

LESSARD OUTDOOR HERITAGE COUNCIL (LOHC)
MONDAY, MARCH 9, 2009
ROOM 500 NORTH, STATE OFFICE BUILDING
8:00 A.M. – 12:00 P.M.
2:45 P.M. - 6:15 P.M.

Meeting Summary

Members Present: Chair Michael Kilgore, Lester Bensch, Wayne Enger, Darby Nelson, Representative Rick Hansen, Senator Bill Ingebrigtsen, Representative Bob Gunther, James Cox, Bob Schroeder, Scott Rall, Senator Ellen Anderson, David Hartwell, Staff: Acting Executive Director, Bill Becker, Janelle Taylor, Greg Knopff.

1. Call to Order

Chair Kilgore called the meeting to order at 8:00 a.m. A quorum was present.

2. Review and Approve Agenda

Motion to approve the March 9, 2009 agenda. **Motion prevailed.**

3. Approve Minutes of February 23, 2009

Motion to approve the February 23, 2009 meeting minutes as drafted. **Motion prevailed.**

4. Conservation Partners Committee Update

Scott Rail, chair of the Conservation Partners Committee reported on their last meeting. The number one item on the agenda was to select a fiscal agent to operate the small grants program. After hearing presentations, the committee unanimously agreed on the National Fish and Wildlife Foundation.

Other presentations were made by the Board of Water and Soil Resources (BWSR) and the Department of Natural Resources (DNR). The DNR's expertise is working on public lands. BWSR's expertise is working on private lands. Neither one of them were comfortable with the combine project. Having one of these organizations as the fiscal agent could potentially present a conflict of interest.

The recommendation of having the National Fish and Wildlife Foundation as the fiscal agent will be incorporated into the appropriation bill.

Still to be determined is the fee percentage to administer the small grants program. Policy Chair, Senator Chaudhary will decide if the administering cost will be incorporated into the Finance Bill.

5. Legislative Update

Senator Anderson - February forecast numbers are out.

Representative Hansen suggested that the council recess at 10:30 a.m. to attend the Finance Committee hearing. On the agenda is the "Lessard Outdoor Heritage Council support provided". The council agreed to attend the hearing.

The LOHC allocation recommendations don't have to meet the budget bill deadline. Recommendations will probably be heard after the Easter break. Council members would appreciate a 24 – 48 hour notification of the hearing.

6. Allocate Outdoor Heritage Funds for Recommendations to 2009 Legislature

Over 80 proposals were submitted for consideration by the Lessard Outdoor Heritage Council (LOHC). At the January 12, 2009 meeting, it was determined that proposals which received 7 or more council votes would move forward in the process. Fifteen proposals met the criteria. Allocation target for FY 10 is \$68,652,000. Proposals that aren't being considered have the opportunity to submit them for FY 11 Outdoor Heritage funding.

Jim Cox made a motion to adopt the worksheet entitled, "Requests Receiving An Allocation From a Majority of LOHC Members" dated March 6, 2009 as point of discussion. **Motion prevailed.**

Motion to recommend allocation of the FY 10 Outdoor Heritage Fund (amount to be determined) for the fifteen projects listed on the worksheet. **Motion prevailed.**

Senator Anderson asked how long projects will be funded for and the completion timeline. As we go through the worksheet, council members are encouraged to ask "sponsors" for additional information on proposed projects.

Dennis Simon - DNR Wildlife

P9: Accelerated Prairie Grassland - WMA Acquisition Program

- The DNR has a prioritized list of 98 willing sellers, and has allocated based on habitat site i.e. wetland, prairie or forest. Thirteen parcels of land are being appraised currently, even though DNR lacks funding to acquire them. With \$5.6 million, the DNR could confidently acquire priority AMAs and WMAs.
- Two high priority prairie parcels that would be protection projects; the rest would primarily be restoration projects or enhancement of land that the DNR already owns.
- WMAs need approximately \$150/acre of land acquired to complete the initial site development.

Michael Duval - DNR Fish and Wildlife

FGW7: Aquatic Management Areas (AMA) Acquisition

- Testified on the applicability of AMA's to the Clean Water Fund.
- Mr. Duval stated that there would be ancillary clean water benefits from AMAs. Mr. Schroder noted that the LOHC could recommend AMAs that were not funded to the legislature for the Clean Water Fund.

Richard Peterson - DNR Forestry

F7: Forests for the Future/Upper Mississippi River Project

- Feels \$16.9 million would be short of two-year needs. Landowner is not likely to sign an option without the assurance that full funding would eventually be available. Landowner has shown flexibility in receiving payment, i.e. from lump-sum payment to two-annual payments.
- Land is not divisible; appraisal based on single acquisition.
- DNR's certified value of the land is the easement value (derived from the difference between the land value before and after the easement).
- DNR Forestry has sought private charitable funding; has not sought bonding.

- DNR does not have a negotiated price with the landowner. There is uncertainty over final price and private funding. Appraised value over land is protected information under the landowner bill of rights, which landowner is unlikely to disclose.

Darby Nelson made the motion to increase the FY 10 allocation for F7 (Forests for the Future/Upper Mississippi River Project) to \$20,000,000 with the commitment to pay the balance in FY 11. **Motion prevailed** (11 to 1).

Craig Engwall - DNR Regional Director (Region 2)

F7: Forests for the Future/Upper Mississippi River Project

- Believes that the DNR will have a firm number before April .
- The company will bring the proposal before the board before April and if there is not a firm number, the company will pass.

Roll Call on the Motion

Representative Hansen called for a roll call: Kilgore (yes), Bensch (yes), Enger (yes), Nelson (yes), Hansen (no), Ingebrigtsen (yes), Gunther (yes), Cox (yes), Schroeder (yes), Rall (yes), Anderson (yes), Hartwell (yes). 11 - 1

Senator Anderson supports all the projects that are being recommended, but is concerned about the omission of projects in the Metro area.

Senator Anderson highlighted one project W23 – Rice Creek Wildlife Conservation Area Acquisition Project, which clearly met the criteria. Council members need to keep non-funded metro projects in mind when allocating the balance of the FY 10 funding.

Representative Hansen made a motion to reduce FGW7 (AMA Acquisitions) by \$792,060.00 and add those dollars to FGW17 (Identification of Fish Habitat Restoration Priorities) fully funding the project. **Motion prevailed.**

John Lenczewski - Trout Unlimited

FGW17: Identification of Fish Habitat Restoration Priorities and Resource Investment Proposal

- Could complete projects by October 2010.
- Capacity issue is only in Southeastern Minnesota; with OHF, Trout Unlimited would contract with qualified individuals to design and supervise projects, which would allow Trout Unlimited to work five days a week instead of two days a week.
- All proposed projects are permanent easements, except the Straight River project, which is permanently protected because anyone seeking to modify the habitat would need to seek DNR approval because the project is in the channel.
- Most restoration work is on privately held lands with permanent access easements. Landowners are prevented from denying access to the restoration area, but they are not required to perform restoration work.
- Mr. Lenczewski briefly described the location of the projects throughout the state.

James Cox made the motion to fully fund W15 (Accelerating the Waterfowl Production Area Program in Minnesota). **Motion prevailed.**

Jim Leach - U.S. Fish & Wildlife Service

W15: Accelerating the Waterfowl Production Area Program in Minnesota - Protecting our Investment

- If OHF allocation were increased from \$3,925,000 to \$5,600,000, USFW, Pheasants Forever, and Ducks Unlimited would have capacity to spend the increased funds directly on acquisition and restoration. No additional staff would be required.
- Mr. Leach believes that the Accelerated WPA Program would be able to spend the increased funding within two years.
- Increased OHF dollars would be matched one to one.

Jon Schneider - Ducks Unlimited, Inc.

W10: Accelerated Shallow Lake Enhancements

- Mr. Schneider stated that no additional funds would be needed.

Wayne Enger made the motion to fully fund FGW18 (Knife River Habitat Restoration) from \$245,000 to \$320,500. **Motion prevailed.**

Craig Wilson - Lake Superior Steelhead Association

FGW18: Knife River Habitat Rehabilitation

- Mr. Wilson stated that Lake Superior Steelhead Association has seven conservation partners to aid in the work, they would contract out the labor, and hire additional staff to work five days per week with the additional funds.
- Anticipate that by the end of 2009, 2000 trees will be planted.
- OHF funding would be used in FY09 and FY10 and Mr. Wilson stated that he believes his matching funds could increase to three dollars for every OHF dollar.
- Mr. Wilson stated that he did not realize that an organization is required to hold the conservation easements, but he believes that the private landowners would be amenable to permanent conservation easements. Mr. Wilson believes that the landowners would donate the easement, but he has no accounting for the administration costs of the easement in his proposal.
- Mr. Wilson stated that he could restrict all of the OHF funding to public land projects.

The LOHC recessed at 10:15 a.m. to attend the Finance Committee hearing.

The LOHC reconvened at 11:09 a.m.

Representative Hansen made the motion to reduce W7 (Wildlife Management Area Acquisitions) \$837,500 and P9 (Accelerated Prairie Grassland WMA Acquisitions) \$837,500 each. **Motion tabled until Senator Anderson returns to the meeting.**

Wayne Enger made to motion to reduce FGW18 (Knife River Habitat Rehabilitation) by \$500.00. Allocation for this project is \$320,000. **Motion prevailed.**

James Cox made the motion to reduce W3 (Reinvest in MN/Wetlands Reserve Program Leveraging Project) by half the allocation - \$4,529,000. **Motion did not carry.**

Kevin Lines - Board of Water and Soil Resources

W3: Reinvest in Minnesota/Wetlands Reserve Program Leveraging Project

- Project will acquire leverage of one state dollar for each federal dollar.
- Noted the Prairie Pothole Joint Venture Area of western Minnesota ranked highest priority on the BWSR statewide evaluation sheet, but also noted that the program is flexible and can work where the council feels necessary.

Representative Hansen made the motion to take his previous motion from the table “Reduce W7 (Wildlife Management Area Acquisitions) \$837,500 and P9 (Accelerated Prairie Grassland WMA Acquisitions) \$837,500 each”. **Motion to take the motion from the table prevailed.**

Representative Hansen made the motion to reduce W7 (Wildlife Management Area Acquisitions) \$837,500 and P9 (Accelerated Prairie Grassland WMA Acquisitions) \$837,500 each and to add those reductions to W15 (Accelerating the Waterfowl Production Area Program in MN). **Motion does not carry.**

Motion made to remove P17 (Prairie Heritage Fund – Restoration). More appropriate to be funded by the small grants program. **Motion does not carry.**

Matt Holland- Pheasants Forever

P7: Prairie Heritage Fund - Acquisition and P17: Prairie Heritage Fund- Restoration

- Mr. Holland stated that he could move some of the projects into the Small Grants Program.
- Mr. Holland noted that both P7 and P17 are restoration projects and that acquisition in P7 would entail the restoration of P17.

Motion made to add P17 to P7 (combine proposals). Allocation would be \$3,000,000. **Motion prevailed.**

The LOHC recessed at 12:00 p.m.

The LOHC reconvened at 2:45 p.m.

Senator Ingebrigtsen is in a hearing but asked that the committee move forward.

Chair Kilgore handed over the gavel to Jim Cox, co-chair.

Michael Kilgore made a motion to increase the funding of P13 (Accelerated Prairie / Grassland Management) by \$500,000 to fully fund the proposal. **Motion prevailed.**

Jon Schneider - Ducks Unlimited, Inc.

W10: Accelerated Shallow Lake Enhancements

- More funding would permit increased enhancement and protection projects; \$400,000 permitted to be used for conservation easements in conjunction with enhancement projects.

James Cox made the motion to allow Ducks Unlimited to use up to \$400,000 of their allocation (W10) on easements in conjunction with Shallow Lake restoration. **Motion prevailed.**

Senator Anderson requested to look again at P3 (Green Corridor Legacy Acquisition), P2 (Anoka Sandplain Oak Savanna Conservation), P8 (Rum River / Cedar Creek Acquisition).

Brad Cobb- Green Corridor Legacy Program

P3: Green Corridor Legacy Acquisition

- A decrease in funding would force the Green Corridor Legacy Program to eliminate a 640 acre-project, leaving them with a 480-acre and a 100-acre project.

Representative Hansen requested more discussion on P4 (Northern Tallgrass Prairie NWR Acquisition). Bob Schroeder stated that Jim Leach (U.S. Fish & Wildlife Service) was unable to attend the afternoon session. Mr. Leach did state that if the proposal was fully funded, the projects would be completed in the determined timeline.

David Hartwell made the motion to round off allocation amounts on FGW7 and FGW17 from \$2,050,060 to \$2,050,000. **Motion prevailed.**

Scott Rall made the motion to increase OA1 (Conservation Partners Allocation) to \$4,000,000. **Motion prevailed.**

Lester Bensch requested additional discussion on P9 (Accelerated Prairie Grasslands WMA Acquisition).

Dennis Simon - DNR Wildlife

P9: Accelerated Prairie Grassland WMA Acquisition

- Described a number of possibly-metro-area projects which included:
 - Isanti County- Veteran Homestead: a cooperative WMA with the county that features a successful disability hunt as well as a youth hunt: one of the highest priority acquisitions on the DNR's list.
 - Washington County- Paul Hugo Farms WMA
 - Wright County- Two tracts on Pelican Lake WMA
 - Anoka County acquisition
 - Two Chisago County acquisitions
 - Two Dakota County acquisitions

Motion was made to adopt the "Requests Receiving An Allocation From a Majority of LOHC Members" spreadsheet. A total of 14 projects (P17 is now combined in P7). **Motion prevailed.**

Roll Call on the Motion

Representative Hansen called for a roll call: Kilgore (yes), Bensch (yes), Enger (yes), Nelson (yes), Hansen (no), Ingebrigtsen (absent), Gunther (yes), Cox (yes), Schroeder (yes), Rall (yes), Anderson (pass), Hartwell (yes).
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The LOHC still needs to allocate 5 million dollars. Bob Schroeder distributed a list of 10 projects to be considered that did not meet the 7 vote requirement. Senator Anderson added the following proposals to the list: P8, F8, F9, FGW8 a, FHW8b, FGW 8f, FGW 8i. Wayne Enger added the following proposals to the list: P18, W5, W22, W12, FGW1, F10. Representative Hansen added: FGW8d. Motion to adopt this list as a starting point. **Motion prevailed.**

Bob Schroeder made the motion to remove projects from the list that are under \$400,000. These should be considered for the small grants program. Projects to be removed from the list are: W5, W22, FGW8a, FGW8b, FGW8e, W16, F9, FGW8c, FGW8d, FGW8f.

Projects to remain on the project list are: P5, W13, W14, FGW8g, FGW8h, FGW8i, FGW9i, P8, F8, FGW8i, F10, W22, P6, W12, FGW1. **Motion prevailed.**

Senator Anderson proposed that the metro projects be discussed first.

John VonDeLinde - Anoka County Parks and Recreation

P8: Rum River/Cedar Creek Acquisition

- The Rum River/Cedar Creek acquisition would be outside of the metropolitan regional park system; it is not in the Metropolitan Council's regional park planning and would be managed as a conservation area outside of the regional park system.
- Anoka County Parks and Recreation does have wildlife management areas within the metro area, specifically, hunting and fishing.
- Currently manage 275 acres of prairie where development is limited to public access such as access roads, parking lots, and hiking trails.
- Appraisal on project property falls "just below" the requested funding; Mr. VonDeLinde did not want to disclose the actual amount however.
- Proposed project fits into the prairie, forest, wetland, and wildlife: over two miles of access to the two water bodies, 175 acres of prairie restoration, and the area contains significant forest habitat and wildlife habitat as well.
- Mr. VonDeLinde noted that Anoka County Parks and Recreation is well-established department that manages 10,000 acres around Anoka County, and they contain the staff, expertise, and budget to administer the project in perpetuity.

Jeff Perry - Anoka County Parks & Recreation on P8 (in collaboration with Mr. VonDeLinde)

- There would be firearm restrictions because of the close proximity to rural areas.
- Permits would be issued for public hunting, which could include deer, pheasant and turkey hunting.
- Bob Schroder raised the concern that limiting access could be contrary to the constitutional language.

Greg Knopff - P8:

- Other projects have limited the number of parking spaces available which limits the access to a first-come-first-served basis.
- Senator Anderson also stated that the drafters of the amendment included the phrase "unless provided by law" which allows for exceptions based on the circumstance. Senator Anderson also noted that unlimited access to the public in some areas could overcrowd the area with visitors, thereby making the areas utility to the public diminish.

John VonDeLinde - Anoka County Parks and Recreation

P8: Rum River/Cedar Creek Acquisition

- The use of permits is driven by the deer population and is administered through a lottery system; for pheasant hunting, fowl hunting, and fishing access is open based on parking size.
- There is a large buffer area for firearm discharge, which is almost half the acquired area.
- None of the \$3.8 million is directed at restoration because Mr. VonDeLinde felt that the acquisition of the land was the most important issue at the time and that restoration could be performed on the property later. Mr. VonDeLinde would like to comeback at some point to propose restoration projects.
- Site currently raises \$52,000/year in property taxes for 550 acres.
- Has addressed the county over the loss of funds and has worked out an arrangement with Andover and Oak Grove to offset losses.

Representative Hansen was excused from the LOHC meeting to attend the Cultural Outdoor Heritage Committee meeting. No decisions will be made on projects until he returns.

Motion made to allocate 1.9 million dollars in FY10 for P8 (Rum River/Cedar Creek Acquisition) with a commitment to fund the project in a future recommendation. Motion made to table a decision until Representative Hansen returns to the meeting. **Motion prevailed.**

Deborah Loon - Minnesota Valley National Wildlife Refuge Trust, Inc.

FGW8-h: Expansion of the Minnesota Valley National Wildlife Refuge

- Acquisition for 820 acres. Title held by the refuge. Actively pursuing some additional funding sources.

Representative Hansen and Senator Ingebrigtsen returned to the meeting.

Motion made to take the allocation of 1.9 million dollars in FY10 for P8 (Rum River/Cedar Creek Acquisition) with a commitment to fund the project in a future recommendation off the table. **Motion prevailed.**

Motion made to allocate 1.9 million dollars in FY10 for P8 (Rum River/Cedar Creek Acquisition) with a commitment to fund the project in a future recommendation. **Motion prevailed.**

Jane Prohaska - Minnesota Land Trust

P5: Bluffland Prairie Protection Initiative

- Red Wing bluff protection program has the highest level of biodiversity as well as the greatest concentration of needed conservation according to the state wildlife action plan.
- Easements are not mandated to be open to the public, but the private landowner may choose to allow public access.
- Administrative costs appear to be high because the Minnesota Land Trust has a long-term dedicated fund for stewardship and monitoring; long-term easement management is more than inspection, it requires a management plan, outreach and assistance with questions, as well as funding set aside for enforcement.
- Estimated leverage is a little less than 1:1, but the historic leverage is 1:10. Leverage is underestimated in order to over-deliver.

Don Arnosti - Audubon Minnesota

F8: Forest and Savanna Restoration and Bioenergy

- DNR run-off tests preliminary results found that the cost to remove material from forests to be used for woody biomass is cheaper than projected. There were instances where the removal cost would be nothing because loggers would swap removal for the biomass.
- Expect to over deliver. Conservation ownership land. Landowner will maintain. Restricted to public land.

David Hartwell is on the Audubon board. He has removed himself from decisions regarding this project.

Representative Hansen made the motion to fund F8 (Forest and Savanna Restoration and Bioenergy) for \$555,000. **Motion did not prevail.**

Susan Smith- Trust for Public Land - Deferred to Bob McGillivray (Trust for Public Land)

P6: Cooperative WMA Acquisition Initiative

- Additional funding would be needed from another source.

FGW8-i: Dakota County Habitat Protection

- Would have a difficult time finding additional funding source.

Boe Carlson- Metropolitan Regional Parks System Agencies

FGW9-i: Lake Rebecca Water Quality Improvement Project (Three Rivers District)

- Project supports a specific threatened species: tiger muskies are endangered.
- If funding were cut, algae treatment efforts and shoreline stabilization would be reduced.

Motion made by Darby Nelson to allocate FY 10 funding to FGW9i (Lake Rebecca Water Quality Improvement Project) in the amount of \$450,000. **Motion prevailed.**

Alan Singer- Dakota County

FGW8-I: Dakota County Habitat Protection

- High leverage for this program to protect 450 acres with permanent easements.
- Fishing, hunting, river water access 100 miles along river shore.
- If funding were cut in half, the leverage ratio would drop proportionally from 4:1 to 2:1.
- Projects located in the conservation corridors, so they align well.

Bob Schroeder made the motion to allocate FY 10 funding to FGW8-I (Dakota County Habitat Protection) in the amount of 1 million dollars. **Motion prevailed.**

Joseph Pavelko - Friends of Minnesota Valley

W14: Minnesota Valley Wetland Management District Restoration and Enhancement Project

- Proposing to restore 657 acres in SW region of the state; there is a need to restore the smaller wetlands.
- Everything owned by Fish and Wildlife Service.

Deborah Loon - Minnesota Valley National Wildlife Refuge Trust, Inc.

W13: Acquisition and Restoration of Waterfowl Production Areas for MN Valley WMD

- WPA land that they have acquired. Acquisition of 80 acres. Restoration of 1055 acres.
- Ms. Loon would rather LOHC fund for refuse expansion in FGW8-h: Expansion of the Minnesota Valley National Wildlife Refuge.

Jon Schneider - Ducks Unlimited, Inc.

W12: Shallow Lake Shoreland Acquisitions

- Private owner would not be willing for easement, but would sell title.
- There is one project that is a larger tract for \$600,000 as well as several smaller land tracts.
- The shoreline tracts title would temporarily be held by Ducks Unlimited, Inc. then transferred to the DNR and FWS, but mostly to the DNR.

Senator Ingebrigtsen made the motion to allocate FY 10 funding to W12 (Shallow Lake Shoreland Acquisitions) in the amount of \$450,000. **Motion prevailed.**

David Hartwell made the motion to allocate FY 10 funding to P5 (Bluffland Prairie Protection Initiative) in the amount of \$500,000. **Motion prevailed.**

Representative Gunther made a motion to allocate FY 10 funding to FGW12 (Shell Rock River Watershed District, Improvement of Water Quality) excluding storm water mainstream in the amount of \$655,000. **Motion prevailed.**

Motion was made to withdraw the recommendation to fund FGW18 (Knife River Habitat Rehabilitation) in the amount of \$320,000, and recommend to the Lake Superior Steelhead Association to apply through the small grants program. The \$320,000 will be transferred to FGW7 (Aquatic Management Areas Acquisition). **Motion prevailed.**

The LOHC members thanked Bill Becker for his great work as acting executive director.

The FY 10 Lessard Outdoor Heritage Fund has been allocated in the amount of \$68,652.00.

Motion has been made to adopt the projects approved.

Concern was expressed by some of the council members to approve the project list at this time. Question was raised if there would be value to meet again on Monday, March .

Motion was made to direct staff to draft an appropriations bill to review on March 23, 2009. Accomplishment Plan needs to be completed. Bill Becker will request additional data from proposers on acreage, categories, leveraging, etc. to be reviewed at the March 16, 2009 LOHC meeting. **Motion prevailed.**

Motion to adjourn the LOHC meeting at 6:15 p.m. **Motion prevailed.**

Mike Kilgore, Chair

Date

Darby Nelson, Secretary

Date