



Board of County Commissioners Agenda Request

5A

Agenda Item #

Requested Meeting Date: 9/11/18

Title of Item: Sale of undivided interest - Gov't Lot 1, S 28 T 47 R 27

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
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Submitted by: Land Commissioner	Department: Land Department
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Presenter (Name and Title): Mark Jacobs	Estimated Time Needed: 15-minutes
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Summary of Issue:

Gov't lot 1 Section 28 of Aitkin Township (47-27) is a 77-acre undivided interest property with frontage on Bass Lake. 1/5 interest in the property is owned by Janice Bare of Aitkin (an adjacent property owner), the balance (4/5 interest) is County Tax-forfeited land. The County has no legal access to the property.

MS 282.01 Sub 7(a) allows for the direct sale of undivided interest tax forfeited property to the other interest for the appraised fair market value.

The other private interest wants to purchase the property and use it as recreational land.

The County Assessor determined the fair market value of the landlocked 4/5 interest at \$75,000.

The lake shore is very swampy and un-developable, so there should be no negative impact to the lake as a result of this transaction.

The land is classified as non-conservation and MN DNR has approved the sale.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

I believe it's in the best interest of the County to sell the interest and get it back in private ownership, as we have no legal access to the property.

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$

Is this budgeted? Yes No Please Explain:



**Aitkin County Land Department
209 2nd Street NW Room # 206
Aitkin, MN 56431**

Proposed direct sale of undivided interest - MS 282.01 Sub. 7(a)

Gov't Lot 1, S 28 T 47 R 27

PID = 01-0-066200, 01-0-066300

This is a landlocked 77-acre parcel of tax-forfeited land on Bass Lake west of Aitkin; with ¼-mile of swampy frontage. It has an "undivided interest" with 20% Private/80% County tax forfeited.

No interest can really do anything without approval of the other so it is a very cumbersome situation. I approached the owner's son a number of years ago and they did not have clear title, but were interested in selling their 20% interest.

When we were going through the land classification process in 2013/14 this parcel was discussed and it was determined that it would be in the best interest of the County to sell our interest and it was classified as non-conservation.

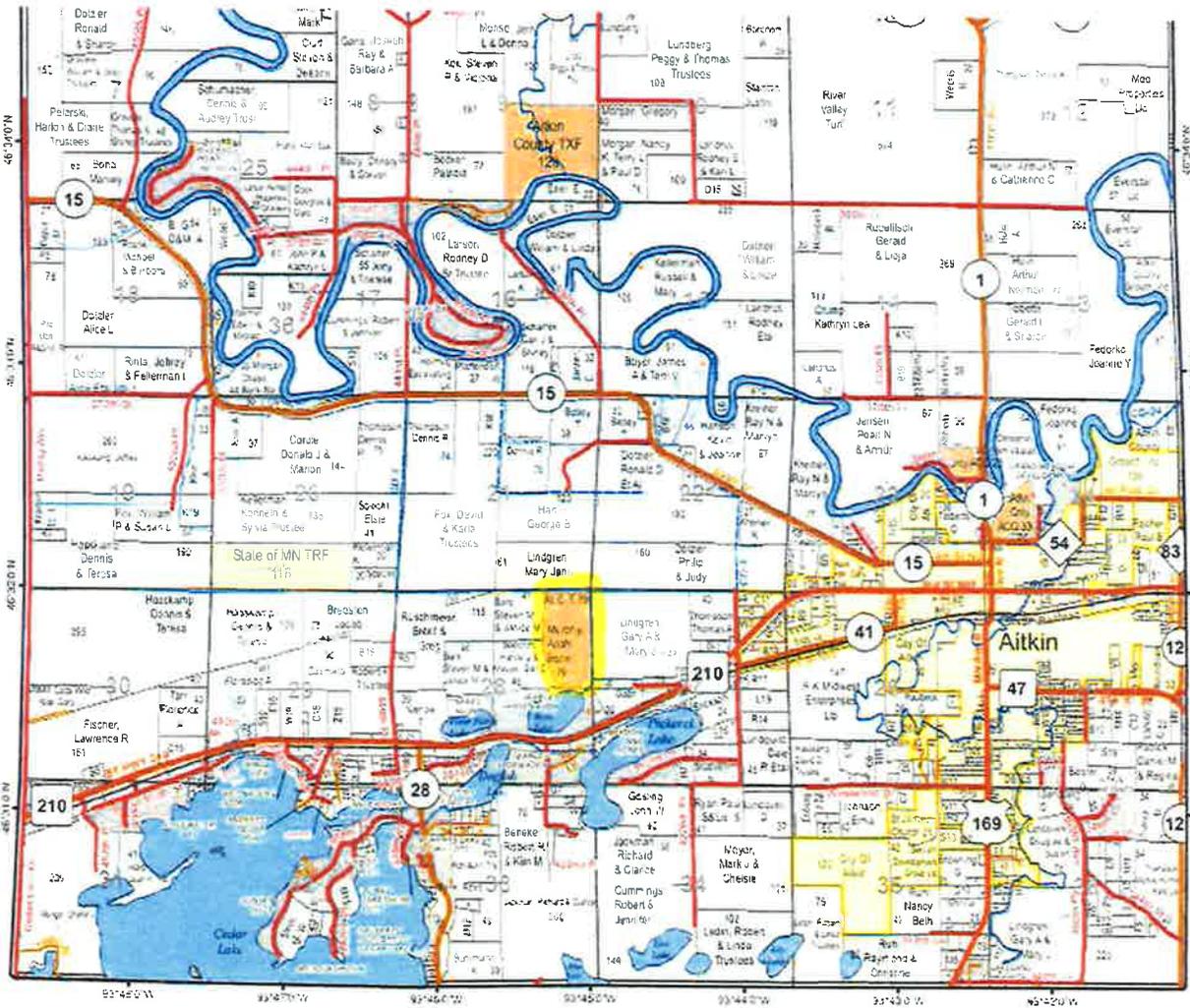
Around that time a neighboring property owner (Steve Bare) asked about acquiring it. I told him about the undivided interest and the fact that special legislation would be required for us to sell the lakeshore property. I put him in contact with the owners and we communicated regarding this for a while before Steve passed away.

Recently, Janice Bare acquired the 20% as she wanted to pursue her late husband's interest in acquiring the property. Around the same time the law changed and we can sell directly to the other interest for the appraised price with DNR and County Board approval. I sent a letter to DNR explaining the situation and they approved the sale.

The County Assessor determined the fair market value of the landlocked 80% interest at \$75,000. I contacted Ms. Bare recently and she wants to purchase the property and keep it as recreational land for her family.

MS 282.01 Sub 7a allows for the direct sale of undivided interest tax forfeited property to the other interest for the appraised fair market value. I believe it's in the best interest of the County to sell the interest and get it back in private ownership, as we have no legal access to the property. The lakeshore is very swampy and undevelopable, so there should be no negative impact to the lake as a result of this transaction.

Mark Jacobs
Land Commissioner



See (EARM ISLAND 146N-R27W) Page 26

See (SPENCER 137N-R24W) Page 11



Jeffrey J. Haberkorn

Haberkorn 218-927-6913
 LAW OFFICES, LTD.
 122 2nd St. NW
 Aitkin, MN

**DWI • Divorce
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 Criminal Defense
 Child Support/Custody
 Real Estate**



Christine M. Bright

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

ADOPTED July 22, 2014

By Commissioner: Marcotte

072214-048

CLASSIFICATION OF LANDS FORFEITED TO THE STATE FOR TAXES

WHEREAS, under Statute 282, the Aitkin County Board of Commissioners, is acting on behalf of the state under laws allowing the county board to classify and manage tax-forfeited lands held by the state in trust for the local units, and

WHEREAS, parcels of land becoming the property of the state in trust under law declaring the forfeiture of lands to the state for taxes must be classified by the county board of the county in which the parcels lie as conservation or nonconservation. In making the classification the board has considered the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses, and the suitability of the forest resources on the land for multiple use and sustained yield management. The classification, furthermore, must: (1) encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; (2) facilitate reduction of governmental expenditures; (3) conserve and develop the natural resources; and (4) foster and develop agriculture and other industries in the districts and places best suited to them, and

WHEREAS, a public meeting was held on July 22, 2014 at 11:00 am at the regular county board meeting and that prior to meeting for the purpose of classifying or reclassifying tax-forfeited lands, the county board gave notice of its intent to meet for that purpose in postings, on the web site, and in the local newspaper, in addition to sending letters to any township or city in which the properties were located, and

WHEREAS, at the meeting, no objections were raised on any of the attached parcels.

THEREFORE, BE IT RESOLVED, that the Aitkin County tax forfeited parcels be classified as per the attached document. And any Aitkin County tax forfeited parcel that is too small to be mapped in this attachment will be classified as nonconservation.

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

FOUR MEMBERS PRESENT

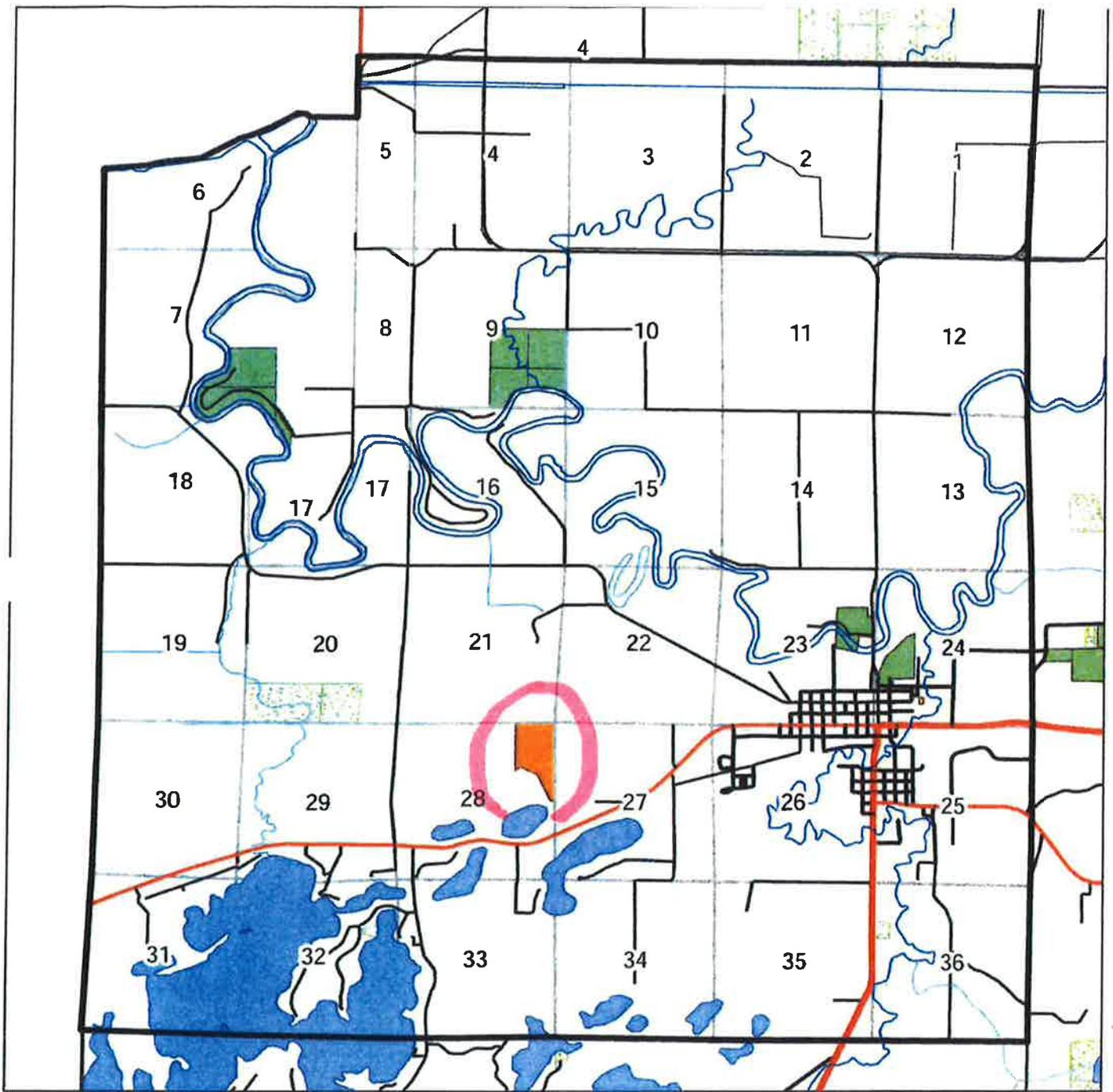
All Members Voting Yes

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

I, Kirk Peysar, Auditor, of the County of Aitkin, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 22nd day of July A.D., 2014, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Aitkin, Minnesota, this 22nd day of July A.D., 2014


KIRK PEYSAR, County Auditor
BY _____, Deputy



Legend

NEW county_land_classification  Other Public Land

NEW_CLASS

 CONSERVATION

 NON-CONSERVATION

Map Created: 02/26/2013

Mark Jacobs

From: Mark Jacobs [mjacobs@co.aitkin.mn.us]
Sent: Friday, March 23, 2018 12:22 PM
To: Joe Rokala
Subject: Gov't Lot 1 (E 1/2 - NE 1/4) 28-47-27
Attachments: 28-47-27 Bare.JPG; 28-47-27.pdf

Joe;

Janice Bare has requested to purchase GL 1 28-47-27. She owns 1/5 undivided interest in the 80-acre (+/-) parcel and adjacent property.

282.01 sub 7a allows for direct sale for the market value to undivided interest holders.

The parcel is on public water (Bass Lake) but has no public access.

There is no legal access (landlocked) to the property so the County has no access – otherwise we would have attempted to acquire the interest previously.

The shore land is “swampy” and not developable. They indicated that they have no interest in subdividing or otherwise developing the property; but want to keep it for recreational property (i.e. hunting).

I believe it is in the best interest of Aitkin County to get this isolated, landlocked, undivided interest parcel into full private ownership; with no negative impacts to the lake.

Please call with questions.

Thanks - MJ

Mark Jacobs
Land Commissioner
Aitkin County Land Department
209 2nd St NW Room # 206
Aitkin, MN 56431
218-927-7367

"The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired, in value." -- Theodore Roosevelt

m DEPARTMENT OF
NATURAL RESOURCES

Minnesota Department of Natural Resources
Division of Lands and Minerals
1201 East Highway 2
Grand Rapids, MN 55744

May 8, 2017

Mark Jacobs
Aitkin County Land Commissioner
209 2nd St. NW Room 206
Aitkin, MN 56431

RE: Tax Forfeited Lands Sale Review Request

Dear Mr. Jacobs,

Thank you for giving the Department an opportunity to review the tax forfeited parcel being considered for sale. The Department reviewed the parcel and our comments are as follows.

The parcel described below is listed as public waters on the Public Waters Inventory and has water frontage over 150 feet. According to Minn. Stat., sec. 282.018, subd. 1(e), the Department may authorize the sale of parcels with frontage greater than 150 feet. The Department's authorization is given for sale of the parcel. *However, we have resource concerns for County consideration and would welcome further discussion.*

Und Int in Gov't Lot 1 (E 1/2 - NE 1/4) 28-47-27

The undivided ownerships in the subject parcel (and the adjoining one to the west) may be due to the location being atop the South Range of the Cuyuna iron district. There are records of 25 historical iron exploratory drill holes in the northeast quarter of Section 28, and a total of 94 exploratory drill holes in Sections 28 and 29. Iron content in the records for the northeast quarter of Section 28 reach above 50% iron, so both low grade iron formation and at least pockets of high grade iron formation are present.

There is some elevated mineral risk introduced in selling the surface, as access may become more difficult in the event of future exploration. If the benefit gained by selling the surface is not significant, the County may want to consider retaining the surface and mineral estate together unsevered, due to the known, but unquantified mineralization in the immediate area.

Please contact me if you have questions concerning this letter at (218) 328-8923.

Sincerely,



Joey A. Rokala
Regional Operations Supervisor, Division of Lands and Minerals

282.01

Subd. 7a. City sales; alternate procedures.

Land located in a home rule charter or statutory city, or in a town which cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage or access may be sold by the county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale will encourage the approval of sale of the land by the city or town and promote its return to the tax rolls. If the physical characteristics of the land indicate that its highest and best use will be achieved by combining it with an adjoining parcel and the city or town has not adopted a local ordinance governing minimum area, shape, frontage, or access, the land may also be sold pursuant to this subdivision. **If the property consists of an undivided interest in land or land and improvements, the property may also be sold to the other owners under this subdivision.** The sale of land pursuant to this subdivision shall be subject to any conditions imposed by the county board pursuant to section 282.03. The governing body of the city or town may recommend to the county board conditions to be imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining the land to be sold. The county auditor shall conduct the sale by sealed bid or may select another means of sale. The land shall be sold to the highest bidder and may be sold for less than its appraised value. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days prior to the sale.

This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.

E ½ NE ¼ 28-47-27

7-12-18

Maple: 60 cords x 8.00 = \$480

Basswood: 16 cords x 8.00 = \$128

Ash: 185 cords x 8.00 = \$1,480

Aspen: 625 cords x 22.00 = \$13,750

Total: \$15,838



**OFFICE OF
AITKIN COUNTY ASSESSOR**
209 2nd ST N.W. Room 111
AITKIN, MINNESOTA 56431
Phone: 218/927-7327 – Fax: 218/927-7379
assessor@co.aitkin.mn.us

July 3, 2018

Mark Jacobs, Land Commissioner
Aitkin County Land Department
209 2nd Street NW Room 206
Aitkin, MN 56431

Re: Valuation request for Parcels 01-0-066200 and 01-0066300

Dear Mark:

Per your request, I have reviewed the valuation of these parcels that together represent a 4/5 interest in a single property in Aitkin Township.

As part of this assignment, seven sales were identified in the Aitkin area of Aitkin County. These sales include four land sales that occurred in the last three years with small lake frontage ranging from 30 to 47 acres. These four sales were picked to be as similar to the subject property as possible.

Also included were three land sales in Aitkin Township ranging in size from 39 to 80 acres that have occurred since November 2017. These were picked to show the most recent land sales in the area that are somewhat similar to the subject. The median price per acre of the seven sales together is \$1,513. The range in prices were from \$1,075 to \$3,322 per acre.

In utilizing the county mass appraisal model for valuing rural land, including adjustments for size, land cover, and location, our valuation for the full interest in this property is \$93,700 or \$1,217 per acre. When adjusting for the partial interest, the valuation is **\$75,000**.

These value estimates are intended for the purposes of the Aitkin County Land Department. It was prepared using the procedures and methods of licensed Minnesota assessors. This estimate is not intended to have the level of detail, scope of work, and level of accuracy found in a full narrative appraisal conducted by an appraiser licensed by the Department of Commerce.

Please contact me with any questions.

Sincerely,

Mike Dangers
Aitkin County Assessor