

## Lessard-Sams Outdoor Heritage Council

**MEMO:** Agenda Item #9

**DATE:** December 10, 2019

**SUBJECT:** Extension of Availability of Appropriation

ML 2017 3(a), Carnelian Creek Conservation Corridor (\$2,458,000 appropriation)

**PRESENTER:** Wayne Ostlie and Kris Larson, MLT

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### **Suggested Motion:**

Motion by Councilmember X to approve/deny the legislative extension of appropriation availability for ML 2017 3(a), Carnelian Creek Conservation Corridor until June 30, 2022 and to increase the monitoring and enforcement fund by \$90,000, to be included in the ML 2020 OHF recommendations bill.

### **Background Information** (provided by Sandy Smith)

- Currently the availability of the appropriation for acquisition expires on June 30, 2020 in which case acquisitions need to close or have a binding agreements in place and close by June 30, 2021.
- Status updates have stated that significant efforts have been made to secure properties as outlined in the accomplishment plan. The Manitou Fund / Terrapin Lake parcel most likely will not come to pass. Continued work has progressed on the Wilder Foundation Property, but final negotiations and closing may require additional time.
- Attached is a memo from the manager with details on the extension request.

### **Language for the appropriation bill:**

#### **Subd 11. Technical Amendments**

- (a) The appropriation in Laws 2017, chapter 91, article 1, section 2, subdivision 3, paragraph (a), Carnelian Creek Conservation Corridor is amended to read: \$2,458,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements in Washington County. Of this amount, up to \$120,000 ~~\$30,000~~ 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 permanent conservation easements must be provided as part of the required accomplishment plan. This appropriation is available until June 30, 2022.



## MEMORANDUM

**Date:** December 2, 2019

**To:** Lessard-Sams Outdoor Heritage Council

**Re:** Extension of Availability of Appropriation: ML 2017 3(a), Carnelian Creek Conservation Corridor (\$2,458,000 appropriation)

### Summary of Request

- The Minnesota Land Trust received \$2,458,000 through the Outdoor Heritage Fund under ML2017 to:

*“...acquire permanent conservation easements in Washington County. Of this amount, up to \$30,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17...”*

- The Land Trust anticipated that this appropriation would be used to acquire a conservation easement over 735 acres of extraordinary conservation land owned by the Manitou Fund and Wilder Foundation in Washington County. We are no longer pursuing a project with the Manitou Fund.
- We have several potential projects teed up which meet the original appropriation language – including land owned by the Wilder Foundation and 3 others nearby, but we will need more time and stewardship funding to pursue these. The current grant is set to expire on June 30, 2020.
- The Land Trust requests a two-year extension to its existing grant and increase in the monitoring and enforcement fund to \$120,000 to accommodate up to 5 potential projects.

### Project Background

The Carnelian Creek Conservation Corridor grant was initially targeted toward a 735-acre high-value habitat complex owned in part by Manitou Fund (operated as Warner Nature Center) and in part by Wilder Foundation (known as Wilder Forest) in May Township, Washington County. The grant (married with funding through other OHF grants to the Land Trust) would ensure

protection of the site, leveraging significant funding from Washington County's Land and Water Legacy Program and donation of easement value from the Manitou Fund.

The extensive upland forests, grasslands, shallow lakes, bogs, and deep lakes of the Terrapin Lakes site form one of the most biologically important systems in the Twin Cities Metro area, providing habitat for some 77 Species in Greatest Conservation Need. The protection of these habitats has been identified in numerous plans as a conservation priority for Minnesota, including the Minnesota Biological Survey, the State Conservation and Preservation Plan, Minnesota DNR Strategic Conservation Agenda, and the Washington County Land and Water Legacy Program Priorities.

Protection of the Manitou/Wilder complex was over 90% completed when Manitou Fund walked away from negotiations in 2017. In 2018, Manitou Fund re-engaged in discussions around a conservation easement, but once again walked away prior to completing the project.

Since that time, the Land Trust and Washington County have been working to line up a scenario by which the Wilder Foundation portion of the original Manitou/Wilder complex might be protected. Complex discussions involving 5 different parties is underway, with renewed interest by the Wilder Foundation in completing protection of the project. This newly constituted project is a portion of that originally anticipated for the funding. The project would protect up to 477 acres and utilize an estimated \$2.4M in OHF funds; the project would leverage in excess of \$2M in funding from other sources.

In addition, discussions are also underway with owners of three other high-value properties in this part of Washington County. These projects meet the appropriation language and are also a high priority for land protection in Washington County and could be pursued with more time.

## **Extension Request and Rationale**

Due to the complexity of the Wilder project, the Land Trust requests an extension of two years to the existing grant, through June 30, 2022. This timeline will accommodate the complex nature of the project, and should the Wilder project not succeed allow enough time to complete other projects associated with the Carnelian Creek Conservation Corridor.

In addition, the Land Trust requests a modification of the allowed funding for easement stewardship and monitoring from \$30,000 to \$120,000. The original \$30,000 was based on a single, large easement; should there be a desire to pursue multiple easement projects, additional funding for easement stewardship and monitoring would be required. If those funds are not needed, they would be used for other project costs as appropriate. However, the appropriation language sets the upper limit for such stewardship/monitoring funding.



December 02, 2019

Lessard-Sams Outdoor Heritage Council,

A question came up at the LSOHC meeting on November 21, 2019, regarding the Minnesota Land Trust's leverage amounts indicated on the draft accomplishment plans. As you are aware, the Land Trust has been fortunate to work with generous landowners who are willing to donate all or part of the value of conservation easements associated with their property, thereby extending our efficient use of the State's funding. This donated value constitutes a significant portion of the leverage procured by the Land Trust over the course of a given grant.

We are conservative in our estimates because leverage is an auditable number and we want to make sure we can hit all facets of the accomplishment plan: acreage, budget and anticipated leverage.

As we indicated at the hearings, the Land Trust historically has been able to significantly exceed our proposed leverage at the conclusion of an appropriation. Across its 23 OHF appropriations received to date where land protection work has concluded, the Land Trust has realized \$13.7M in actual leverage relative to the \$2.8M proposed; this amount exceeds our stated leverage goals by 491%. Moreover, this leverage accounts for approximately 46% of the overall program value realized through these grants (or \$0.84 realized in leverage for every \$1.00 from the Outdoor Heritage Fund spent).

Please let me know if you have any additional questions on the leverage.

Kris Larson, Executive Director  
Wayne Ostlie, Director of Land Protection