

## Lessard-Sams Outdoor Heritage Council

**MEMO:** Agenda Item #10

**DATE:** March 11, 2016

**SUBJECT:** Legislative Extension of Appropriation Availability  
ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 5(b) Dakota County Habitat  
Protection/Restoration, Phase IV

**PRESENTER:** Lisa West, Sr. Project Manager, Dakota County Environmental Resources Department

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### **Suggested Motion:**

Motion to approve/deny the legislative extension of time as presented for consideration before the 2016 legislature.

### **Background:**

Dakota County is requesting a 2-year legislative availability extension for their ML 2013 appropriation to June 30, 2018. The ML 2013 appropriation for fee and easement acquisition expires on June 30, 2016 and they anticipate more time is needed. They have been working on several acquisitions of major significance that have not been successful. Dakota County has included an explanation of program activity.

History of past Dakota County easement acquisition program appropriations:

<b>Year</b>	<b>Appropriation</b>	<b>Spent</b>	<b>Turned Back</b>	<b>%</b>
ML 2009	\$1,000,000	\$709,100	\$290,900	29%
ML 2010	\$2,097,000	\$1,777,900	\$319,100	15%

In addition, Dakota County has the following open appropriations:

<b>Year</b>	<b>Appropriation</b>	<b>Spent to Date</b>
ML 2012	\$480,000	\$225,300
ML 2013	\$4,100,000	\$132,600
ML 2014	\$1,190,000	\$6,800

If approved by the council, an amendment will be drafted by the Revisor of Statutes to be included with the Outdoor Heritage Fund bill presented at committee during the ML 2016 session.

### **Attachments:**

- A. Draft extension language
- B. Correspondence from Dakota County

## **Attachment A**

### Subd. X. Appropriations Carryforward; Fee Title Acquisition

The availability of the appropriation for the following project is extended to June 30, 2018 ~~June 30, 2016~~:

ML 2013, ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 5(b), Dakota County Habitat Protection/Restoration Phase IV

\$4,100,000 in the first year is to the commissioner of natural resources for an agreement with Dakota County to acquire, restore, and enhance lands in Dakota County for fish and wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to acquire permanent conservation easements and restore and enhance habitats in rivers and lake watersheds in Dakota County. Up to \$60,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

## Attachment B

**From:** West, Lisa [mailto:Lisa.West@CO.DAKOTA.MN.US]

**Sent:** Friday, March 04, 2016 3:09 PM

**To:** Sandy Smith <sandy.smith@lsohc.leg.mn>

**Subject:** RE: Dakota County Extension

Hello, Sandy –

In response to your request for additional information regarding Dakota County's request for a grant extension:

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Dakota County works on multiple acquisition projects each year. The Grannis easement acquisition project is especially challenging due to its complexity, valuation and negotiations. The property is unique and valuable in terms of its own natural amenities, adjacency to previously protected land, multiple ownership, and development potential which made appraising it exceptionally difficult. Comparable sales are virtually non-existent, requiring significant adjustments and past attempts to determine a value were questioned by both the County and the landowner. The most recent appraisal was the fourth report, and was cost-shared between the County and the landowners as a final attempt to determine a reasonable value. Not surprisingly, the property is very valuable with rising land values. Since the easement would prevent all residential development of very expensive lots, the appraised easement value was very close to the fee title value. Although the County and the landowner still questioned some of the analysis and conclusions, the appraisers took County and landowner comments into account and made adjustments based on their professional judgement. Both the County and landowners agreed that the appraisal provided a reasonable basis for the easement acquisition cost.

The landowners subsequently agreed to a selling price slightly below the appraised value. On March 2, 2016, County staff presented the project details and the proposed selling price to the County Board in a closed executive session. Board members were mixed in their level of support, but ultimately there was not majority support to proceed with the acquisition as currently proposed.

County staff has been working with the Grannis family for more than eight years on this project. It has evolved repeatedly since the initial application submitted to the County's land protection program. Subsequently, a variety of project alterations and priority shifts, initiated by the landowner, have delayed this project to the point where County staff has been unable to close this project to date.

The Grannis project is not the only project that has not evolved as anticipated. Other land protection projects have not come to fruition, resulting in unspent grant funds that were earmarked for specific projects. At the same time the County has not proceeded with other projects based on the anticipated expenditures on the Grannis project. Staff works hard with willing landowners, but not every project moves forward to closing. Disagreements on value,

stewardship and maintenance obligations, changes in ownership during the acquisition process, and a variety of unforeseen hurdles often derail projects that are very promising on the front-end. The land and conservation easement acquisition process can be very rewarding and very disappointing; and working within a completely voluntary process can be very unpredictable.

Dakota County is requesting a two-year extension to expend the remaining grant funds to give the County adequate time to continue marketing its land conservation programs, targeting key areas for protection throughout the County, accepting and proceeding with eligible applications, and maintaining an ability to initiate restoration activities on newly acquired land and easements. An average acquisition project can take up to 18 months to complete, from application to closing; and unexpected obstacles can delay the process even more, hence our request for a two-year extension.

The County Board wants to provide a broad participation opportunity for landowners interested in preserving natural areas and natural resources, but to do it on lands it has prioritized for protection, which for the most part corresponds to regional plans. Dakota County has a comprehensive and integrated land conservation vision and approved plans and programs to support and achieve that vision. Changes would likely involve focusing on priority areas of the County, including unique features, threatened resources, and areas with the greatest restoration potential.

Dakota County appreciates the Lessard-Sams Outdoor Heritage Council's consideration of its extension request to continue its work to protect natural resources throughout the County.

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Please let me know if you have additional questions or need additional information, Sandy.

Thank you!

Lisa

*Lisa West  
Senior Project Manager  
Dakota County Environmental Resources Department*

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