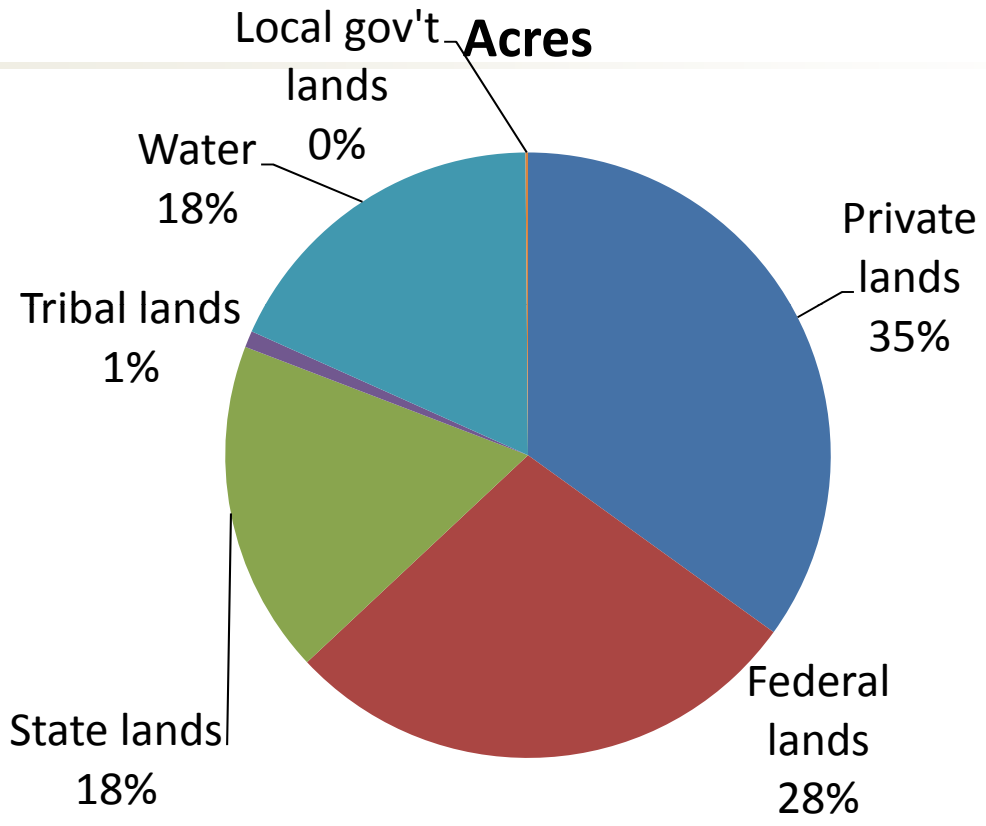
Maintaining the Forest Land Base in Minnesota: Threat of Parcelization

Photograph by David Bleil

Minnesota Forest Resources Council

NE land ownership



Minnesota Forest Resources Council

Residential Development in the NE (acres)

	1980	2000	% Change
Total Residential	268,584	483,027	79.8
Urban/Suburban	15,644	25,575	63.5
Exurban	252,940	457,451	80.8

Minnesota Forest Resources Council

% Change in Total Residential (1980-2000)

Carlton	+36.9%
Cook	+7.7%
Lake	+131.2
St. Louis	+98.6%
NE Landscape	+79.8%

Minnesota Forest Resources Council

What is Parcelization?

-Division of ownership

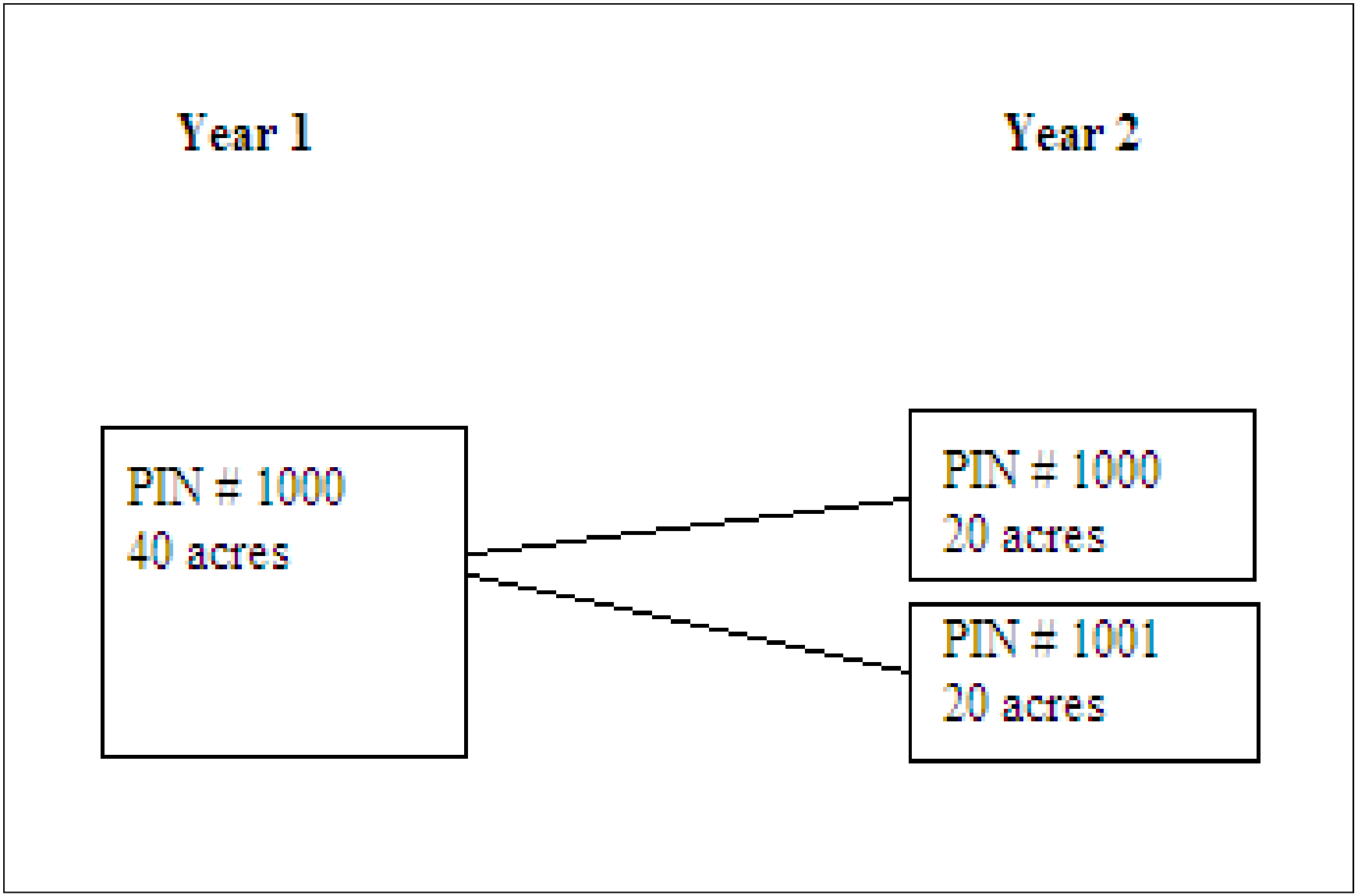
-Conversion of larger ownership blocks to smaller ownership units

-Forest Industry lands

-Family Forest/NIPF lands

Minnesota Forest Resources Council

Parcelization Example



Impacts of Parcelization

- Preclude efficient use of silviculture
- Diminishing economies of scale for timber harvesting/ probability to harvest
- Diminishing biodiversity/increasing likelihood of non-native species/diminishing water quality
- Decreasing likelihood of allowing public access/heightened land use conflicts

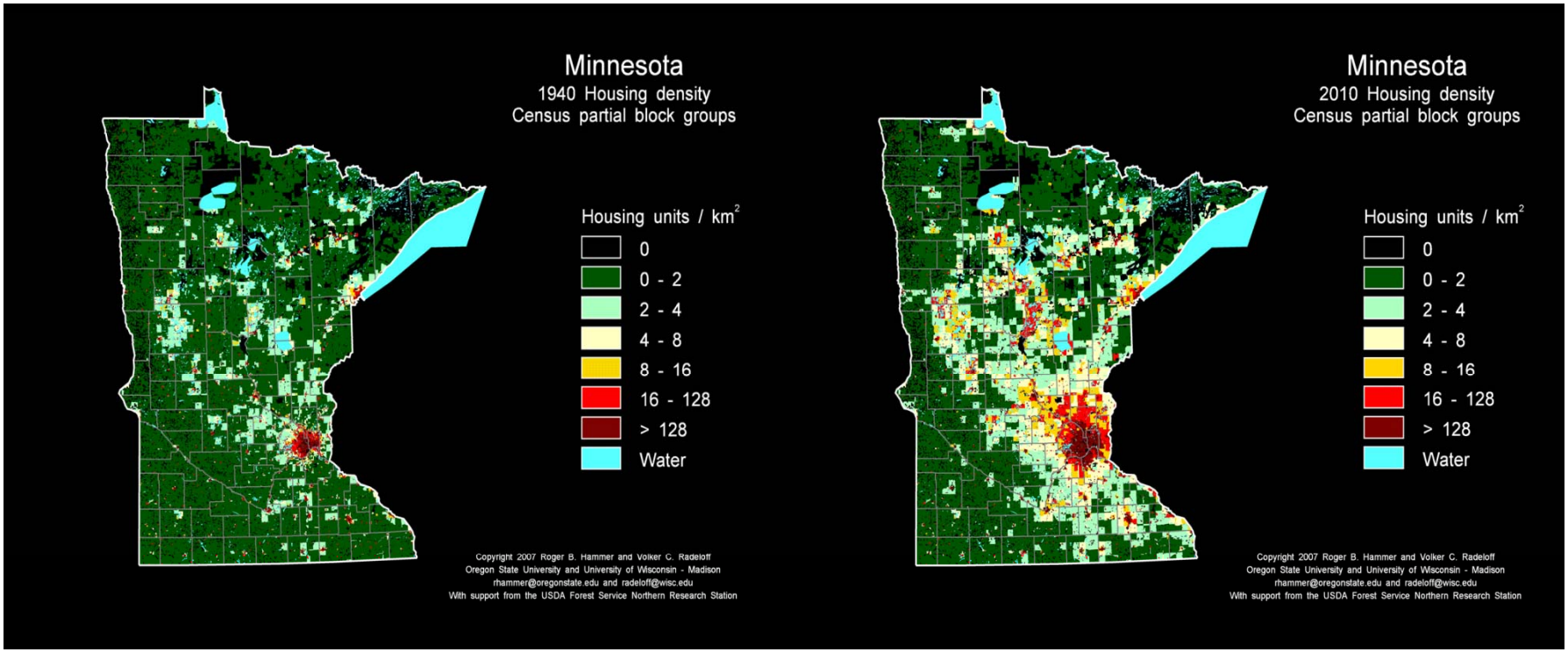
Minnesota Forest Resources Council

Issue Significance

- Average family forest land holding has shrunk
- Increase in the number of family forest owners
- Loss of forestland owned by publicly traded forest products companies
- Changing land use

Minnesota Forest Resources Council

Changes in MN Housing Density 1940 - 2010



Projected future land consumption in NE Counties

	New Households (2010-2030)	Land Consumption (Midwest avg in acres)	Land Consumption (Duluth avg in acres)
Carlton	3,100	10,509	7,192
Cook	1,030	3,492	2,390
Lake	750	2,543	1,740
St. Louis	11,700	39,663	27,144

Minnesota Forest Resources Council

Assessment of development pressure

	Fast Growth	Growth	2nd Home demand	Significant Forest Economy
Carlton	n	y	n	No data
Cook	y	y	y	No data
Lake	n	n	y	No data
St. Louis	n	n	y	y

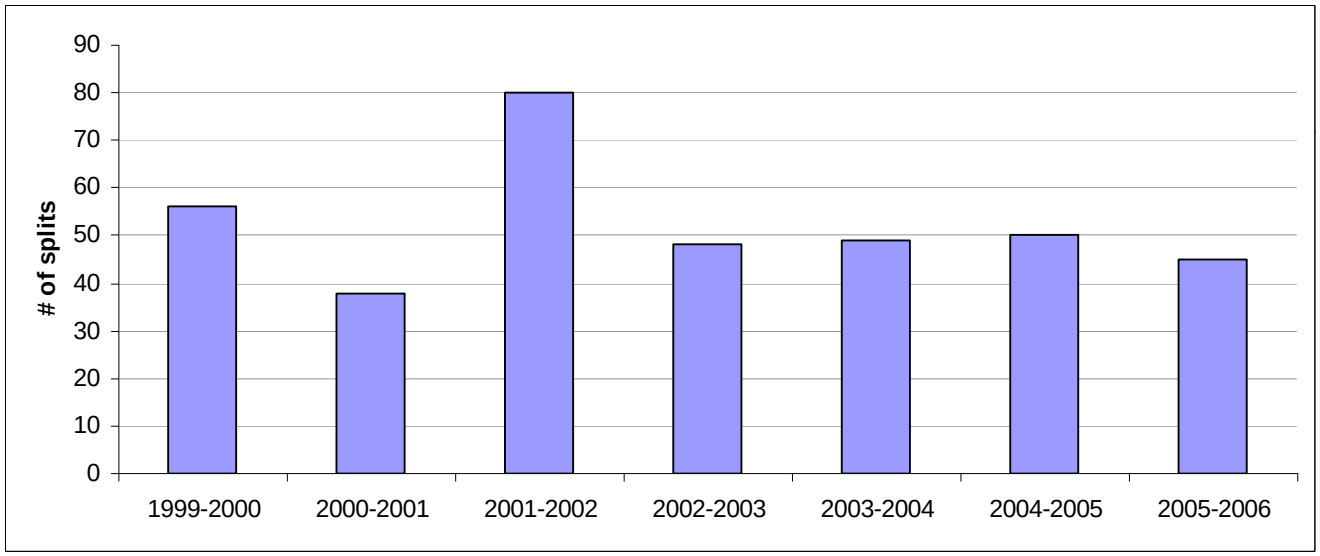
Minnesota Forest Resources Council

Itasca County Case Study

- Describe the extent to which forest parcelization is occurring
- Characterize the nature of forestland parcelization activity
- Determine the extent to which parcelization is related to development

Minnesota Forest Resources Council

Case Study Findings – 366 splits 1999-2006



Minnesota Forest Resources Council

Summary of Findings

- Constant rate of parcelization
  - 0.4% each year
- Most activity occurring near water (36%), public land (57%), and large communities
- Parcelization strongly tied to development (68 % developed in 7 yrs)

Minnesota Forest Resources Council

Study Components

- Assessment of trends and drivers of forest land parcelization
- Assessment of available policy responses
- Recommendations for decision-makers

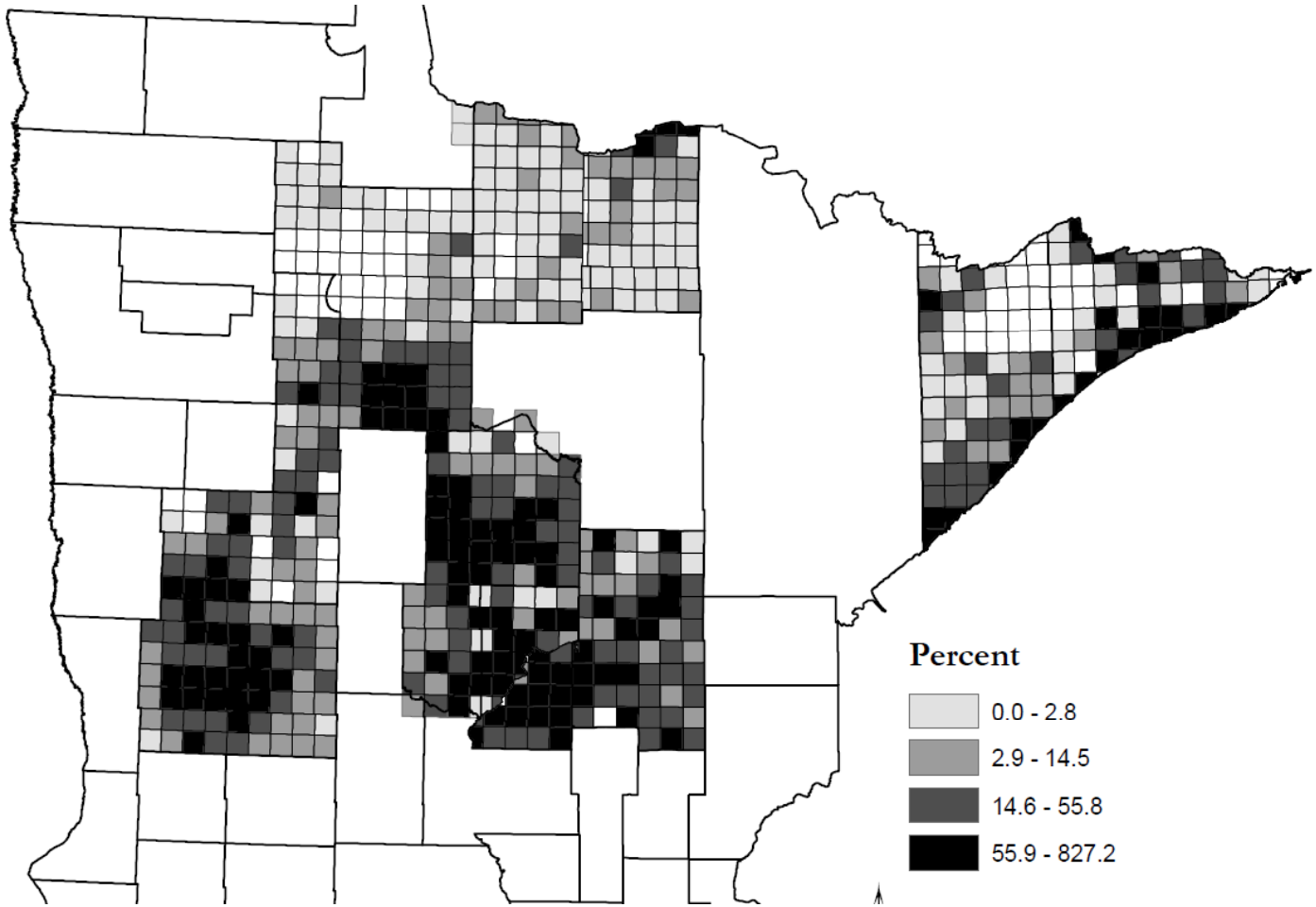
Minnesota Forest Resources Council

Expansion of Case Study Findings

- 10 county analysis
- Identified areas of parcelization
- Predictive factors
  - Population growth
  - Land values
  - Adjacency to public roads and lands

Minnesota Forest Resources Council

Relative parcelization activity



Minnesota Forest Resources Council

Other Driving factors

- Unprecedented shift in ownership
- Growth in forest land values
- Changes in population
- Current policies

International Paper to Sell Most of Its Forestland
The New York Times

Minnesota Forest Resources Council

Policy Tool Analysis

- Identification of tools
- Evaluative criteria
- Evaluation methodology
- Analytic tools
  - Policy Tool Matrix
  - Forest Transect

Minnesota Forest Resources Council

Assessment of Policy Tools

- Conservation easements
- Tax policy
- Planning and zoning
- Land exchange
- Fee title acquisition
- Other approaches

Minnesota Forest Resources Council

Policy Tool Assessment Criteria

- Effectiveness at achieving outcomes
- Efficiency (Benefits vs. Costs)
- Political Palatability
- Equity
- Technical/Operational feasibility
- Administrative Ease

Minnesota Forest Resources Council

Selected Findings: Conservation Easements/Land Exchanges

- Effectiveness of existing easement programs could be enhanced by increased coordination.
- Effective use of conservation easements is linked to the stewardship of the easement.
- Legislation to expedite public land exchange has had little impact on development of private forest lands.

Minnesota Forest Resources Council

Selected Findings: Land Use Planning and Zoning

- Most counties have a comprehensive plan, but many are inadequate or counterproductive in encouraging retention of forest land.
- Small to modest incentives have been quite effective in encouraging planning activities in Minnesota.
- Most zoning encourages parcelization

Minnesota Forest Resources Council

Selected Findings: Property Taxation

- Preferential property tax treatment of forest lands is the preferred vehicle to encourage forest land owners to retain forest lands.
- Most state property tax programs are not very effective at encouraging forest land retention.
- Awareness and the need for a covenant are obstacles for land owners.

Minnesota Forest Resources Council

Community Character	Forest Management	Strategies
• "Main Street" and surrounding residential neighborhoods. • Often includes older industrial districts. • Paved streets and central water and sewerage.	• Urban forest is among any community's most important assets.	***Forest land parcelization is not an issue*** in the Urban Center. Cities can help limit the demand for rural residential land by ***promoting attractive infill development***.

The Commercial Forest	• Forest values - clean water, outdoor recreation, timber, and wildlife – are produced on private land. • Essentially continuous forest cover. May also include recreational facilities, like campgrounds; other resource-dependent uses, like mines; and the occasional hunting cabin. • Only significant areas of residential development are along lakeshores. • **Average parcel size > 40 acres**.	• Road network generally limited to that needed for forest management. • Plenty of interior forest. • Good connectivity where the forest is not continuous. • Encompasses many special resources, including stream corridors, wetlands, steep slopes, archeological and historical sites, and important plant and wildlife habitats.	**<u>Investment Strategies:</u>** • **Ideal environment for the use of conservation easements and a tax program** (property or income, or both) to encourage land retention and sustainable forest management. • **Acquisition** may be necessary to protect special resources or ensure public access for recreational use. **<u>Regulatory Strategies:</u>** • **Exclusive Forest Use Zoning** – is the best regulatory strategy here. Where local governments hesitate at Forest Use Zoning: **Very large** (at least **80** acres) **minimum lot size** can be used **in concert with stringent Firewise and resource protection standards**. Local governments will also want to consider the costs of providing services to remote home sites.

General Principles

- Reliance on incremental changes and enhancement of existing programs
- Recognize need to carefully target public investments and foster partnerships
- Strive for multiple benefits from conservation investments
- Recognize that all tools in the ‘toolbox’ are needed

Minnesota Forest Resources Council

Forest Land Retention: Policy Options

1) Use the Department of Natural Resources' Minnesota Forests for the Future program as a coordinated platform for a coordinated approach to forest land conservation.
2) Empower and encourage local governments to use local planning to maintain their forest land base.
3) Develop and execute conservation easements in a deliberate, coordinated and sustainable manner.

Minnesota Forest Resources Council

Forest Land Retention: Policy Options

4) Use and build on current state tax policy and incentives to encourage family forest owners to maintain the forest land base.
5) Rely on fee simple acquisition and land exchanges for exceptional cases, small parcels and for consolidation or access to public land.
6) Provide strong support to the counties to foster their management capabilities in order to encourage forest stewardship and retain county administered forest land.

Minnesota Forest Resources Council

Questions
Access Full Report at:
www.frc.mn.gov