

Date: 9/29/2021

To: Lessard-Sams Outdoor Heritage Council Members

From: Kathy Varble, Conservation Partners Legacy Grant Program Coordinator

RE: Increase of Conservation Partners Legacy Grant award and total project cost

Grant Award:

In the ML 2022/FY 2023 CPL proposal, the requested award amount has been increased from \$400,000 to \$500,000. I had conversations with partners, contractors, and appraisers about pricing and costs over the last 10 years. The following information was taken into account in determining the new award amount:

- According to contractors the cost per acre for restorations and enhancements is increasing due to the following:
 - The cost of labor for contractors has increased each year between 1.5%-5%, generally with the rate of inflation, but sometimes more.
 - Equipment costs have been increasing faster than inflation
 - Since 2016 Conservation Corps hourly rate has increased from \$21 to \$26.50
 - Seed mixes are becoming more diverse for pollinator habitat, and increased diversity leads to increased cost
 - Restoration techniques have been improving for better habitat, these improved techniques can be more expensive.
- The following statistics substantiate what I have heard anecdotally from partners:
 - According to the [University of Minnesota Farm Real Estate Sales](#) the average sale price per acre of farm land has increased about 25% since 2010: from \$3,681 in 2010 to \$4,937 in 2020
 - According to the [Bureau of Labor Statistics](#) \$400,000 in August 2010 has the same buying power as \$501,240 in August 2021.
- Since 2010, 18 projects funded by LSOHC that have been less than \$500,000, these partners could potentially come to CPL in the future.

Total Project Cost:

In the ML 2022/FY 2023 CPL proposal, the requested total project cost has been increased from \$575,000 to \$1,000,000. This amount was also determined after many discussions with partners. Some information that partners shared:

- Match/leverage will be more accurately reported to CPL. It is likely that partners will leave out personnel or volunteer time if the project maximum has been reached by contractor or acquisition costs.
- Partners will no longer have to split projects if they are able to fund part of it through another funding source. Eg., \$500,000 is the amount of a stream restoration, but the dam removal may be paid for with federal, local, or other state funding and removed from the project cost in the CPL proposal because the entire project exceeds \$575,000