Main Request for Funding Form

Lessard-Sams Outdoor Heritage Council
Fiscal Year 2013

Program or Project Title: Grand Marais Creek Outlet Restoration

Funds Requested: $ *2,764,000*

Manager's Name: Myron Jesme
Organization: Red Lake Watershed District
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Organization Web Site: www.redlakewatershed.org

County Location: **Polk**

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

Directly restore six miles of stream habitat, the hydrologic conditions needed to support 400 acres of habitat corridor, and effectively reconnect more than 20 miles of the Grand Marais Creek.

Project Narrative

Design and scope of work

Six miles of natural stream habitat on Grand Marais Creek, were bypassed with a legal drainage ditch in the early 1900s. This action resulted in the complete loss of six miles of riverine and riparian corridor habitat, and diminished opportunities for fish passage to and from Red River and Grand Marais Creek. The Red Lake Watershed District, Middle Snake Tamarac Rivers Watershed District, landowners, and local, state, and federal agencies have initiated a comprehensive watershed project and are now ready to restore the natural stream channel and water flow to these six miles of disconnected aquatic habitat. Preliminary engineering is complete, environmental review is complete, and most land acquisition is complete. This six mile restoration is one of the greatest opportunities to directly restore stream habitat in the Red River of the North basin.

This project will: 1) restore six miles of natural channel based on sound scientific principles of natural channel design, hydrology, and fluvial geomorphology, 2) restore a range of stream flows with a water control structure that will be operated to sustain aquatic habitat conditions in the channel and 400 acres of riparian corridor habitats, which were abandoned and mostly farmed for the past 50+ years.

The project will restore permanent and seasonal spawning and juvenile habitat to a variety of fish species, including northern pike and channel catfish. Additional project benefits include restoration of permanent and seasonal habitats for many aquatic and terrestrial plant and upland animal species that depend on healthy riparian corridor habitat (already acquired through RIM). The restored channel corridor will also provide a more functional, reliable connection between the Red River and more than 20 miles of upstream riverine and wetland habitats in Grand Marais Creek.

The watershed district initiates projects based on priority problems identified in the watershed district plan (://www.redlakewatershed.org/planupdate.). This project is part of a much larger scope of work in the entire Grand Marais Creek sub-watershed. The entire scope of work will result in reduced flood damages, enhancement of natural resources and improvement of water quality. This stream habitat restoration project will complete a comprehensive watershed-based approach to managing water and habitat in the Grand Marais Creek watershed that has included strategic storage of 5,400 ac-feet and almost 1,100 acres of wetland and grassland restoration. Throughout the sub-

watershed, targeted channel stabilization projects, buffer strip installation and erosion reduction projects at the outlet have been completed.

At the request of the LSOHC during the 2010 hearing process, the Red Lake Watershed District and their partners secured CWLF through the BWSR to stabilize the existing outlet channel corridor/legal drainage system. Therefore no LSOHC funding is being requested in this application for any clean water components of the Grand Marais Creek Restoration Project as previously submitted in 2010.

The project is the result of careful planning and engineering by an interdisciplinary project team of resource professionals and local landowners dedicated to reducing flood damages and enhancing natural resources in the Grand Marais Creek sub-watershed within Red River watershed.

Planning

Minnesota Statewide Conservation and Preservation Plan

Proposed projects are consistent with *"Habitat recommendation 6: protect and restore critical in-water habitats of lakes and streams*"

In particular, it is consistent with the recommendations on page 82: *"A priority for former prairie zones of Minnesota is to reverse the negative effects of stream channelization on in-stream habitats for fish and other aquatic organisms……"*

Lessard – Sams Outdoor Heritage Council Preliminary Goals and Objectives 25-Year Targets, Prairie Section, August 27, 2009

This planning document includes a table on page 11 that identifies stream habitat restoration and protection goals and objectives. This proposed project is consistent with this plan and will help achieve year one goals for channel restoration and riparian restoration.

Red Lake Watershed District Plan (2006)

This proposed restoration project is consistent natural resource enhancement and water quality goals and objectives outlined in the Red Lake Watershed District Plan.

Red River Basin Mediation Agreement (1998)

This habitat restoration project is consistent with the flood natural resource goals and objectives in the mediation agreement including:

1. *Manage streams for natural characteristics.*
2. *Enhance riparian and in-stream habitats.*
4. *Provide connected, integrated habitat including compatible adjacent land uses.*
6. *Provide recreational opportunities.*

Campaign for Conservation – Fifty Year Vision

This habitat restoration project is consistent with the recommended actions in the fifty year vision for the Red River Valley planning region as follows:

C. Lakes, Rivers, Wetlands and Groundwater

2. Return watercourses to semi-natural hydrology and morphology.

D. Fish and Wildlife

1. Develop incentives and regulations for enhanced protection of shoreline and stream restoration in both Minnesota and North Dakota.

4. Ensure that suitable habitat for species of concern is primary focus of land and water conservation efforts.

5. Expand private landowner stewardship incentive programs. Provide ongoing funding to entice landowners to idle (plant grass or trees) acres in sensitive wetland, riparian, and prairie areas.

6. Create habitat corridor connections for prairie chickens and other grassland species across the Red River Valley from the Agassiz Beach Ridges prairies in the east to the Sheyenne National Grasslands in the west. Corridors are needed to provide dispersal routes and prevent genetic isolation.

State AMA Acquisition Plan

This project is consistent with the following recommendations from the Red River Prairie Ecoregions needs section of the plan:

"The recreational demand on this area of the state will likely outpace the projected population change and additional public access to fishing lakes and streams is a priority. Permanent angling and management easements on streams, while maintaining private ownership, draw anglers to the area, bring additional dollars into the local economy, and provide the inroad to create permanent protection to shoreline habitat, which insures clean water for future generations. Additional lake and warmwater shoreline should still be acquired when extraordinary opportunities arise and County approval is obtained. There may be opportunities for Non-Government Organizations to acquire critical shoreline parcels in this area, to either be managed by them or turned over to the DNR as AMAs or other Outdoor Recreation Units."

Tomorrow's Habitat for the Wild and Rare- Minnesota's Comprehensive Wildlife Conservation Strategy

This project is consistent with the following goals and strategies:

Goal 1: Stabilize and increase SGCN populations

3. Nonforested wetlands and floodplain forests

c. manage habitats adjacent to wetlands and floodplain forests to enhance SGCN values

4. Stream habitats

a. maintain good water quality, hydrology, geomorphology, and connectivity in priority stream reaches

b. Maintain and enhance riparian areas along priority stream reaches

National Fish Habitat Action Plan

The proposed project is consistent with the goals and objectives of this plan.

- *Reverse declines in the quality and quantity of aquatic habitats to improve the overall health of fish and other aquatic organisms.*
- *Increase the quality and quantity of fish habitats that support a broad natural diversity of fish and other aquatic species.*

Minnesota Water Sustainability Framework

This proposed project is consistent with:

1) *The following Minnesota Sustainable Water Policy Principles*:
   - *Protect, maintain, and restore the biological, chemical, and physical health of the state's water resources*
   - *Provide resiliency to our ecosystems, our communities, and our economies*
   - *Encourage sustainable, conservation-minded land use practices*
   - *Preserve our water-rich heritage and ensure our future legacy as national and international water stewards*
   - *Provide for a lasting foundation to achieve and maintain sustainable water management.*

2) *Strategy E.1: Restore and protect critical aquatic ecosystems using a watershed approach.*

Relationship to Other Constitutional Funds

Similar to other stream, wetland and prairie restorations, this restoration project is primarily a habitat restoration project with incidental clean water benefits. Grand Marais Creek is listed as impaired water (303d list). The DNR, BWSR and MPCA have been members of the watershed based project team that helped develop this project. The watershed district has secured a Clean Water Legacy Grant through BWSR, which will address water quality issues in the project area. This project is in the final design phase with construction starting in the fall of 2011 and will be completed during the 2012 construction season. RIM has already been used to acquire most of the land needed for this channel stabilization/water quality project.

Relationship to Current Organizational Budget

The Red Lake Watershed District is a unit of local government, a political subdivision of the State. The Red Lake Watershed's 2011 General Fund budget is $178,900 and our 2011 Capital Project Budget is projected to be $1,080,500 which is approximately 39% of the OHF funding request. This grant will not affect the current budget and will not replace our customary or established patterns of funding as we budget for these types of projects on a yearly basis. In the last four years, the District has executed upwards of 6 million dollars of matching grants from various state agencies to administer and construct various flood damage reduction and natural resource enhancement projects throughout the Red Lake Watershed District.

Sustainability and Maintenance

The Red Lake Watershed District and the Grand Marais Creek Joint Powers Board, in cooperation with landowners, will be responsible for long term maintenance of this project. The watershed district has led the land acquisition, project development, and engineering of this project with full cooperation of a "Project Team" composed of landowners and representatives of local, state, and federal agencies. The Red Lake Watershed District initiated this project by action of their board under watershed district law (Minnesota Statutes 103D). Long term project maintenance and water management within the project's watershed is authorized through established Watershed District construction and maintenance funds. Maintenance of vegetation along the newly created stream corridor is provided as part of Reinvest in Minnesota (RIM) permanent easement contracts.

Outcomes

As result of investing Outdoor Heritage Funds toward completion of the Restoration of the Grand Marais Creek, the following outcomes will likely result:

Short-term & Intermediate Outcomes

- Restoration of 6 miles of functional natural stream channel habitat for a variety of fish and aquatic species.
- Restoration of the connection between more than 20 miles of stream habitat and the Red River of the North.
- Restore needed hydrologic conditions to convert 400 acres of agricultural land to a functional mixed prairie floodplain forest including riparian wetlands.
- Completion of a comprehensive project that has used a locally driven, watershed-based approach and multiple private and public funding sources to restore fish and wildlife habitat, reduce peak runoff, and improve water quality.

Long-term Outcomes and End Results

- Sustainable restoration of 6 miles of stream habitat that will provide and connect seasonal fish spawning and nursery habitat that will increase the resiliency of the Red River of the North ecosystem.
- Sustainable restoration of 400 acres of floodplain forest and grasslands that will provide upland corridor habitat and wetland habitat in the prairie ecoregion.
- Effective implementation of a comprehensive locally driven, watershed-based project that successfully used multiple private and public funding sources to restore fish and wildlife habitat, reduce peak runoff, and improve water quality.

Activity Type Detail

Fee Acquisition Projects

Will local government approval be sought prior to acquisition?

☐ Yes ☐ No, please explain ☒ not applicable

Land acquisition has been negotiated with landowners and was substantially completed in 2010 and will continue in 2011.

If no, please explain here:

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

☐ Yes ☐ No, please explain ☒ not applicable

If no, please explain here:

Easement Acquisition Projects

Will the eased land be open for public use?

☐ Yes ☒ No, please explain ☐ not applicable

If no, please explain here: The lands already acquired through RIM easements are maintained in private ownership and public use is dependent upon the landowner. The restored Grand Marais Creek channel flowing through the easement area is designated as a public waters water course and open for public use according to State law.

Will the conservation easement be permanent?

☒ Yes ☐ No, please explain ☐ not applicable

The 400 acres of acquired RIM easements are perpetual as well as the pending flowage easement.

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

The channel restoration occurs on Grand Marais Creek, which is a public waters water course and parts of the 400 acres of land adjacent to the stream channel is privately owned and will be under perpetual easements.

If so, please indicate which ones:

Past Outdoor Heritage Fund Appropriations Received for this program

ML 2009	ML 2010	ML 2011
$0	$0	$0

Accomplishment Timeline

Activity	Milestone	Date
Conduct Public Meetings		Completed
Prelim. Engineering Report		Completed
Environmental Assessment		Completed
Land Acquisition (RIM)		Fall 2011
Detailed Engineering/Design	Design completed	Winter 2012
Final Hearing	Conducted	March 2012
Environmental Permits	Permits acquired	March 2012
Plans and Specifications	Plans and specs finalized	April 2012
Construction Contracting	Const. contract signed	June 2012
Project Construction	Initialize construction	July 2012
	Channel restoration	Fall 2012
	Diversion structure	Fall 2012
	Channel stabilization	Fall 2012
	Final construction activities	Summer 2013

Attachments:

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

Attachment A. Budget Spreadsheet

Name of Proposal:	Grand Marais Creek Outlet Restoration
Date:	7/8/2011

Link HERE to definitions of the budget items below.

Total Amount of Request $ 2,764,000 *From page 1 on the funding form.*

Personnel

Position breakdown here	FTE	Over # of years	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
NA						$ -
NA						$ -
position 3						$ -
position 4						$ -
position 5						$ -
position 6						$ -
position 7						$ -
Total	0		$ -	$ -	$ -	$ -

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	LSOHC Request	Anticipated Cash Leverage	Cash Leverage Source	Total
Personnel - *auto entered from above*	$ -	$ -	$ -	$ -
Contracts	*$ 2,624,000*	*$ 1,146,000*	*Local Taxes, FDR*	$ 3,770,000
Fee Acquisition w/ PILT *(breakout in table 7)*				$ -
Fee Acquisition w/o PILT *(breakout in table 7)*				$ -
Easement Acquisition		*$ 800,000*	*RIM, Local Taxes*	$ 800,000
Easement Stewardship				$ -
Travel (in-state)				$ -
Professional Services	*$ 140,000*	*$ 660,000*	*Local Taxes, FDR*	$ 800,000
Direct Support Services				$ -
DNR Land Acquisition Costs ($3,500 per acquisition)				$ -
Other				$ -
Capital Equipment (*auto entered from below*)	*$ -*	*$ -*		$ -
Other Equipment/Tools				$ -
Supplies/Materials				$ -
	$ 2,764,000	$ 2,606,000	$ -	$ 5,370,000

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

Item Name	LSOHC Request	Leverage
NA		
Item 2 enter here		
Item 3 enter here		
Item 4 enter here		
Item 5 enter here		
Item 6 enter here		
Item 7 enter here		
Item 8 enter here		
Total	-	-

Attachment B. Output Tables

Name of Proposal:	Grand Marais Creek Outlet Restoration
Date:	7/8/2011

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	*40*	*114*	*92*	*119*	365
Protect Fee					0
Protect Easement					0
Protect Other					0
Enhance	*35*				35
Total	75	114	92	119	

Total Acres (sum of Total column)	400	*These two cells should be the same figure.*
Total Acres (sum of Total row)	400	

Table 2. Total Requested Funding by Resource Type

	Wetlands	Prairies	Forest	Habitats	Total
Restore	*$ 32,000*	*$ 72,000*	*$ 57,000*	*$ 2,571,000*	$ 2,732,000
Protect Fee					$ -
Protect Easement					$ -
Protect Other					$ -
Enhance	*$ 32,000*				$ 32,000
Total	$ 64,000	$ 72,000	$ 57,000	$ 2,571,000	

Total Dollars (sum of Total column)	$ 2,764,000	*These two cells should be the same figure.*
Total Dollars (sum of Total row)	$ 2,764,000	

Check to make sure this amount is the same as the Funding Request Amount on page 1 of Main Funding Form.

Table 3. Acres within each Ecological Section

	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore				*365*		365
Protect Fee						0
Protect Easement						0
Protect Other						0
Enhance				*35*		35
Total	0	0	0	400	0	

Total Acres (sum of Total column)	400	*These three cells should be the same figure.*
Total Acres (sum of Total row)	400	
Total Acres from Table 1.	400	

Attachment B. Output Tables

Table 4. Total Requested Funding within each Ecological Section

	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest	Total
Restore				$ 2,732,000		$ 2,732,000
Protect Fee						$ -
Protect Easement						$ -
Protect Other						$ -
Enhance				$ 32,000		$ 32,000
Total	$ -	$ -	$ -	$ 2,764,000	$ -	

Total Dollars (sum of Total column)	$ 2,764,000	*These two cells should be the same figure.*
Total Dollars (sum of Total row)	$ 2,764,000	

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

6	# 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 ***NO State PILT Liability***	75	114	92	119	400
	75	114	92	119	

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

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

	Wetlands	Prairies	Forests	Habitats	Total	
Acquired in Fee with State PILT Liability					$ -	$ -
Acquired in Fee w/o State PILT Liability					$ -	$ -
Permanent Easement ***NO State PILT Liability***	$ 64,000	$ 72,000	$ 57,000	$ 2,571,000	$ 2,764,000	$ -
	$ 64,000	$ 72,000	$ 57,000	$ 2,571,000		

Attachment C. Parcel List

Name of Proposal: Grand Marais Creek Outlet Restoration
Date: 7/8/2011

Parcel Name	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)
Gulbranson	*Polk*	*153*	*50*	*NW1/4*	*15*		*5*	*$4,000*	*Prairie*	*R/PE*	*100%*	*No*	*No*
Gulbranson	*Polk*	*153*	*50*	*SW1/4*	*15*		*5*	*$4,000*	*Prairie*	*R/PE*	*100%*	*No*	*No*
Nelson	*Polk*	*153*	*50*	*NE1/4*	*15*		*5*	*$4,000*	*Prairie*	*R/PE*	*100%*	*No*	*No*
Gulbranson	*Polk*	*153*	*50*	*NE1/4*	*22*		*30*	*$24,000*	*Wetland*	*R/PE*	*100%*	*No*	*No*
Gulbranson	*Polk*	*153*	*50*	*NE1/4*	*22*		*40*	*$31,000*	*Prairie*	*R/PE*	*100%*	*No*	*No*
Mack	*Polk*	*153*	*50*	*SE1/4*	*22*		*110*	*$80,000*	*Forested*	*R/PE*	*100%*	*No*	*No*
Mack	*Polk*	*153*	*50*	*SE1/4*	*22*		*15*	*$45,000*	*Wetland*	*R/E/PE*	*100%*	*No*	*No*
Loeck	*Polk*	*153*	*50*	*SW1/4*	*23*		*32*	*$24,000*	*Prairie*	*R/PE*	*100%*	*No*	*No*
Loeck	*Polk*	*153*	*50*	*SW1/4*	*23*		*60*	*$45,000*	*Wetland*	*R/E/PE*	*100%*	*No*	*No*
Nelson	*Polk*	*153*	*50*	*SW1/4*	*23*		*20*	*$16,000*	*Wetland*	*R/E/PE*	*100%*	*No*	*No*
Millette	*Polk*	*153*	*50*	*SE1/4*	*23*		*14*	*$10,500*	*Wetland*	*R/E/PE*	*100%*	*No*	*No*
Pape	*Polk*	*153*	*50*	*SE1/4*	*23*		*22*	*$17,500*	*Wetland*	*R/E/PE*	*100%*	*No*	*No*
Thompson	*Polk*	*153*	*50*	*SE1/4*	*23*		*31*	*$24,000*	*Wetland*	*R/E/PE*	100%	*No*	*No*
Anderson	Polk	153	50	NE1/4	26		8	$6,000	Wetland	*R/E/PE*	100%	No	No
Grand Marais Channel	Polk	153	50	NE1/4			6 miles	$2,429,000	Habitat for Fish, Game, Wildlife	R/PE	100%	No	No