



Joint DNR-Partner Land Acquisition Continuous Improvement Project Update

January 3, 2025

Agenda



Provide a project reminder



Discuss current status



Share preliminary data



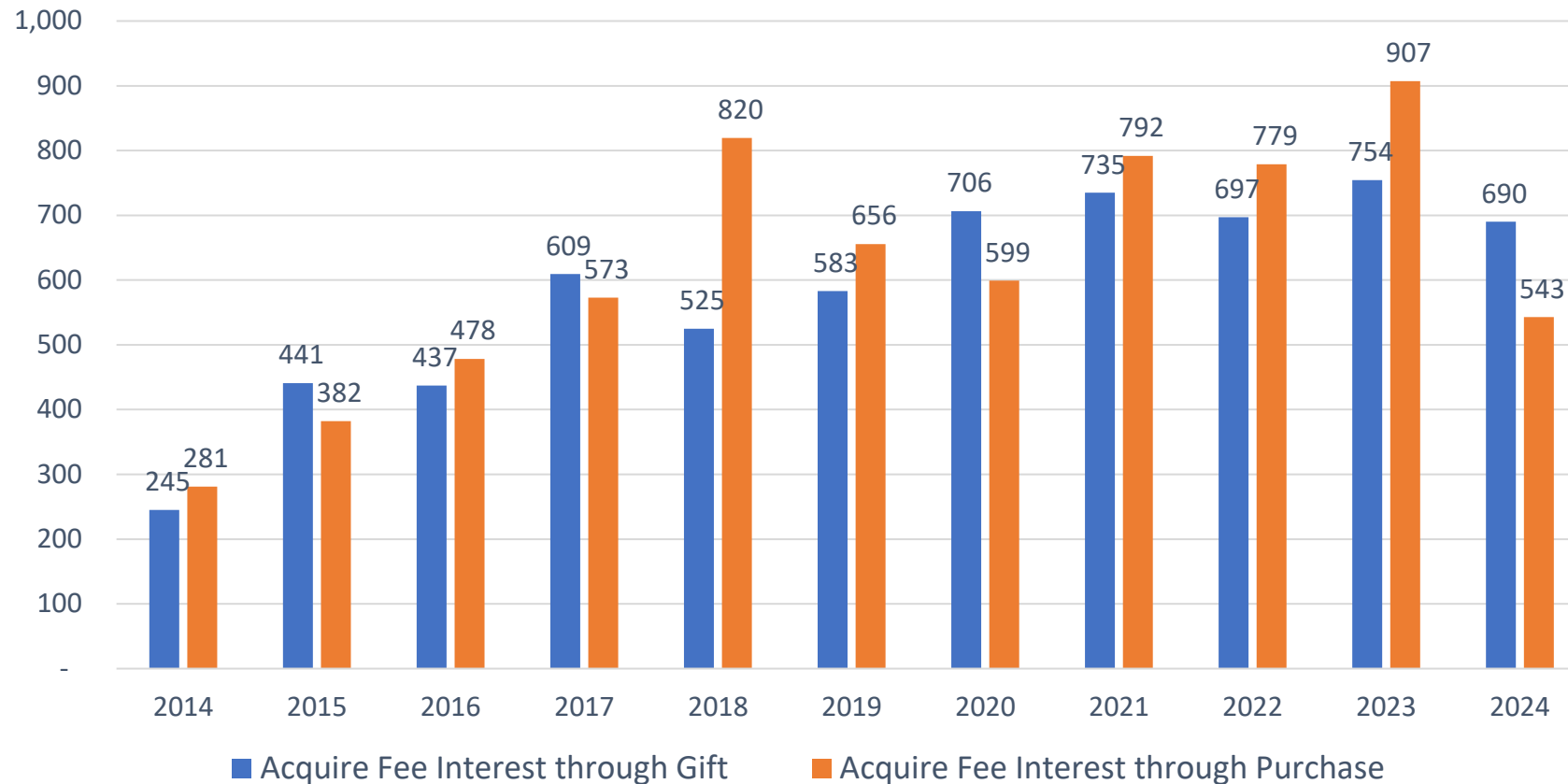
Look ahead to next steps

Project Goal:

Bring together DNR staff and partners to identify and implement ways to streamline and shorten acquisition timelines while maintaining the department's responsibility to steward state resources.

Measure the Problem: Duration

Average Days Elapsed from Project Initiation to Conveyance to DNR



- Begins before partner completes their purchase
- Ends after DNR acquires property
- Includes partner restoration time



Appraisal Review Process

Appraisal Prep
Appraisal Review



Title Review and Resolution

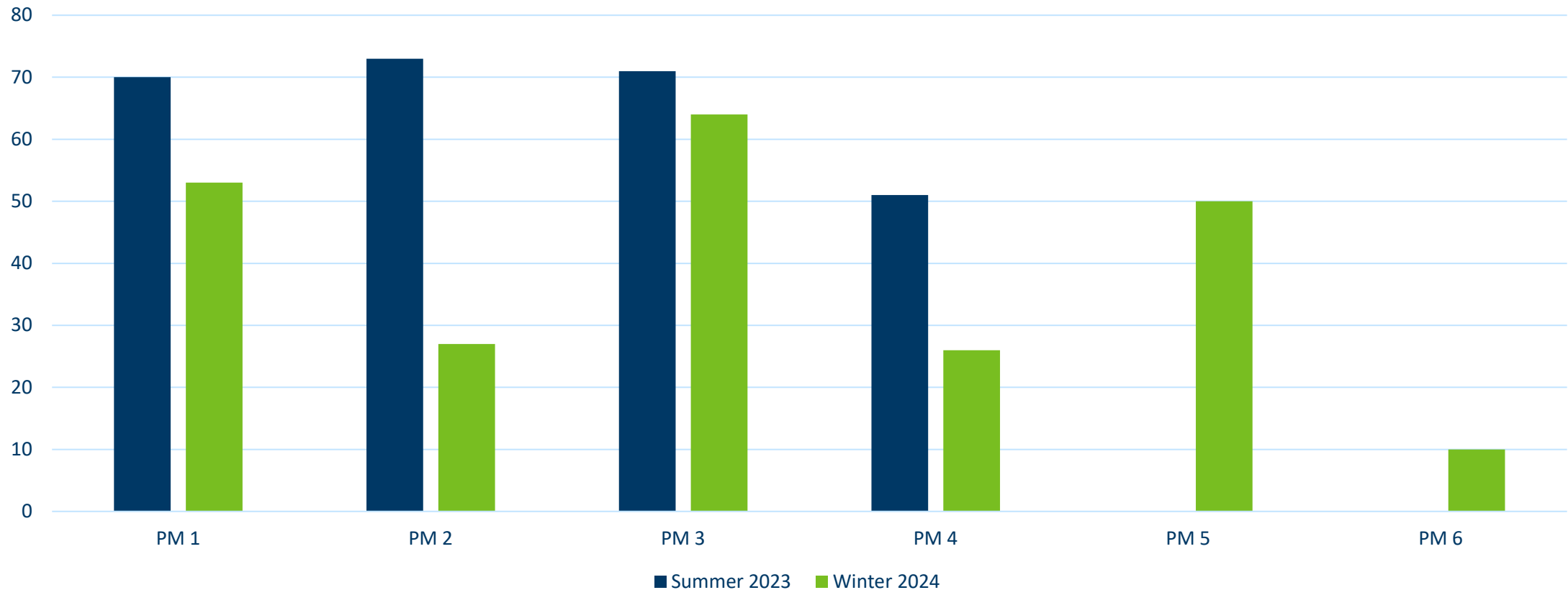
Evidence of Ownership
Title resolution

Implementation Plan

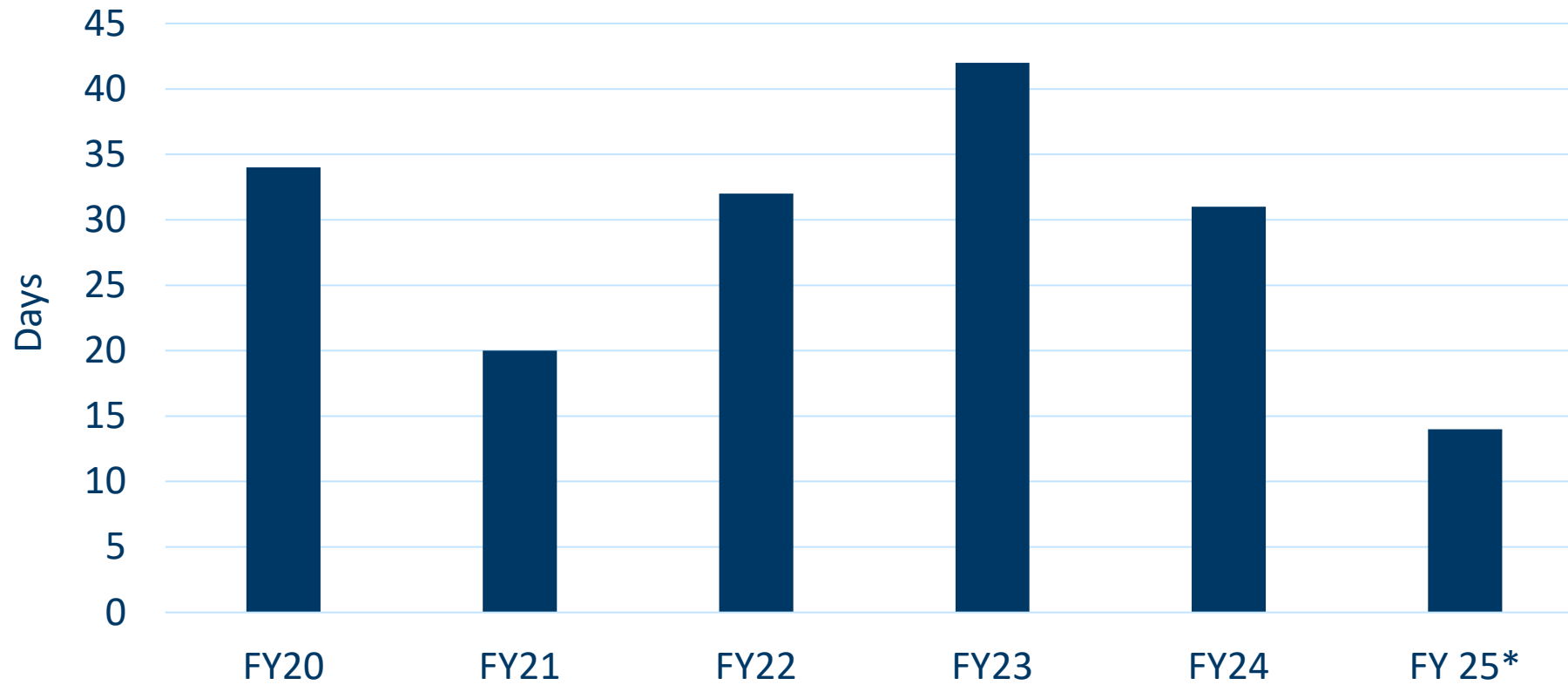
Solutions	June 2024 Status	January 2025 Status
Pilot the ability to complete early DNR title review	Operational on a limited pilot basis	Evaluation planned for Jan 2025
Create a form to speed-up communication about legal issues and questions	Operational on a pilot basis	Evaluation planned for Jan 2025
Use a property information (PI) form for the acquisition and grant compliance processes	Roll-out begins July 1, 2024	Evaluation planned for Jan 2025
Allow certain processes to run concurrently	Roll-out targeted for July 1, 2024	Evaluation planned for Jan 2025
Increase capacity within Lands and Minerals	Hiring in process for 3 additional FTE Hiring pending for +1 attorney	Hiring completed for 3 FTE Hiring in process for +1 attorney
Use a quality threshold for appraisal reviews instead of a dollar threshold	Project begins July 1, 2024	In process
Develop time-related benchmarks for each step in the acquisition process	Pending	In process
Formalize NGO training on how to best to work with DNR	Pending	Pending

Measure the Problem: Project Manager Project Load

Transactions Per Project Manager



Appraisal Timelines for Partner Appraisal Reviews



*FY25 includes data through 12/20/24

Phase 1 Preliminary Continuous Improvement Results

Total NGO Projects to Lands and Minerals since July 1	20
Projects Over \$1M	7 3 – Undergoing appraisal review 3 – Preparing for Closing 1 – Finalizing appraisal review scope of work package
Average Time to Prep for Appraisal Review	23 days – down from an average of 245 previously
Average Time to Complete Appraisal Review	14 days – down from an average of 31 days previously
Projects Under \$1M	13 5 – Partner conducting restoration/other remediation 4 – Survey review in process 3 – Preparing for closing 1 – Preparing for survey review

Next Steps - Implementation Plan

Solutions	June 2024 Status	January 2025 Status
Pilot the ability to complete early DNR title review	Operational on a limited pilot basis	Evaluation planned for Jan 2025
Create a form to speed-up communication about legal issues and questions	Operational on a pilot basis	Evaluation planned for Jan 2025
Define, systemize and clarify the data the DNR needs to complete the acquisition and grant compliance processes using a PI Form	Roll-out begins July 1, 2024	Evaluation planned for Jan 2025
Allow certain processes to run concurrently	Roll-out targeted for July 1, 2024	Evaluation planned for Jan 2025
Increase capacity within Lands and Minerals	Hiring in process for 3 additional FTE Hiring pending for +1 attorney	Hiring completed for 3 FTE Hiring Pending for +1 attorney
Use a quality threshold for appraisal reviews instead of a dollar threshold	Project begins July 1, 2024	In process
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Phase 2: Title Review, Resolution and Due Diligence

Factors

- Under statute, state agencies can't assume financial obligations that obligate them to future payments
- Under statute, there is more flexibility for private owners to address title and boundary issues than DNR
- In some cases, DNR does much of the title resolution to assist sellers

Next Steps

- Develop guidance and streamlined process around boundary line issues
- Develop guidance and streamlined process around addressing financial obligations associated with acquisitions
- Evaluate whether policy or statutory solutions or changes are needed

Summary of Preliminary Results



The PI form reduced up-front prep time by an average of 222 days (90%)

The appraisal review period is down by 17 days in 2025 (55%)

Next step: Tackling title resolution related timeframes

Thank you

Statutory Requirements related to Title Resolution

- State of Minnesota Financial Requirements
 - M.S. 16A.15 – Financial obligations may not be incurred by the state without an encumbrance
 - M.S. 16A.138 – State officials may not incur indebtedness in excess of appropriations
 - Constitution Article 11, Sec. 1 – Money may only be paid out of the treasury that has been appropriated