

August 7, 2019

TO: Mark Johnson, Executive Director
LSOHC Members

FROM: Sandy Smith, Project Analyst Manager

RE: **Information on Status Updates due on August 1, 2019**

Status Updates were due for all programs on August 1, 2019. Attached is a list of programs and the percentage of the appropriation spent-to-date, as reported by the project manager.

The programs that were near completion and a final report expected were given the option of completing a status update or not. Final reports for ML 2014 programs are due November 1 and staff will be reporting back to the Council on the status of those final reports at the November meeting.

Although the percentage of funds spent-to-date can provide members with a basic idea of program progress, recognize that it doesn't tell the entire story. Each is unique with their own circumstances and details. Some managers reported a high level of accomplishments and low spending. This is the case where some managers included encumbrances and others did not. Overall, staff reviewed the updates to make sure that programs appeared to be on track for timely completion and accomplishment of the stated outputs.

As a reminder, acquisition programs have 3 years to acquire land, while Restoration/Enhancement programs have 5 years to complete work or up to 5 years after the acquisition, if applicable.

	Acquisitions	Restoration / Enhancement	Final Reports due November
ML 2009 - 2011	All appropriations are closed		
ML 2012- 2013	Special situations keep these appropriations open – Program Managers with open approps were contacted and all will be submitting final reports by November 2019		
ML 2014	June 2017 – programs will close except for federal fund extensions or R/E work done on late acquisitions	June 2019 (or 5 years after acquisition)	2019
ML 2015	June 2018 – should be completed and money spent	June 2020 (or 5 years after acquisition)	2020
ML 2016	June 2019 – should be spent or options in place, options that are cancelled would result in turned back money	June 2021 (or 5 years after acquisition)	2021
ML 2017	June 2020 - one year left to spend or secure options	June 2022 (or 5 years after acquisition)	2022
ML 2018	June 2021 - two years left to spend	June 2023 (or 5 years after acquisition)	2023
ML 2019	Appropriations started July 1, no status updates were due	June 2024 (or 5 years after acquisition)	2024

The attached spreadsheet shows each programs progress in acres accomplished and dollars spent with additional notes. As always, let me know if you have questions. If you would like a copy of a specific program's Status Update, please let staff know.

General Issues Reported

- As you already know, wet conditions and heavy rain have delayed or redirected R/E activities. In some cases activities that were planned had to be changed or different locations selected with the same program intent.
- More managers reported rejections of land purchases due to appraisals coming in lower than the owners were willing to accept.
- Restoration partners expressed some concern with finding enough seed of higher diversity and local ecotype for restorations.
- There are a greater number of ML 17 programs with less money being reported as being spent at this point in time than in the past. Historically, 2/3 of programs at this point in time have reported spending 60% or greater compared with currently 2/3 reporting less than 50% being spent. This will be tracked in the future to see if there is a trend toward slower spending than in the past.

Programs of Concern

Lake Nokomis – ML 15 5(g) – extension of time may be needed – permitting delays with USACE and SHPO delay affecting the design, expectation was for construction to start in fall of 2018 but that was pushed off to the contractor started Aug of 2019. Water levels are affecting point portions where work is to take place and are currently under water.

Roseau Lake – ML 16 5(j) – the program seems slow to spend down money and \$770,000 in acquisition money has not been spent (expired 6/30/19), Manager stated that binding agreements for the acquisition were not secured. Progress is slow and not able to move things as quickly as anticipated. They plan on moving ahead with the acquisitions via non OHF funding source to help complete the program in the next couple of years. They are working to get as much of the R/E activities done in the next 2 years.

Carnelian Creek – ML 17, subd 3(a), as reported in the status update, “Minnesota Land Trust and Washington County met with Wilder Foundation in early 2019 to put forward and discuss a third potential buyout proposal for their property. This proposal – our third different effort focused on the protection of the parcel – stalled when a proposal to LCCMR from The Food Group for acquisition of the agricultural portion of the property was unsuccessful. The Land Trust, in consultation with Washington County, will be evaluating the project and determine if there is a likely way forward to success.”

Money may be turned back.

Bushman Lake – ML 17, subd 3(g), as reported in the status update, “The U.S. Forest Service reviewed the LSOHC Notice of Funding Restriction and is unable to accept the property with deed restrictions on behalf of the United States. The U.S. Forest Service would be interested in the property if the language on the deed restriction could be worked out between the State of MN and the US Forest Service. Currently there does not appear to be interest from other entities to own and protect this property in the long-term. Due to these unforeseen challenges with the US Forest Service, The Conservation Fund has terminated its option with Potlatch.”

Staff has asked the project manager to file a final report therefore closing out the appropriation so the money can be turned back to be re-appropriated.