

Lessard-Sams Outdoor Heritage Council

AGENDA ITEM MEMO:

Agenda Item # 9

DATE: November 14, 2013

SUBJECT: Request to use ML 2012, Ch. 137, Art. 1, Sec. 2, Subd. 6d High Priority Pre-Transaction Service Acceleration for LSOHC

PRESENTING: Bill Becker

Background: The Department of Natural Resources has submitted a draft accomplishment plan for HA-03 Vermillion River WMA that describes in greater detail the process to acquire land in Dakota County.

The Council voted on Sept. 20, 2013 to recommend \$4.25 million to the Department of Natural Resources for the acquisition of parcels to be included in the Vermillion WMA. This acquisition of 425 acres of property is currently owned by Cemstone and the Brockman family. The Conservation Fund, on behalf of the DNR, had contracted for an appraisal for the two parcels; that appraisal is currently going through a technical review. The appraisal did not quantify the gravel present on the property. In addition, estimates are the total transaction will exceed a value of \$10 million, thus necessitating a second appraisal per Attachment E.

The Department of Natural Resources has requested an amendment to the ML 2012, Ch. 137, Art. 1, Sec. 2, Subd. 6d High Priority Pre-Transaction Service Acceleration for LSOHC accomplishment plan to utilize \$50,000 on a second appraisal for the Vermillion property. That appropriation allows for the commissioner of DNR to "provide land acquisition pre-transaction services including, but not limited to, appraisals, surveys, or title research for acquisition proposals under consideration" by the LSOHC.

The appraisal will include a minerals evaluation, contingent on agreement of the current landowners, to determine the value of the gravel present on the property to be acquired. This request will exhaust the funds under this appropriation. Should the council desire, an additional appropriation to fund high-priority pre-transaction services could be recommended in this year's draft bill.

Suggested Motion: Motion placed before the council to approve the DNR's request that the council authorize the use of funds appropriated under ML 2012, Ch. 137, Art. 1, Sec. 2, Subd. 6d High Priority Pre-Transaction Service Acceleration for LSOHC for an appraisal for the Vermillion River WMA acquisition.

Suggested Procedure: The council will hear testimony from the Department of Natural Resource staff regarding this request. The council hears motions and discussions and votes on any motion put forth.

Lessard-Sams Outdoor Heritage Council Laws of Minnesota 2013 Accomplishment Plan

Date: November 05, 2013

Program or Project Title: High-Priority Pre-Transaction Service Acceleration

Funds Recommended: \$ 50,000

Manager's Name: Susan E. Damon

Title: Acting Transactions Manager, Division of Lands and Minerals

Organization: MN DNR

Street Address: 500 Lafayette Road

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Organization Web Site: <http://www.dnr.state.mn.us>

Legislative Citation: ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 6(d)

Appropriation Language: \$50,000 in the first year is to the commissioner of natural resources to provide land acquisition pre-transaction services including, but not limited to, appraisals, surveys, or title research for acquisition proposals under consideration by the Lessard-Sams Outdoor Heritage Council. A list of activities must be included in the final accomplishment plan.

County Locations: Dakota

Ecological Planning Regions:

- Metro / Urban

Activity Type:

- Protect in Fee
- Pre-transaction services

Priority Resources Addressed by Activity:

- Habitat

Abstract:

Funding for the commissioner of natural resources to perform or contract for pre-transaction services relating to land acquisition proposals submitted to the Lessard-Sams Outdoor Heritage Council upon the Council's request, including, but not limited to, appraisals, surveys or title research.

Design and Scope of Work:

This project provides a source of funding for the commissioner of natural resources to perform or contract for pre-transaction services upon request by the Lessard-Sams Outdoor Heritage Council. Services will relate to high-priority individual land acquisition proposals submitted to the Council. These may be either DNR proposals or proposals submitted by other entities. Project funds will not be expended unless specifically requested by the Council.

Project funds are for the purpose of providing information that will aid the Council in its evaluation of pending land

acquisition proposals or provide the Council with information needed before money is appropriated from Outdoor Heritage Fund for acquisition of the lands. For example, if the Council determines that it needs independent appraisal information to evaluate the merits of a land acquisition proposal or to recommend the appropriate amount of funding for the acquisition, it will ask the commissioner to cause the lands to be appraised. The commissioner, acting as agent for the Council, will then use project funds to contract with a qualified independent appraiser to conduct an appraisal to determine the market value of the lands. The commissioner will also use project funds to contract for a technical or administrative review of the appraisal. DNR contract administration costs and other expenses associated with performance of work at the Council's request will also be covered by project funds. Other examples of pre-transaction services that may be performed with project funds upon the Council's request are surveys, reviews of legal descriptions or title research.

This Accomplishment Plan will be amended whenever the Council submits a request to the commissioner to perform services under the project. The amendments will include detailed information about the nature and scope of the work to be performed at the Council's request as well as an accomplishment timeline and outcomes.

November 14, 2013 Amendment Request: An amendment is requested for high-priority pre-transaction services relating to the LSOHC Vermillion River WMA Acquisition project proposal submitted on October 24, 2013. Funds from this appropriation would be used for a gravel evaluation, a second appraisal and associated DNR staff costs.

Planning:

MN State-wide Conservation Plan Priorities:

- No State-wide Conservation Plans Listed

Plans Addressed:

- To be determined

LSOHC Statewide Priorities:

- No Statewide Priorities Listed

LSOHC Metro Urban Section Priorities:

- No Metro Urban Priorities Listed

Relationship to Other Constitutional Funds:

- No Relationships Listed

Accelerates or Supplements Current Efforts:

This project will supplement current land protection efforts funded through the Outdoor Heritage Fund by enabling the Council to obtain supplemental information to aid in its evaluation of high-priority land acquisition proposals and recommendations for funding.

Sustainability and Maintenance:

No Sustainability or Maintenance Methods Listed

Other Activity:

Pre-transaction services

To be determined

Accomplishment Timeline

Activity	Approximate Date Completed
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Outcomes

Programs in metropolitan urbanizing region:

- To be determined

Budget Spreadsheet

Budget reallocations up to 10% do not require an amendment to the Accomplishment Plan

Total Amount of Request: \$ 0

Budget and Cash Leverage

Budget Name	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Personnel	\$0	\$0		\$0
Contracts	\$0	\$0		\$0
Fee Acquisition w/ PILT	\$0	\$0		\$0
Fee Acquisition w/o PILT	\$0	\$0		\$0
Easement Acquisition	\$0	\$0		\$0
Easement Stewardship	\$0	\$0		\$0
Travel	\$0	\$0		\$0
Professional Services	\$45,700	\$0		\$45,700
Direct Support Services	\$4,300	\$0		\$4,300
DNR Land Acquisition Costs	\$0	\$0		\$0
Capital Equipment	\$0	\$0		\$0
Other Equipment/Tools	\$0	\$0		\$0
Supplies/Materials	\$0	\$0		\$0
DNR IDP	\$0	\$0		\$0
Total	\$50,000	\$0		\$50,000

Output Tables

Table 1. Acres by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	0	0	0	0	0
Protect in Fee with State PILT Liability	0	0	0	0	0
Protect in Fee W/O State PILT Liability	0	0	0	0	0
Protect in Easement	0	0	0	0	0
Enhance	0	0	0	0	0
Total	0	0	0	0	0

Table 2. Total Requested Funding by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$50,000	\$50,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$50,000	\$50,000

Table 3. Acres within each Ecological Section

Type	Metro Urban	Forest Prairie	SE Forest	Prairie	N Forest	Total
Restore	0	0	0	0	0	0
Protect in Fee with State PILT Liability	0	0	0	0	0	0
Protect in Fee W/O State PILT Liability	0	0	0	0	0	0
Protect in Easement	0	0	0	0	0	0
Enhance	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4. Total Requested Funding within each Ecological Section

Type	Metro Urban	Forest Prairie	SE Forest	Prairie	N Forest	Total
Restore	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$50,000	\$0	\$0	\$0	\$0	\$50,000

Table 5. Target Lake/Stream/River Miles

0 miles

Parcel List

For restoration and enhancement programs ONLY: Managers may add, delete, and substitute projects on this parcel list based upon need, readiness, cost, opportunity, and/or urgency so long as the substitute parcel/project forwards the constitutional objectives of this program in the Project Scope table of this accomplishment plan. The final accomplishment plan report will include the final parcel list.

Section 1 - Restore / Enhance Parcel List

No parcels with an activity type restore or enhance.

Section 2 - Protect Parcel List

No parcels with an activity type protect.

Section 2a - Protect Parcel with Bldgs

Dakota

Name	TRDS	Acres	Est Cost	# Bldgs?	Bldg Improve Desc	Value of Bldg	Disposition of Improvements
Vermillion River WMA	<u>11419224</u>	<u>425</u>	<u>\$50,000</u>	<u>10</u>	House and farm buildings	<u>\$268,100</u>	<u>Remove</u>

Section 3 - Other Parcel Activity

No parcels with an other activity type.