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City of Duluth Communications Office

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SUBJECT: City, County enter final steps to execute Phase I of the Strategic Lands Realignment Project

BY: Kate Van Daele, Public Information Officer

City, County enter final steps to execute Phase I of the Strategic Lands Realignment Project

[Duluth, MN] The future ownership, management, and use of 5561 acres of tax forfeit open space in Duluth is the subject of a partnership between the City of Duluth and St. Louis County.

Labeled the Strategic Lands Realignment Project, the collaborative initiative supports two critical goals in the Imagine Duluth 2035 Comprehensive Plan for the City to:

1. Acquire and permanently protect that major portion of tax forfeit open space that has significant environmental, recreational, and/or storm water management value.
2. Support County sale of that minor portion of tax forfeit open space -located next to public infrastructure and lacking significant environmental value - which can be economically developed for housing or other community priorities.

Encompassing more than 4000 separate parcels, the volume and diversity of tax-forfeit open space properties in the City of Duluth is too great to address all at once. To proceed in manageable phases, the City and the County have broken the City into 11 distinct areas and agreed that they will focus first on deciding the future ownership and use of properties in five areas - Lester/Amity, Hartley/Downer, Piedmont, Mission, and the St. Louis Riverfront – comprising roughly half of the tax forfeit open space properties in Duluth.

To guide the selection of specific parcels for City acquisition and protection, City Council approved two documents in late 2020:

1. Tax forfeit parcel selection guidelines to be used by the City to preliminarily select parcels for protection consistent with the Comprehensive Plan.
2. An agreement with the County establishing the process by which the parties will negotiate and transact the conveyance of specific parcels to the City.

The parcel list developed by City staff on the basis of Council-approved parcel selection guidelines was submitted to St Louis County in May. The submission proposes City acquisition and protection of 2398 acres of tax forfeit open space including 345 acres along the St Louis Riverfront, 493 acres in the Lester-Amity area, 272 acres in the Downer Park area in the Woodland neighborhood, 637 acres in the Mission Creek area, and 650 acres in Piedmont.

The public release of the preliminary parcel acquisition list has been years in the making, the result of nearly a decade of collaborative analysis, public engagement, and problem solving between the City of Duluth, St. Louis County, and the Minnesota Land Trust.

“The Comprehensive Plan calls upon Duluth to permanently protect essential open space,” said Jim Filby Williams, Director of the City’s Property, Parks, and Libraries Department. “The proposed acquisition of more than 2000 acres for City ownership and protection is a big step toward fulfilling that goal.”

Once the City and the County agree on a final list of parcels to be conveyed to the City, the transfer of ownership will be affected through two separate transactions devised with the close guidance of the Minnesota Land Trust.

In Transaction #1, 345 acres of ecologically sensitive St. Louis Riverfront will be acquired with an EPA Great Lakes Restoration Initiative grant. St. Louis County will sell the property for 20% of its estimated market value in accordance with Minn. Stat. § 282.01, Subd. 1(a)(h) which permits Counties to sell environmentally valuable properties to municipalities for less than market value if they are to be managed for environmental protection.

In Transaction #2, tax forfeit open space in the Lester, Hartley/Downer, Piedmont, and Mission areas will be transferred to the City in association with the donation to St. Louis County of identically valued timberland located outside Duluth. The donation - facilitated by the Minnesota Land Trust and the Conservation Fund with funding from the State of Minnesota – effectively replaces the tax forfeit open space that the County is giving up within the City of Duluth. The County will gain 4,300 acres of former Potlatch timberland valued at \$3.9 million that the County will manage for forestry, wildlife habitat, water quality, and recreation. The City will, in turn, gain select tax forfeit open space of equal, \$3.9 million, value that the City will commit to permanently protect.

As proposed by the City of Duluth, most of the parcels in the Lester, Hartley/Downer, Piedmont, and Mission areas would be transferred to the City pursuant to Minn. Stat. § 282.01, Subd. 1(e)(a) which enables counties to convey tax forfeit property to municipalities at no cost if the properties are to be used for park purposes.

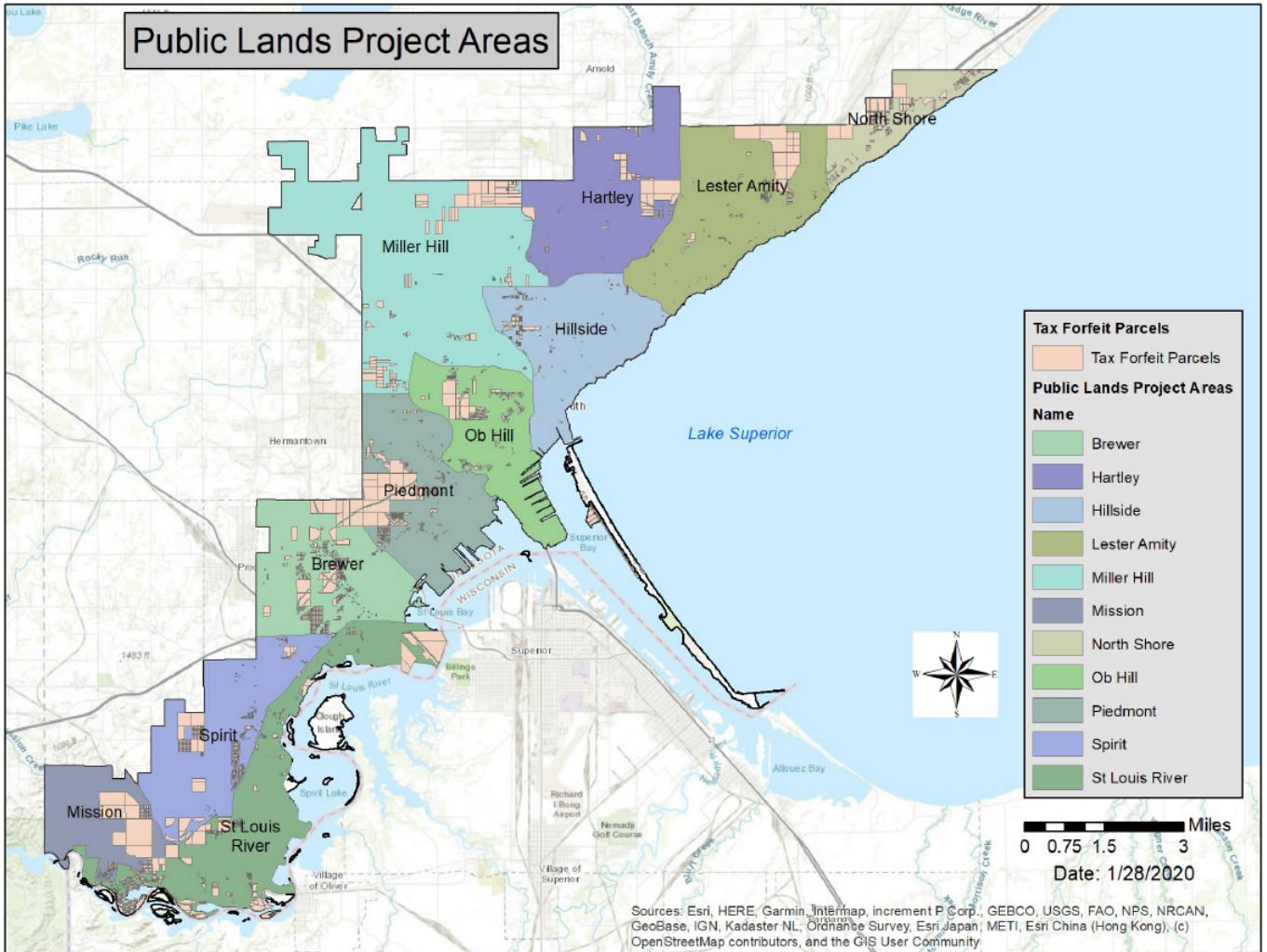
“This step toward permanent protection of open space is possible due to the support of St. Louis County, the Minnesota Land Trust, the Conservation Fund, and the US Environmental Protection Agency as well as the thoughtful guidance of our commissions and elected officials” said Filby Williams. “The City is grateful to all of them for their hard work, good counsel, and devotion to the public good.”

The City and County will work together in July to come to preliminary agreement on the parcels that will be transferred to the City. The City will then present that completed list to the Natural Resource Commission, the Parks Commission, the Planning Commission, and the City Council in August for final approval. The County will also present the completed list to the St. Louis County Board for final approval.

The final cash cost of the land transaction to the City cannot be totaled until City and County staff have a definitive list of parcels and the basis for their conveyance. It is anticipated that the cash cost to the City of the \$7.5 million land acquisition will be in the low six figures, much of that for real estate services and fees.

The City will host two public information meetings on June 29 at 5:00 p.m. and June 30 at noon. Both sessions will be held virtually. Feedback from these meetings will be shared with the commissions that must review and approve the list of parcels prior to the final City Council and County Board votes. A link to the public information meetings can be found at <https://duluthmn.gov/live-meeting/>.

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All Tax Forfeit Open Space in the City of Duluth (Shown in Pink)