

Blue Heron Bay Lender seized by FDIC

The Blue Heron Bay property continues to wind its complicated path with the latest twist being the foreclosed property's lender failing. The FDIC seized Sioux Falls; SD based Bank First on July 17, 2009. Bank First's deposits and operational assets were sold to a North Dakota bank, its performing real estate was sold to a Nevada organization and the non-performing real estate, including Blue Heron Bay, is currently owned by the people of the United States.

As you are probably aware The Blue Heron Bay project has an extensive history of citizen involvement including Dead Lake Association's litigation to require an Environmental Impact Statement. The MN Supreme Court ruled in favor of the Dead Lake Association on the EIS and other matters. The EIS was subsequently completed and led to revised development plans with substantial development conditions to protect Dead Lake.

The MN Department of Natural Resources (DNR) with the critical assistance of The Trust for Public Land (TTPL) acquired sixty acres on the east portion of the property in 2006 combining it into the adjacent Dead Lake Wildlife Management Area.

During the spring of 2009 TTPL proposed acquiring the balance of the property in behalf of the State of MN using the newly created Lessard Outdoor Heritage Funds. The project did not receive Lessard funding in 2009. However Mr. Bob McGillivray of TTPL had reached informal agreement with Bank First just before the bank was seized by the FDIC. The DNR continues to seek acquisition of this environmentally sensitive property. We have been told that the DNR has some funding available to do so.

Complicating matters is the fact that the FDIC has employed private sub-contractors to review and determine marketability for the non-performing real estate it acquires in bank closings. TTPL is endeavoring to communicate with the FDIC contractors. The contractors are apparently based on the west and east coasts and it is not clear at this writing if they have a grip on the extensive history of this project.

The Dead Lake Association Board continues to work in support of public acquisition. We are hoping that the Federal and State Government can work together to preserve this fantastic resource.

Dead Lake Township unanimously passed a resolution last spring supporting the acquisition of the property in the public domain.