

Lessard-Sams Outdoor Heritage Council

MEMO: Agenda Item #8
DATE: January 19, 2022
SUBJECT: Discussion/Action – Conservation Easements – Appraisal Values & Acquisition Prices
PRESENTER: LSOHC Staff

Suggested Motion:

Motion by Member XX to redefine and clarify the Council's October 7 action that *"Proposal HA02 (Dakota County Habitat Protection/Restoration Phase VIII) would be allowed to revise the way they handle their acquisition of easements to mirror BWSR's system with RIM, with the understanding that all easement acquisitions must ultimately be trued up with appraisals so that OHF monies are not being used to pay more than the appraised value. Any additional acquisition value above the RIM rate must be detailed by Dakota County."*

And/or

Motion by Member XX directing that unless otherwise approved by the Council, all OHF fee title and conservation easement acquisitions continue to follow existing OHF operating and acquisition procedures and grants management guidelines.

Suggested Procedure:

Council to receive presentation from LSOHC staff with a comprehensive review summarizing appraisal values vs land values paid:

- LSOHC past procedure regarding Conservation Easement (CE) appraisals and allowable acquisition price
- LCCMR procedures regarding CE appraisals and allowable acquisition price
- Comparison of CE acquisition procedures of Agencies and NGOs
- Dakota County's request and subsequent LSOHC decisions at the October 7, 2021 Council meeting

Council discussion to follow.

Agency and NGO representatives will be available if Councilmembers have questions.

Background:

Since 2009, OHF grant reimbursement policy and procedures have adhered to a standard that all fee and easement acquisitions may be no more than 110% of the appraisal value. This is delineated in DNR Grant management's Attachment E, "Land Acquisition Reporting Procedures."

The origination of the 110% standard was to maintain a level playing field for all OHF recipients and remain within the same statutory guidance to which DNR was subject:

- **MS 84.0272, subd 1** "...The commissioner of natural resources may pay less than the appraised value, but shall not agree to pay more than ten percent above the appraised value, except that if the commissioner pays less than the appraised value for a parcel of land, the difference between the purchase price and the appraised value may be used to apply to purchases at more than the appraised value..."

At the October 7, 2021 LSOHC meeting, the Council received a request from Dakota County, regarding HA02 "Dakota County Habitat Protection/Restoration, Phase VIII," seeking permission to utilize an easement acquisition appraisal system like BWSR utilizes for RIM easements. The request included that no more than the appraised value of the easement would be paid for with OHF monies, but that Dakota County be also allowed to exceed the appraised value with additional non-OHF monies if they deemed appropriate.

The resulting Council action was the following:

- Proposal HA02 (Dakota County Habitat Protection/Restoration Phase VIII) would be allowed to revise the way they handle their acquisition of easements to mirror BWSR's system, with the understanding that all easement acquisitions must ultimately be trued up with appraisals so that OHF monies are not being used to pay more than the appraised value.
- **The motion DID NOT include any additional statement of permission to exceed the appraisal value to any specific percentage with non-OHF monies.**

Today's presentation and discussion is the result of Council direction at the December 9, 2021 meeting.

Attachments:

- DNR Memo (Pat Rivers, Deputy Director, Division of F&W)
- BWSR Memo (Sharon Ducette)
- LCCMR acquisition rider language (Becca Nash, Executive Director LCCMR)