



Board of County Commissioners Agenda Request

4A
Agenda Item #

Requested Meeting Date: February 13, 2018

Title of Item: Aitkin Growth, Aitkin County, TPL Land Transfer

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Ross Wagner		Department: Economic Development Coordinator
Presenter (Name and Title): Ross Wagner		Estimated Time Needed: 30 Minutes
Summary of Issue:		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Approve a motion to accept the transfer of land from the TPL		
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>		

Aitkin Growth – 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.

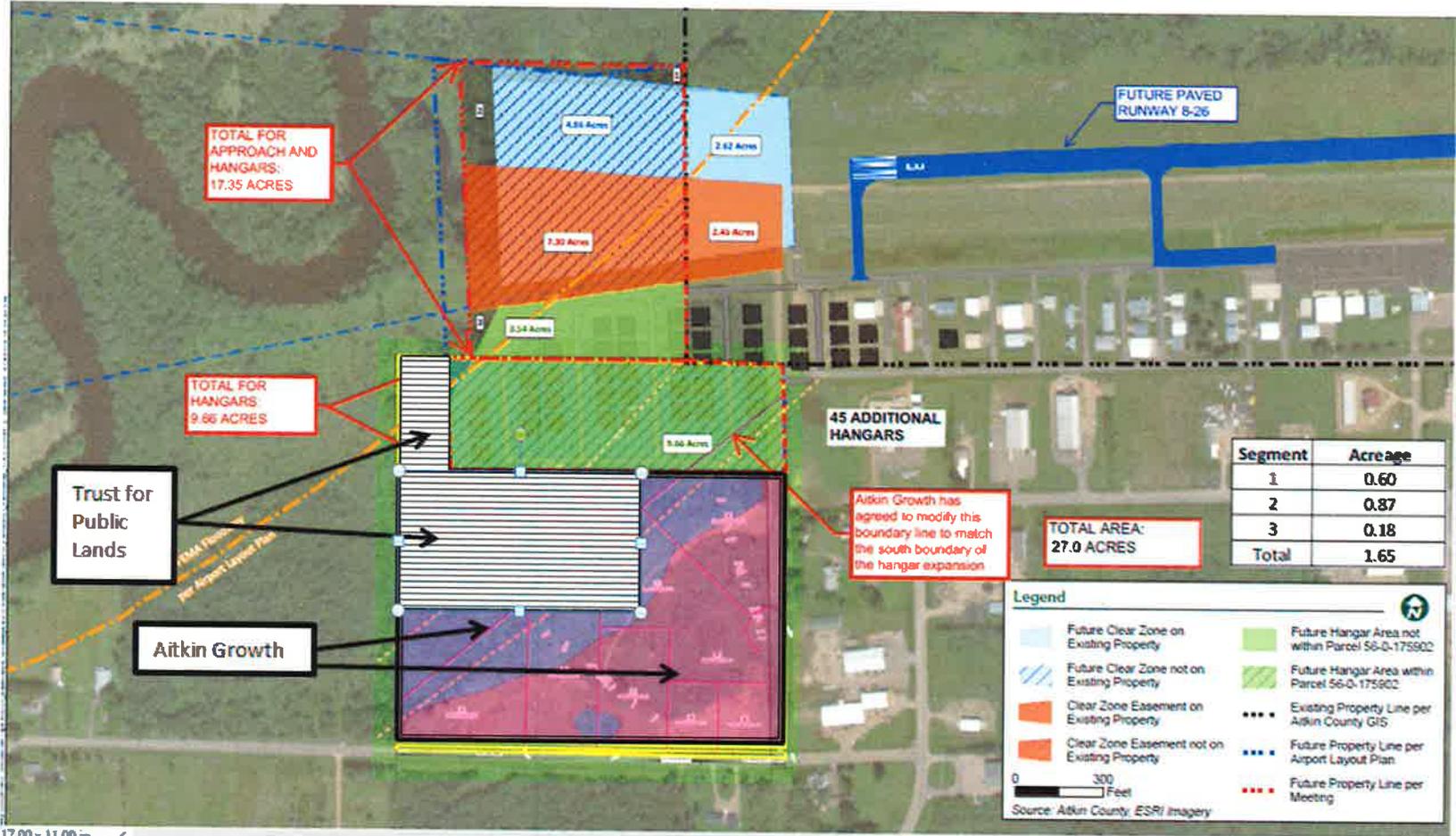
Summary: The Economic Development Committee is recommending that Aitkin County agree to receive the Aitkin Growth Property, 207.5 acres in Aitkin and Spencer Townships generally abutting the Mississippi River. Aitkin County would own and manage the property as it does other forested parcels except with 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.

Attachments: Map/Photo of property

MN Shovel Ready Guidelines

PILT Schedule



TOTAL FOR APPROACH AND HANGARS: 17.35 ACRES

TOTAL FOR HANGARS: 9.66 ACRES

TOTAL AREA: 27.0 ACRES

45 ADDITIONAL HANGARS

Trust for Public Lands

Aitkin Growth

Aitkin Growth has agreed to modify this boundary line to match the south boundary of the hangar expansion

FUTURE PAVED RUNWAY 8-26

Segment	Acres
1	0.60
2	0.87
3	0.18
Total	1.65

Legend

- Future Clear Zone on Existing Property
- Future Clear Zone not on Existing Property
- Clear Zone Easement on Existing Property
- Clear Zone Easement not on Existing Property
- Future Hangar Area not within Parcel 56-0-175902
- Future Hangar Area within Parcel 56-0-175902
- Existing Property Line per Aitkin County GIS
- Future Property Line per Airport Layout Plan
- Future Property Line per Meeting

0 300 Feet
Source: Aitkin County; ESRI Imagery



AIRTRON INDUSTRIAL PARK ADDITION AIRTRON COUNTY GROWTH AIRTRON, MINNESOTA CONCEPT LAYOUT		DATE: 08/20/2014 SCALE: AS SHOWN PROJECT: 14-0000 DRAWING: 14-0000-01 AIRTRON: 02/20/2014 11:00	I warrant that the plan, specification or report herein was prepared by me or under my direct supervision and that I am a duly licensed and active member of the State of Minnesota.	WIDSETH SMITH NOLTING Engineering Architecture Surveying Environmental
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Aitkin Airport Property Transfer

In November of 2017, the opportunity for Aitkin Growth to sell a portion of their property to the Trust for Public Land (TPL) with Aitkin County then receiving said property from the TPL was presented to the County Board. The Agenda Request Summary of the project is attached for your review. There has been one change, Aitkin Growth would retain approximately 20 acres rather than 40 acres due to extensive wetland mitigation needed. Aitkin Growth has stated that they only desire to own property that is buildable and usable.

At the Boards request the issue was remanded to the Aitkin Airport Commission for their review due to some of the property in question was included in the Airports future expansion plans including clear zones and future hanger expansions. Concerns about how the new ownership and restrictions on future Airport operations were also raised. After attending the Airport Commission meeting, myself, Mike Hagen, Aitkin Growth and Will Cooksey TPL, were directed to meet with Ron Roetzel, Bolton Menk, Airport Engineer, John Welle, Aitkin Airport Commission member and Kathleen Ryan, City of Aitkin Administrator.

After several productive exchanges and meetings, a plan was arrived at that would allow the Aitkin Airport Commission to deal directly with Aitkin Growth to purchase property needed for clear zones and future expansion. A map is attached, the Airport would purchase approximately 19.2 acres and remaining property would not be enhanced for wildlife that could harm airport operations.

Ultimately, the TPL would acquire approximately 207 acres from Aitkin Growth which it would then transfer to Aitkin County. The conditions that Aitkin Growth makes their property Shovel Ready as per MN DEED and pay up to 3 years of PILT remain.