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Lake lots given up by renters now for sale

Written By: John Myers | 10:00 pm, Feb. 8, 2016

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If the howling winds and blowing snow have you thinking of a warm summer day and dipping a toe in off your dock on a scenic Northland lake, St. Louis County may have a deal for you.

Sixteen lakeshore lots that had been rented for decades by cabin owners in St. Louis County will be up for auction to the highest bidders on Thursday.

The waterfront lots should add some interest to the county's usual surplus-land auction that includes nearly 50 tax-forfeited parcels - everything from wooded building lots to urban homes and commercial sites forfeited because their taxes weren't paid.

The waterfront lots are available on Thompson, Bear Island, Linwood and Long lakes as well as Whiteface Reservoir.

The auction for each parcel will start at the appraised value and go up with bids from there.

Bidders will have to pay for the cost of the land and appraisal fees. And they also will have to pay for the set appraised value for any cabins and outbuildings.

"It's not exactly the best time of year to get people interested in summer cabins. But we've had a few calls expressing interest. We're not sure what to expect," said Jason Meyer of the county's land department. "I had one guy call who said he's already snowshoed around 11 of the 16."

On the low end of price spectrum the waterfront parcels is a water-access (no road) lot on Thompson Lake. The property bids will start at \$20,400, plus fees. But the high bidders also will have to pay the former renter \$13,500 for a small cabin on the lot.

Another lot with road access on Bear Island Lake near Ely - 4.6 acres with 355 feet of waterfront - will see bids start at \$85,000 plus fees. The winning bidder also will have to pay \$50,000 for a cabin on the property.

The highest-priced lakefront lot in the auction will start at \$105,000 plus fees for 2.6 acres and 275 feet on Whiteface Reservoir, with a cabin on the lot going for \$58,250.

Most on leased lots are buying

The county for years leased 278 lots on 27 lakes. Most of the renters built modest cabins on the sites (although one cabin up for sale is appraised at \$140,000 on a lot appraised at \$51,000.)

County officials in recent years made the decision to get out of the lot-leasing business as much as possible. State lawmakers changed statutes, allowing the county to sell the lots to the renters for the appraised land value rather than the usual auction requirement.

But some lake-lot renters say they couldn't afford, or didn't want, to pay the current value for the land. Instead, they are giving up their leases and agreed to sell whatever cabins they built on the leased lots for the appraised price.

A few of the lot renters took a third option, to keep renting for their lifetime, knowing they won't be able to pass the lease on to their heirs or sell the lot.

As of Monday the county had mailed offers to 245 of the 278 lake-lot renters. Of the 162 who have made a decision, 118 - or 73 percent - have opted to buy their land for the appraised value. Only 22 have chosen to keep renting. Another 22 have decided to sell their cabins, and 16 of those are up for bid this week.

Many cabin owners relish the chance to buy the lake lot to make it easier to get bank financing for improvements. A deed for the lot also makes it easier to sell the cabin and makes passing it on to the next generation more of a sure thing.

"Each of these families is in a different place in their lives," Meyer said. "Some people were ready to send in a check (to purchase the land) on Day One. Others, maybe they are older and their children aren't interested in the cabin, felt it was the right time to get out."

For the county, selling the land gets it back on the tax rolls for the first time in decades, with county officials also noting the annual lease fees have never reflected the true value of the land - the true property-tax equivalent.

The 278 lake lots are part of the glut of tax-forfeited land the county has managed for the state after the original private owners didn't pay the taxes, much of it in the first half of the 1900s. The county offered the leases from the 1950s to the 1980s as a way to make a little money and to provide inexpensive recreation property to county residents.

The county manages more than 900,000 acres of tax-forfeited land, technically owned by the state. Much of that is undeveloped forest land, but it also manages mining land and even urban lots in several cities.

In addition to the lake lots up for auction, the county is trying to get rid of several other parcels, including a commercial building in Meadowlands, empty residential lots in Chisholm and Eveleth, and homes and vacant lots in Duluth as well as rural parcels.

Any parcels not sold at auction remain on sale for their appraised price on a first-come, first-served basis, except for the former leased lots which must be sold at auction.

Last fall dozens of lake-lot renters crammed a county board meeting to say their lot appraisals had come in too high. In some cases the lots were re-appraised at a lower amount and new offers were made.

Land auctions set

St. Louis County's tax-forfeited properties auction will be held on Thursday at 10 a.m. at the Public Safety Building (Duluth Police Department and St. Louis County Sheriff's Office headquarters) at 2030 N. Arlington Ave. in Duluth.

Auctions also are scheduled for June 9 at the St. Louis County Heritage and Arts Center (the Depot) and Oct. 13 at the Miners Memorial Building in Virginia.

A catalog with photos, maps and details about each property, including the starting bid price, is available online to view or download at stlouiscountymn.gov/land or by calling (218) 726-2606.