

Critical Shoreline Habitat Protection Program

Request for Funding Form Lessard-Sams Outdoor Heritage Council Fiscal Year 2011

Program Title: **#19** Critical Shoreline Habitat Protection Program

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	Council Funding Request	Out-Year Projections of Needs		
Funds Requested (\$000s)	FY 2011	FY 2012	FY 2013	FY 2014
Outdoor Heritage Fund	1,200	0	1,200	0

A. Summary

The natural shoreline around Minnesota's celebrated lakes and rivers comprises one of the most biologically important systems in the state for fish, game and wildlife. It is also one of its most threatened. Recent science conducted by the Minnesota DNR indicates that protecting the shoreline zone—the majority of which is on private land—is the essential strategy to maintain our fisheries, important waterfowl breeding and feeding areas and the overall health of our aquatic resources.

In order to preserve this important component of Minnesota's natural heritage, the Minnesota Land Trust proposes to implement a Critical Shoreline Habitat Protection Program to protect essential lakeshore and stream side habitat. The overall goal of this project is to protect over 100 miles of sensitive shoreline habitat over the next 10 years, thereby complimenting the goals of the DNR's Aquatic Management Area program, the State Conservation and Preservation Plan and many others.

In this phase of the program, the Minnesota Land Trust will strategically concentrate its activity on important aquatic resources within northeast Minnesota's Arrowhead region, including DNR-designated high priority trout streams and lakes. With the assistance of the L-SOHC, the Land Trust will protect more than 50,000 feet of threatened shoreline habitat by acquiring 10-12 conservation easements which will permanently protect naturally vegetated shoreline and forest

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

land on more than 1,000 acres. The program will target projects which will help fill the gaps in existing public ownership, contain the highest-quality habitat, and provide the highest leverage to the state. This Arrowhead region is prioritized in this phase of the program, as it has immensely important shoreline habitat and aquatic resources for fish, game and wildlife (including the highest concentration of trout streams in the state), yet has seen a relative lack of public and private investment in conservation in recent years when compared to other regions in the state.

This proposal addresses two of the L-SOHC Priority Actions for the Northern Forest Section by:

- Protecting shoreland on cold water lakes, shallow bays, streams, rivers and spawning areas; and
- Protecting forest land through conservation easements

In order to maximize the benefits of this shoreline protection activity, the Minnesota Land Trust will coordinate its work with other partners in the region, including the DNR, Trout Unlimited and others. This proposal anticipates very-high leverage of at least \$6 of match for every \$1 of state funding.

B. Background Information

1. What is the problem or opportunity being addressed?

The *problem* being addressed is one identified in most state and local conservation plans, including the Statewide Conservation and Preservation Plan: the development and disturbance of the state's remaining sensitive shoreline habitat. Science conducted by the DNR and others indicate that the shoreline zone—from high ground through the water's edge and into the shallow submerged areas—is one of the most biologically diverse and important habitat types for a variety of wildlife species, including fish and waterfowl. Because so much shoreline habitat is on private land, it is also one of Minnesota's most threatened landscapes due to the intensity of lakeshore development.

This *opportunity* being addressed is one of having multiple landowners in the Arrowhead region who are ready and willing to grant conservation easements on exceptional shoreline habitat, thus providing high-leverage, immediately-tangible protection on these diminishing habitat types. The lull in the real-estate market has given many landowners an opportunity to reflect on the future of their lands, thus providing a narrow window of time to invest in these shoreline protection projects at a fraction of the cost of full fair market acquisition.

In addition, another benefit of this project is that while it is focused on the habitat benefits of the shoreline, more than 1,000 acres of family forest and numerous wetlands will be protected, thus providing additional conservation benefits for the state's modest investment.

2. What action will be taken?

The Minnesota Land Trust will secure and defend 10-12 conservation easements on more than 1,000 acres of private lands with essential shoreline habitats. These easements will be drafted to further prevent the destruction of existing habitat.

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

Furthermore, the Land Trust will seek opportunities to work with the landowners and other organizations to conduct restoration activities and secure angler access if appropriate.

To date more than 40 families have confirmed their desire to work with the Land Trust on protecting their properties and related shoreline habitat within the target areas. These 40+ potential properties represent more than 130,000 linear feet (25 miles) of shoreline habitat and more than 4,600 acres of forest land. These projects include the following targeted lakes and rivers: 1) 2 properties on DNR high-priority trout lakes, including Kemo and Moosehorn lakes; 2) 25 properties on signature Border Lakes, including Lake Vermilion, Burntside Lake and Rainy Lake; 3) 8 on North Shore trout streams such as the Knife, French, Flute Reed and Stewart Rivers; 4) 3 on Lake Superior; and 5) the remainder on other important water bodies in the region.

Under this program, the Land Trust will prioritize these existing potential projects and seek additional opportunities for the protection of high-quality shoreline habitat.

3. Who will take action and when?

The Minnesota Land Trust will negotiate and execute the easement transactions with the lakeshore or riverfront owners. It is anticipated that the projects will be completed in FY 2011 and FY 2012, with the highest priority projects moving forward as soon as possible upon funding. Finally, with the assistance of stewardship funding, the Land Trust will monitor its easements annually and enforce them as necessary into the future.

4. How will you coordinate this program with the other Constitutional Funding?

When appropriate, the Land Trust will work with constitutional funding and other grant sources to fulfill its goals of the Critical Shoreline Habitat Protection Program. However, while there are water-quality benefits to shoreline habitat protection, the primary goal of this proposal is preventing the further degradation of the state's existing shoreline habitats for fish, game and wildlife. As such, the most appropriate source for funding is the Outdoor Heritage Fund.

5. What specific habitat changes will occur if this item is funded? Be specific about and list multiple benefits if they exist.

If funded, the sensitive shoreline habitat under easement will remain ecologically viable and productive for fish, game and wildlife. The conservation easements acquired will prohibit land uses or development that negatively impacts the important habitat values and will require habitat management plans to ensure that long-term management will maximize the benefits of the shoreline and associated forested uplands.

In addition, as part of its long-term stewardship obligations, the Land Trust will work to educate the landowners to use best management practices for their shoreline and connect the landowners with other partners such as the DNR, Trout Unlimited or others who may be able to improve the habitat quality.

Critical Shoreline Habitat Protection Program

6. When do you expect to see these habitat changes?

With conservation easements guaranteeing the prevention of future degradation, the benefits of the funding are immediate in that the existing high quality habitat remains in its valuable condition. We expect the easements to be secured by the end of FY 2012.

7. Will your Outdoor Heritage Fund dollar request complete the planned accomplishments?

☒ YES ☐ NO
If not, how will you finance completion?

8. How will you pay for the maintenance of the accomplishments?

When accepting a conservation easement, the Minnesota Land Trust is committed to annually monitoring and defending the integrity of the protected property. While the actual land management will be paid for by the landowner (thus increasing this project's leverage), the conservation easement stewardship or management will be funded through the requested stewardship funding from L-SOHC.

9. How does this action directly restore, enhance, or protect prairies, wetlands, forests or habitat for fish, game, and wildlife?

This project directly protects habitat for fish, game and wildlife by protecting one of the most diverse and critically-important habitat types in the state. As described above and below, the shoreline zone is important for numerous species, including spawning and feeding areas for fish; breeding, nesting and feeding areas for waterfowl and other shorebirds, and as general habitat for a vast number of other game and non-game species. Because much of these critical shoreline zones are found on private lands, conservation easements represent the only strategic tool available to permanently protect these resources. In addition, these projects will directly protect more than 1,000 acres of high-quality northern forest habitat and numerous wetlands, thus adding to the conservation benefits for the state.

Finally, these projects are often adjacent or in close proximity to other state or federally protected properties, such as Aquatic Management Areas, Scientific and Natural Areas or others, thereby making the protection of these private lands all the more urgent so as to not diminish the prior investments made in the existing habitat complex.

10. If you are restoring or enhancing property, is the activity on permanently protected land?

☐ YES ☐ NO
If yes briefly describe the kind of protection.

11. How will you ensure transparency and provide information about your work and use of Outdoor Heritage Fund dollars.

As with its other state funds, the Minnesota Land Trust will provide high-quality, regular reporting demonstrating progress towards the program's goals. In addition, we will

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

welcome opportunities to communicate directly with the L-SOHC on accomplishments, including tours, presentations or other methods as desired. Finally, we will celebrate the success of the program more broadly through the Land Trust's communications and web site and through publicity in media stories and publications.

12. Why will this strategy work?

This strategy will work for three primary reasons as outlined below: and

1) The conservation easement is the primary tool to protect habitat on private lands. Minnesota is fortunate to still have highly-sensitive existing shoreline habitat throughout the state—and especially in the Arrowhead region—which contributes to our state's important fish, game and wildlife habitat. However, much of it is located on private land which is threatened by development and improper management. Conservation easements are the only permanent and highly effective tool to preserve private land.

2) The tool itself has been an effective conservation strategy around the state and country. In addition, land trusts and government agencies have successfully held and defended conservation easements throughout the state and country, making them a highly regarded and effective tool for land conservation.

3) The Minnesota Land Trust has a long track record of effective and efficient conservation easement stewardship. Thanks to prior support from the Minnesota Environment and Natural Resources Trust Fund as recommended by the LCCMR and private support from the more than a thousand private contributors and foundations, the Land Trust has successfully protected more than 130 miles of critical shoreline habitat throughout the state through conservation easements. In addition, the Minnesota Land Trust now holds nearly 400 conservation easements, making it one of the larger and more respected land trusts in the country.

Finally, the Land Trust will continually monitor and evaluate the progress of this program as it moves forward and make adjustments as necessary to achieve the best conservation outcomes for the State.

13. Who might make decisions that assist or work against achieving the expected impact program?

The primary threat to the proposed action could be that future landowners of these protected properties conduct land uses that negatively impact the conservation features the easements aims to protect. Fortunately, with the assistance of the L-SOHC, funding for conservation easement stewardship will help prevent this by providing the Land Trust with the necessary resources to monitor and defend the easement in perpetuity.

14. If this is acquisition of land, has the local government formally approved the acquisition?

_____ YES

_____ NO

15. If this is fee simple acquisition of land, is the land free of any other permanent protection such as a conservation easement?

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

_____ YES

_____ NO

16. If this is an easement acquisition, will the eased land be open for public use?

_____ YES

_____ x NO

If Yes what kind of use?

Although public access is not the primary goal of the project, the Land Trust will explore the potential for public access with landowners on a case-by-case basis. In addition, as these projects will be adjacent to public waters, they will be highly visible to the public, and anglers will be able to fish along the protected shoreline.

Finally, it is not uncommon that the lands under conservation easement become open to the public in the future as the ownership changes. In fact, nearly 20% of the Land Trust's conservation easements have public or semi-public access.

17. If easement acquisition, will the easement be a permanent conservation easement as described in MS 2009, Chapter 84C.01, specifically protecting the natural resource values of real property forever?

_____ x YES

_____ NO

18. If you are proposing funding for a new or ongoing program how long into the future do you expect this program to operate?

_____ 10 _____ Years

19. Which planning sections will you work in? Check all that apply in the list below.

_____ x _____ Northern Forest

_____ Forest/Prairie Transition

_____ Southeast Forest

_____ Prairie

_____ Metropolitan Urbanizing Area

20. Does the request address an urgent conservation opportunity that will be lost if not immediately funded?

_____ x YES

_____ NO

If yes, please explain.

As described above, this program represents a very rare and fortunate situation where we will have: 1) very high-quality, strategic shoreline habitat, 2) which is located on parcels with landowners interested in protecting their property, and 3) where those landowners are able and willing to donate all or partial value of the easement, thus

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

making it an incredibly high-leverage project. There is no guarantee that these landowners will still remain interested in the future; the current lull in development provides a unique opportunity to secure the protection before there is more competition for the land and while this current generation still remains in ownership.

21. Does the request restore and/or enhance habitat on existing state-owned Wildlife or Aquatic Management Areas or Scientific and Natural Areas?

 YES

 x NO

If Yes, list the names of the AMAs, WMAs and/or SNAs and the acres to be restored and/or enhanced.

22. Is this request based on assessment through a science based strategic planning and evaluation model similar to the United States Fish and Wildlife Service's Strategic Habitat Conservation model?

 x YES

 x NO

If yes explain the model briefly.

Although this project doesn't use the USFWS model, it is based in sound science and strategic planning and evaluation. Please see #23 and #24 below.

23. Explain the scientific foundation for your project, and the benefits it will produce.

The Minnesota Land Trust has used existing scientific research and plans as the basis for its targeting of shoreline habitat. The scientific foundation for the protection of critical shoreline habitat in Minnesota is well established in numerous plans and publications, including Minnesota Conservation and Preservation Plan, the Long Range Duck Recovery Plan, the DNR's recent studies of shoreland development, and many others. Below is a brief description of the scientific basis for the benefits of shoreline protection for fish, game and wildlife, especially in the three primary ecological subsections represented by these projects, which include the Border Lakes, the Laurentian Uplands and the North Shore Highlands.

Fish: The DNR's research on the effects of shoreline development on the quality and quantity of fish populations in Minnesota's lakes and rivers indicates that one of the most critical and simple fisheries protection strategies is to maintain the existing wooded, vegetated shorelines and minimize the harmful impacts of rip rap, weed rollers and other shoreline development. The potential threats to North Shore trout streams and the priority trout lakes of the Arrowhead region are also well-documented by DNR, the Minnesota Conservation and Preservation Plan, and many others. Finally, Trout Unlimited, the DNR and others are currently conducting an analysis of the habitat improvement needs of North Shore trout streams. We intend to use this data when available to coordinate our efforts with other potential partners.

Game: The Duck Recovery Plan states that "over the last 20 years development has increased by over 500% in Minnesota's lake country. . . Studies have found an average of a 66% reduction in aquatic vegetation along developed shorelines" which dramatically impacts the carrying capacity of the shoreline in lake country for ducks, waterfowl and shorebirds. While the Arrowhead region does not get the attention of the prairie pothole region, its habitat for waterfowl is nonetheless extremely important, especially the

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

shallow bays of larger lakes, which have characteristics similar to shallow lakes. In addition, the forested shoreline in the Arrowhead region is very important to cavity nesting ducks such as wood ducks, hooded mergansers and goldeneyes.

Wildlife: The shoreline and forests of the properties targeted for protection in this project have a host of scientifically-documented benefits for non-game wildlife, including several species of greatest conservation need as found in the DNR's Comprehensive Wildlife Conservation Strategy. These include fish such as the coaster brook trout, reptiles such as the wood turtle, songbirds such as the black-throated blue warbler, raptors such as the peregrine falcon, and mammals such as the Canada lynx.

These fish, game and wildlife species exist because of the presence of high-quality habitat. Therefore, one of the most cost effective strategies the L-SOHC can employ to protect these scientifically-important features is to use high-leverage conservation easements which will permanently protect the important shoreline characteristics.

In addition, this project is enhancing the prior investments made in Aquatic Management Areas, Scientific and Natural Areas, State Parks or other protected properties, as several of these projects are adjacent to or in close proximity to these resources.

24. How do you set priorities? (Be sure to list the criteria you use and the weight you give each one.)

First, the Arrowhead region was prioritized by the Land Trust for the first phase of this project due to a variety of factors, the three most important of which were: 1) the high quality of existing habitat in need of protection; 2) the great number of interested landowners; and 3) the fact that this region has been underrepresented when it comes to many sources of conservation funding in the past.

Second, the Minnesota Land Trust has used (and will refine) existing data to select which geographies and watersheds (sites) are the most important for our protection strategies in the Arrowhead region—and where are the gaps in protection the Land Trust can help fill. These include such data as the Minnesota County Biological Survey Data, the DNR priority trout streams and lakes data, and others.

Third, within these priority sites, the Land Trust will select priority parcels for protection using the following criteria, in this order of importance:

1. Habitat: quality and quantity of existing habitat on site
2. Context: proximity and relationship to other protected lands
3. Opportunity: cost-benefit ratio: which landowners will participate now
4. Other Benefits: meeting multiple objectives, including visual and physical access, forestry goals, water quality, etc.

C. Relationship to the *Minnesota Conservation and Preservation Plan* and Other Published Resource Management Plans

The Critical Shoreline Habitat Protection Program directly addresses several recommendations outlined in the *Minnesota Conservation and Preservation Plan* and other published conservation

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

and/or management plans as described above. Most directly, Minnesota Conservation and Preservation Plan's Recommendation H2 (pp 64-67) is titled "Protect critical shorelands of streams and lakes". It goes on to recommend "Increase private land protection" using a variety of tools including conservation easements and "target shallow wildlife lakes, natural environment lakes, shallow bays of deep lakes, cold-water/designated trout streams, shoreline associated with critical habitat of warm-water streams". In addition, Recommendation H6 includes "work with private landowners on protection and restoration", "restore natural features of lakeshore habitats – woody habitat, emergent and floating vegetation, and "address negative effects of docks and surface water use on sensitive shoreline habitats."

In summary, there is a direct relationship between this proposal and the State of Minnesota's goals and recommendations for conservation and preservation. As stated above, several of the project are adjacent to or in close proximity to the State Aquatic Management Areas, Scientific and Natural Areas, State Parks or other protected properties, thereby advancing the goals of those resources as well.

Critical Shoreline Habitat Protection Program

D. Budget

Budget Item	Fiscal Year 11	Fiscal Year 12	Fiscal Year 13
Personnel (including benefits)	60,000	60,000	
Contracts			
Equipment/Tools/Supplies			
Fee Acquisition			
Easement Acquisition	600,000	200,000	
Easement Stewardship	85,000	102,000	
Professional Services (Appraisers, title work, GIS, attorney, etc.)	44,000	45,000	
Travel	2,000	2,000	
Additional Budget Items			
TOTAL	791,000	409,000	

E. Personnel Details

Title	Name	Amount.
Northern Region Director	Fitz Fitzgerald	\$80,000
Staff Attorney	Gena Setzer	\$24,000
Director of Conservation		\$6,000
Support Staff		\$10,000

Critical Shoreline Habitat Protection Program

F. All Leverage

Source of Non-State Leverage	Fiscal Year 11	Fiscal Year 12	Fiscal Year 13
Landowner Donation*	2,500,000	3,500,000	
Land Trust Restricted and Operation Funds	40,000	70,000	
TOTAL	2,540,000	3,570,000	

*These are estimates only as no appraisals have been completed to date.

G. Outcomes:

Table 1 Accomplishments	Wetlands	Prairies	Forests	Habitats for Fish, Game and Wildlife
Restore				
Protect	Yet to be quantified		1,000 acres	50,000 feet of shoreline on 1,000 acres
Enhance				

Critical Shoreline Habitat Protection Program

Table 2 Sections Impacted and Impact Quantifier	Wetlands	Prairies	Forests	Habitats for Fish, Game and Wildlife
Restore				
Protect				Northern Forest: 50,000 feet of shoreline and 1,000 acres of forestland
Enhance	Northern Forest		Northern Forest	

Table 3 Recommend Fund Allocation	Wetlands	Prairies	Forests	Habitats for Fish, Game and Wildlife
Restore				
Protect				\$1,200,000*
Enhance				

*although there are additional conservation benefits, we will allocate all funds towards the primary benefit of shoreline habitat protection

Critical Shoreline Habitat Protection Program

Table 4 Leverage \$	Wetlands	Prairies	Forests	Habitats for Fish, Game and Wildlife
Restore				
Protect				\$6,110,000
Enhance				

Table 5 Acquisition Data	Wetlands	Prairies	Forests	Habitats for Fish, Game and Wildlife
Acquired in Fee with State PILT Liability				
Acquired in Fee without State PILT Liability				
Permanent Easement				More than 1,000 acres with 50,000 feet of shoreline

H. Accomplishment Time Table

Milestone	Date	Measure
Protect 10-12 Properties with Conservation Easement	June, 2012	completed transaction
Enforce Easements	Ongoing	effective stewardship

I. Relationship to Your Current Budget

Without this funding, the Land Trust does not anticipate including this program in the Arrowhead region in future organizational budgets or annual plans.

The Minnesota Land Trust's current operating budget is approximately \$1,000,000 per year. This proposal anticipates an average of approximately of \$200,000 of operating expenses per year. The Land Trust's acquisition expenditures (capital) vary greatly year-to-year, but have averaged \$100,000--\$200,000 per year. This proposal anticipates an average of \$400,000 in easement acquisition expenses per year.

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program

J. How Will the Habitat Improvements Be Sustained?

The conservation easements will be monitored and enforced through its established and effective conservation easement stewardship program. This proposal anticipates funding for this long-term activity.

K. Attach a list of your projects listing their county location and edit the map of Minnesota on the next page to show each project as a symbol.

Please see list and map below.

Critical Shoreline Habitat Protection Program

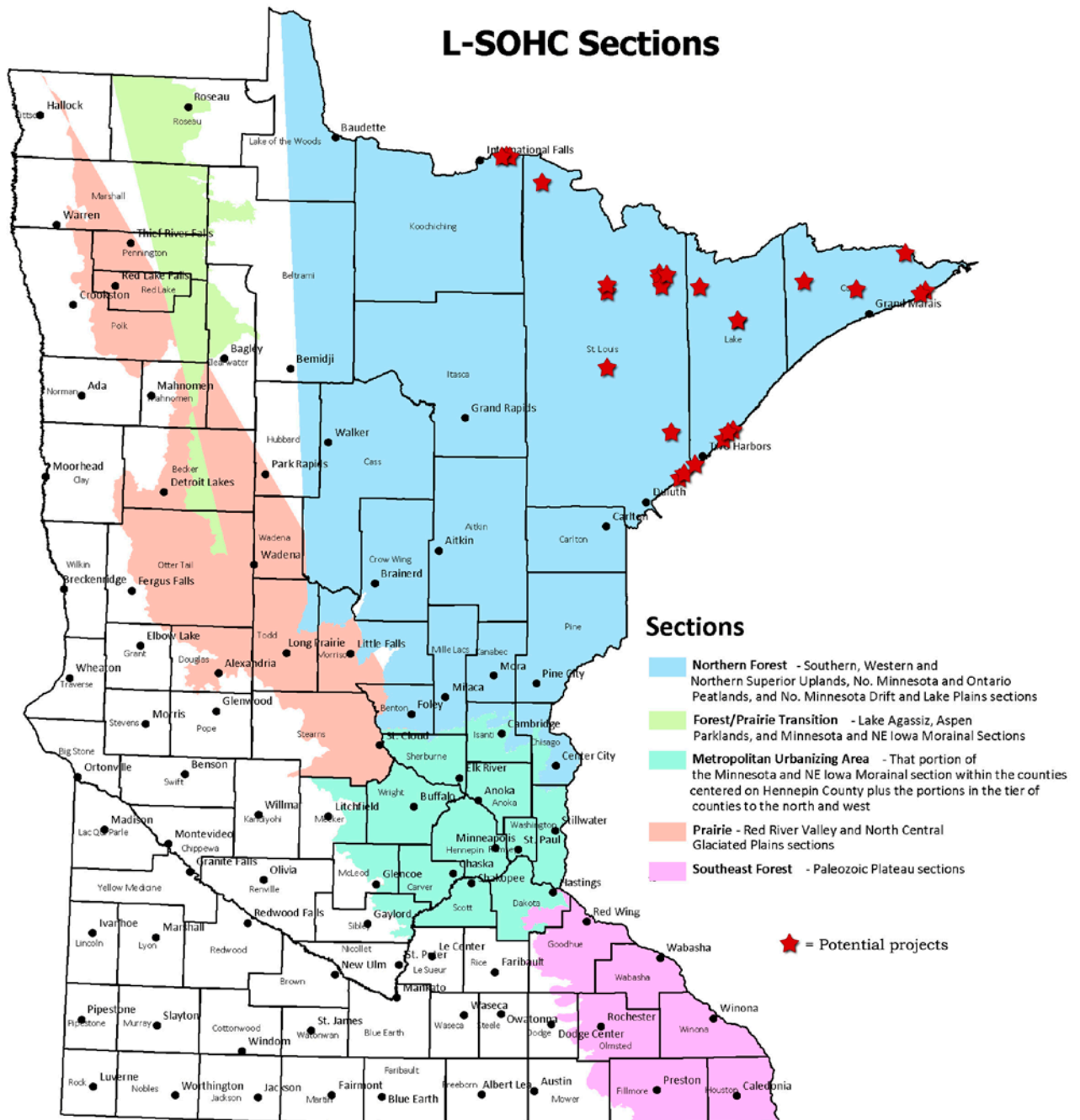
Potential Projects for the Minnesota Land Trust's Critical Shoreline Habitat Protection Program*

Potential Projects by Water Body	Combined Shoreline (in feet)	Combined Acreage	County
Burntside Lake/River—18 projects	20,969	324	St. Louis
Encampment River—1 project	4,000	90	Lake
Farquhar Creek—1 Project	6,165	686	Cook
French River—1 project	3,500	130	Lake
Irish Creek—1 project	3,000	200	Cook
Kemo Lake—1 project	700	16	Cook
Kiwishiwi River—1 project	4,500	140	Lake
Knife River—2 projects	4,000	147	Lake
Lake Superior—3 projects	3,000	114	Lake
Lake Vermilion—7 projects	19,226	857	St. Louis
McFarland Lake—1 project	1,100	55	Cook
Moosehorn Lake/Stevens Lake—1 project	3,650	226	Cook
Petrel Creek—1 project	2,000	40	St. Louis
Rainy Lake—3 projects	4,000	51	Koochiching
St. Louis/Embarrass River—1 project	12,900	294	St. Louis
Stewart River—1 project	1,500	35	Lake
Stony River—1 project	12,700	1,200	Lake

*Please note that these are estimates of shoreline and acreage. Also, the Land Trust will continue to evaluate other opportunities for projects throughout the project

L-SOHC Request for Funding Form

Critical Shoreline Habitat Protection Program



L-SOHC Request for Funding Form