

From: Pat Henderson [mailto:PHenderson@ardc.org]

Sent: Wednesday, December 11, 2013 4:40 PM

To: dennis.genereau@co.carlton.mn.us; janet.simonen@co.cook.mn.us; trish.klein@co.itasca.mn.us; Teresa Jaksa; matthew.huddleston@co.lake.mn.us; grayk@stlouiscountymn.gov; patrick.wussow@co.aitkin.mn.us

Subject: FW: Move MN Meeting/19 December/Duluth

On Thursday, 19 December 2013 Move MN will hold one of its statewide meetings in Duluth. The focus of the meetings is 2014 transportation funding. The meeting will be held in Room 303 of Duluth City Hall with registration beginning at 1:30 p.m. ARDC is one of the local sponsors of the meeting which is intended to engage regional stakeholders in a discussion of the need for attention to issues related to transportation funding.

Move MN is a growing and diverse coalition dedicated to addressing Minnesota's transportation deficit by securing a comprehensive transportation funding package during the 2014 legislative session. See the attached document for information on Move MN.

Please consider registering for the meeting at the link provided below as well as inviting others who have an interest in transportation and transportation funding.

Click on this link for more info and to register:

<http://www.eventbrite.com/e/move-mn-transportation-stakeholder-meeting-in-duluth-tickets-9652965279?aff=eivtefrnd>

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MOVE MN

Move MN is a growing and diverse coalition dedicated to starting to erase Minnesota's transportation deficit by securing a comprehensive transportation funding package during the 2014 legislative session. New funding will enable the state to properly maintain and improve transportation assets that expand access and opportunity for all and create living wage jobs.

WE NEED A BOLD VISION AND A PATH FORWARD

The Move MN campaign is committed to addressing Minnesota's urgent transportation needs. A 21st century transportation system improves efficiency and affordability for individuals and businesses, while keeping Minnesota economically competitive. A quality transportation system creates equitable access to jobs, housing, education and a strong quality of life for all Minnesotans. Investing in transportation moves Minnesota forward.

A MOVE MN TRANSPORTATION FUNDING PACKAGE

COMPREHENSIVE. Any transportation funding package must include funding for roads and highways, transit, bike and pedestrian systems throughout Minnesota on both the state and local systems. In addition, the state must work to continually improve the efficiency of transportation construction and operations.

BALANCED. Any transportation funding package must be balanced between transportation modes and between Greater Minnesota and the Twin Cities Metropolitan Area. We support developing a transportation system that serves all Minnesotans equitably.

SUSTAINABLE/GIMMICK-FREE. Transportation funding solutions must be long-term and sustainable, and must grow with the economy to meet the state's growing transportation needs. Bonding or borrowing is not a suitable substitute to sustainable revenue for transportation.

DEDICATED. New funding must be dedicated to transportation.

MOVE >>> MN



SHUTTERFLY: TRANSPORTATION BRINGS JOBS TO MN

Shutterfly's new regional facility in Shakopee shows how critical transportation is to economic development. One important factor in Shutterfly's decision was recent transportation improvements that will help move goods and people to their final destination. For Minnesota, it creates approximately 400 full-time jobs and up to 600 part-time workers.

BY THE NUMBERS

- >>> Nearly half of Minnesota's roads and bridges are in poor or mediocre condition
- >>> Nearly 2.5 million drivers use 1,000 deficient bridges on a daily basis
- >>> By 2020, Minnesota is expected to add more than 350,000 new jobs
- >>> Currently only 10 percent of Twin Cities metro area jobs are conveniently served by transit
- >>> The Twin Cities metro area will add 900,000 people by 2040

FOR MORE INFORMATION, CONTACT info@movemn.org

>>> movemn.org

 [MoveMinnesota](https://www.facebook.com/MoveMinnesota)

 [@move_mn](https://twitter.com/@move_mn)



December 1, 2013

DEC 12 2013

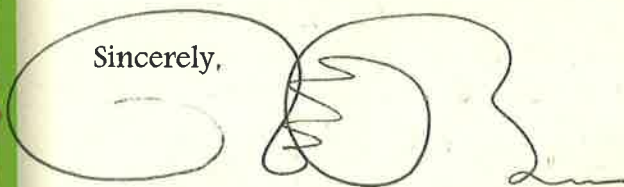
Dear Lakes and Pines Supporter,

As the holiday season approaches, I would like to take this opportunity to thank you for your continued partnership. Without the dedication and support of Community Members, Volunteers, Legislators, Board Members, Staff and many others, Lakes and Pines could not continue to be successful in accomplishing the Agency Mission.

Lakes and Pines, using the capacity built over the past 48-years, continued to serve families in the area as they move towards or back to prosperity. The hard work, dedication and sacrifice of the staff, along with the contributions of so many community partners, and most importantly, the hard work put in by the families themselves, is rewarded with greater self-reliance by the families we work with.

On behalf of Lakes and Pines' Board of Director's I would like to thank you for your continued support. May your holiday season and the New Year be filled with joy and success for you and your family.

Sincerely,



Robert Benes
Executive Director



Added 3D

CERTIFIED COPY OF RESOLUTION OF COUNTY BOARD OF AITKIN COUNTY, MINNESOTA

ADOPTED December 17, 2013

By Commissioner: xx

121713-0xx

2014 Liquor Renewal – Fisherman’s Bay

BE IT RESOLVED, the Aitkin County Board of Commissioners agrees to approve the following liquor license for a period from January 1, 2014 thru December 31, 2014:

“ON”, “OFF” and “SUNDAY” Sale:

N5 Corporation, d/b/a **Fisherman’s Bay** – Workman Township

This establishment has an address of 50933 State Highway 65, McGregor, MN 55760

Commissioner xx moved the adoption of the resolution and it was declared adopted upon the following vote

FIVE MEMBERS PRESENT

All Members Voting Yes

STATE OF MINNESOTA)
County of Aitkin) ss.
Office of County Auditor,)

I, Kirk Peysar, Auditor, of the County of Aitkin, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 17th day of December A.D., 2013, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Aitkin, Minnesota, this 17th day of December A.D. 2013

KIRK PEYSAR, County Auditor

BY _____, Deputy

Handout
3A

SFIA

- Law passed in 2001 with push from many partners including Minnesota Forestry Association, Minnesota Forest Industries, Minnesota Deer Hunters Association, Blandin Paper Company, Potlatch, Boise Cascade, The Nature Conservancy, just to name a few.
- Keep in mind, SFIA is the Sustainable Forest Incentive Act – there is no mention of taxes in the name and that’s because the program is not associated with taxes. It is not a tax incentive program, tax reduction program, or tax classification program. It is an incentive program for landowners with 20 acres or more of contiguous land.
- Offers landowners a yearly payment if they follow the rules of the program. Need a Forest Stewardship Plan, need to follow that plan, cannot be delinquent on their taxes, and agree not to subdivide or develop their property for a minimum of eight years. Property can be sold but must be in parcels of 20 acres or more.
- Eligible land must be forested – agriculture lands, buildings, and open-water wetlands greater than 3 acres are not eligible.
- Current payment is \$7 per acre and that is taxable income.
- Landowners who enroll more than 1,920 acres must allow non-motorized public access.
- Covenant needs to be place on the deed of the property.

① property owner
② Value

Comparison between SFIA and Class 2c

This table summarizes key elements of each law.

SFIA	Class 2c
20 contiguous acres minimum	20 acres in contiguous parcels minimum
No maximum acreage enrolled	1,920 acre maximum enrolled
Public access required if > 1,920 acres enrolled	Public access not required
Exclude 3 acres minimum for building	Exclude 10 acres minimum for building
8 year minimum enrollment; 4 years to end agreement	1 year minimum enrollment
SFIA	Class 2c
Class rate varies from 0.50% to 1.25% depending on class and property’s value. Pay usual property tax, but get \$7/acre/year minimum incentive payment (\$8.74 actual payment in 2009)	0.65% Property Tax Class Rate
Property tax qualifies for itemized deduction on federal income tax return, but SFIA payment is taxable income	Property tax qualifies for itemized deduction on federal income tax return



Sustainable Forest Incentive Program

Key Facts and Findings:

- Between 2003 and 2013, the state made over \$44 million in payments through the sustainable forest incentive program.
- The number of participants in the program has increased each year and exceeded 2,200 in 2013, but participants' enrolled acreage has dropped recently due to changes to the Sustainable Forest Incentive Act (SFIA).
- Sustainable forest incentive payment amounts are not tied to property taxes or program goals.
- In some cases, sustainable forest incentive payments exceed property taxes on enrolled land.
- SFIA relies primarily on self-reported compliance; it requires little third-party verification or oversight.
- Some owners of land in the sustainable forest incentive program have violated the restriction against developing the property.
- SFIA's penalty provision is not sufficient to address different circumstances of noncompliance.
- The Department of Revenue reviews program applications, but it is not equipped to verify all program requirements.
- Subsequent owners of land enrolled in the sustainable forest incentive program create challenges to program oversight.

Key Recommendations:

- The Legislature should either tie sustainable forest incentive payments more directly to SFIA's goals or repeal SFIA and use other programs to encourage sustainable forest management.
- The Legislature should require program applicants to register their forest management plans with the Department of Natural Resources.
- The Legislature should require increased verification of program compliance.
- The Legislature should clarify and expand penalty options for noncompliance with SFIA.
- The Legislature should amend SFIA to better address changes in ownership of enrolled land.

The Sustainable Forest Incentive Act (SFIA) does not require sufficient assurance that program participants comply with requirements.

Report Summary

Enacted in 2001, the Sustainable Forest Incentive Act (SFIA) created a program to encourage sustainable forest management practices on private forest land, replacing a forest taxation law dating from 1957. Over 40 percent of the 17 million forested acres in Minnesota are privately owned. In SFIA, the Legislature recognized the importance of engaging private forest landowners in sustainable forest management.

The sustainable forest incentive program offers \$7 per acre to landowners who enroll their land in the program, obtain and follow a forest management plan, and record a document (called a “covenant”) that restricts development on the enrolled land. Landowners who enroll more than 1,920 acres must allow public access. The program requires that land be enrolled for a minimum of eight years.

In 2013, approximately 2,300 landowners were participating in the program, with over 737,000 enrolled acres. In 2011, prior to legislative changes to SFIA, participating landowners had over 900,000 acres enrolled in the program. Nine owners had more than 1,920 enrolled acres in 2013. That year, the state made incentive payments totaling \$5.16 million.

Sustainable forestry involves informed and active management of forest land, but it does not prescribe management objectives.

Sustainable forest management is informed and active management of forest resources to achieve economic, environmental, and social goals, without compromising the ability of future generations to do the same.

Other than keeping forest land as forest land, sustainable forest management does not have one specific goal. Goals might include producing timber, providing recreation opportunities, or preserving wildlife habitat, among others.

While intended to encourage sustainable forest management by offsetting property taxes, the sustainable forest incentive payment amount is not reflective of property taxes.

In passing SFIA, the Legislature recognized the disincentive to sustainable forest management that property taxes can create. However, the incentive payment amount is not based on property taxes.

Our review of a sample of participants found that their expected incentive payment in 2013 would equal between 12 and 306 percent of their property taxes on the enrolled land. For example, one landowner’s property taxes averaged \$3.25 per acre, but the incentive payment is \$7 per acre. Another landowner, whose taxes on one parcel averaged over \$100 per acre, would receive the same per-acre incentive payment.

We recommend the Legislature either align sustainable forest incentive payment amounts with the goals it is trying to achieve related to private forest land or repeal SFIA.

The forest management plans required by SFIA are underutilized as a tool of oversight and accountability.

The sustainable forest incentive program requires enrolled land to be managed according to a plan developed by a forester approved by the Department of Natural Resources (DNR). The activities recommended in plans must be consistent with landowners’ objectives and guidelines

Sustainable forest incentive payment amounts are not tied to property taxes and, in some cases, greatly exceed them.

The Legislature could amend SFIA to make greater use of forest management plans, but doing so could increase administrative costs.

developed by the Minnesota Forest Resources Council.

Requiring a forest management plan could support sustainable forestry because it ensures that landowners have contact with a professional forester. The forester's suggested activities could increase the benefits from well-managed land or prevent negative consequences of poor management. Owners' objectives listed in a sample of plans were consistent with sustainable forest management.

At the same time, the state has little assurance that plans meet minimum requirements and that owners follow their plans. To provide more oversight, we recommend that the Legislature require landowners to register the plans with DNR. In addition, the Legislature should consider requiring renewed plans to include an assessment of the extent to which a landowner followed recommendations in previous plans. DNR might need additional resources, depending on how its role changes.

Restrictions against development of forest land enrolled in the program have, at times, gone unheeded.

Landowners must record a covenant prohibiting development of land enrolled in the sustainable forest incentive program, and subsequent owners of the land must abide by it. But, there is little third-party verification. In some cases, landowners have developed land enrolled in the program. Violations of the covenant have been perpetrated by participating landowners and subsequent owners of enrolled land who never applied to receive payments.

Identified violations are rare, but the true extent of violations is unknown because third-party oversight of the program is limited.

The current approach to program accountability provides little assurance that persons receiving payments comply with program requirements.

The sustainable forest incentive program relies heavily upon applicants' and participants' attestations that they meet program requirements. The Department of Revenue can confirm some aspects of applicants' eligibility. For example, staff can make sure land is not tax exempt or tax delinquent. The department relies upon the assessment of the forest management plan writer as to whether the land meets the definition of "forest land" for the purposes of SFIA.

Participants attest to their ongoing compliance annually in order to receive the year's incentive payment. However, currently, the Department of Revenue does not have the capacity or expertise to determine whether landowners are following their management plans or that their land continues to be eligible. For example, while already enrolled in the program, all or parts of the land could become ineligible by being classified as 2c Managed Forest Land or tax exempt. Or, the landowner may have become delinquent in paying property taxes.

DNR does not have a role in confirming initial or ongoing eligibility of enrolled land, and SFIA does not require assistance of county assessors (although the Department of Revenue seeks it, and some assessors are thorough in the help they provide).

We recommend the Legislature increase verification that program participants continue to be eligible for incentive payments. However, increased verification would increase state administrative costs. One option is requiring county assistance with verification, but limiting county involvement was one of the goals when SFIA was enacted.

SFIA's penalty provision does not provide adequate clarity and flexibility.

Subsequent ownership of land enrolled in the program creates oversight challenges.

Subsequent owners of land enrolled in the sustainable forest incentive program create numerous challenges. Even if the owners do not apply for incentive payments, the land remains bound by the SFIA covenant's development restrictions.

Challenges begin with the Department of Revenue learning who the new owners are if the sellers do not inform the department and the new owners do not apply to the program. If the new owners do not apply, the department does not include them or their land in the limited oversight that does occur. If they do apply, challenges include confirming that their land is eligible for them to receive program payments and that they have a forest management plan.

We recommend that the Legislature amend SFIA to better address changes in ownership. The Legislature should also consider how the covenant might better prevent parcelization and development. For example, the program could prohibit a single

covenant from applying to tax parcels with different owners. This would not eliminate changes of ownership, but would increase participation costs of landowners who want the flexibility to sell portions of enrolled land.

SFIA penalty provisions are insufficient.

Penalties for failing to verify compliance annually, falsely confirming compliance, or developing enrolled land must be sufficient to deter the behavior. Currently, penalty provisions are limited and seldom used. The Department of Revenue could recall only one case in which it has imposed a financial penalty.

The department has indicated that SFIA's penalty provision is not always workable. For example, if a landowner has not received an incentive payment in the previous four years, imposing a penalty equal to the previous four years' payments plus interest—the current penalty provision—is without effect. We recommend the Legislature increase penalty options and clarify circumstances in which the department can and should impose them.

Summary of Agencies' Responses

Department of Revenue Commissioner Myron Frans and Department of Natural Resources (DNR) Commissioner Tom Landwehr generally agreed with the report's findings and many of its recommendations. Both commissioners supported increased verification of participants' compliance with program requirements, expanded penalty options, and registration of forest management plans with DNR prior to program enrollment.

Commissioner Frans agreed with "the direction" of the recommendation that the Legislature either tie incentive payments to program goals or repeal the Sustainable Forest Incentive Act (SFIA). He noted that "changing the nature of the existing program ... would increase administrative complexity and require increased staffing," and highlighted an advantage to using separate programs to achieve SFIA's goals. Commissioner Landwehr agreed there is a need to clarify program goals and tie incentive payments more directly to them, but noted that "many stakeholders would be concerned over repealing ... SFIA and eliminating the support it provides for sustainable management" of private forest land. The commissioners indicated their willingness to work with each other, as well as legislators and other stakeholders, to explore options for achieving the state's goals related to sustainable forest management of private forest land.

The full evaluation report, *Sustainable Forest Incentive Program*, is available at 651-296-4708 or:

SFIA Talking Points

- The SFIA program was designed to help alleviate the burden of property taxes for forest landowners who have a current Forest Stewardship Plan and are following it, are not delinquent in their taxes, and agree not to subdivide or develop their property. It is essentially a conservation easement at a very reasonable price to the state.
- People are not getting rich off the SFIA program. Albeit far from scientific, a random search of 10 forest landowners in Aitkin County revealed an average property tax of \$8.42 per acre, less than the \$7.00 per acre the SFIA program pays.
- The SFIA program encourages the retention of larger blocks of contiguous forestland. Fact – larger blocks of forests are easier to manage, cheaper to manage, and provide habitat needs for many species of wildlife listed as rare, threatened, and/or endangered. Migratory songbirds are an example of this.
- SFIA, because it requires a Forest Stewardship Plan, promotes sustainable forest management. Fact – studies have shown that sustainable forest management is one of the best ways to protect water quality. Many of these forested watersheds are not yet impaired – “An ounce of prevention...”
- Sustainable forestry also provides better habitat for wildlife, which is important for tourism and the lake-recreation-forest economy we have in northern Minnesota.
- Violations to the covenant have been rare. The intent and integrity of the program are intact and should continue to be.
- It is true some people sign up for a Forest Stewardship Plan simply to become eligible for the SFIA program. However, having a plan developed for your property is not free and can cost the landowner up to \$10 per acre. Landowners with “skin in the game” are more likely to follow the recommendations in their plan. Plans also need to be updated every ten years, which is another expense the landowner must bare.
- If needed, Soil and Water Conservation Districts can be contracted to monitor landowner compliance. Work like this is currently being done by SWCDs for Reinvest in Minnesota (RIM) easements.

CONTINUED SUPPORT OF SFIA

WHEREAS, healthy forests benefit wildlife, air quality, water quality, tourism, and jobs; and

WHEREAS, forest management is best performed on parcels that are 20 acres in size or larger; and

WHEREAS, the Sustainable Forest Incentive Act (SFIA) offers a small monetary incentive for landowners to follow their Forest Stewardship Plans and retain their forested property; and

WHEREAS, Local SWCD's could be contracted to annually ensure compliance with SFIA covenants,

THEREFORE, BE IT RESOLVED, that the MASWCD lobby for and support the continuation of SFIA by the State of MN.

Financial Impact Statement: as modified in Sheila's copy

Submitted by:

Area Association: Area III

Aitkin County SWCD

Date Adopted:

Reviewed by:

MASWCD Annual Convention

MASWCD Board of Directors

Action

Date:

Date:

For further information contact: Steve Hughes, Aitkin County SWCD Manager or Frank Turnock, Aitkin County SWCD Supervisor at (218) 927-6565.

Sustainable Forest Incentive Act (SFIA)

The Sustainable Forest Incentive Act, passed in 2001, allows annual payments from the Minnesota Department of Revenue (MN DOR) to enrolled owners of forested land as an incentive to practice long-term sustainable forest management. This is not a property tax classification or rebate; it is an incentive payment. Landowners may use funds any way they wish. The payment is taxable income to the landowner. Taxable income from a forestry operation may help show a business interest for income tax purposes. Please refer to www.timbertax.org for more information about income tax considerations.

Qualifications

To enroll, you must meet all of these requirements:

- You must own 20 or more contiguous acres of land in Minnesota, of which at least 50 percent is forested.
 - Forest land must be at least ten percent stocked by trees of any size and capable of producing timber, or of exerting an influence on the climate or on the water regime; land from which the trees described above have been removed to less than ten percent stocking and which has not been developed for other use; and afforested areas.
 - There is no maximum acreage, but ownerships greater than 1,920 acres must allow year-round, nonmotorized public access to fish and wildlife resources, except in areas within one-fourth mile of a permanent dwelling or during periods of high fire danger—determined by the Minnesota Department of Natural Resources (MN DNR). Landowners required to allow access do not by that action: extend any assurance that the land is safe for any purpose; confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.
 - You may not enroll residential land or agricultural land used for agricultural purposes (e.g., pasture, hayfields and cropland), or land improved with pavement, sewer, roads, campsites, and other improvements not required for forest management activities. Camping is allowed on SFIA enrolled land, so long as it does not alter management of the surrounding area.
 - A building or structure used exclusively for management activities may be included. An example is a shed or building that only stores equipment used during management activities. If the building also is used as a temporary or permanent dwelling or is used to store items not regularly used for management purposes, at least three acres of land around it must be excluded from the enrolled acres.
 - Any portion of a parcel of land that has improvements that are not necessary for sustainable forest management must be deducted from the total acres. The minimum deduction is three acres for each area excluded. After deductions for exclusions there must be a minimum of 20 contiguous acres to be eligible. Note that after the minimum contiguous acres are met, additional tracts may be included in the same plan, even if they are not contiguous.
 - Open water, including a river, that is less than three acres in size can be included as part of the forested land. Larger areas must be excluded. Marshes and other wetlands not capable of growing trees, but due to their existence have a significant impact on forested land, are eligible for SFIA. This also includes land that may have been an agricultural field in the past, but has recently been reforested.

- An owner may be a private individual, corporation or partnership. Both residents and nonresidents of Minnesota are eligible. There can be only one claimant per parcel of land. If a parcel has multiple owners, they must decide which one will receive the incentive payment.
- No delinquent property taxes are owed on the land before enrolling, and taxes are paid on-time while enrolled in the program.
- Land must have an active forest management plan, written within the past ten years, that was prepared by a plan writer approved by the MN DNR.
- You certify that the land is not enrolled in Reinvest in Minnesota (RIM), Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program (CRP), Green Acres or Ag Preserves, or 2c Managed Forest Land.
- You agree to be enrolled in the program for a minimum of eight years. Please note: your land does not drop out at the end of eight years. To withdraw, a request must be made to the Commissioner of Revenue. You can not apply to withdraw until you have been in the program a minimum of four years. The withdrawal process then takes four additional years. You may sell acres or the entire parcel at any time during your enrollment, but the new owner must abide by the covenant.

Enrollment Procedures

Covenant: If you meet all qualifications, record a covenant with the county recorder's office (or registrar for registered land) in the county where your land is located. The covenant requires you to maintain your land as forest, to follow your forest management plan and to abide by the Minnesota Forest Management Guidelines. A copy of the covenant may be found on the Department of Revenue website. The Forest Management Guidelines may be found at <http://www.frc.state.mn.us/FMgdline/Guidelines.html>. One covenant can cover all parcels in a county that you wish to enroll even if the parcels are not contiguous. To enroll land in more than one county, record a covenant in each county where your land is located. Before you complete the covenant, exclude any area you might develop in the future. Once recorded, the county will place a covenant recording number on the front page of your covenant. Allow the county recorder two to three months to process your request.

Application: Then complete MN DOR Form TH1, Sustainable Forest Incentive Act Enrollment Application. Applications are available at the MN DOR Website and from many MN DNR forestry offices. Your Social Security number is required by M.S. 290C.04 to properly identify you and determine if you qualify to receive an incentive payment. Your Social Security number is private information and cannot be disclosed to others without your consent. Your federal identification number and date of birth are also private, but can be disclosed to county assessors for tax administration purposes and to county treasurers for purposes of revenue recapture. All other information is public. If you fail to provide all requested information, except your phone number, your application will be delayed or denied. Providing a daytime phone number will save time if questions arise. Both you and your approved plan writer must sign the application form. If the land is owned by a business entity or group, an authorized representative of the entity or group must sign.

Attach the following to your application:

- A copy of the recorded covenant(s).
- Exhibit A - Legal description of real property, or certificate of title number for real property for each parcel you wish to enroll.
- Exhibit B - A copy of the forest management plan map or eligible acres map that clearly shows which acres are being enrolled and any excluded acres (or an aerial photo or map of the

vegetation and other natural features of the land clearly indicating the boundaries of the land and of the forest land) for each parcel you wish to enroll. If you enroll only a portion of the eligible acres and later want to enroll the remaining acres, your county must assign a new parcel identification number (PID) to the remaining acres. You cannot enroll additional acres using the same covenant and PID number for a parcel that is already enrolled.

The plan must include the landowner's goals for the property, parcel identification number (PID), legal description, inventory of forest cover types, map of the vegetation and boundaries, proposed future conditions, calendar of management activities, and other information pertinent to management of the forest. All management activities prescribed in the plan must meet the recommended timber harvesting and forest management guidelines created by the Minnesota Forest Resources Council. The MN DNR will work with the claimant and the plan writer to determine what is acceptable. A complete copy of the plan must be made available to the MN DOR upon request.

- A copy of the property tax statement for each qualifying parcel.

Next Steps: Keep a copy of your application and all attachments for your records. You will need to refer to the parcel information in future years when you complete and sign your annual certification letter. The MN DOR will not be able to provide you with a copy.

Your application and all required attachments must be postmarked no later than September 30 to receive an incentive payment the following year.

The MN DOR will send an approval or a denial letter within 90 days after receiving your application. If your application is denied, you can appeal. The MN DOR will send the landowner a document within 90 days of denial releasing the land from the covenant.

If your application is approved, the MN DOR will send a certification letter to each enrolled participant, by July 1 every year asking you to:

- Sign the letter, attesting that requirements and conditions for continued enrollment in the program are currently being met. (To remain eligible for payment, you must follow the calendar of management activities in your management plan to a reasonable degree.)
- Report any changes to the parcel information.
- Return the signed certification by August 15 of that same year.

Incentive Payment

If you properly complete and return the certification by August 15 each year, you will receive your annual incentive payment on or before October 1 of the same year.

Each year the MN DOR will determine a statewide payment-per-acre rate using three formulas based on the average property tax for timberland. Beginning in 2010, tax calculations will be based on forest land in Class 2c using a 1% class rate. The formula that provides the largest payment-per-acre will be used. The minimum amount per acre is \$7.00, as of April 2008. The actual payment in 2009 was \$8.74 per acre.

The total amount each participant will receive is determined by multiplying the payment-per-acre by the number of enrolled acres. **This payment is taxable income.**

If you owe delinquent taxes on property not enrolled in SFIA or if you owe criminal fines or a debt to a state or county agency, district court, qualifying hospital or public library, state law may require the MN DOR to apply your incentive payment to the amount you owe (including penalty and interest on the taxes). Your Social Security number may be used to identify you as the correct debtor. If your debt is less than your incentive payment, you will receive the difference.

If you owe delinquent taxes on any enrolled land, your land will be removed immediately from the program. The MN DOR will notify you of the removal and you will have 60 days from the notice date in which to pay the delinquent taxes. If you pay the delinquent taxes within the 60-day period, your lands will be reinstated without penalty. Lands terminated from the SFIA program due to delinquent property taxes are not entitled to any payments and are subject to removal penalties. The covenant will remain on the land until you apply for a release and then wait four years.

Violating the Covenant

Minnesota Statutes, section 290C.11(a) provides that if the Commissioner of Revenue determines that land enrolled in SFIA violates conditions for enrollment, the Commissioner shall notify the claimant of his/her intent to remove all enrolled land from the SFIA Program. Upon notification, the claimant has 60 days to administratively appeal the determination. If the Commissioner denies the appeal, the claimant may appeal to tax court.

Landowners must abide by forest management guidelines created by the Minnesota Forest Resources Council. A MN DOR ruling states that in determining whether land enrolled in SFIA violates the Guidelines, the Commissioner (MN DOR) shall consider:

- The cause of the violation.
- The extent of the violation (area of damage).
- Whether the claimant has substantially complied with the forest management plan.
- Whether the claimant has substantially complied with the Guidelines in timber harvest and forest management activities.
- Whether the claimant took measures to avoid the violation.
- If the claimant has violated one or more of the Guidelines concerning harvest practices, whether the claimant has attempted to mitigate the violation.
- Whether the claimant has taken measures to avoid future violations.
- Whether there has been a pattern of violations by the claimant related to any land enrolled in the SFIA Program.

If you violate the covenant by developing or constructing buildings on part or all of your enrolled land, all of your land will be removed from the program and you will be assessed a penalty. The penalty is the total payments you received on all of your SFIA land—not just the part in violation—for the previous four years, plus interest. The SFIA covenant remains on the land. You cannot pay a penalty to remove the covenant. You must apply to the MN DOR to remove the covenant and wait four years to be released.

Procedures to End the Covenant

All enrolled land must remain in the program for a minimum of eight years. You may choose to cancel enrollment from the program after four years by filing a written request with the MN DOR. Once filed, the cancellation will take effect January 1 of the fifth calendar year that begins after the Commissioner of the MN DOR receives your termination notice. You will continue to receive incentive payments

during the four-year waiting period. You cannot remove just a portion of a parcel. The whole parcel must be removed. Once you withdraw, the land cannot be re-enrolled in the program for at least three years.

Acquiring Enrolled Land

If you buy land enrolled in the SFIA program and want to receive annual incentive payments, you must complete and submit an application Form TH1. If you do not apply for payments, your land still remains in the program so you must abide by the covenant and not develop the land until it is withdrawn from the program.

If you buy enrolled lands and want to withdraw, but still receive incentive payments while waiting to be removed from the program, complete an application Form TH1 and send an intent-to-withdraw to the MN DOR. You will receive payments until the land is released.

If you are buying or recently purchased land already in SFIA, the buyer and seller must determine who is eligible to claim payment for the upcoming year and notify the Commissioner of the MN DOR in writing which person is eligible to claim the payments.

If a landowner dies, the estate's personal representative has up to one year to notify the MN DOR to either:

- Terminate without penalty—if you choose to terminate, the MN DOR will issue a document releasing the land from the covenant, or
- Continue enrollment in the SFIA program by submitting a letter of explanation with a new application, Form TH1. If the new application is approved, the land is enrolled in the program without a break.

If you do not notify the MN DOR within one year, enrollment will terminate automatically without penalty.

Changing Land Classification

Your land's classification can change at the discretion of the county in which the land is located. While your land is enrolled in SFIA, your land classification most likely would be 2b rural vacant land.

WHEREAS, impacts to wetlands in northeast Minnesota continue to create a high demand for compensatory wetland mitigation, and

WHEREAS, current state and federal compensatory wetland mitigation policies have resulted in large amounts of wetland impacts being replaced outside of the watershed boundary of the impacted wetland in low-priority areas of the state that have greater than 80% of their pre-settlement wetlands remaining, and

WHEREAS, approximately 11,000 acres of wetland credits have either been established or are in the process of being established in Aitkin County as mitigation for impacts in other drainage basins located outside of Aitkin County, and

WHEREAS, actual wetland impacts within Aitkin County total less than 100 acres since 1991, and

WHEREAS, the Interagency Northeast Mitigation Siting Team is a group of representatives of various state and federal regulatory agencies that have developed concepts for modifying current wetland mitigation requirements for impacts in the Lake Superior and Rainy River drainage basins, and

WHEREAS, comments regarding these concepts, dated November 20, 2013, have been solicited by the Interagency Northeast Mitigation Siting Team.

NOW, THEREFORE, BE IT RESOLVED, that Aitkin County hereby comments as follows:

1. The Interagency Northeast Mitigation Siting Team needs to be expanded to allow representation by all stakeholders affected by wetland impacts in the Lake Superior and Rainy River drainage basins.
2. The following problem statement needs to be added to concept document: "Current state and federal compensatory wetland mitigation policies have resulted in large amounts of wetland impact being replaced outside of the watershed boundary of the impacted wetland in concentrated low-priority areas of the state that are not lacking in wetland functions and values."
3. The alternative options for compensatory mitigation including the expanded use of preservation, restoration/protection of riparian corridors and streams, stabilization of natural hydrology, peatland hydrology restoration, and watershed plan implementation projects should be clearly limited only to mitigation sites located within the Lake Superior and Rainy River drainage basins.
4. Wetland impacts in the Lake Superior and Rainy River drainage basins that cannot practicably be mitigated within the same watershed should be required to be sited in high priority areas of the state that have less than 80% of pre-settlement wetland areas remaining.
5. Aitkin County is adamantly opposed to allowing the replacement of wetland impacts in the Lake Superior and Rainy River drainage basins in areas of the state that have greater than 80% of pre-settlement wetland areas remaining. Even at increased replacement ratios to discourage replacement in these areas, it will continue to be more economically feasible to replace impacts in these low priority areas of the state, which will only magnify the current problem with too many wetland impacts being replaced in areas of the state that have greater than 80% of pre-settlement wetland areas remaining.
6. To achieve more effective and efficient mitigation of wetland impacts in the Lake Superior and Rainy River drainage basins, mitigation should be based on a no-net loss of wetland functions and values rather than a no-net loss of wetland area. While this would potentially result in lower than 1:1 replacement ratios on an area basis, wetland functions and values would be maintained at greater than a 1:1 ratio.
7. Aitkin County continues to support the concept of the In-Lieu Fee Program for mitigation of wetland impacts in the Lake Superior and Rainy River drainage basins.

BE IT FURTHER RESOLVED, that the Aitkin County Board of Commissioners hereby thank the Interagency Northeast Mitigation Siting Team for addressing this important issue and encourages strong consideration of the recommendations contained herein.

ANOKA 2014 STATE BONDING/CAPITAL INVESTMENT FUNDING REQUEST
Improving Rum River Dam as a Barrier to Asian Carp

There is strong citizen support for immediate action to stop Asian carp from reaching Mille Lacs Lake in Minnesota.

The following coalition partners within the Rum River Watershed have expressed full support for this project to improve the Rum River Dam as a barrier to Asian carp:

- Anoka Conservation District
- Benton Soil & Water Conservation District (SWCD)
- City of Andover
- City of Anoka
- Isanti SWCD
- Lower Rum River Watershed Management Organization (WMO)
- Mille Lacs SWCD
- Morrison SWCD
- Sherburne SWCD
- Upper Rum River WMO



Asian carp jumping on the Illinois River creating hazard for boat operators.
Photo credit: Asian Carp Regional Coordinating Committee

A recent poll funded by the McKnight Foundation found that "93% of Minnesota voters would be concerned if the Asian carp got into lakes and rivers throughout Minnesota." Approval of this project now will help prevent the Asian carp from entering this important fishery.

Once established, Asian carp can devastate native fish populations, as they already have in Illinois and Iowa.

Asian carp have been making their way up the Mississippi River system over the past several decades. They are invasive and cause serious damage to native fish populations by dominating native fish species for food and habitat. Asian carp have established populations in Illinois and Iowa. Recent catches in Lake Pepin and discovery of an Asian carp at Lock and Dam 5 (110 miles from St. Paul) indicate they are moving into Minnesota via the Mississippi River.

Sport fishing in the State of Minnesota is a \$2.8 billion industry. If Asian carp establish a foothold in Minnesota's rivers and lakes, they will adversely impair associated recreational and commercial activities. Efforts are underway on the Mississippi River to stop Asian carp including a potential bubble/sound barrier at Lock and Dam No. 1 (in St. Paul) and a physical barrier created by the Coon Rapids Dam, neither of which are 100% effective.

Mille Lacs Lake, one of Minnesota's premier fisheries, is connected to the Mississippi River by the Rum River. Similar to Coon Rapids Dam, the Rum River Dam in Anoka has potential to serve as a redundant barrier to Asian carp. **This investment in the Rum River Dam would help protect one of the defining assets of the Minnesota fishing industry – Mille Lacs Lake.**

ANOKA 2014 STATE BONDING/CAPITAL INVESTMENT FUNDING REQUEST Improving Rum River Dam as a Barrier to Asian Carp

Rum River Dam can provide a redundant barrier for the entire Rum River Watershed.

The Rum River Dam in Anoka is located a half mile upstream of the Rum River's confluence with the Mississippi River. Coon Rapids Dam is located approximately six miles downstream of the Rum River Dam on the Mississippi River.

The goal is to protect the watershed upstream of the Rum River Dam in Anoka, which includes:

- 1,600 square miles of watershed area.
- 1,780 miles of rivers and streams.
- Over 200 smaller lakes.
- Mille Lacs Lake.



Rum River Watershed
North of Minneapolis in Central Minnesota

Anoka requests \$5 million in 2014 state bonding/capital investment funding to improve Rum River Dam as a redundant barrier to Asian carp.

The Rum River Dam needs funding for design and construction of the following modifications to improve barrier effectiveness during higher river flows:

- Replace bottom discharge flood gate with top discharge flood gate.
- Replace flashboard pool control with adjustable crest gate pool control.
- Alter operating plan to maintain summer pool for longer periods of the year.
- Modify spillway to block jumping fish.



For more information contact:

Tim Cruikshank, City Manager | City of Anoka
2015 First Avenue North | Anoka, MN 55303
Phone: 763.576.2711 | Email: tcruikshank@ci.anoka.mn.us

MINNESOTA WATERS SPECIAL

OUR LAKES AND RIVERS ARE PART OF WHAT MAKES MINNESOTA SPECIAL AND WE SHOULD DO WHAT WE CAN TO PROTECT THEM.

Fishing supports 43,000 Minnesota jobs, generates \$2.8 billion in direct annual expenditures, and contributes more than \$640 million a year in tax revenues to the state and federal governments.



ASIAN CARP INVASION

AN INVASIVE SPECIES OF FISH CALLED ASIAN CARP HAS BEEN FOUND IN THE MISSISSIPPI RIVER JUST SOUTH OF THE TWIN CITIES.

The non-native Asian carp pose a grave threat to Minnesota and its fishery. Asian carp are voracious filter feeders that can grow to more than four feet long, weigh up to 100 pounds and quickly dominate a body of water by gobbling up the same food that sustains native fish populations.



Walleye
15 pounds



Steelhead Trout
10 pounds

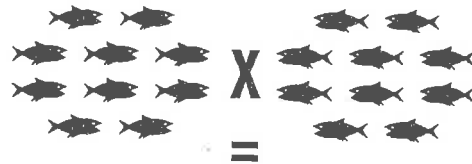


Smallmouth Bass
6 pounds



Lake Perch
3.5 pounds

Asian carp have colonized large swaths of the Mississippi and Illinois rivers—accounting for more than 90 percent of living organisms in some stretches of water.



NEW POPULATION

Experts say that as few as 10 females and up to 10 males of reproducing age can establish a population.

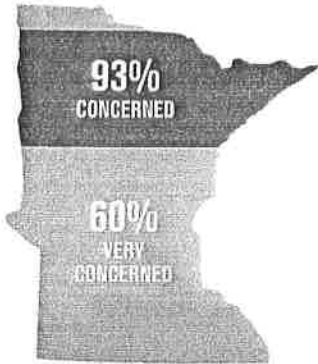
We can stop Asian carp from advancing up the Mississippi River and taking over Minnesota waters by closing locks, or gate, at the Twin Cities, but we need to act now or it may be too late.



VOTERS CONCERNED, SUPPORT SOLUTIONS



Six in ten
Minnesota voters report having heard a lot (32%) or some (31%) about Asian carp.



93% Minnesota voters would be concerned if the Asian carp got into lakes and rivers throughout Minnesota.

60% would be very concerned.



63% of Minnesota voters support closing locks, or gates, in the Twin Cities to prevent the spread of Asian carp up the Mississippi River while only 24% oppose.



TIME TO ACT

Conservation groups are urging public officials to pass federal legislation—the Upper Mississippi CARP Act (H.R. 709/S. 365)—to close the Upper St. Anthony Falls lock to prevent the non-native fish from colonizing more Minnesota lakes and rivers.

The threat to jobs and the economy is greater if we do not act.

We have solutions to this problem. It is time to use them.

STOP ASIAN CARP!



StarTribune

Asian carp must be stopped

Article by: TOM LANDWEHR
September 25, 2013 - 4:48 PM

The commentary by the regional deputy of the U.S. Army Corps of Engineers ("Asian carp threat has its limits," Sept. 17), which minimized the Asian carp threat in Minnesota, offered little comfort to those of us who have been trying to protect the state's rivers and lakes from these invasive fish.

Yes, her claim that the possible effects of Asian carp on our state's waters have been overstated by some is accurate, and we all need to be careful to stick to the facts.

Indeed, there is no reason to exaggerate. The truth is scary enough on Asian carp.

These fish have rapidly invaded waters in states to our south, to the extreme detriment of native fish and water-based recreation, and there is no reason to assume it will not happen here. The fact that all of our state's waters are not currently at risk is no reason to imply that closing the Upper St. Anthony Falls lock at Minneapolis is not necessary.

We are fortunate that our own elected officials do not share the Corps' approach to risk management. With leadership from Reps. Keith Ellison, Rick Nolan, Erik Paulsen and Tim Walz, as well as Sens. Amy Klobuchar and Al Franken, Congress appears poised to pass a Water Resources Development Act that will authorize closure of the Upper St. Anthony lock.

With this key legislation in the balance, I feel compelled to address a few important facts that were left out of the Corps' commentary.

First, while the Coon Rapids Dam is important in helping to stop the spread of Asian carp, it is not a 100 percent effective fish barrier. Based on a 79-year flow record, fish passage by the dam would be possible an average of four to five days every 10 years.

The reality is that if Asian carp continue their upstream migration in the Mississippi River, they eventually will get past Coon Rapids, probably during or after a flood event. Whether these fish will have the ability to get past the dam in numbers sufficient to colonize upriver stretches is just one of the many uncertainties we face. But clearly this is a risk we should not and need not take, given the option to close the lock at Upper St. Anthony Falls.

The second fact left out of the Corps' commentary is that if Asian carp get past the Coon Rapids Dam, they will have access through the Rum River to Lake Mille Lacs, one of Minnesota's most popular and heavily fished lakes. Other waters that would be affected include the Crow and Sauk river watersheds, not to mention the additional stretch of the Mississippi River, which is an important fishery.

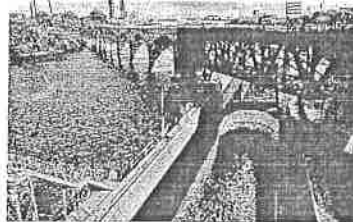
The upstream dams on the Mississippi will impede the progress of Asian carp into the river's headwaters reservoirs. But it makes sense to stop Asian carp as far downstream as possible, and the Upper St. Anthony Falls lock is our best opportunity to do that.

Closing the Upper St. Anthony Falls lock is only one piece of a comprehensive Asian carp plan that the Minnesota Department of Natural Resources is currently working on with other agencies and organizations. Lock closure will not solve all of our Asian carp issues, but it will protect a significant portion of the Upper Mississippi River watershed and allow us to focus on other areas threatened by these fish.

The Corps' commentary correctly states that much remains to be learned about Asian carp. But we cannot use the need for more information as an excuse for inaction.

Asian carp may not now threaten the entire state. But if, 20 years from now, these fish are knocking people out of their boats on Mille Lacs and other waters in the Mississippi River basin, it will not speak well for those of us who had the opportunity to stop them but failed to act.

Tom Landwehr is commissioner of the Minnesota Department of Natural Resources.



The St. Anthony Falls Lock and Dam in Minneapolis. It's closure is proposed to stop the Asian carp.

Kyndell Harkness, Star Tribune

Legislators Along the Rum River Watershed In Central Minnesota (As of 2013 - 2014)

* = Capital Investment or Environment Finance Committee Member

<u>District</u>	<u>Legislator</u>	<u>County</u>
36A	Rep. Mark Uglem (R)	Anoka
36	Sen. John Hoffman (D)	Anoka
35A	Rep. Jim Abeler (R)	Anoka
35B	Rep. Peggy Scott (R)	Anoka
35	Sen. Branden Petersen (R)	Anoka
31A	Rep. Kurt Daudt (R)	Isanti
31B	*Rep. Tom Hackbarth (R)	Anoka
31	Sen. Michelle Benson (R)	Isanti
30A	Rep. Nick Zerwas (R)	Sherburne
30	*Sen. Mary Kiffmeyer (R)	Sherburne
32A	Rep. Brian Johnson (R)	Isanti
32	Sen. Sean Nienow (R)	Isanti
15A	Rep. Sondra Erickson (R)	Mille Lacs
15B	Rep. Jim Newberger (R)	Benton
15	Sen. David Brown (R)	Mille Lacs
9B	Rep. Ron Kresha (R)	Morrison
9	Sen. Paul Gazelka (R)	Morrison
10A	*Rep. John Ward (D)	Crow Wing
10B	Rep. Joe Radinovich (D)	Aitkin
10	*Sen. Carrie Ruud (R)	Aitkin
11B	Rep. Tim Faust (D)	Kanabec
11	Sen. Tony Lourey (D)	Kanabec

Pennington County Commissioners Old Arena lease on Nov. 26 agenda

Land sale brings in \$216,800

by Scott D Camp
Reporter

Representatives from the Thief River Falls Amateur Hockey Association were on hand for the Nov. 12 Pennington County Board meeting to discuss the future of the Old Arena. There was only one problem - the Pennington County Board of Commissioners was short-handed.

The five-member Pennington County Board barely had a quorum with just Vice Chairman Neil Peterson and

commissioners Don Jensen and Darryl Tveitbakk present.

The TRFAHA duo of Tony Dorn Jr. and Tom Goddard were led to believe, through correspondence with Commissioner Oliver "Skip" Swanson, that they would be added to the Nov. 12 agenda. Apparently neither Swanson, Dorn nor Goddard called the Pennington County Auditor-Treasurer's Office to be added to the agenda.

Dorn and Goddard chose to wait until the Nov. 26 meeting to discuss lease terms of the Old Arena so that they could meet with the full board.

Land sale brings
in \$216,800

An Oct. 25 auction of 640 acres of tax forfeited property in Star Township brought in \$216,800. A total of seven parcels respectively sold for \$31,500, \$29,700, \$37,800, \$26,300, \$19,500, \$45,000 and \$27,000.

All of the properties were sold at or above their appraised valuation. Proceeds from the land sale will be divided three ways, with 40 percent going to Goodridge School; 40 percent to Pennington County and 20 percent to Star Township. Pennington County's share will go to the general fund.

County looks at
leasing tractors

The Pennington County
(Continued on Page 19)

From
Galen Tveit

Aitkin County Board of Commissioners Board Meeting Attendance Record

Date: December 17, 2013

Name	Please check the boxes that apply.		
	Aitkin County Citizen	Aitkin County Employee	Company Representative -- please list.
<i>Nanci Sauerbrei</i>	✓		<i>Aitkin Age</i>
<i>Bob Glassworth</i>	✓		<i>MY SELF</i>
<i>Julie Crog</i>	✓		
<i>Steve Hughes</i>		✓	<i>Aitkin Co. SWCD</i>
<i>Dennis Thompson</i>		✓	<i>Aitkin County SWCD</i>
<i>Becky Sorde</i>		✓	<i>Aitkin P+2</i>
<i>Terry Neff</i>		✓	<i>" Environ Serv</i>