

Business Planning 2015 - 2017

Executive Summary

Department Summary:

Use of Minnesota's natural resources is increasing. Resource use is shaped by local, national and global demands and pressures. St. Louis County's natural resources provide distinct environmental, economic, and social benefits. But the pattern of increasing use raises concerns for the health of certain ecological, economic, and social communities and their sustainability. Furthermore, stakeholders demand more in decision making, and ask for a wider variety of products and amenities from natural systems. This can lead to increased conflict and new challenges for resource managers.

St. Louis County has developed a foundation to address these concerns through its Vision and Mission.

What Do We Want To Achieve?

St. Louis County Land and Minerals Department's vision is to provide the optimum combination of benefits from state tax forfeited trust lands through leadership and a commitment to a standard of excellence in the management of the State Tax Forfeited Trust Lands for the people of St. Louis County.

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2015 – 2017 LAND and MINERALS DEPARTMENT BUSINESS PLAN

Mark Weber, Land and Minerals Director / Land Commissioner

Who We Are:

Mission

The mission of the St. Louis County Land and Minerals Department is to promote, enhance and protect St. Louis County Tax Forfeited Trust lands by providing professional expertise in the use of sound land management principles for:

- Financial return to the County and taxing districts;
- Performing public services;
- Maintaining and improving forest health and productivity;
- Providing raw material for local industry;
- Providing opportunity for tourism and recreation;
- Protecting wildlife habitat, soil resources, and water quality; and
- Providing for scientific research.

The Department is dedicated to long-term management of the Tax-Forfeited Trust for the economic, social, and ecological benefit of the people of St. Louis County.

Lines of Business

The Department's core function is to administer State Tax Forfeited Trust Lands for the benefit of the County, School Districts, Cities and Townships in accordance with Minnesota Statute. The County Board may dedicate all or part of the monies received as income from Memorial Forest land for the development and management of those lands (MSA 282 and 459.06). Historically, the county dedicates net receipts only, and places them into a Forest Management Fund (290-290001). All monies received from

sale of land and timber or rental of state tax forfeited land are credited to the Forfeited Tax Sale Fund (240-241000), and all disbursements and operational costs are charged against it (MSA 282.09). All gross receipts are recorded by taxing district for proper apportionment, and for the subsequent distribution of net profits to the varying taxing districts. Distribution of these profits is directed by statutory formula (MSA 282.08), but the statute does allow for some discretionary use by the County Board.

Resource Management

Management techniques such as planned tree removal from the forest, using improved trees, established inventory and land classification systems for analysis to better understand the dynamics of the forest have contributed to the County's success.

Even though there are economic challenges confronting Minnesota's forest products industry with job losses, mill closures, increasing energy costs, high transportation costs, increasing logging costs, challenging global competition and high capital investment needs, it continues to be a cornerstone of the State's economy.

- Timber Management
MSA 282.04 authorizes the sale of timber from state tax forfeited lands by three general methods: Informally for up to \$3,000 of timber, oral auction, and sealed bid auction. Auction sales require a 15% down payment of the appraised value on the day of the auction. Both oral and sealed bid sales require full payment for each individual block prior to removal of timber. Sales can vary in length of contract from 1 month to several years.



The County conducts two oral auctions, two sealed bid auctions and one sealed bid black spruce Christmas tree auction each year. There also may be a few private (informal) sales for \$3,000 or less. A list of lands in which the timber has been marked for potential sale is prepared by the Land and Minerals Department and submitted for County Board approval. Once approved, the Land and Minerals Department advertises the sale as required for two consecutive weeks in the County designated newspapers.

- Ensuring Sustainable Forest Management on Tax Forfeited Lands

The purpose of the St. Louis County Land and Minerals Department is to protect the variety of benefits provided by County Administered Forfeited Trust lands. These benefits include: healthy forests, wildlife habitat and fisheries, accessible recreational opportunities, forest diversity, natural resource products, and financial returns which all contribute to local community viability. Ensuring a sustainable resource on state tax forfeited lands provides for these benefits into the future.

- Special Sites

St. Louis County, as in most counties, has many sites that merit protection or special management. Protecting the integrity of cultural sites, threatened and endangered species, and rare or unique plant communities is an integral part of the management strategy of the St. Louis County Land and Minerals Department. The Department actively designates examples of these sites as “special sites”.

Tax Forfeited Land Asset Management

State tax forfeited land covers approximately 900,000 acres of St. Louis County's 4.5 million acres. State tax forfeited ownership is fragmented; certain areas in the County have large, contiguous

blocks of state tax forfeited land, while other areas have scattered small parcels.

A list of land for potential sale is prepared by the Land and Minerals Department and submitted for County Board approval. State approval is also necessary for certain parcels. Once approved, the Land and Minerals Department advertises the sale as required for two consecutive weeks in the County designated newspapers. Parcels are sold at public auction to the highest bidder. Three public land auctions and several non-public adjoining owner sales are conducted each year. Sales can be paid for in full on the day of the sale, or the purchaser may enter into a contract with the County for a period not exceeding ten years. For each parcel of land sold, a down payment of 10% of the purchase price or \$500, whichever is greater, must be paid at the time of sale.

Recreational / Recreational Cabin Lease Program

The rural character and natural landscapes of St. Louis County provide numerous opportunities for outdoor recreation. The Land and Minerals Department: administers a Recreation Cabin and Shoreland Lease Program; has a dedicated Forest Recreation Fund (290-290002); and cooperates with public and private agencies to develop recreational opportunities.

MSA 282.04 authorizes leasing of state tax forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the County Board may prescribe for use as cottage and camp sites provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the



lessee, to be audited and allowed by the County Board as in case of other claims against the County.

Extractives / Mineral Resources

Aggregate resources, by their nature, are not renewable. Depletion of the resource would not only impact Land and Minerals Department operations, but could significantly impact the economy in the area. The Department has conducted an inventory of potential gravel resources in the county, and is anticipating further assistance from the Minnesota Department of Natural Resources. This will provide a basis from which long range aggregate resource planning can be done.

MSA 282.04 authorizes leasing of tax forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing of hay, stumps, sand, gravel, clay, rock, peat, marl, and black dirt from the land, provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber.

The St. Louis County Land and Minerals Department has established a minerals program to acknowledge the increasing importance of minerals to the tax forfeited Trust and taxing districts it serves. The Department is developing a proactive approach to minerals management as iron ore operations expand and non-ferrous mining opportunities increase.

Mining experts say with the vast supply of non-ferrous mineral resources throughout the Iron Range will open up the global marketplace to the region.

New, nonferrous projects in Minnesota have the potential to add more than \$2.7 billion to the state's economy and increase job opportunities.

The Land and Minerals Department's minerals program is structured around three state tax forfeited land classes: surface lands, minerals, and mine deposits.

Land (surface)

The Department of Natural Resources (DNR) manages mine development on state-owned lands. The DNR issues iron ore, taconite, and metallic mineral leases on state-owned minerals (including tax forfeited minerals). When a state mining lease includes state tax forfeited surface lands, the county continues to administer the timber and other surface activities, including leases, easements and other agreements to facilitate mining operations.

Minerals

Minnesota Statutes, section 93.22, subd. 1(b) provides that 20 percent of all payments made under state mineral leases shall be credited to the minerals management account for the administration and management of state mineral resources. The remainder of the payments is credited depending on the land classification. Income generated from the 'tax forfeited land and minerals' classification is credited as provided by Minn. Stat. 93.22 (c) (3) to be apportioned among the taxing districts as follows: county - three-ninths; town or city - two-ninths; and school districts - four-ninths.

A second state classification is 'tax forfeited minerals' which are severed mineral interests that have forfeited to the state for non-payment of severed mineral interest taxes. Income from these minerals is credited as provided by Minn. Stat. 272.04, subd. 1 and 93.22 (c)(3).

Mine Deposits

With the development of new technologies to reclaim previously abandoned iron units from tailings basins and stockpiles, the DNR has begun issuing leases for state-owned iron-bearing materials. An unknown percentage of these tailings basins and stockpiles



contain tax forfeited iron-bearing material. Royalties from scam mining leases containing tax forfeited material are apportioned as provided by Minn. Stat. 93.22 (c) (3). Determining ownership of tailings basins and stockpiles is challenging due to decades-old co-mingling agreements and mining records.

Forest Certification

How Forest Certification Works

Forest certification starts when an independent organization develops standards of responsible forest management. Certification is issued to forest management operations that comply with those standards. This certification verifies that forests are responsibly managed—as defined by a particular standard—and ensures that certain wood and paper products come from responsibly managed forests.

The certification organization is governed by a diverse set of interests and works with a broad array of stakeholders to establish a set of standards for the management of forests and the tracking of raw material throughout the supply chain. The coordinating organization is typically modeled after a number of principles put forth by the International Organization for Standardization (ISO). These principles provide guidance on governance, standards development, assessing the qualifications of certifiers, and the procedures for verifying that practices meet the certification standard.

An auditor/certifying body is the organization, independent of the certification organization that has the technical expertise for verifying that on-the-ground practices conform to the certification standard. Certification systems rely on accredited auditors to carry out these verifications. Auditors are evaluated to ensure they have the technical capacity to objectively evaluate forestry operations. The forest products company is responsible for understanding and carrying out forest management practices in a manner that meets or exceeds the standards of the certification system. Many

certification systems also have mechanisms for tracking forest products through the supply chain. Therefore, companies such as furniture, window and door manufacturers that purchase and sell forest products can verify that their products use raw material derived from responsibly managed forests.

The St. Louis County Land and Minerals Department has been certified to the ISO 14001 Environmental Management System Standard and the Sustainable Forestry Initiative (SFI) Standard since 2004.

Forest Management Roads

Forest roads. Approximately 0.116 percent of the total annual un-refunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads. This revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. Of this amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state. An amount equal to 0.0555 percent of the un-refunded revenue must be annually transferred to counties for the management and maintenance of county forest roads.



Allocation of Funds

	<u>Core Services</u>	<u>Percentage of Resources</u>
• Resource Management	Yes	60%
• Land Asset Management	Yes	11%
• Forest Management Roads	Yes	10%
• Forest Certification	Yes	7%
• Recreation / Cabin Lease Prog.	Yes	6%
• Extractives & Mineral Mgmt	Yes	6%



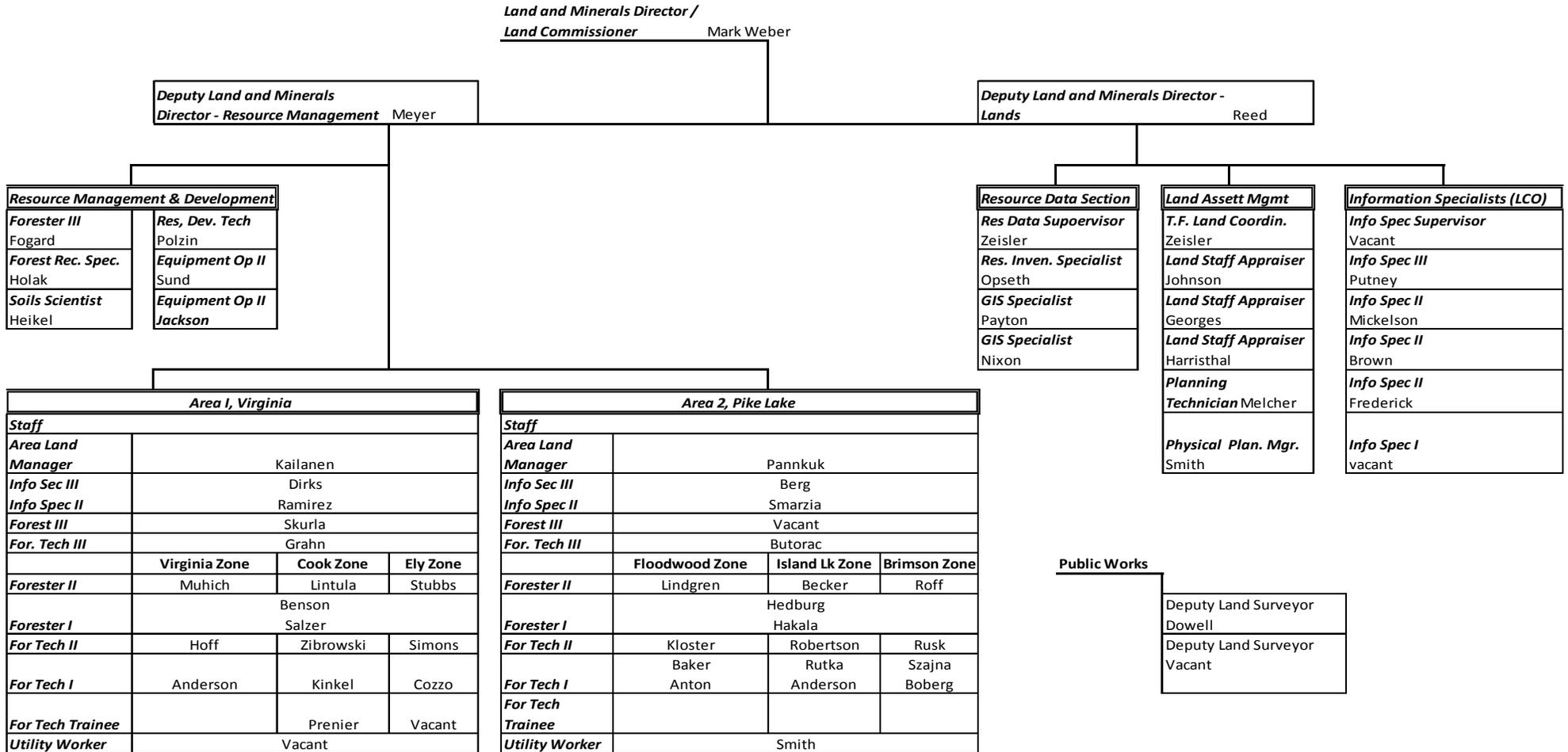
Trend Data on Land and Mineral Department Activities

Resource Management	2010	2011	2012	2013
Total Tax Forfeited Acres	892,642	893,003	893,040	893,193
Timber Sales Sold	118	123	126	119
Sales Closed	127	134	111	108
Acres Harvested	9,843	10,650	10,783	8,228
Avg Harvest Size (acres)	78	79	97	76
Volume (cords)	214,308	231,159	215,749	157,618
Cords per Sale	1,687	1,725	1,944	1,459
Total Value	\$5,014,940	\$5,137,017	\$4,766,023	\$3,405,448
Avg value per cord	\$23	\$22	\$22	\$22
Avg value per cut acre	\$509	\$482	\$442	\$414
Volume per cut acre	22	22	20	19
\$ per property acre	\$5.62	\$5.75	\$5.34	\$3.81
Land Asset Management				
New Contracts	83	104	106	113
Repurchases	33	49	44	55
Repurchases Cancelled	10	8	7	1
Total Cancellations	23	15	15	4
Reinstated Contracts	2	1	6	4
Total Contracts	141	169	167	176
Recreation / Cabin Lease Program				
# of Recreational Leases	660	660	660	660
# of Shoreland Leases	278	278	278	278

Organizational Chart

Land and Minerals Department Organizational Chart

Rev July 2014



Minnesota's Forest Economy - 2012

Direct Economic Effect¹

Significant Trends

Employment	29,700 jobs
Annual Payroll	\$1.5 billion
Value of shipments	\$8.9 billion
Value Added	\$3.0 billion
State & Local Tax Payments	\$212 million

Total Economic Effect^{1,2}

Employment Effect	62,370 jobs
Annual Payroll Effect	\$3.2 billion
Value of Shipments	\$16.1 billion
Value Added Effect	\$7.0 billion
State & Local Tax Payments	\$446 million

Manufacturing & Energy Facilities³

Pulp & Paper mills	4
Recycled Pulp & Paper Mills	3
Converted Paper Products	108
Wood Products	354
Wood Furniture and Fixtures	326
Renewable Energy	14

Timber Harvest⁴

Pulpwood	1.8 million cords ⁵
Sawlogs & Specialty Products	0.5 million cords
Commercial Fuelwood	300,000 cords
Total	2.6 million cords

Forest Land⁶ (million acres)

Federal	3.0
State	4.2
County & Municipal	2.6
Private (includes tribal)	7.6
Total	17.4

Notes:

¹Data sources: Minnesota Department of Employment and Economic Development and U.S. Census, and U.S. Dept. of Commerce, BEA..

²Benchmark economic multipliers from: Skurla, James A. 2010. *Economic impact of Minnesota's forest industries.*

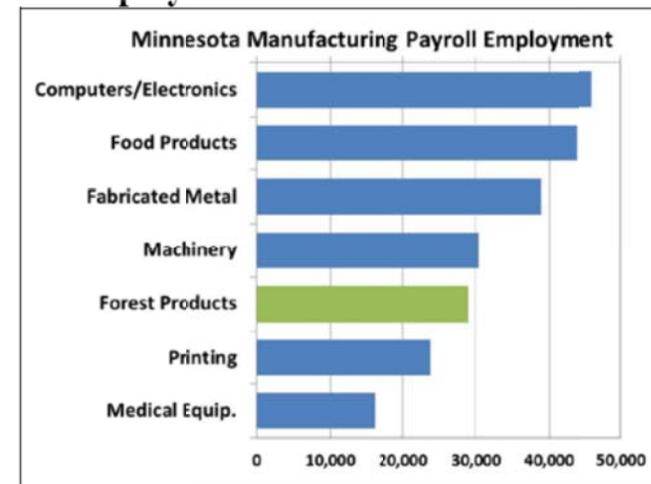
³Includes: electricity generation, combined heat & power (CHP), and fuel pellet mfg. facilities with > 10,000 cord annual consumption.

⁴Cord = 79 cubic feet of solid wood.

⁵Sources: USDA Forest Service and Minnesota DNR

The forest products industry is a cornerstone of the state's economy:

- 5th largest manufacturing sector in Minnesota
- \$16.1 billion dollar value of shipments effect and 8.2 percent of mfg. value added (Gross State Product)



- 62,370 jobs total employment effect
- \$446 million total state & local tax payments
- 8th ranked nationally in forest industry value added (Gross State Product) per capita



External Factors impacting how we do business:

Timber Markets:

- In 2013, stumpage sold by public agencies totaled 1.7 million cords with a bid value of \$37.8 million as compared to 2012 with 1.69 million cords sold with a bid value of \$37.1 million, a year-over-year (y/y) volume increase of 0.01 million cords or 0.5 percent and a y/y revenue increase of \$0.7 million or 1.8 percent.
- Average public stumpage prices received for all species cord products declined to \$21.04 per cord in 2013 from \$21.57 per cord in 2012, a decrease of 2.5 percent.
- In 2012, the public average stumpage price received for aspen was \$24.99 per cord as compared to an average \$25.58 in 2012.
- The public average pine pulp & bolts stumpage price was \$40.38 per cord in 2013 as compared to \$31.23 per cord in 2012, a y/y increase of 29.3 percent.

Housing Markets:

Home prices continued to show solid growth in most of the country due to limited inventory conditions, but rising prices and severe winter weather caused existing-home sales to slip in February, according to the National Association of Realtors®. Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, declined 0.4 percent to a seasonally adjusted annual rate of 4.60 million in February from 4.62 million in January, and 7.1 percent below the 4.95 million-unit level in February 2013. February's pace of sales was the lowest since July 2012, when it stood at 4.59 million.

Changes in Land Ownership Patterns:

Parcelization, the division of larger tracts of forest into smaller tracts of forest, and subsequent development of the forestland base in Minnesota has been recognized as a top concern in sustaining the ecological, economic and social benefits currently provided by Minnesota's forests. Nationally and in Minnesota, conversion of forestland to developed uses is expected to continue over the next twenty years and beyond. Increases in population and seasonal homes, a shift in ownership from industrial owners to investment companies and a high turnover in family forest landowners have contributed to increases in the amount of development and loss of working forestlands in Minnesota. Continued parcelization and development of forestland in Minnesota will have adverse effects on jobs in the forest products sector, access to outdoor recreational opportunities, wildlife habitat, water quality, carbon sequestration and other benefits that flow from large, contiguous blocks of forestland.

Internal Factors impacting how we do business:

- **Aging department workforce:** is resulting in a workforce in transition.
- **Retirement and loss of key staff:** loss of experienced workforce from retirements and job opportunities at other organizations due to an aging workforce.
- **Recruitment:** Recruitment of personnel to fill vacancies.
- **Training:** Training requirements to bring new employees up to standard on Department Policies and Job Requirements.



What Do WE Want To Achieve?

Vision

St. Louis County Land and Minerals Department’s vision is to provide the optimum combination of benefits from state tax forfeited trust lands through leadership and a commitment to a standard of excellence in the management of the Tax Forfeited Trust Lands for the people of St. Louis County.

Key Initiatives - Commissioners’ Priority Areas

Commissioner Priority Area	Department Goal	Related Department Objective(s)	Tactics, Initiatives, Action Steps	Measures (KPIs or internal measures)
Healthy, Viable Ecosystem	Maintaining and improving forest health and productivity	To broaden the implementation of sustainable forestry by ensuring long-term harvest levels based on the use of the best scientific information available.	The department shall conduct field inspections using inspection checklists and site prescriptions to compare performance on activities that occur on State tax forfeited lands in St. Louis County. Corrective action will take place if the summary of inspections indicates that performance is below 85% compliance in any given area.	Implement management practices, such as BMP’s, to protect and maintain forest and soil productivity, protect water quality in streams, lakes, and other water bodies, the quality and distribution of wildlife and contribute to the conservation of biological diversity.
Healthy, Viable Ecosystem	Providing opportunity for tourism and recreation	To manage the visual impact of harvesting and other forest operation.	The Department shall follow its green-up requirement that provides for visual quality. Trees in clearcut harvest areas are at least 3 years old or 5 feet high at the desired level of stocking before adjacent areas are clearcut. Average size of clearcut harvest areas do not exceed 120 acres, except when necessary to respond to forest health emergencies.	Incorporation of aesthetic considerations in harvesting, road, landing design and management, and other management activities where visual impacts are a concern.



Commissioner Priority Area	Department Goal	Related Department Objective(s)	Tactics, Initiatives, Action Steps	Measures (KPIs or internal measures)
Healthy, Viable Ecosystem	Protecting wildlife habitat, soil resources, and water quality	To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand and landscape level measures that promote habitat diversity and the conservation of forest plants and animals, including aquatic fauna.	The Department shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public, and the forest environment.	Use of least-toxic and narrowest-spectrum pesticides necessary to achieve management objectives in accordance with label requirements. Use of integrated pest management where feasible.
Healthy, Viable Ecosystem, Healthy Local Economy	Providing raw material for local industry and financial return to the County and taxing districts	Ensure long-term forest productivity and conservation of forest resources through prompt reforestation, soil conservation, afforestation, and other measures.	The Department shall reforest after final harvest, unless delayed for site-specific environmental or forest health considerations, through artificial regeneration within two years or two planting seasons, or by planned natural regeneration methods within five years.	Designation of all harvest areas for either natural regeneration or by planting. Criteria to judge adequate regeneration and appropriate actions to correct under-stocked areas. Protection of desirable or planned advanced natural regeneration during harvest.
Healthy, Viable Ecosystem	Providing for scientific research	Support forestry research, science, and technology, upon which sustainable forest management decisions are based.	The Department and/or through cooperative efforts with other partners, will provide in-kind support or funding for forest research to improve forest health, productivity, and sustainable management of forest resources, and the environmental benefits and performance of forest products.	Financial or in-kind support of research to address questions of relevance in the region of operations. Research may include forest health, productivity, and ecosystem functions; chemical efficiency, use rate and integrated pest management; water quality and best management practices for protecting the quality, diversity and distributions of fish and wildlife habitats; social issues; life cycle assessment; or ecological impacts of bio-energy feedstock removals on productivity.

Key Initiatives - Countywide Priorities

Countywide Priority Area	Department Goal	Related Department Objective(s)	Tactics, Initiatives, Action Steps	Measures (KPIs or internal measures)
Expand the property tax base	Land sale program and sale of commercially viable properties.	Determine the highest and best use for each parcel of tax forfeited land including sale, expanding the tax base.	<ul style="list-style-type: none"> • Land Sale Program; • Land & Minerals/ Planning Dept./ City of Duluth – Land Development Program; and • Blight & Nuisance remediation program. 	<ul style="list-style-type: none"> • Land Sale Revenue, • Land Sales Accounts Receivable •
Right-size and right-mix of staffing	Maintain current staffing levels and mix, contract jobs as needed to complete assignments.		<ul style="list-style-type: none"> • Land appraisal and survey conducted by other departments or outside contractors; • Critically evaluate filling vacancies; and • Evaluate processes and the compliment of staff needed to effectively complete. 	<ul style="list-style-type: none"> • Monthly Activity Summary Reports for Land Asset Management and all other Department activities; •
Integrated public safety plan and initiatives	Reduce the fuel loads on the forested lands that we manage.	Maintain the health and sustainability of the forested tax forfeited land base the department manages.	<ul style="list-style-type: none"> • Partner with State and Federal agencies on prescribed burning to reduce fuel-load across the landscape; • 	
Continuous improvement commitment	Maintain ISO 14001 Registration and SFI Certification	Identify areas of concern and act on for incremental improvement.	<ul style="list-style-type: none"> • Conduct Internal Audits; • Conduct External Audits; and • Conduct inspections. 	<ul style="list-style-type: none"> • External and Internal Audit reports summarizing findings of ISO 14001 and Sustainable Forestry Initiative (SFI) Standard External Audits. • Management and Performance Review Meetings.
Service-oriented and accessible	Provide a variety of options for accessing information from the department.	Provide web access to a variety of the Department's programs.	<p>The Department provides on-line access to:</p> <ul style="list-style-type: none"> • Land Sale Information • Timber Sale Information • e-mail notification for Land and Timber related issues 	<ul style="list-style-type: none"> • Number of e-mail notification subscribers; •



Major Issues

Wood and Fiber Availability and Forest Productivity and Health

Background: Demand for wood and fiber for primary forest product manufacturing companies in Minnesota continued to rise through the 1990s and very early 2000s, but the supply reaching the marketplace from Minnesota timberlands has leveled off at approximately 1.8 million cords annually. The imbalance in fiber supply and demand led to most recent capital expenditures in the primary forest industry going to other regions of the United States and the world, where fiber and other costs are lower. Lack of forest industry capital expenditures in Minnesota jeopardizes the long-term competitiveness of the industry and the ability to manage forests to achieve both their potential commercial and environmental values. In 2006-2007, these high timber prices combined with slow housing starts and increased global competition created poor industry performance and the shutdown of several facilities. Primary forest product companies need a reasonable assurance of dependable fiber supply at prices that are affordable and competitive, both regionally and nationally. Inadequate fiber supplies for the industry jeopardize the long-term health of this important segment of Minnesota's rural economy, and also the ability to manage forests utilizing market forces. Additionally, forestland owners need stumpage prices that are sufficient to cover costs associated with owning land (e.g., taxes, land management certification, reforestation, and other management costs) and to encourage increased investments. Finally, Minnesota's timberlands are producing well below their potential due to inadequate stocking, losses to mortality, and failure to take advantage of the full productive capacity of many sites.

Maintenance of the Working Forestland Base

Background: Minnesota's forestland ownership is shared among state, county, federal, and private landowners. Forty-four percent of Minnesota forestland is privately owned, with over 80 percent

owned by family forestland owners (also referred to as non-industrial private forestland owners). These various public and private ownerships are intermixed, creating a "checkerboard" ownership pattern that increases forest management costs.

Additionally, Minnesota's private forests are becoming increasingly parcelized. A 2006 study found:

- 587,000 acres of forestland were sold in Minnesota from 1989-2004;
- the amount of forestland sold increased by an average of four percent per year from 1989-2004; and
- Minnesota forestland values increased more than 12 percent per year since 1989 (nine percent when adjusted for inflation).

The study concluded that although parcelization may not appreciably alter the physical integrity of the landscape (i.e., the landscape may still be forested), there are a number of potential adverse impacts, including reduced economic viability of managing forests for wood and fiber products, reduced opportunities to manage wildlife habitat, impaired watershed functions, increased fire risks, and reduced public access for outdoor recreation.

Recognizing the "checkerboard" ownership pattern and the trend of forestland parcelization, it is especially disconcerting that Minnesota's 147,000 family forestland owners often lack adequate expertise, resources, and incentives to manage their land to its full potential. This checkerboard pattern also makes the management of lands, both public and private, more expensive than if they were consolidated. To keep these forests diverse, healthy, and able to meet multiple ownership goals, the DNR-Division of Forestry works with numerous partners to provide education and technical assistance to landowners. The core of the DNR private assistance efforts is the Forest Stewardship Plan program. To date such plans have been developed for 1.3 million acres of the 5.3 million acres of family forestland.



SOCIAL, ECONOMIC AND ENVIRONMENTAL FORCES

Economic, social and environmental forces create changes in resource demand and challenge natural resource management practices. Resource agencies must understand these forces and how they drive resource use and pressures in order to manage ecosystems effectively.

Demographic shifts will influence who uses resources, what resources are in demand, and where resources are used.

St. Louis County's population is growing. The county's population is also aging, and baby-boomers soon will be reaching retirement age. St. Louis County residents are well educated, but median household income is lower than the Minnesota average. Family size has declined while the number of single parent families has increased. Population is growing in urban areas, suburban areas and in and around lake regions throughout the county. With urbanization, fewer people have direct connections with the natural landscape. This can influence the public's environmental views and values.

Residential development will continue to expand into once rural areas.

Surveys and market preferences indicate that most Americans prefer a single family dwelling in a non-urban setting. The availability of large tracts of undeveloped land at comparatively inexpensive prices has supported a rural land development growth in many parts of Minnesota and St. Louis County. Many Minnesotans have home site choices not readily available in other areas of the U.S. These trends probably will continue. Much of the land supporting these residential sites is wooded, hilly, and near water. These same landscapes are important elements to the county's natural ecosystem and critical to sustaining high quality outdoor recreation opportunities, such as hunting, fishing, and canoeing.

Technology will reshape how natural resources are used, will create new issues in resource management, yet will offer new solutions to some complex issues.

Technology creates opportunities and concerns. Technology offers opportunities for new recreation use. Jet skis, roller blades, mountain bikes, off-road vehicles, etc. have created new markets, and further changes can be expected.

Continued advances in communications and computing will improve information sharing and problem solving capacity. Bio-technology may improve the productivity of some natural resource processes and the ability to manage resource pests such as exotic species and plant diseases. Technology also can generate concerns such as new or more intensive demand on natural resources. Many technology driven changes will be unpredictable in their advent and impacts.

Political shifts will influence how resource decisions are made and what values will influence the public.

Shifts in responsibilities from the federal and state level to the county will continue. Local participation in resource management decisions will grow as citizens and local government develop a better understanding of resource management needs. The County's efforts to cultivate partnerships at the local level will result in a stronger public trust. Social problems will remain difficult in the short term; the public focus will continue to be on crime, education and housing issues.

Economic forces will define several conditions important to resource management, including resource use, customer needs and wants, and revenues available for managing natural resources.

The natural resource sector of the state economy continues to grow and change. Between 1989 and 1995, earnings in key natural resource sectors in Minnesota grew at a healthy rate. Employment also expanded in most of these natural resource sectors. Recent acquisitions in the mineral and timber industry sectors suggest that natural resource based industries will continue to be a part of the economy in St. Louis County.

Natural resource industries in Minnesota that once served mostly local markets increasingly are part of the global economy. Demand



as well as production centers in other nations have much greater influence on Minnesota natural resource industries. Global market influences are less predictable but may suggest higher demand and less volatility for natural resource products.

In the social realm, increasing poverty in urban areas will complicate efforts to provide services to a broader mix of the county's population. While survey findings conclude that Minnesotans highly value their natural heritage, greater concerns for education, public assistance, and corrections may limit additional revenues available for resource management.

Consumerism will define the scope and direction of resource demand.

America's affluence allows society to consume commodities at a rapid rate. Despite efforts to recycle and reduce waste. America's consumer society creates large demands on natural resources. Even in outdoor recreation and leisure pursuits, use of more sophisticated equipment can influence resource management needs and demands.

Increasingly, other nations are becoming consumer societies. As third world nations begin to prosper, their consumption of goods and services will grow. With supply and demand markets now being global, trends in other nations can greatly influence demand for resource products in St. Louis County.

The natural environment itself is a powerful underlying force that helps define resource management issues and opportunities.

Existing environmental conditions are a force, as they establish a baseline from which gains and losses will be measured and managed. The natural environment has a powerful but unpredictable ability to influence resource trends. Demands created by drought, floods, wildfire and pathogens often will require a shift in managing resources to address crisis situations. Historical environmental conditions provide information for

evaluating ecosystem health and guidance for ecological restoration.

St. Louis County plays a major role in managing resources to meet the demands shaped by economic and social and environmental forces. To develop long-term, sustainable strategies, the Land and Minerals Department must take a lead role in helping county residents understand how the county's ecosystems and resources will respond to increased pressures and alternative management actions.

FORESTS

Background

St. Louis County is the largest county east of the Mississippi River and also has the largest County forest. St. Louis County manages 872,100 acres of which 639,400 is considered commercial forest.

The lands have been classified using the National Ecological Hierarchy classification system along with Minnesota Native Plant Communities. St. Louis County is located entirely in the Laurentian Mixed Forest Province. There are three sections and seven subsections located within the County boundaries. The Land Type phase is currently being considered by trying to use data collected originally from the County's Bio-Physical inventory information.

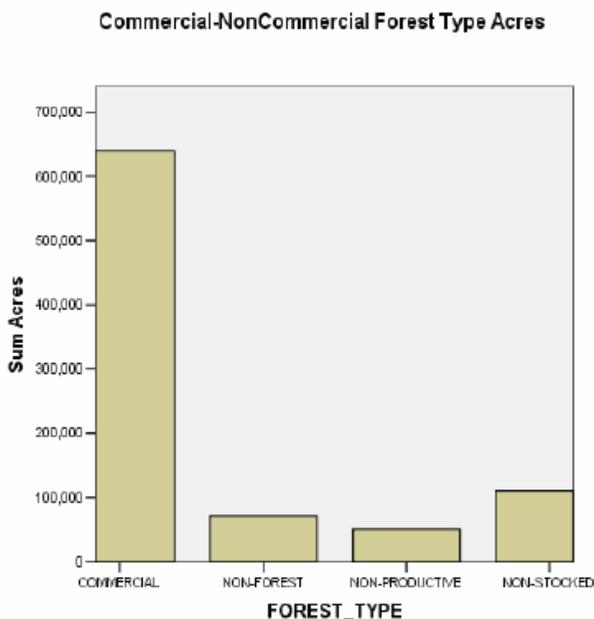
Management techniques such as timely thinning and harvesting of the forest, using genetically improved trees, using established inventory and land classification systems for scientific analysis to understand the dynamics of the forest have contributed to the county's success.

The value of forest products manufactured in Minnesota is ever increasing. County Land and Minerals Departments are experiencing an ever growing demand from, sawmills, paper makers, an emerging biomass sector, wood manufacturers, and timber harvesters to supply a greater market share of wood products produced in Minnesota.



Status and Trends

The St Louis County Land and Minerals Department manages approximately 872,100 acres of rural lands. Of those lands, 639,400 acres are commercial forest lands and the remaining lands are either non-forest, non-productive or non-stocked. The breakdown of these lands is shown in Figure 1.



Note: Non-stocked acres includes recent harvest areas where regeneration has not yet been established
Figure 1

The age class distribution of most forest stands on tax forfeit lands is such that there is an overabundance of over mature timber and a lack of stumpage in the 20 - 60 age classes (Figure 2). As a result of the abundance of over mature timber, the mortality based on the 2003 FIA data is about 160,000 cords annually or 0.25 cords per acre per year. The annual allowable cut has been accelerated for a number of species in an attempt to capture some of this mortality.

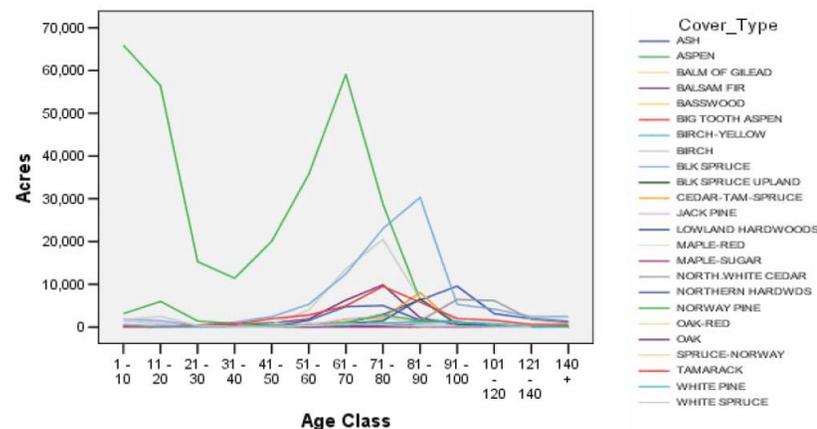


Figure 2 - Age Class Distribution

Average total annual growth (1990-2003) across all sites and ages is

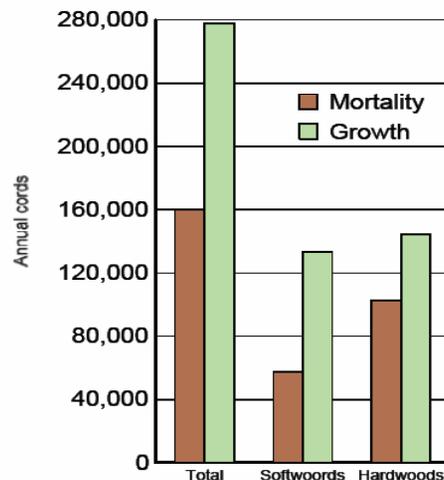


Figure 3 - Growth and Mortality (2003)

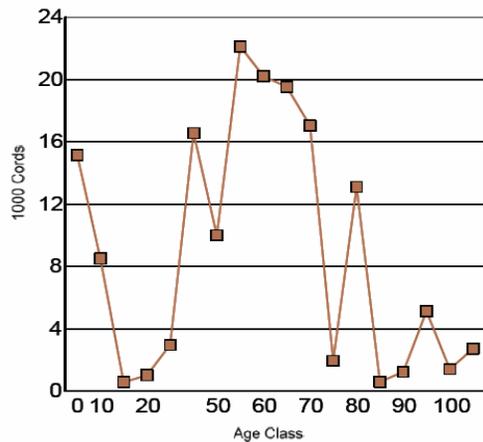
at about 280,000 cords. Figure 3 compares the average total annual mortality (1990-2003) with the average total annual growth for hardwoods and softwoods.



Figure 4 shows the growth and mortality trends since the 1977 FIA inventory. In 2003 the loss in volume exceeded the net growth in volume. Most mortality is occurring in age classes over 50, which is what would be expected with the over mature age class distribution of the stands. Poor silvicultural practices in the past have exacerbated the mortality problem by leaving those stands susceptible to insect and disease outbreaks.

Exotic insects are beginning to make their presence felt in the forests of northern Minnesota and St. Louis County. The first significant infestation of Gypsy moths near Lake Vermilion was treated in 2005. Since the 1940's 32,000 acres of conifer cover type have been regenerated, 18,000 acres since 1985. The conifer type acres have been continually increasing under management through

efforts



stand conversion (Figure 5).

Figure 5 - Mortality by Age Class

Residential development is continuing to expand into and adjacent to county forest lands. This is more evident near the urban areas and lakes of the county. As a result of this expansion and an increase in the demand for recreation lands, rural land prices continue to increase. The land value may be meeting or exceeding the timber investment and as a result, almost all major private industrial forests have been sold to land holding companies where timber production is not their primary concern. With an increased

population in and around the forest, there is becoming a greater demand for public awareness and involvement in the forest planning process. Forest certification requires that public perceptions and ideas be taken into account in forest planning. Pulpwood production in Minnesota decreased by 2 percent from 1999 to 2000, while aspen pulpwood, at the same time, decreased by 5 percent. Aspen accounts for 73 percent of all hardwoods harvested in Minnesota. This has resulted in an increase in demand and the resulting increase in prices for St. Louis County wood.

Sustainability Issues

The Minnesota Forest Resources Council (MFRC) was charged under the Sustainable Forest Resources Act of 1995 with coordinating the development of site level timber harvesting and forest management guidelines. MFRC convened four multi-disciplinary technical teams to develop guidelines for:

- Riparian zone management;
- Wildlife habitat;
- Historic/cultural resources; and
- Forest soils.

Protection of Riparian Areas

Riparian areas are critical to wildlife and maintenance of healthy aquatic ecosystems. Improper management of riparian forests can result in an increase in soil erosion and pollution runoff. The percent of forest cover within a watershed is one of the best predictors of stream water quality¹.

¹Jaakko Poyry Consulting, Inc, 1992 Water quality and fisheries: a technical paper for a Generic environmental Impact Statement on timber Harvesting and Forest management in Minnesota.



Soil Productivity

Soil productivity is critical to maintaining a healthy and productive forest. Compaction and erosion both have adverse impacts on long term soil productivity. A good understanding of timber harvesting techniques and their impacts on soil productivity is required to insure long term sustainability of the forest.

Wildlife

Environmentally sensitive forest management practices are required to insure a diverse wildlife population. Information on wildlife habitat requirements, especially for species of special concern, must be incorporated into all levels of planning and operations. Research needs to be done on effects of cutting block sizes, timing of harvest, and age class distributions on wildlife species. It must also be understood that “helping” one species may adversely impact another and a compromise must be reached in the planning process.

Healthy Forests

Much of our forest is suffering high mortality due to over maturity and in some cases poor past practices. These declining forests are an incubator for disease and insect outbreaks. It is important that these lands are converted into productive forest or wildlife lands. Much of this needs to be done on the landscape scale as these problems cross all boundaries.

The Department became a Sustainable Forestry Initiative (SFI) Licensee in December 1998. The principles of SFI call upon the participant to meet market demands while using environmentally responsible practices that promote the protection of wildlife, plants, soil, air, and water quality to ensure the future of our forests.

SFI objectives call on participants to:

- Practice sustainable forestry on all forest lands;
- Publicly report progress; and
- Provide opportunities for public outreach.

Management Approach

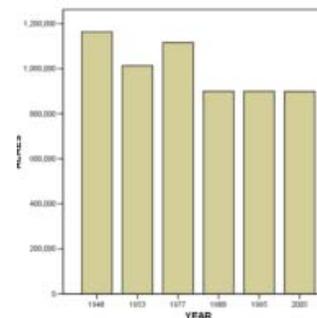
St. Louis County Land and Minerals Department will work with other Governmental agencies, Research institutes, and other user groups to cooperatively define forest conditions and to accomplish common goals for ecosystem sustainability. New management techniques are being integrated into forestry practices to enhance ecological integrity.

TAX FORFEITED LAND ADMINISTRATION

State tax forfeited land covers approximately 900,000 acres of St. Louis County’s 4.5 million acres. Tax forfeited ownership is fragmented; certain areas in the County have large, contiguous blocks of tax forfeited land, while other areas are checker boarded with tax forfeited parcels.

Status and Trends

State tax forfeited lands in Minnesota have a colorful history (see ‘Minnesota Lands: Ownership, Use and Management of Forests & Related Lands’ for more detail). Tax forfeited acreage in St. Louis County has declined slightly since the 1940’s, and has been holding steady in recent years (Figure 6).



years.

The demand for real estate (especially rural and lake property) has increased in recent years, and is expected to continue to do so. This has resulted in steadily increasing land values. Current government budget shortfalls and public land policies have resulted in increased pressure to sell tax forfeited land. It is expected that the sale of tax forfeited land will increase over the next several



The checkerboard nature of public and private land ownership in St. Louis County is an issue of concern for the Land and Minerals Department (Figure 7).



It is expected that the number of requests for access easements and leases across tax forfeited land will increase significantly over the next several years. An increase in the number of public and private land exchange proposals is also anticipated.

Sustainability Issues

Tax forfeited sites that have been identified as 'Special Sites' generally are retained for protection and management by the Land and Minerals Department. All rural tax forfeited land sale proposals are reviewed by the State Department of Natural Resources. The sale of tax forfeited parcels on public waters must first be *approved* by the Department of Natural Resources. All land exchange proposals must be reviewed and approved by the Department of Natural Resources and the State Land Exchange Board. DNR resource experts are called upon to provide comments and recommendations from a sustainability perspective. Conservation and fisheries easements are used to protect sensitive sites and maintain ecosystems on tax forfeited parcels that are suitable for sale or exchange.

Management Approach

The Land and Minerals Department is charged with managing the State Tax Forfeited Trust for the best interest of the citizens of St. Louis County. In keeping with this directive, the County Board must determine whether it is in the public's best interest to *return* tax forfeited lands to private ownership or to *retain* lands for resource management. In making this decision the Board seeks a

balance between public and private ownership. A number of variables are used to determine if tax forfeited land is more suitable for retention or sale, including size, location, productivity, sustainability, and history. In general, larger blocks of contiguous tax forfeited land are more suitable for retention; smaller, isolated parcels located near roads and utilities are more suitable for sale or exchange. It is the intent of the Lands Department to manage a minimum land base of 879,000 acres for the long term.

SPECIAL SITES

St. Louis County contains sites over its landscape that merit special protection or management. Preserving and protecting cultural sites, threatened and endangered species, and rare or unique forest stands is an integral part of the management strategy of the St. Louis County Land and Minerals Department. The Department actively designates examples of these sites as "special sites".

Status and Trends

Old Growth Timber Stands

The Land and Minerals Department will focus its attention on red and white pine types, northern hardwoods, lowland conifer, and unique/unusual species mixes.

Initial emphasis was placed on identifying old growth red and white pine stands. In 2004, the Land Commissioner designated 23 old growth and future old growth pine stands as "special sites" which set them aside from harvest. Individual management plans are developed for each designated stand. It is anticipated the amount of designated old growth/future old growth pine will be maintained at its current level.

Designation of old growth/future old growth will continue as future evaluations are conducted in northern hardwood, lowland conifer and unique/unusual species mix stands.



Other Special Sites

Nominations for special site designation are continually submitted by Department personnel. As these nominations are submitted, they are reviewed and considered for special site designation. The county will continue developing its list of special sites through the nomination process by staff.

Sustainability

The sustainability of special sites in St. Louis County will require increased efforts to evaluate and designate old growth/future old growth in northern hardwood types, lowland conifer types, and unique/unusual species mixes.

Also, staff needs to be educated and encouraged to nominate special site candidates as they are encountered whether they be timber stands, threatened and endangered species, or cultural sites.

Management Approach

It is not the intent to set aside and designate all special site candidates, but rather to identify, designate, and manage “good examples”.

The Land and Minerals Department has a procedure of identifying, nominating, reviewing and designating special sites. Special Site locations and management guidelines which protect the site from destructive disturbance is made available to staff.

EXTRACTIVES

Status and Trends

Aggregate Resources

Aggregate resources, by their nature, are not renewable. Depletion of the resource would not only impact Land and Minerals Department operations, but could significantly impact the economy

in the area. Aggregate is not only vital for the development and maintenance of infrastructure, it is necessary for any new commercial or residential construction. As rural development continues, there is an increase in the need for clean sands for septic purposes, which competes with the need for clean sand for winter road deicing.

In 1997, a diverse group of organizations first met to discuss concerns related to aggregate mining in Minnesota. From that initial meeting, an “Ad Hoc Aggregate Committee” was formed. The committee’s goals were to identify and highlight common areas of concern and urgency relative to aggregate resources. These are the some of the key points in their report submitted in 2000:

- Expanding population is driving an increase in consumption of aggregate materials;
- Aggregate is vital to the state’s infrastructure. Aggregate consumption is tied to a high standard of living and quality of life;
- The growth in the aggregate industry, roughly 2 to 3 % annually, reflects the state’s vigorous economy;
- Aggregate materials are a finite natural resource. Although once plentiful, aggregate sources are diminishing around the state from resource depletion as well as land uses that prohibit mining. Aggregate shortages are already occurring in some locations;
- Aggregate inventories are lacking in critical areas of the state. More effort is needed to identify aggregate resources before development occurs that precludes mining, to conserve known aggregate deposits, and to mine aggregate prior to development whenever possible;
- In populated areas, gravel mining is often an unwelcome neighbor. Conflicts between aggregate mining and other land uses are escalating;
- Public desire to preserve undeveloped lands for recreation or conservation purposes also poses a conflict with aggregate mining;
- The need to rebuild and repair aging infrastructure around the state such as bridges, airports, and roads is growing. Fulfilling this need will require large volumes of aggregate;



- The need for new infrastructure in growth corridors such as the suburbs surrounding the metropolitan area, Rochester, and St. Cloud as well as growth centers like Duluth, Moorhead, and Mankato among others is great. Fulfilling this need will require large volumes of aggregate; and
- Hauling aggregate greater distances to customers is costly. A city of 100,000 can expect to pay an additional \$1.3 million for the aggregate it uses in a year for each increase of 10 miles in haul distance.

St. Louis County has conducted an inventory of potential gravel resources in the county. This will provide a base on which to do long range aggregate resource planning.

RECREATION

The rural character and natural landscapes of St. Louis County provide numerous opportunities for outdoor recreation. Hunting, fishing, hiking, and other forms of dispersed recreation are common activities on tax forfeited land. The Land and Minerals Department administers a Recreation Cabin Lease program, a Recreation Grant program, and cooperates with public and private agencies to develop and maintain motorized and non-motorized trail systems.

Status and Trends

St. Louis County residents have long enjoyed the numerous recreational opportunities available to them. Increasingly, outdoor enthusiasts from the Twin Cities metro area travel to St. Louis County and northern Minnesota to hunt, fish, operate their OHV's, and enjoy other forms of recreation. It is expected that the demand for dispersed recreational opportunities will continue to increase in the next several years. It is also expected that the

amount of private land available for hunting and other uses will decrease due to the leasing and selling of private industrial forest lands.

The Minnesota Department of Natural Resources and the United States Forest Service are moving towards increased regulation of Off Highway Vehicles. Public lands are designated open to OHV's unless posted closed ("managed" system) or closed unless posted open ("limited" system). This trend towards increased state and federal regulation of OHV use is expected to continue.

Sustainability Issues

Motorized and non-motorized trails are designed and constructed to protect water, wetlands, soils, and other sensitive sites. Non-conforming uses on recreational cabin lease-sites are monitored and corrected to ensure environmental safeguards are in place. Many recreational activities such as hunting and fishing are monitored and regulated by the Department of Natural Resources.

Management Approach

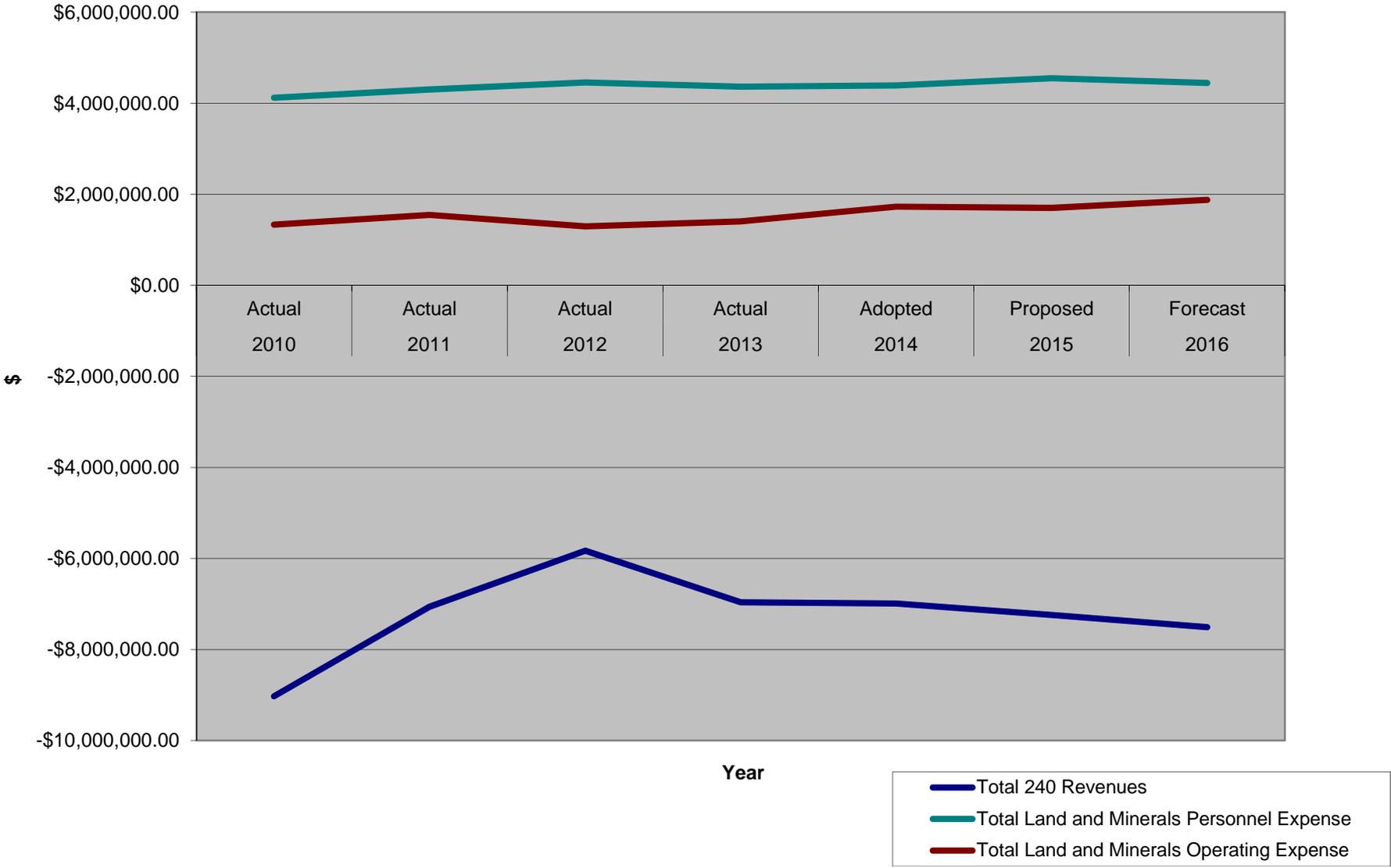
The Land and Minerals Department has a Forest Recreation Specialist on staff. The Department and St. Louis County will continue to cooperate with public and private partners to design and locate motorized and non-motorized trails, and resolve and mitigate land-use conflicts. St. Louis County will continue to carry out the Recreation Cabin Leasing program in a manner which minimizes undesirable social or environmental effects and which does not conflict with other important or dominant uses of the lands and resources.

Finance Plan

St. Louis County Land and Minerals Department Matrix	Effective, Efficient Government	Healthy, Viable Ecosystems	Strong County Infrastructure	Healthy Local Economy	Health & Well-Being of County Residents
Statutory Responsibility of County		MN Statutes 282		MN Statutes 282	MN Statutes 282
County Strategic Initiative		The purpose of the St. Louis County Land and Minerals Department is to protect the variety of benefits provided by County Administered Forfeited Trust lands. These benefits include: healthy forests, wildlife habitat and fisheries, accessible recreational opportunities, forest diversity, forest products, and financial returns which all contribute to local community viability. Ensuring a sustainable resource on tax forfeited lands provides for these benefits into the future.		The Department's core function is to administer State Tax Forfeited Trust Lands for the benefit of the County, School Districts, Cities and Townships in accordance with Minnesota Statute. All gross receipts are recorded by taxing district for proper apportionment, and for the subsequent distribution of net profits to the varying taxing districts.	The rural character and natural landscapes of St. Louis County provide numerous opportunities for outdoor recreation. The Land and Minerals Department administers a Recreation Cabin and Shoreland Lease Program.
Department / Division Priority		<ul style="list-style-type: none"> • Performing public services; • Maintaining and improving forest health and productivity; and • Providing for scientific research. 		<ul style="list-style-type: none"> • Financial return to the County and taxing districts; • Providing raw material for local industry; and • Protecting wildlife habitat, soil resources, and water quality. 	<ul style="list-style-type: none"> • Providing opportunity for tourism and recreation.
Optional / Traditional					



Land and Minerals Expense and Revenue Summary





Workforce Plan: Predicting Future Staffing Needs

Workforce Development

Background: The ongoing maintenance and growth of a skilled workforce (including forestry professionals and loggers) is needed to adequately manage the forest resources in St. Louis County. Forestry and related professionals are crucial to managing these forest resources for the benefit of county residents. Many public and private agency employees charged with maintaining and increasing the timber supply in the region will be retiring in the near future (approximately 25 percent of the current DNR foresters will retire in the next five to seven years and approximately 25% of the current St. Louis County Land and Minerals Department staff will be eligible to retire in the next five to seven years). Current forestry student graduation numbers from the University of Minnesota and across the region are not as high as needed to replace the retiring workforce. Salary levels for state and county forestry professionals must be competitive to attract and retain graduates to practice in Minnesota.

A 2011 survey conducted by the University of Minnesota, Department of Forest Resources found that ¼ of logging businesses do not expect to be in business in five years. A main challenge for these logging businesses is their difficulty in securing adequate financing. Additionally, it is hard for them to attract and retain employees, as wages and benefits for heavy equipment operators in other industries and public agencies are often more competitive. Further, the initial capital investment required to start a logging business is substantial, making it difficult to create new logging businesses. For truckers, backhaul opportunities are limited and the seasonality of the business requires considerable diversification.

Demand Forecast

In defining the future requirements needed by the Land and Minerals Department in St. Louis County, the following will be considered:

- A determination of the 5 to 10 most critical competencies (knowledge, skills and abilities) essential to accomplish critical work requirements;
- A determination of the skills that differentiate one level of job class from another; and
- Defining staffing levels needed to address the critical work requirements.

Supply Projection

The Department has partnered with Public Works and Planning by funding 2 County Surveyor positions and a Physical Planning Manager. Current workforce allocation total 66 FTE's in the following key areas:

Clerical Support: 9 FTE's

Key Competencies: Education and Experience in Support Services such as customer services, accounts receivable and accounts payable, and

Administrative Support: 7 FTE's

Key Competencies: Education and Experience in Supervision, Budgeting, Strategic Planning

Resource Management: 32 FTE's

Key Competencies: Education and Experience in Resource Management Activities including Timber Sale Administration, Site Preparation, and Reforestation

Real Estate Management: 4 FTE's

Key Competencies: Education and Experience in Real Estate Appraisal,

Technical Support: 11 FTE's



Key Competencies: Education and Experience in GIS, Soils, Recreation, Silviculture, Road Construction / Maintenance, and survey information.

Strategy Development

Strategy development will be focused on the most critical gaps so that work can begin as soon as possible on meeting future department staffing needs.

Workforce planning is a long-term process and requires considerable lead time to be able to make adjustments, where feasible, to meet the department's future needs.



Technology Plan

Key Initiatives

- **Mission, goals, vision**

Geographic Information Systems (GIS), database technology, web based applications and field data recorders are key components in accomplishing the Land and Minerals Department's mission and meeting its goals. They allow the department to efficiently collect, analyze and report on data that is critical to department operations and meeting ISO 14001 and SFI requirements.

- **Business need**

GIS applications, database, GPS and field data recorder technology are integral in the day to day operations of the department. Everything employees of the department do, from location of public land survey corners, timber appraisal, resource analysis, land sales to accounting and billing is handled by some aspect of the departments information system.

The web sites are key components in the distribution of Land and Minerals Department related information to its staff and the public.

- **Initiatives**

In the next couple of years the department needs to replace its legacy accounting and billing system for timber sales, land sales, extractive sales and leases. Development of field data recorder applications will continue.

Current projects include: forest inventory data collection, timber sale appraisal and inspections, development of web based database interfaces and GIS applications for staff and the public.

Install teleconferencing hardware in the Virginia office.

Major Department Business Tools (day to day)

- **Business Needs**

Convert all paper data collection forms to electronic forms for web, pc or field data collectors.

Implement forest planning model to assist in long term forest management planning.

- **Current department systems**

- TRADES - Timber Sale Appraisal System
- FRIS - Legacy Oracle 6 system for managing accounts receivable for timber, land and leases.
- Corrective Action Request (CAR) database.
- Inspections - entry and tracking of inspections of field operations.
- Training database - repository for employee training information.
- Responsible Operators database - repository for information on companies and people who may operate on county tax forfeit lands.
- Land Sale - a set of applications to help manage the land sale program (contracts, land sale booklet, accounts receivable, web site etc)
- Timber Sale - a set of applications to help manage the timber sale program (contracts, timber sale auction lists, accounts receivable, web site, etc)
- Free Conveyance database - a database set up to track free conveyance of tax forfeit trust lands.
- McTools - as set of tools developed for ArcMap to facilitate its use for forest planning.
- WinTotal and Total 2010 land appraisal software.
- MCIS - Auditors tax system.
- Recorders Land Records Inquiry System.



- Numerous single purpose MSAccess applications on individual pc's or shared on a network drive.
- **Current enterprise systems.**

None

- **Current software/programs.**
 - Oracle DBMS - main database platform
 - ArcGIS/ArcPad - GIS platform
 - Ironspeed designer - web database forms
 - Crystal Reports - web reports
 - Visual Studio 2008 - application debugging and development
 - MSAccess - pc based database forms and applications.
 - Numerous other special purpose programs.
- **Web based tools.**

The department intra-net web site is the primary repository for department information, ISO/SFI procedures, documents and forms. The department intranet site is to be the portal of entry for all Land and Minerals Department applications.

The long term goal is to migrate all of our applications to the web. This facilitates maintenance and ease of use with a common interface to all applications.

The department's internet pages are a repository for public information.

The department has three content administrators for the internet pages and various individuals maintain the intranet pages.

- **Training & Support Required**

- **ArcGIS -**
 - Beginner training through department staff and Employee Development.
 - Intermediate and Advanced training through external sources
 - Support by Land and Minerals Department staff
- Land and Minerals Department staff provides training and support for all Land and Minerals Department systems.
- General technology support is provided by a combination of IT and Land and Minerals Department staff.
- **Resource Management**

Financial resources - The Department is an Enterprise Funded Department. Revenues are generated from the activities it engages in such as Timber and Land Sales.

Project prioritization

1. Maintenance of existing systems
2. Field data recorder application development
3. Replacement of legacy Oracle accounting application

Analysis, development & support resources

Land and Minerals Department has four staff members responsible for the development and maintenance of department applications.

IT is being utilized for PC support and field data recorder development.



Website Utilization, Maintenance, and Content Management

The department currently utilizes the county website to enhance communication and customer service and will continue to rely on this technology. The Department's Land Sale and Timber Sale postings are prime examples of communicating to our customers. The Timber Sale Booklets utilize Q-codes that when scanned by a smart phone directs the user to all pertinent Timber sale packet information.

Future initiatives include online payments for timber permits, recreational leases, and land sale payments. Other potential services are recreational lease information, newsletters and application forms.

Purchasing Plan

For the past several years, the department has been encouraging bidding from local contractors for many of the resource development projects the department conducts each year, such as bud capping, planting, site preparation, hand pruning and salmon blading. The department has awarded resource development contracts to local scouting groups, local small independent contractors and locally well-established contractors. Several contracts are bid out as multi-year contracts while others are offered each year those services are needed.



Purchasing Timeline

Contracts	2015												2016												2017											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Containerized Seedlings PRT (2014-2015)	Under Contract																																			
Tree Planting (2011-2015)	Under Contract																																			
Bare-root Seedlings																									RFB to Purchasing											
Aerial Herbicide Spray Add on to State Contract	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Broadcast Ground Application of Herbicide	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Hand Release and Pruning													RFB to Purchasing												RFB to Purchasing											
Aerial Seeding Add-on to State Contract	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Mechanical Scarification by Disc Trench	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Mechanical Scarification by Anchor Chain (RFQ or In-house)	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Mechanical Scarification by Salmon Blade (RFQ or In-house)	RFB to Purchasing												RFB to Purchasing												RFB to Purchasing											
Bud Capping of Seedlings RFB Civic Groups													RFB to Purchasing												RFB to Purchasing											
ISO/SFI Certification - 5 year contract	Under Contract												Under Contract												Under Contract											
Forest Inventory (Sept 2012 - Dec 2015)	Under Contract																																			

Key:



Under Contract



RFB to Purchasing



1 year contract



In house



Space Plan

The department currently has 66 FTE's across the County. Department facilities include:

- **Land Commissioner's Office** - 21 FTE's
 - Government Services Building, 3rd Floor
 - 320 W 2nd Street
 - Duluth, MN 55802

- **Pike Lake Area Office** - 23 FTE's
 - 5713 Old Miller Trunk Highway
 - Duluth, MN 55811

- **Virginia Area Office** - 11 FTE's
 - 7820 Highway 135
 - Virginia, MN 55792

- **Ely Field Office** - 4 FTE's
- 135 North 3rd Avenue West
- Ely, MN 55731
 - **Cook Field Office** - 5 FTE's
 - 1817 Highway 53
 - Cook, MN 55723

- **Public Works** - 2 FTE's

There is no anticipated space need increase or decrease in the short, mid, or long-term time frame. Current space needs are being met by the 5 Land and Minerals Department Office spaces.



2014 KPI Matrix

Relevant Department Goal	Commissioner Priority Area	Relevant Budget / Management Strategy	Measure, Why?	Target	Current Performance	If not meeting target, why?
Providing opportunity for tourism and recreation.	Healthy, Viable Ecosystem	Recreation Management, Forest Management	Establish a time frame and process for implementing ATV/OHV regulations on State tax forfeited lands in St. Louis County not subject to State Forest rules. This measure should matter to the public because it is an indication of the timeframe the department has put on the development of this issue. The process becomes transparent to the public allowing for dialogue.	Develop a written procedure on relevant data collection and information gathering. Develop an information / data collection plan, and develop a draft outline of major plan components.	The Department has participated in the MN DNR ATV/OHV review and public meeting sessions. We have outlined a draft process to follow when the County decides to look at ATV/OHV trails outside of State Forest Lands. This project is currently on hold.	
Maintaining and improving forest health and productivity; Providing raw material for local industry; Protecting wildlife habitat, soil resources, and water quality.	Healthy, Viable Ecosystem	Forest Management , Forest Certification	Implement management practices to protect and maintain forest and soil productivity, protect water quality in streams, lakes, and other water bodies, the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity. This measure should matter to the public because it helps in minimizing the impacts associated with timber management activities. If a problem is identified, it can be addressed and corrected in a timely manner.	The department shall conduct field inspections using inspection checklists and site prescriptions to compare performance on activities that occur on State tax forfeited lands in St. Louis County. Corrective action will take place if the quarterly summary of inspections indicated that performance is below 85% compliance in any given area.	See 2012 Inspection Compliance by Item Inspected - Inspections for 2012 show that all environmental activities are above 85% compliance with department requirements. Items regarding recreational leases in terms of storage, unauthorized gates and unauthorized construction fell below the 85% threshold. These items have been highlighted in the annual Recreational Lease Newsletter to remind lease holders of their obligations.	



Relevant Department Goal	Commissioner Priority Area	Relevant Budget / Management Strategy	Measure, Why?	Target	Current Performance	If not meeting target, why?
Protecting wildlife habitat, soil resources, and water quality.	Healthy, Viable Ecosystem	Forest Management, Recreation Management, Forest Certification	Manage the visual impact of harvesting and other forest operations. This measure should matter to the public because it minimizes the visual impact of harvesting activities on the landscape. Meeting these standards help mitigate the visual impacts associated with harvesting activities while still allowing this important economic activity to occur.	The Department shall adopt a green-up requirement that provide for visual quality. Trees in clear-cut harvest areas are at least 3 years old or 5 feet high at the desired level of stocking before adjacent areas are clear-cut. Average size of clear-cut harvest areas do not exceed 120 acres, except when necessary to respond to forest health emergencies.	The department has met both these performance targets. See Clear-cut and green-up requirement report.	
Protecting wildlife habitat, soil resources, and water quality.	Healthy, Viable Ecosystem	Forest Management, Forest Certification	Ensure long-term forest productivity and conservation of forest resources through prompt reforestation, soil conservation, afforestation, and other measures. This measure should matter to the public because it is an indication of the amounts and types of chemical the department is utilizing to achieve certain management objectives. The use of these herbicides increases the success of the department's reforestation efforts on lands in which harvesting activities have occurred.	The Department shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public, and the forest environment.	2012 Chemical Usage Report - Report shows that the department utilizes the appropriate label rates for the appropriate sites for the appropriate target species.	



Relevant Department Goal	Commissioner Priority Area	Relevant Budget / Management Strategy	Measure, Why?	Target	Current Performance	If not meeting target, why?
<p>Maintaining and improving forest health and productivity.</p>	<p>Healthy, Viable Ecosystem</p>	<p>Forest Management</p>	<p>Ensure long-term forest productivity and conservation of forest resources through prompt reforestation, soil conservation, afforestation, and other measures. Afforestation is the establishment of a forest in an area that was not forested. This measure should matter to the public because it is an indication of the reforestation efforts the department is engaged in on forested lands that have had harvesting activities. It also ensures that there will continue to be a forested land base in St. Louis County into the future. This impacts future land use, available natural resources, and the county's ability to support a local wood industry.</p>	<p>The Department shall reforest after final harvest, unless delayed for site-specific environmental or forest health considerations, through artificial regeneration within two years or two planting seasons, or by planned natural regeneration methods within five years.</p>	<p>The Department has reached 100% of this performance target. See 2012 SFI Regeneration Report.</p>	

