

Meeting # 4 Summary

East Central Landscape Committee

July 29, 2004

MN DNR Cambridge Area Office, 800 Oak Savannah Lane
Cambridge, Minnesota

Meeting Participants:

Pam Perry	Tom Schmidt	Steve Nelson
Bob Pulford	Don Janes	Dave Johnson
Marc Mattice	Hannah Dunevitz	Bob Voss
Joe Wood	Joan Galli	Rick Dunkley
Paul Larson	Tim Anderson	

Staff:

Lindberg Ekola

Welcome & Introductions:

Lindberg opened the meeting and introduced the guest speakers. Next, the meeting participants introduced themselves and their affiliation or organization they represent. He asked the committee members to review the address database, which was circulated for revisions and edits. He noted that the committee membership had grown to approximately 30 persons and that the committee membership was to be finalized after today's meeting based on all persons who volunteered to participate on the committee. Lindberg will prepare the final committee list and forward it to the committee for their next meeting. He also reviewed the status of the landscape planning process and gave a brief overview of the MFRC strategic directions workshop.

Tim Anderson initiated discussion on the various tree diseases and forest health concerns that the region is facing. He suggested that we bring in an expert to present the committee a briefing on forest health issues and trends. Sue Berks and Janna Albers were two potential persons suggested by the committee to contact. (Staff will schedule their presentations for the September or October meeting.)

Presentations: Economic Overview of the East Central Landscape

Economic Development Trends and Programs

Bob Voss, Executive Director of the East Central Regional Development Commission (ECRDC), gave a presentation on economic development trends and programs in the region (a summary of the power point presentation was distributed at the meeting).

Bob presentation included an historical overview of the ECRDC, one of the 13 regional development commissions created by the Minnesota legislature over 30 years ago. Local units of government in the region petitioned the state to create the ECRDC in 1973 and it serves a five-county area (Chisago, Isanti, Kanabec, Mille Lacs and Pine). The ECRDC operates six

programs, including community/economic development and transportation planning. He also gave an overview of the demographic, employment and other economic trends in the region.

Committee members asked questions about the organizational structure of the ECRDC and funding sources. Bob noted that the ECRDC like others RDCs receive part of their funding through property tax levies as well as from federal, state and foundation sources.

Bob highlighted the ECRDC's major economic development programs including the 1) Comprehensive Economic Development Strategy (CEDS), 2) Job Opportunity Building Zones (JOBZ), and 3) partnerships with organizations like the MFRC and the East Central landscape committee.

The ECRDC through CEDS is recognized as an economic development district by the U.S. Department of Commerce. The ECRDC is now in the process of updating its five-year program for economic development and job creation. The current five-year program includes provisions for forest based industries and could be expanded in the future. He invited members of the landscape committee to get involved and participate in the CEDS process and to help promote the available resources to any prospective forest products industries or those looking to expand their operations.

The JOBZ program is a state initiative that provides 12 years of state tax relief starting in the year 2004 to new and expanding businesses in the region. A total of 27 sites covering 1,486 acres were established in the ECRDC for the JOBZ program. Tax exemptions generally include: corporate franchise tax, income tax for operators and investors, sales tax, property tax, and employment tax credits.

Bob introduced a number of partnerships that the ECRDC supports in the region. He suggested the committee might want to explore joining with other regional partners to promote forest industry and resource management opportunities. The committee may also wish to participate in developing the regional economic strategy through CEDS.

Forestland Fragmentation and Parcelization

Dr. Mike Kilgore, University of Minnesota College of Natural Resources, gave a presentation on a study that he has developed regarding forestland real estate market and implications for parcelization. (A copy of the power point presentation will be distributed at the August meeting.)

Mike provided background information on statewide land market trends as well as forestland sales trends and implication in the East Central landscape. Early in his presentation, he provided some definitions for the terms fragmentation (land cover – changes across a landscape that break contiguous areas of a particular land cover into smaller isolated patches), and parcelization (land ownership – an increases in the number of land parcels) as two different yet related concepts. Fragmentation does not necessarily result in parcelization and vice versa.

Mike outlined the assumptions used in the study. The study was based on land value information from Certificate of Real Estate Value (CRV) documents required for all land sales from 1989 to 2003 for tracts larger than 20 acres or larger. The sales used in the study were “arms length” sales meaning a willing buyer and willing seller and were for land only.

Statewide in 1989, the median price per acre for forestland was around \$200 an acre. The median value in 2003 increased to \$1,000 an acre. Mike’s presentation included several slides providing more detail information and analysis of the statewide lands sales: 20003 sales less and greater than \$3,000 per acre, median value by size class, turnover, number of sales, mean size, etc.

Committee members asked several questions including national trends, trends for the sale of family owned resorts and land conversions, and trends in county tax forfeit land sales. One of the conclusions from the study was that the average size of the forestland parcels sold is getting smaller. Mike indicated that the increase in land values was very similar to the increasing values for pulp stumpage (13 – 14 percent per year).

Mike also presented similar data for the East Central landscape and made comparisons to the statewide context. The trend for rapidly increased median sale values was higher in the East Central landscape than in the state. The decreasing size of the parcels sold was greater at the landscape level than statewide.

Committee members also had numerous questions for the data at the landscape level. Some of the questions included impacts of capital gains tax laws on land sales, contract for deed sales, and the trends or impacts of higher land values for shoreline property on forestland sales.

Growth Management Strategies Overview

Jenna Fletcher, Policy Analyst with the MFRC, gave a presentation on growth management. She was a co-author of a study that was recently published in the journal, “Landscape and Urban Planning”. (A copy of the power point presentation will be distributed at the August meeting.)

One of the most significant drivers of landscape change is urban growth and sprawl. Jenna provided some context on the term, sprawl and its impacts at the landscape level. One example finding from her research was that sprawl was identified as the most significant factor affecting forests in the southern United States.

The study was developed to identify and classify the broad range of growth management tools and policies. The study also was designed to assess the lessons learned from evaluations made on the effectiveness of growth management policies. The approach taken to prepare the study involved an extensive literature search and review of the evaluation literature related to growth management.

Her presentation included a brief review of the numerous growth management tools and techniques and three general categories: 1) incentive based, 2) regulatory, and 3) educational

(carrots, sticks and sermons). She also suggested four general goals for growth management including:

- Preserve and protect public resources.
- Minimize negative externalities or costs associated with growth and development.
- Maximize social equity.
- Improve the quality of life.

The major finding from the study was the lack of empirical measurements for evaluations on the effectiveness of growth management strategies. Some primary reasons for so few evaluations included 1) most policies have impacts over long periods of time which are difficult to detect effects, 2) lack of clear and measurable targets, and 3) the lack of knowing what would have happened without the growth management tools. Two additional conclusions noted in the study include that cooperative approaches to growth management have been more effective than top-down approaches and multiple policy instruments are more effective than single techniques.

Follow Up Discussion

The committee discussed a number of items in response to each of the three presentations. Committee members discussed the political realities that exist at the local level with cities, townships and counties. The current statutory framework often results in one level of government getting squeezed out of the decision making process (i.e. – one city working with multiple townships on land use issues). The potential use of exclusive forestry zoning was suggested.

Additional comments were made on the need for an educational process to help local officials better understand the forest resource base and ways to get information out on the landscape program. The committee asked staff to prepare a mailing packet for county commissioners, SWCD supervisors, and municipal officials on the East Central landscape planning process. Staff will prepare a draft package of information for review by the committee at the August meeting.

Landscape Perspectives Report

Lindberg distributed the Landscape Perspectives Report for the East Central region. Carrie Schesel, a contractor for the MFRC, prepared this report. A total of 21 documents were reviewed and summarized. The general format of each summary included issues, visions, goals, and strategies. The eight common or overall themes that emerged from the inventory included:

1. Balance Growth with Resource Protection.
2. Improve Water Quality.
3. Coordination of Efforts for Management and Enforcement.
4. Enhance Wildlife Habitat and Wildlife Populations.
5. Landowner Assistance.
6. Forest Stand Improvement and Health.
7. Improve Forest Productivity and Regeneration.
8. Diversities of Forests, Plants and Ecosystems.

Review of Key Planning Terms

Lindberg noted that some committee members suggested that we begin considering the definitions of key terms to be used in the landscape planning process. He distributed a memo that summarized a number of forestry related terms from the state laws, previous landscape plans, and the GEIS process. He suggested that this would be a good starting point for the committee over the next 4 to 5 meetings as they craft the desired future conditions, goals and strategies.

Economic Mapping Exercise

Lindberg asked the committee to work as a group to identify and delineate significant economic areas in the East Central landscape. The items to be delineated on the map included major existing and future transportation corridors, major existing and future growth areas, high amenity areas and areas less suitable for development. The marked up economic context map will be brought to the upcoming meetings for further reference and additional comments.

Updates from Committee Members

Since the mapping exercise used up the remaining time for the meeting, there were no updates noted at the meeting. We will continue to list this item on the agendas for committee members to share newsworthy topics.

Next Meeting Data: Thursday, August 26, 2004 at the East Central Energy Building in Braham starting at 9:00 am.