor (MHHC) program seeks to protect and preserve targeted habitat in high quality shoreland areas and provide access on the Mississippi River through fee title acquisitions. Using grant funding from the Minnesota Outdoor Heritage Fund (OHF), administered by the Lessard-Sams Outdoor Heritage Council (LSOHC), TPL is willing to further its MHHC program by purchasing the 207.5 acre river corridor from Aitkin Growth at the appraised fair market value. TPL would then place the OHF required deed restriction on the property, and donate the property to Aitkin County. By accepting the donation, Aitkin County would commit to managing the property for the primary purpose of wildlife habitat and compatible outdoor recreation, including hunting, fishing and logging. Aitkin County would risk losing ownership of the property were it to manage the property for other purposes, or convey or encumber the property.

Aitkin County: In several meetings with the Economic Development Committee, Aitkin Growth and TPL, it has become apparent that there would be multiple benefits to Aitkin County becoming the owner of the 207.5 acre river corridor. The County's land base lacks developable industrial property. The 40 acre portion of the Aitkin County Growth property is most suitable for industrial uses and the County would like to see these 40 acres developed for industrial use. Benefits to the County would be two-fold; an Economic Development Project and a Land Use project.

Economic Development Project: Aitkin Growth has agreed to take a portion of the proceeds from the land sale and invest it in the remaining 40 acres to make it more attractive for development. Once the remaining 40 acres are improved and any development occurs, the increase in tax base should offset the tax base lost from the land sale. In order to make this happen, Aitkin Growth has agreed to three conditions to help ensure this is a positive situation for Aitkin County. First, Aitkin Growth would take the steps necessary to get the property listed as a "Shovel Ready" property as developed by the State of MN DEED. Shovel Ready guidelines are attached, essentially, the program is as it sounds, site work and other items are complete so that the property is literally ready to have a shovel brought in and start

development. This is not an inexpensive program; there are significant costs to have a property shovel ready, something Aitkin Growth has been lacking funds to do. Secondly, Aitkin Growth would develop an incentive package to offer potential businesses to locate and build on the 40 acres. Lastly, Aitkin Growth would make a Payment in Lieu of Taxes (PILT) for up to 3 years while the shovel ready process is ongoing and in case it takes a couple of years to find a tenant for the property. The PILT would be based on 2017 taxes payable and would include all local taxing jurisdictions. If the 40 acre parcel is developed and generates taxable revenue prior to the end of year 3 and that revenue is equal to or greater than the PILT payment, then Aitkin Growth would not be responsible for continuation of these payments.

Land Use: An advantage to this property is that it abuts the City of Aitkin; there is very little public land available for hunting or nature viewing in or near the City of Aitkin. The property's features include Mississippi River frontage, Sissabagamah Creek including the confluence, and various forest and land cover types. The property would have permanent restrictions on it that specifies that it will not be sold by Aitkin County and that it will be managed for the primary benefit of wildlife habitat. Permanent development such as a fishing pier, paved trails, or a designated campground, is not allowed. However, public use is encouraged. In fact, the property must remain open to hunting and fishing. Minor improvements such as a small parking area would be allowed. Utilizing any existing walking/hunting trails is allowed. Logging activity is also allowed so Aitkin County would receive timber harvest payments as would any regularly managed forest by Aitkin County. Any other proposed use or activity that may arguably negatively impact wildlife habitat or the taking, viewing, or enjoyment of wildlife would require the express approval of the LSOHC or its staff.

Summary: The Economic Development Committee is recommending that Aitkin County agree to receive the Aitkin Growth Property, 207.5 acres in Aitkin and Spencer Townships generally abutting the Mississippi River. Aitkin County would own and manage the property as it does other forested parcels except with additional restrictions required by TPL's funding source. Aitkin Growth agrees to place the 40 acre property in the MN DEED Shovel Ready program and develop an incentive package to attract new investment in the 40 acres parcel it retains, and make a PILT for 3 years. However, if the 40 acre parcel is developed and generates taxable revenue prior to the end of year 3 that equals or exceeds the PILT payment, then Aitkin Growth would not be responsible for the continuation of these payments.

Other: The current Market Value for the entire property is \$269,200.00, a value minus the 40 acres and probably the highest value has not been determined. Taxes payable in 2017 for the entire 247.5 acres is \$2,310.00. PILT would be less than that amount as the 40 acres in question would remain in private ownership.

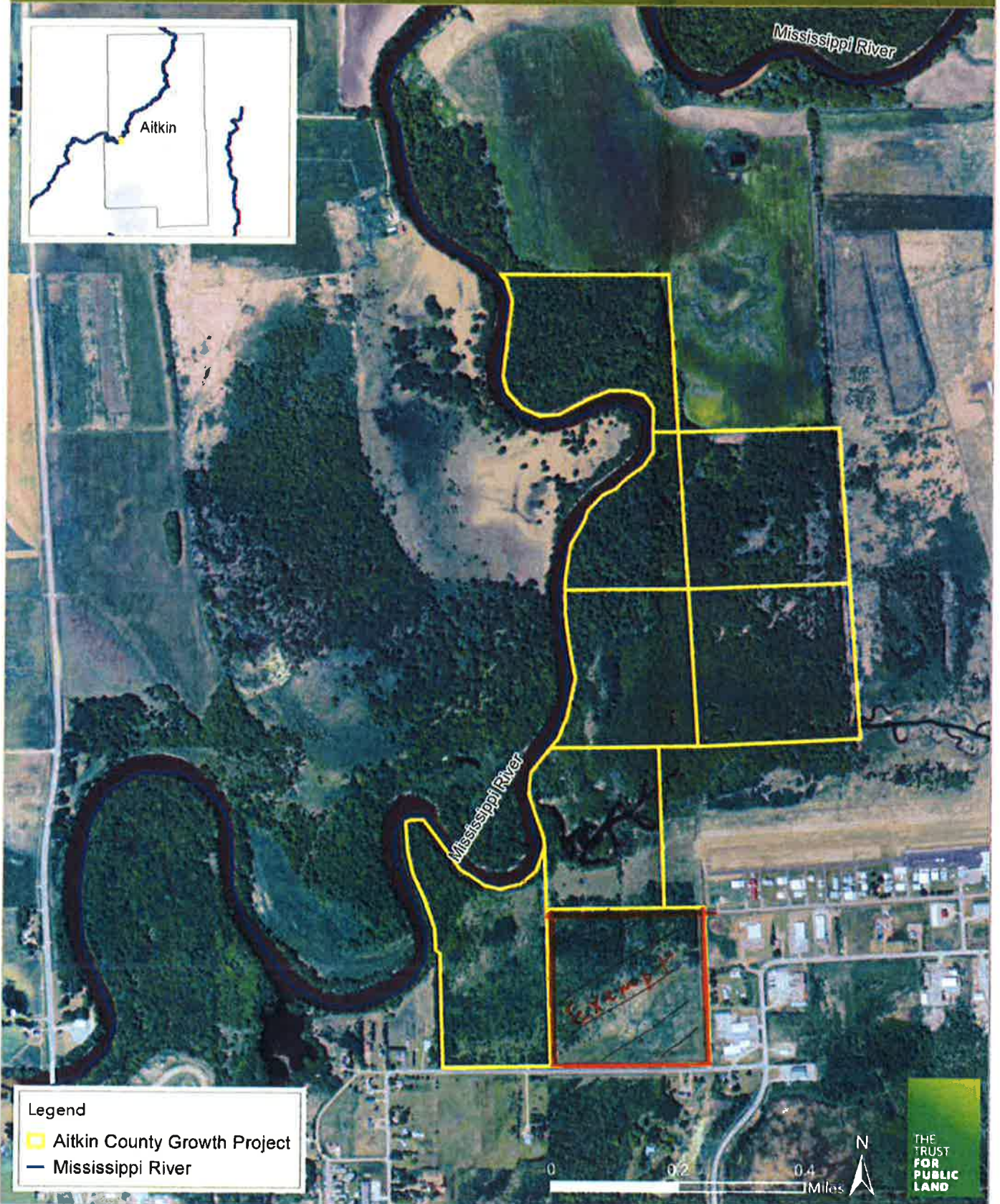
The PILT payments to the various jurisdictions less the 39.5 acres:

- Aitkin County, \$1,066
- Aitkin Township, \$194
- Spencer Township, \$104
- Aitkin City, \$297

Attachments: Map/Photo of property
MN Shovel Ready Guidelines

AITKIN - AITKIN COUNTY GROWTH PROJECT

Aitkin County, MN





MN Shovel Ready Sites – Required Application Exhibits

A. Alta Survey

- a. ALTA Survey information required – ASC 2005
- b. ALTA Survey – ASC 2005

B. Application

- a. Application spreadsheet

C. Building Permit – Site Review Process

- a. Action required and schedule of local site plan approval
- b. Action required for building permit application and approval

D. Community Profile – Quality of Life

- a. Current Community Profile on MNPro.com
- b. Quality of Life information

E. Environmental and Historical Review

- a. Phase I Environmental Site Assessment – ASTM Standard E 1527-05
- b. Phase II Environmental Site Assessment – ASTM Standard E 1527-05
- c. Historical review of site

F. Geotechnical Soils Tests

- a. Geotechnical Soil Tests – ASTM Standard D 420

G. Maps

- a. Site Map
- b. Street map indicating roads and site access.
- c. Topographical map

H. Ownership – Control – Title Commitment

- a. Proof of ownership or control – deed, option or purchase agreement
- b. Title Commitment – 2006 ALTA Commitment Form

I. Site Information

- a. Site Information Matrix
- b. Survey showing existing and/or future rail extension (If applicable)
- c. Site Marketing materials

J. Site Photos

- a. Aerial Photos – Site must have a border shown on photo
- b. At grade site photos

K. Utility Information

- a. Chemical profile of municipal water supply – Consumer Confidence Report
- b. MPCA MS4 (Small Municipal Separate Storm Sewer Systems) and SWPPP (Storm Water Pollution Prevention Plan – Requirements)
- c. SWPPP (Storm Water Pollution Prevention Plan – Requirements)
- d. Maps/drawings showing utilities

L. Zoning Ordinances

- a. Zoning ordinances
- b. Zoning maps