

**From:** [Kristine M Maurer](#)  
**To:** [Sandy Smith](#); [Mark Johnson](#); [Joe Pavelko](#)  
**Cc:** [Karen Galles](#); [Wayne Ostlie](#)  
**Subject:** Hennepin County Phase 2 Extension Request  
**Date:** Wednesday, December 21, 2022 7:17:38 PM

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Sandy, Joe, and Mark -

Hennepin County would like to make a request for a 1-year extension to our Hennepin County Habitat Protection Program Phase 2 Grant (ML 2020, Ch. 10 4, Art. 1, Sec. 2, subd 5(h)).

Please see below for the following reasons behind this request and why this request is coming now:

- 1. COVID-Delayed Start to the Grant:** As an entity that operates a major medical system (Hennepin Health), Hennepin County took a more conservative and restricted stance toward COVID restrictions than many solely natural resource-focused employers. For the first several months of the pandemic, including the beginning of this grant period, county staff were only making “essential” in-person visits. This did not include visits to evaluate new easement projects. County staff were required to report and track all in-person interactions with landowners as recently as the end of 2021 and needed to provide justification to go into the office as recently as June of 2022. Although we continued to do our very best to connect with landowners, these COVID policies greatly inhibited outreach and communication activities, as well as our access to technology that is critical for reviewing and assessing easement projects. As the lead for these activities in the grant, the County’s absence on this front greatly impacted the project pipeline, significantly reducing almost two years of productivity of the three-year grant.
- 2. Loss of projects in the past few months:** Fluctuations in the financial markets coupled with long-term financial burdens associated with property taxes resulted in the loss of 150 acres in two different clusters of easement projects in the fall of 2022. Land prices and values in Hennepin County increased significantly over the past couple years, with corresponding increases in property taxes. A 2013 statute forbids county tax assessors from taking conservation easement impacts on the property’s value into consideration when assessing property taxes; thus, the landowners would be lowering the value of their property via the easement, but they would not be allowed to recognize this loss of value in their property taxes. The combination proved unpalatable for these two groups of landowners and the projects were halted in just the past few weeks. Due to the delayed start to the County’s outreach outlined above, there will not be sufficient time to find replacement properties before the grant expires in June of 2023.

Fortunately, with an extension, the program partners (Hennepin County and the Minnesota Land Trust) will be on track to meet our deliverables of by June of 2024. We have positioned ourselves to make our program successful. We have added capacity, are back meeting with landowners, and have access to the technology we need to make our program run. We have ramped up our landowner outreach again and have a new set of projects moving through the acquisition process (“acres in process” below). We will be exploring policy solutions to address some of the underlying circumstances that contributed to project loss and to ensure that our programming is accessible for more county residents, and not just the wealthiest few.

Here are the acres protected and remaining to meet our deliverables:

- Total acreage deliverables: 299 acres
- Total acres protected to date: 114 acres
- Total acres currently in process: 59 acres
- Total unencumbered funds: \$1.3 million

Given these circumstances, Hennepin County would like to propose a 1-year extension to this grant to enable us to complete our Phase 2 goals.

I'd love to find some time to discuss this with you.

Thank you!

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