

Mary J. Wagner.
25609 N Forest Rd #8
Rio Verde, AZ 85263

September 20, 2021

Dear Katie Sieben, Chairperson of the MN PUC

My name is Mary Wagner. I lease a lot and own a cabin on the White Face Reservoir. I have several concerns regarding the proposed plan by MN Power to sell their leased lots.

My Grandparents acquired the lease from Minnesota Power in 1965; it was a 99 year lease. My grandparents were thrilled to have a cabin that they could afford and it became the Wagner Family Cabin. It was my summer place of fun and I have great memories of being there with my grandparents, parents and brothers. When the cabin enjoyment became a physical hardship for my grandparents, my father took over. He installed indoor plumbing, hot and cold running water, a bathroom and shower, and updated the kitchen a bit. He also had a 1500 gallon sewage holding tank installed, replacing the outhouse. The family tradition of fun at the cabin continued for another generation. Then the time came when my elderly father could no longer enjoy the cabin on a regular basis, so he turned it over to me and my three siblings. Five generations have now enjoyed the use of that cabin.

Our lease is up in 2023. This date has put our family in a bit of a time bind. We have a huge decision to make. I understand if we sell NOW, just the cabin, new owners would have the lease extended until 2046. We would appreciate having that same time frame. We still need information from MN Power. For example, I would like information on what the surrounding area may look like in the future. It is currently a gorgeous forest. Will the beauty of the land remain? Are there plans to mine the area? What about access to our cabin? Will that change and in what way? I believe a portion of our neighbor's cabin is actually on our lot. We need to clarify that. All of these things effect our family's decision whether to buy or sell, and will certainly impact a buyer's decision whether or not to buy. We need more time!

In addition, the information I have read indicates that the price of the leased lots would be determined by the County's estimated tax value plus an additional 4%. This seems punitively high, especially for folks who have leased the land for as many years as my family has, 56 years, and also paid the tax bill for all those years. I'm afraid many of the current lease holders, middle income, blue collar folks, may be unable to purchase the property that has been in their family for generations. Does MN Power need to make \$100 Million profit from this, while middle income lease holders possibly lose their cabins? Surely something more reasonable can be worked out.

I totally understand that MN Power wants to be done with the leasing business. However, it seems, as of now, that there are still many issues to resolve; securement of easements, reimbursement of money by those who placed bids, the surveying and platting of lots, and a more just sales price.

In summary, I urge the MN Public Utilities to NOT grant approval to MN Power's current lease- sale plan until they provide a more equitable proposal and supply additional, important information to the current lease holders.

Thank you for your time.

Sincerely,
Mary J Wagner

Katie Sieben, Chairperson of the MN PUC:

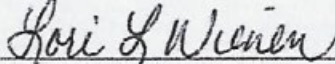
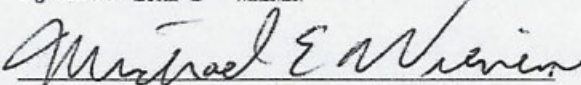
Our names are Lori and Mike Wiene. We purchased our Island Lake Reservoir home from my mother, Mavis Kurosky in 2010 and the lease agreement with MN Power was signed on August 12, 2010. She was a past lease holder with my father, James Kurosky who originally purchased the home as a cabin in 1973. This home has been in our family for near 50 years.

When we bought our property we were under the impression that MN Power would continue to lease these lots, as they have done for decades. This is now our retirement home. Like many retirees, we used our savings to not only purchase our lake home, but also to remodel and update the home. Landscaping to stop shoreline erosion was not only done by us but also done previously by my father James Kurosky.

Now we learn we might have to buy our lot all over again, and at a higher price; since shoreline prices have increased.

We ask the MN PUC to demand that MN Power seek better solutions in selling these lots to us. Our property lease investments need to be deducted from our lease sale price. Like most others, we bought our property with the understanding that MN Power, who started this leasing program over 70 years ago, was in the long-term leasing

business. They never told any of us differently. They are a public utility, and their services are public trusted services that are counted on. We ask for a more equitable sale proposal.

LEGAL DESCRIPTION	RETURN THIS AFFIDAVIT	
TOWN OF FREDENBERG SECT: 2 TWP: 52. RGE: 15 LOT: BLK: NW 1/4 OF SE 1/4 LEASE #14-11 MP 365-10-280	PARCEL CODE 365-6000-03050 ..	
I declare that on January 2, 2021 I was the owner or the qualifying relative of the owner of the property listed above, I occupied the property as my primary residence, and I was a Minnesota resident.		
 Signature of LORI L WIENEN	1.30.21 Date	476-82-8267 Social Security Number
 Signature of MICHAEL E WIENEN	1/30/21 Date	372-58-0258 Social Security Number
If this property is sold, or if you change your primary residence, state law requires that you notify your Assessor within 30 days.		

Sincerely,

Lori L. Wiene and Michael E. Wiene 6970 Bear Island Rd. Duluth, MN 55803 (H) 218-729-5231

(C-Lori) 218-461-5872 (C-Mike) 218-390-6670 loriwien@msn.com mikewien@msn.com

From: Gerald Rodenbo <rodenbogerald@gmail.com>
Sent: Monday, September 20, 2021 3:45 PM
To: Staff, CAO (PUC) <consumer.puc@state.mn.us>
Subject: Resale of leased land on Fish and Island Lake Reservoirs

Commission Members

Just a short note to state that although land prices have jumped in the last few years there should be some consideration of the improvements we as leaseholders have made to the land over the years. When we purchased the house at 6194 Fox Point Road, Fish Lake, Duluth on September 2004 the price included the appeal of being on the lake. Even though we didn't purchase the land at the time that price included its location. Over these years we have maintained, improved, controlled shore erosion, removed blowdowns, added trees and gardens and paid our lease. Now it looks like Minnesota Power wants us to buy at the Counties current assessed value. Minnesota Power gave the previous leaseholders on Alden Lake a 15% discount. I believe a cost reduction should be worked out with us too!

Thank you for your time Gerald Rodenbo

September 20, 2021

Dear Ms. Katie Sieben Chairperson of Minnesota Public Utilities Commission

Our names are Jeff & Barb Monsaas, we purchased a seasonal home on Island Lake Reservoir in 2010 commuting up to the cabin on weekends from the Minneapolis area, then on September 1, 2016, we purchased our ultimate retirement home on Island Lake Reservoir for \$380,000 and put approximately another \$50,000 into it. Our lot consists of a boat landing, boulder wall to stop erosion, and a concrete deck with a retaining wall, all of which is included in the EMV land.

The road that goes to our property was built by the leaseholder from the start of the leasing program to current time. We spend money every year to maintain the road. Our current lease goes out to 2046. We always thought that Minnesota Power would stay in the land lease business. This will now put us in a difficult position as we are both retired and on a fixed income. Having to take out a substantial loan to pay for the lot was something we could not have foreseen and planned for.

In reading thru the docket 20-675 we believe that Minnesota Power has not been upfront with us regarding the whole process. MN Power boasts that 90% of leaseholders would moderately/highly want to own the land but what they failed to mention is at what cost, would that still be the case at the proposed value. Secondly, the survey that MPUC suggested was purchase at EMV plus 4%, EMV at time of purchase or not interested in purchasing the land. Again, a very one-sided survey and if you are interested in buying the land there was no surprise in the outcome of the survey. When I brought this up to Jim Atkinson in July just prior to our road association meeting I said there should be a discount or consider value that was put into the land and his response was **“we don’t want to hear that”**.

In the application Minnesota Power states that currently 25% of the lease payments go back to the ratepayers. They also claim that “Keewatin Taconite and Verso Duluth Mill use approximately the same amount of energy as Minnesota Power’s entire residential customer class in 2019.” So why will 100% of the net proceeds go back to the ratepayers which the vast majority is commercial clients **at the expense of the leaseholders**.

In going forward we feel Minnesota Power has not been upfront with the leaseholders and we also feel the commercial clients and Minnesota Power should not be compensated for the money the leaseholders have put in the land.

Regards,

Jeff & Barb Monsaas Island Lake Reservoir 651-398-3001

Minnesota Power intends to offer for purchase to its lessees the land each currently leases from MP. My parcel is on the Island Lake reservoir. MP intends to set the sale price for the land at current market value plus 4%.

MP in the last few years urged St. Louis County to reappraise each leased lot to ensure that the land portion of the lot reflected current market value for tax purposes, lease fees paid to MP by lessees and to increase the land portion for potential sale to the lessees. The increased values were substantial for most leased properties.

MP originally offered to lease each parcel in unimproved condition. That is, wooded, not graded for building, and without wells for water and septic/leaching fields for sewage handling. Lessees both former and current made and paid for all improvements to land to facilitate seasonal or year around occupancy. These improvements include work performed such as:

Upgrading or building and maintaining access roads to leased properties

Removing trees, stumpage and boulders to build structures

Grading the property

Building shoreline protection against storms and erosion

Installing driveways for property access and blacktopping

Installing drilled wells and septic systems with leaching fields

Performed landscaping such as seeding or sodding and shrubbery

Built patios and garden areas

These improvements were made with MP approval and all at lessees expense. They are included in current market land value assessed by St. Louis County with the exception of well and septic/leaching, and represent a substantial amount of the market value of each leased property.

Minnesota Power, by including all improvements to land in the proposed sale results in lessees paying twice for the improvements they made. This is grossly unfair and should not be allowed.

I urge that the PUC reject MP's current proposed plan and have them resubmit a plan that reduces the sales price of the land to account for the lessee's significant contribution to market value.

Peter D Stephenson 5259 1st Avenue Fredenberg, MN 55803 218-340-4754

Dear Katie Sieben, Chairperson of the MN PUC

Our names are Deborah and Greg Repensky. We have a year round lake home on Whiteface Reservoir and we purchased the "right to lease" land and structures from Robert and Mary Hendrickson in April of 2002 for a total cost of \$218,000. Approximately \$160,000 of this total was for the structures on the property and approximately \$58,000 for the leased property. Then in 2004 we purchased the "right to lease" land just next to our lake home property from T.L. Hanson for \$70,000.

We understand that MN Power would want to use the price that it originally sold to a leaseholder for their base price, but do not understand why that credit would not be provided to us. MN Power has stated that they would **only** be willing to offer some credit of unknown amount to the **original** leaseholder. We have record of who we purchased our "right to lease" land from, when, and total price. Why are leaseholders that purchased from another leaseholder not offered any credit?

We paid a total of approximately \$130,000 for the right to lease our two parcels of land, and are now being asked to purchase the land for the 2020 Estimated Market Value plus 4%. Why are we required to **pay twice** for the same two land parcels?

Our request is that our "right to lease" purchase of the two lots receive the **same amount of credit as the original leaseholder**. In addition we ask that the Public Utilities Commission delay any decision regarding MN Power's request for approval until all leaseholder concerns and questions have been dealt with through open communication!

Sincerely

Deborah and Greg Repensky 2230 Loon Point Drive Makinen, MN 55763 218-390-9393 grrepe@gmail.com

Dear Sirs,

My father acquired our leased property in 1958. My wife and I acquired it from my siblings at fair market value 12 years ago. Our mantra has always been to make this property better each time we were here. My father was the same way.

We tore down the cabin and built our retirement home here 5 years ago. Our intent is to pass this property down to our children. We would like to purchase this property but we are asking for a fair handshake. Over the past 63 there has been a lot of money and hard work poured into this property. Not to mention all of the annual lease payments. We do not believe we should have to pay for all of this again.

When my father obtained the lease in 1958 the lake was a mess as you must imagine. A forest had been flooded. Back then you reinforced the shoreline with pipes pounded into the ground and you threw the drift wood behind the pipes.

Our steep bank was infertile sand, nothing would grow on it. My father with help from us kids dug out top soil from a portion of our yard. Spade by spade we covered this sand bank with dirt. It is now a vibrant forest holding the bank in place and preventing run off into the lake.

The road into our cabin were two ruts in the forest top soil. You could only drive to the cabin in the summer and fall. We would go to the cabin during the winter and spring. We would park at the dam and walk in, kids in tow. First avenue is now a wonderful full year road. This road was built by lessees on first avenue.

Bear Island road was a dirt road. First avenue to eighth avenue lessees paid to have this road paved.

Five years ago when we built we fortified the lakeshore with boulders. We excavated a "switchback" into the bank so we could walk to the lake versus 75 stairs. This excavating cost us in excess of \$30,000 alone.

All of these examples, cleaning the lake, reinforcing the lake shore, growing the sand bank, building first avenue, paving Bear Island Road, building a switchback have all raised the value of our land. Our only hope is that we do not have to pay for the tens of thousands of dollars and thousands of hours of labor again.

Sincerely,

Tim and Sandy Rock 5187 1st Avenue Duluth, MN 55803

MP Lot # STLO05215102013 Acct # 181905

Tim 864-354-8354 Sandy 320-766-2902

Katie Sieben, Chair
Minnesota Public Utilities Commission

We are writing to provide input to the MN Public Utilities Commission (MPUC) as it considers docket no. 20-675, regarding the proposal of Minnesota Power (MN Power) to sell leased property to current leaseholders.

We purchased our home on the Island Lake Reservoir in September 2014 as our retirement home. In these seven years we have made significant improvements to the property that have added to its value and appeal.

In original communications from MN Power about its plans to sell the leased properties, the proposal was to sell the property at the current estimated market value (EMV) with a 10% DISCOUNT for those who opted in at the first opportunity. A few years later and after a hearing with the MPUC it was suggested that MN Power lock in at the 2021 EMV (which just conveniently went up considerably) PLUS 4% for "anticipated future EMV valuation increases". We've never heard of a real estate transaction that contains an add-on to the purchase price for future value increases! How is it equitable for a multi million dollar corporation to be allowed to extract such a percentage from average citizens for a "future value increase". Especially given the original proposal that included a discount!

The 2021 EMV is surely affected by the exploding home sales market of the past 18 months, since the county uses comparables in estimating each property's market value. Sellers are currently getting many thousands OVER asking price, which has definitely inflated the market. All of us can see that this market will correct itself, and when it does our situation will be even more dire in what we can, in a future sale, recoup from the huge investment we'll be making to purchase the property.

Our lease payments have gone up with each land value increase along the way, so the lease proceeds of MN Power have not been static and must indeed be rather lucrative. It's especially difficult to accept the 4% add on piece of the proposal when it is the leaseholders who have invested in these properties making them more valuable, yet it is MN Power that will benefit from our investments in the property, PLUS gain the added 4%. It makes no sense, nor is it equitable.

As retirees it is during this season of life that income is static for us and such a purchase requires much consideration and no small amount of budgeting finesse if it is to be accomplished. The alternative to remain a leaseholder until our lease expires is hardly desirable since we'll be then forced to sell, which is rarely a good outcome for a seller.

We respectfully request that the MN Public Utilities Commission consider the many testimonials it is receiving on this matter, at the very least eliminate the 4% add-on to each sale, consider a more equitable EMV than 2021 when housing prices have temporarily soared, and be an advocate for the public that has little voice or sway in the corporate world to obtain a fair and equitable proposal for this land sale.

Thank you,

Scott & Margaret Carlson
5428 Otter River Road
Duluth, MN. 55803
218-591-0288