

Main Request for Funding Form

**Lessard-Sams Outdoor Heritage Council
Fiscal Year 2013**

Program or Project Title: Minnesota Forests for the Future Phase 4

Funds Requested: \$ 7,500,000

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County Location: St. Louis, Morrison

Ecological Planning Regions:

- Northern Forest Forest/Prairie Transition Southeast Forest
 Prairie Metro/Urban

Activity Type:

- Protect - Fee Protect - Easement Protect - Other

 Restore Enhance

Priority Resources addressed by activity:

- Wetlands Forests Prairie Habitat

Project Abstract

The project will protect the 29,639 acre Ash River property and the 1,443 acre Lake Alexander property with working forest easements and provide conifer/hardwood forest habitat, public recreational access and sustainable forestry.

Project Narrative

Design and scope of work

Forest land ownerships changes within recent years, primarily within the industrial forest ownerships, are occurring as the timber industry restructures and looks to obtain value from their land through real estate sales and recreational leases. These sales can result in forest fragmentation or even outright conversion of forest lands, impact public recreational access including recreational trail routes, affect forest management access by public agencies across the impacted lands, degrade wildlife habitat, and decrease the use of sustainable forestry practices.

The Minnesota Forests for the Future (Forest Legacy) Program has protected over 330,000 acres of working forests since 2000 at an average cost of \$250/acre. The program focuses on projects across the state (but primarily in Northcentral, Northeast, and Southeast) that provide multiple public benefits including environmental/habitat benefits, recreational benefits and economic benefits.

The current proposal includes 2 project opportunities that would permanently protect over 31,000 acres of forest, shoreline, and wetlands as further described below:

Project, Location, Owner	Acres	Habitat	Access/Recreation Threat
Ash River St. Louis County Industrial (FCP)	29,639	Upland conifer and deciduous forests, wetlands, streams, lakes and ponds. Intermingled with state, county, and federal forests; adjacent to Voyageur's NP and Superior NF. Within Kabetogama State Forest. Contains several occurrences of State Threatened Tiger Beetles.	Public access for hunting, fishing, etc and contains portions of a state trail (Arrowhead State Trail); over 30 miles of streams, numerous small lakes, excellent public hunting opportunities for grouse, deer, bear. Owners have an active real estate program that has sold numerous parcels in recent years.
Lake Alexander Morrison County; Family forest ownership	1,443	Upland deciduous (oak forests), lakes and wetlands; Identified as a regionally significant ecological area. Rare	No public access. Property is owned by group of owners who are facing uncertainty related to future of the property. Similar properties

		species includes red-shouldered hawks; Over 7 miles of shoreline including 8 small lakes. Adjoins SNA, TNC preserve; Would expand area of protected habitat to over 4,500 acres.	have been developed into subdivisions within 2 miles of area.
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Planning

This project proposal is consistent with the following plans:

- The Minnesota Conservation and Preservation Plan (p. 130) identifies the protection of large blocks of forest land as a priority. The Plan further recommends the sustainable management of working forest lands in order to protect the forests ability to provide economic, social and environmental benefits.
- Outdoor Heritage Fund- A 25- year framework (p.50): Forestlands should be universally accessible for forest management as well as protected from development and fragmentation. The projects are consistent with the following LSOHC section priorities for the Northern Forest Section.
 1. Protect shoreland and restore or enhance critical habitat on wild rice lakes, shallow lakes, cold water lakes, streams and rivers, and spawning areas.
 2. Protect forestland through acquisition or easement to prevent parcelization and fragmentation and to provide the ability to access and manage landlocked public properties.
- The Minnesota Forests for the Future Program – Strategic Report (P. 27 recommendation 5) recommends the protection of large blocks of forest land in northern Minnesota as the highest priority and calls for over 500,000 acres of forest land protection over the next 25 years.
- The Campaign for Conservation Fifty-Year vision (Executive Summary P. 8) identifies the protection of large blocks of contiguous forest as a conservation goal.
- Tomorrow’s Habitat for the Wild and Rare identifies areas of key habitats (upland conifer forests, shrub woodlands, and non-forest wetlands) within these project areas that would benefit from protection.
(http://files.dnr.state.mn.us/assistance/nrplanning/bigpicture/cwcs/profiles/pine_moraine_outwash_plains.pdf).

The Minnesota Forests for the Future Program has developed a Geographic Information System-based decision support tool to identify and prioritize parcels critical for protecting large blocks of forest land from parcelization, conversion, and fragmentation. This statewide analysis uses recreational, economic, and ecological data to provide indices of priority forest lands and help guide our project selection process.

Stakeholders involved in the process and supportive of the program and the projects include members of the Minnesota Forests for the Future Advisory Committee (local units of government, user groups, non-governmental organizations, timber industry) as well as the Forest Legacy Partnership.

Relationship to Other Constitutional Funds

Not applicable.

Relationship to Current Organizational Budget

This grant will accelerate our acquisition of working forest conservation easements. Additional funds have been requested from both capital bonding and the federal forest legacy program. This program funding will be supplemental to traditional funding sources, and is of reasonable size given the scale of DNR's recent fiscal year expenditures. Though Outdoor Heritage Funds would be spread out over multiple years, below are approximate Fiscal Year 2009 expenditures (not including Bonding) as an example of what DNR spends in a given year:

Expenditures in Fiscal Year 2010, not including Bonding funds

DNR total - \$456 million

Division of Forestry total - \$83.2 million

Sustainability and Maintenance

The Division of Forestry's Minnesota Forests for the Future (MFF) Program has had a stewardship plan in place for its working forest easements for many years. The plan incorporates requirements of the federal Forest Legacy Program and is consistent with many conservation easement stewardship standards developed by the Land Trust Alliance.

The MFF Program is staffed by the Statewide Forest Legacy Coordinator. The Forest Legacy Coordinator is responsible for all aspects of the program, including easement acquisitions, preparation of baseline property reports, easement administration, landowner contacts, monitoring, record keeping, and funding requests.

The Forest Legacy Coordinator prepares monitoring plans for all easements completed and undertakes annual monitoring visits to the property.

Funding to ensure that the outcomes will be sustained for this easement project is included in this request. Approximately \$100,000 is requested which will be deposited in a Department administered stewardship account to provide approximately \$3500 annually for monitoring and other stewardship costs ($\$100,000 \times .035\% = \3500 annually).

Outcomes

The outcomes of this investment will be measured in acres of private forestland permanently protected. Additionally, the protection of forestland through a perpetual conservation easement will provide:

1. Permanent protection from development and fragmentation;
2. An interconnected system of protected forests including connectivity with both state and county administered forestland;
3. Public access to forestland for hunting, hiking, and other outdoor recreational activities.

Activity Type Detail

Fee Acquisition Projects

Will local government approval be sought prior to acquisition?

Yes No, please explain x not applicable

If no, please explain here:

Is the land you plan to acquire free of any other permanent protection?

x Yes No, please explain not applicable

If no, please explain here:

Easement Acquisition Projects

Will the eased land be open for public use?

x Yes – the Ash River portion will be open for public use.

x No, the Lake Alexander project will not provide public access.

not applicable

If no, please explain here:

Will the conservation easement be permanent?

Yes No, please explain not applicable

If no, please explain here:

Restoration and Enhancement Projects

Is the activity on permanently protected land and/or public waters?

Yes No, please explain not applicable

If no, please explain here:

Does the activity take place on an Aquatic Management Area (AMA), Scientific and Natural Area (SNA), Wildlife Management Area (WMA), or State Forests?

Yes, which ones No, please explain not applicable

If so, please indicate which ones:

Past Outdoor Heritage Fund Appropriations Received for this program

ML 2009	ML 2010	ML 2011
\$18,000,000	\$18,000,000	\$5,409,000 proposed/recommended

Accomplishment Timeline

Activity	Milestone	Date
Project 1. Complete landowner negotiations, DNR approvals and appraisals.	Appraisal completed	January 2013
Project 1. Complete other due diligence including environmental review, stewardship plan, baseline report, and title work.	Due diligence completed	May 2013

Project 1. Complete transaction and close project.	Closing and recording.	June 2013
Project 2. Complete landowner negotiations, DNR approvals and appraisals.	Appraisal completed	February 2013
Project 2. Complete other due diligence including environmental review, stewardship plan, baseline report, and title work.	Due diligence completed	May 2013
Project 2. Complete transaction and close project.	Closing and recording.	June 2013

Attachments:

- A. Budget
- B. Proposed Output Tables 1-5
- C. Parcel List

Attachment A. Budget Spreadsheet

Name of Proposal:	Minnesota Forests for the Future Phase 4
Date:	29-Jun-11

[Link HERE to definitions of the budget items below.](#)

Total Amount of Request \$ 7,500,000 *From page 1 on the funding form.*

Personnel

Position breakdown here	FTE	Over # of years	Anticipated Cash		Cash Leverage Source	Total
			LSOHC Request	Leverage		
<i>Forest Legacy Coordinator</i>	0.5	2	\$ 90,000	\$ 10,000	<i>Federal Grant</i>	\$ 100,000
<i>Admin Asst</i>						\$ -
<i>position 3</i>						\$ -
<i>position 4</i>						\$ -
<i>position 5</i>						\$ -
<i>position 6</i>						\$ -
<i>position 7</i>						\$ -
Total	0.5		\$ 90,000	\$ 10,000	\$ -	\$ 100,000

Budget and Cash Leverage *(All your LSOHC Request Funds must be direct to and necessary for program outcomes.)*

Please describe how you intend to spend the requested funds.

Budget Item	Anticipated Cash		Cash Leverage Source	Total
	LSOHC Request	Leverage		
Personnel - auto entered from above	\$ 90,000	\$ 10,000	\$ -	\$ 100,000
Contracts	\$ 10,000			\$ 10,000
Fee Acquisition w/ PILT (breakout in table 7)				\$ -
Fee Acquisition w/o PILT (breakout in table 7)				\$ -
Easement Acquisition	\$ 7,242,500			\$ 7,242,500
Easement Stewardship	\$ 100,000			\$ 100,000
Travel (in-state)	\$ 5,000			\$ 5,000
Professional Services	\$ 50,000			\$ 50,000
Direct Support Services	\$ 2,500			\$ 2,500
DNR Land Acquisition Costs (\$3,500 per acquisition)				\$ -
Other				\$ -
Capital Equipment (<i>auto entered from below</i>)	\$ -	\$ -		\$ -
Other Equipment/Tools				\$ -
Supplies/Materials				\$ -
	\$ 7,500,000	\$ 10,000	\$ -	\$ 7,510,000

Capital Equipment *(single items over \$10,000 - auto entered into table above)*

Item Name	LSOHC Request	Leverage
<i>item 1 enter here</i>		
<i>item 2 enter here</i>		
<i>item 3 enter here</i>		
<i>item 4 enter here</i>		
<i>item 5 enter here</i>		
<i>item 6 enter here</i>		
<i>item 7 enter here</i>		
<i>item 8 enter here</i>		
Total	-	-

Attachment B. Output Tables

Name of Proposal:	Minnesota Forests for the Future Phase 4
Date:	29-Jun-11

Table 1 and Table 3 column totals should be the same AND Table 2 and Table 4 column totals should be the same

If your project has lakes or shoreline miles instead of land acres, convert miles to acres for Tables 1 and 3 using the following conversion:

Lakeshore = 6 acres per lakeshore mile / Stream & River Shore = 12 acres per linear mile, if both sides

Table 1. Acres by Resource Type

Describe the scope of the project in acres (use conversion above if needed)

	Wetlands	Prairies	Forest	Habitats	Total
Restore			31,082		31082
Protect Fee					0
Protect Easement					0
Protect Other					0
Enhance					0
Total	0	0	31082	0	

Total Acres (sum of Total column)
Total Acres (sum of Total row)

31082
31082 *These two cells should be the same figure.*

Table 2. Total Requested Funding by Resource Type

	Wetlands	Prairies	Forest	Habitats	Total
Restore					\$ -
Protect Fee					\$ -
Protect Easement			\$ 7,500,000		\$ 7,500,000
Protect Other					\$ -
Enhance					\$ -
Total	\$ -	\$ -	\$ 7,500,000	\$ -	

Total Dollars (sum of Total column)
Total Dollars (sum of Total row)
Check to make sure this amount is the same as the Funding Request Amount on page 1 of Main Funding Form.

\$ 7,500,000
\$ 7,500,000 *These two cells should be the same figure.*

Table 3. Acres within each Ecological Section

	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore						0
Protect Fee						0
Protect Easement					31,082	31082
Protect Other						0
Enhance						0
Total	0	0	0	0	31082	

Total Acres (sum of Total column)
Total Acres (sum of Total row)
Total Acres from Table 1.

31082
31082
31082 *These three cells should be the same figure.*

Attachment B. Output Tables

Table 4. Total Requested Funding within each Ecological Section

	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore						\$ -
Protect Fee						\$ -
Protect Easement					\$ 7,500,000	\$ 7,500,000
Protect Other						\$ -
Enhance						\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000	

Total Dollars (sum of Total column) \$ 7,500,000 *These two cells should be the same figure.*
 Total Dollars (sum of Total row) \$ 7,500,000
 Check to make sure these amounts are the same as the Funding Request Amount on page 1 of Main Funding Form.

Table 5. Target Lake/Stream/River Miles

miles of Lakes / Streams / Rivers Shoreline

Table 6. Acquisition by PILT Status (enter information in acres)

	Wetlands	Prairies	Forests	Habitats	Total
Acquired in Fee with State PILT Liability					0
Acquired in Fee w/o State PILT Liability					0
Permanent Easement <i>PILT Liability</i> <i>NO State</i>			31082		31082
	0	0	31082	0	

Table 7. Estimated Value of Land Acquisition by PILT Status (enter information in dollars)

	Wetlands	Prairies	Forests	Habitats	Total	
Acquired in Fee with State PILT Liability					\$ -	\$ -
Acquired in Fee w/o State PILT Liability					\$ -	\$ -
Permanent Easement <i>PILT Liability</i> <i>NO State</i>			\$ 7,242,500		\$ 7,242,500	\$ 7,242,500
	\$ -	\$ -	\$ 7,242,500	\$ -		

FYI: should match total in budget table that is auto entered below

Attachment C. Parcel List

Name of Proposal: Minnesota Forests for the Future Phase 4
Date: 29-Jun-11

County	Township (25-258)	Range (01-51)	Direction most parcels are 2 with the exception of some areas of Cook County which is 1	Section (01 thru 36)	TRDS	# of acres	Budgetary Estimate (includes administrative, restoration or other related costs and do not include matching money contributed or earned by the transaction)	Description	Activity PF=Protect Fee PE=Protect Easement PO=Protect Other R=Restore E=Enhance	If Easement, what is the easement cost as a % of the fee acquisition?	Any existing protection? (yes/no)	Open to hunting and fishing? (yes/no)
Parcel Name												
Ash River CE	St. Louis	67	19	2	Various	11815		Ash River CE	PE	TBD	No	Yes
	St. Louis	68	19	2	Various	5355		Ash River CE	PE	TBD	No	Yes
	St. Louis	66	20	2	Various	40		Ash River CE	PE	TBD	No	Yes
	St. Louis	67	20	2	Various	4715		Ash River CE	PE	TBD	No	Yes
	St. Louis	68	20	2	Various	6910		Ash River CE	PE	TBD	No	Yes
	St. Louis	68	21	2	Various	804		Ash River CE	PE	TBD	No	Yes
Ash River CE totals						29639	600000					
Lake Alexander CE	Morrison	131	31	2	3	616		Lake Alexander CE	PE	TBD	No	No
	Morrison	131	31	2	4	147		Lake Alexander CE	PE	TBD	No	No
	Morrison	132	31	2	33	400		Lake Alexander CE	PE	TBD	No	No
	Morrison	132	31	2	34	280		Lake Alexander CE	PE	TBD	No	No
Lake Alexander CE totals						1443	150000					

Information provided will be used to map project locations. Incomplete or inaccurate information will result in that parcel or program not being mapped.