

Lessard-Sams Outdoor Heritage Council Laws of Minnesota 2013 Accomplishment Plan

Date: October 25, 2012

Program or Project Title: Grasslands for the Future

Funds Recommended: \$2,000,000

Manager's Name: Tim Koehler

Title: Acting Conservation Easement Section Manager

Organization: Board of Water and Soil Resources

Street Address: 520 Lafayette Road North

City: St. Paul, MN 55155

Telephone: 651-296-6745

E-Mail: tim.koehler@state.mn.us

Organization Web Site: www.bwsr.state.mn.us

Legislative Citation: (to be completed when signed by Governor)

County Locations: ,

Ecological Planning Regions:

- Prairie

Activity Type:

- Protect in Easement

Priority Resources Addressed by Activity:

- Prairie
- Habitat

Abstract:

This pilot project will test the feasibility and cost-effectiveness of acquiring grassland conservation easements and will protect 500-600 acres of critical and threatened grassland habitat. Through partner coordination, this proposal contributes to implementation of the *Minnesota Prairie Conservation Plan*.

Activity Detail

Design and Scope of Work:

A Conservation Legacy in Jeopardy

Native grasslands are the most threatened ecosystem in Minnesota. The LSOHC defined Prairie Section has suffered the greatest habitat loss of any of the five sections examined by the Council. Furthermore, only a third of the remaining habitat in the Prairie Section is permanently protected. To compound the problem, in the next five years approximately 800,000 acres of Minnesota's conservation lands enrolled in the federal Conservation Reserve Program (CRP) will expire. Unless action is taken to continue protection of these lands by using a combination of conservation programs, many will likely be converted to cropland, eliminating most of the wildlife habitat and associated ecosystem benefits.

This project will pilot new and innovative approaches to securing conservation easements to permanently protect large assemblages of critical grassland habitat. The need for this private lands approach in the Prairie Section is essential because ownership patterns in this landscape include many private landowners with smaller parcels that require custom-tailored conservation solutions. These solutions often involve crafting easements that assure conservation of the grasslands while also working with the landowner to make the management of the grasslands profitable and therefore, sustainable.

Lands targeted for protection through this pilot will meet the following criteria:

1. Near or within the Core Areas identified in the Prairie Plan.
2. Within approximately two miles of permanently protected land (e.g. WMA, WPA, CREP, TNC preserves, etc.).
3. Establishing connections to permanently protected land wherever possible.
4. Within approximately five miles of a viable producer with a proven track record of managing grasslands with livestock and willing to own land protected by a permanent easement mandating grassland conservation management methods and practices.
5. Low production cropland.

Once these priority grassland complexes have been identified, the project partners will then test three important protection elements in order to determine how to best implement a cost-effective grasslands program at a larger scale. First, landowners within these identified complexes will be offered a menu of land protection options to assess what is of greatest interest or application in this landscape.

One of the options will include a model in which a non-profit partner, such as The Conservation Fund (TCF), would use its revolving fund to acquire land in fee from a landowner not interested in maintaining their land as a working grassland. TCF would hold ownership until funds are available to sell a conservation easement to an easement holder such as Minnesota Land Trust (MLT) or the Board of Water and Soil Resources (BWSR). Once the easement is in place, TCF would subsequently sell the underlying fee, now reduced in value by the conservation easement, to a pre-identified local producer. This approach allows TCF to act quickly to acquire land that would otherwise be sold and converted to row crops. The value of the easement, and the value of the land sold to the local producer, will be determined by an appraisal. Another option is for the landowner to sell a conservation easement directly to the BWSR or the MLT. All easement acquisition funds will be allocated to

BWSR. Once specific easements and their respective holders have been identified, BWSR will contribute the funds necessary to MLT to complete their acquisition(s).

The second element being tested is how to best implement grasslands protection in a private, working landscape. This will include developing conservation easements and management plans that protect the important grassland and prairie habitats while simultaneously providing the agricultural producers with residual economic value through restricted grazing or haying. This will be a critical issue for the ultimate success of the Minnesota Prairie Conservation Plan.

Finally, this pilot project will also explore how BWSR and non-profit partners can most cost effectively value and secure these unique conservation easements. This will include an evaluation of all of the costs, potential leverage of federal programs, timing and landowner interest in the easements' value to bring a program to scale.

This pilot project will work with local producers who are interested in promoting conservation compatible agriculture and who are interested in conservation easements that allow them to remain competitive in today's climate of escalating agricultural land prices. This approach allows state conservation funds to potentially leverage current or future federal funding via the Farm & Ranchland Protection Program, Grassland Reserve Program, or CRP. Management costs for maintaining grassland habitat will be largely borne by the local producer as part of their operation rather than be a continuous financial burden on the government. Finally, this approach also keeps land on the local tax rolls and helps to promote a diversified local economy.

The project partners include BWSR, TCF and MLT. BWSR will administer the project and hold conservation easements, depending upon landowner interest. TCF will identify landowners, conduct outreach and potentially be an interim fee title holder of the conservation property, using their own private funds to conduct the fee title transactions. MLT will negotiate and hold conservation easements with landowners who prefer to work with a non-profit entity. All partners will be involved in the development of the project and its subsequent evaluation.

Planning

MN State-wide Conservation Plan Priorities:

- H1 Protect priority land habitats
- H2 Protect critical shoreland of streams and lakes
- H3 Improve connectivity and access to recreation
- H4 Restore and protect shallow lakes
- H5 Restore land, wetlands and wetland-associated watersheds
- H7 Keep water on the landscape

Plans Addressed:

- A Vision for Wildlife and Its Use -- Goals and Outcomes 2006-2012
- Grassland Bird Conservation Area

- Grassland Conservation Plan for Prairie Grouse
- Long Range Duck Recovery Plan
- Long Range Plan for the Ring-Necked Pheasant in MN
- Long Range Plan for the Wild Turkey
- Managing Minnesota's Shallow Lakes for Waterfowl and Wildlife
- Minnesota DNR Strategic Conservation Agenda
- Minnesota Prairie Conservation Plan
- National Audubon Society Top 20 Common Birds in Decline
- North American Waterbird Conservation Plan
- North American Waterfowl Management Plan
- Northern Tallgrass Prairie Ecoregion: A River and Stream Conservation Portfolio
- Northern Tallgrass Prairie Habitat Preservation Area (HPA) Final Environmental Impact Statement
- Outdoor Heritage Fund: A 25 Year Framework
- Partners in Flight Conservation Plans for States and Physiographic Regions
- Partners in Flight Grassland Bird Plan
- Tomorrow's Habitat for the Wild and Rare
- U.S. Prairie Pothole Joint Venture Plan

LSOHC Statewide Priorities:

- Are ongoing, successful, transparent and accountable programs addressing actions and targets of one or more of the ecological sections
- Produce multiple enduring conservation benefits
- Are able to leverage effort and/or other funds to supplement any OHF appropriation
- Address conservation opportunities that will be lost if not immediately acted on
- Use a science-based strategic planning and evaluation model to guide protection, restoration and enhancement, similar to the United States Fish and Wildlife Service's Strategic Habitat Conservation model
- Address wildlife species of greatest conservation need, Minnesota County Biological Survey data, and rare, threatened and endangered species inventories in land and water decisions, as well as permanent solutions to aquatic invasive species
- Ensures activities for "protecting, restoring and enhancing" are coordinated among agencies, non profits and others while doing this important work
- Target unique Minnesota landscapes that have historical value to fish and wildlife

LSOHC Prairie Section Priorities:

- Protect, enhance, or restore existing wetland/upland complexes, or convert agricultural lands to new wetland/upland habitat complexes
- Protect, enhance, and restore remnant native prairie, Big Woods forests, and oak savanna
- Convert agricultural land to wetland/upland to protect, enhance, or restore existing habitat complexes, such as WMAs
- Protect expiring CRP lands
- Protect, enhance, and restore migratory habitat for waterfowl and related species, so as to increase migratory and breeding success

Relationship to Other Constitutional Funds:

- Environmental and Natural Resource Trust Fund
- Clean Water Fund

The pilot project will integrate with many other Outdoor Heritage Fund (OHF) projects such as The RIM-WRP Partnership and Buffers for Wildlife, which is funded 50% with Clean Water Funds. In addition, the Farm Bill Assistance Partnership (FBAP) with BWSR, the Natural Resources Conservation Service (NRCS), the Department of Natural Resources (DNR), Pheasants Forever (PF) and the Soil and Water Conservation Districts (SWCDs) provides for SWCDs to have farm bill technicians to promote the conservation provisions of the Federal Farm Bill and other conservation program opportunities with private landowners. The Environmental and Natural Resources Trust Fund (ENRTF) provided \$1,000,000 via a Legislative-Citizen Commission on Minnesota Resources (LCCMR) recommendation in FY10-11, and another \$625,000 in FY12-13. This funding includes partial funding for the Farm Bill Assistance Partnership efforts.

Accelerates or Supplements Current Efforts:

BWSR, MLT and TCF all work with landowners to secure easements for the preservation of grassland habitat. This pilot would supplement existing grassland conservation efforts by adding another tool to expand upon the tremendous success of Conservation Reserve Enhancement Program (CREP) and the RIM-WRP Partnership as well as the great work of organizations such as PF, DU and TNC. This initiative is being coordinated with these organizations in keeping with the Implementation Plan for the *Minnesota Prairie Conservation Plan*.

This pilot will test the feasibility and cost-effectiveness of acquiring grassland easements where the focus is grassland production that must also provide habitat for grassland dependent species. If this prototype is successful, its adoption throughout the prairie landscape will enable conservation partners to significantly leverage their resources and accelerate conservation efforts at a time when we are losing the race to protect our grasslands.

Sustainability and Maintenance:

BWSR partners with local SWCDs to carryout oversight monitoring and inspection of its conservation easements. BWSR held easements are inspected for the first five consecutive years beginning in the year after the easement is recorded. Thereafter, on-site inspections are performed every three years and compliance checks are performed in the other two years. SWCDs report to BWSR on each site inspection conducted. A non-compliance procedure is implemented when potential violations or problems are identified. Any lands protected by the MLT will be sustained through the best standards and practices for conservation easement stewardship including annual site inspections.

MLT is a nationally accredited land trust with a very successful stewardship program that includes annual property monitoring, effective records management, addressing inquiries and interpretations, tracking changes in ownership, investigating potential violations and defending the easement in case of a true violation.

*Will the eased land be open for public use? - **No***

*Is the land you plan to acquire free of any other permanent protection? - **Yes***

Accomplishment Timeline

| Activity | Approximate Date Completed |
|---|----------------------------|
| Identify Landowners | June 30, 2016 |
| Negotiate, Draft and Complete easements | June 30, 2016 |
| Dedicate funds for easement stewardship | June 30, 2016 |

Outcomes

Programs in prairie region:

- Core areas protected with highly biologically diverse wetlands and plant communities, including native prairie, Big Woods, and oak savanna
- Expiring CRP lands are permanently protected
- Increased participation of private landowners in habitat projects
- Protected, restored, and enhanced habitat for waterfowl, upland birds, and species of greatest conservation need
- Protected, restored, and enhanced shallow lakes and wetlands
- Remnant native prairies and wetlands are permanently protected and are part of large complexes of restored prairie, grasslands, and large and small wetlands
- Water is kept on the land

Budget Spreadsheet

Budget reallocations up to 10% do not require an amendment to the Accomplishment Plan

Total Amount of Request: \$2,000,000

Budget and Cash Leverage

| Budget Name | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|----------------------------|----------------------|----------------------------------|-----------------------------|--------------------|
| Personnel | \$40,000 | \$0 | | \$40,000 |
| Contracts | \$0 | \$0 | | \$0 |
| Fee Acquisition w/ PILT | \$0 | \$0 | | \$0 |
| Fee Acquisition w/o PILT | \$0 | \$0 | | \$0 |
| Easement Acquisition | \$1,767,000 | \$0 | | \$1,767,000 |
| Easement Stewardship | \$75,000 | \$0 | | \$75,000 |
| Travel (in-state) | \$3,000 | \$0 | | \$3,000 |
| Professional Services | \$115,000 | \$0 | | \$115,000 |
| Direct Support Services | \$0 | \$0 | | \$0 |
| DNR Land Acquisition Costs | \$0 | \$0 | | \$0 |
| Capital Equipment | \$0 | \$0 | | \$0 |
| Other Equipment/Tools | \$0 | \$0 | | \$0 |
| Supplies/Materials | \$0 | \$0 | | \$0 |
| DNR IDP | \$0 | \$0 | | \$0 |
| Total | \$2,000,000 | \$0 | - | \$2,000,000 |

Personnel

| Position | FTE | Over # of years | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|--|-------------|------------------------|----------------------|----------------------------------|-----------------------------|-----------------|
| Conservation, legal and project staff - MLT | 0.10 | 3.00 | \$26,500 | \$0 | | \$26,500 |
| Conservation, legal and project staff - BWSR | 0.05 | 3.00 | \$13,500 | \$0 | | \$13,500 |
| Total | 0.15 | 6.00 | \$40,000 | \$0 | - | \$40,000 |

Budget and Cash Leverage by Partnership

| Budget Name | Partnership | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|----------------------------|--------------------|----------------------|----------------------------------|-----------------------------|------------------|
| Personnel | MLT | \$26,500 | \$0 | | \$26,500 |
| Contracts | MLT | \$0 | \$0 | | \$0 |
| Fee Acquisition w/ PILT | MLT | \$0 | \$0 | | \$0 |
| Fee Acquisition w/o PILT | MLT | \$0 | \$0 | | \$0 |
| Easement Acquisition | MLT | \$0 | \$0 | | \$0 |
| Easement Stewardship | MLT | \$50,000 | \$0 | | \$50,000 |
| Travel (in-state) | MLT | \$2,000 | \$0 | | \$2,000 |
| Professional Services | MLT | \$26,000 | \$0 | | \$26,000 |
| Direct Support Services | MLT | \$0 | \$0 | | \$0 |
| DNR Land Acquisition Costs | MLT | \$0 | \$0 | | \$0 |
| Capital Equipment | MLT | \$0 | \$0 | | \$0 |
| Other Equipment/Tools | MLT | \$0 | \$0 | | \$0 |
| Supplies/Materials | MLT | \$0 | \$0 | | \$0 |
| DNR IDP | MLT | \$0 | \$0 | | \$0 |
| Total | - | \$104,500 | \$0 | - | \$104,500 |

Personnel - MLT

| Position | FTE | Over # of years | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|---|------|-----------------|---------------|---------------------------|----------------------|----------|
| Conservation, legal and project staff - MLT | 0.10 | 3.00 | \$26,500 | \$0 | | \$26,500 |
| Total | 0.10 | 3.00 | \$26,500 | \$0 | - | \$26,500 |

| Budget Name | Partnership | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|----------------------------|-------------|---------------|---------------------------|----------------------|----------|
| Personnel | TCF | \$0 | \$0 | | \$0 |
| Contracts | TCF | \$0 | \$0 | | \$0 |
| Fee Acquisition w/ PILT | TCF | \$0 | \$0 | | \$0 |
| Fee Acquisition w/o PILT | TCF | \$0 | \$0 | | \$0 |
| Easement Acquisition | TCF | \$0 | \$0 | | \$0 |
| Easement Stewardship | TCF | \$0 | \$0 | | \$0 |
| Travel (in-state) | TCF | \$0 | \$0 | | \$0 |
| Professional Services | TCF | \$75,000 | \$0 | | \$75,000 |
| Direct Support Services | TCF | \$0 | \$0 | | \$0 |
| DNR Land Acquisition Costs | TCF | \$0 | \$0 | | \$0 |
| Capital Equipment | TCF | \$0 | \$0 | | \$0 |
| Other Equipment/Tools | TCF | \$0 | \$0 | | \$0 |
| Supplies/Materials | TCF | \$0 | \$0 | | \$0 |
| DNR IDP | TCF | \$0 | \$0 | | \$0 |
| Total | - | \$75,000 | \$0 | - | \$75,000 |

| Budget Name | Partnership | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|----------------------------|--------------------|----------------------|----------------------------------|-----------------------------|---------------------|
| Personnel | BWSR | \$13,500 | \$0 | | \$13,500 |
| Contracts | BWSR | \$0 | \$0 | | \$0 |
| Fee Acquisition w/ PILT | BWSR | \$0 | \$0 | | \$0 |
| Fee Acquisition w/o PILT | BWSR | \$0 | \$0 | | \$0 |
| Easement Acquisition | BWSR | \$1,767,000 | \$0 | | \$1,767,000 |
| Easement Stewardship | BWSR | \$25,000 | \$0 | | \$25,000 |
| Travel (in-state) | BWSR | \$1,000 | \$0 | | \$1,000 |
| Professional Services | BWSR | \$14,000 | \$0 | | \$14,000 |
| Direct Support Services | BWSR | \$0 | \$0 | | \$0 |
| DNR Land Acquisition Costs | BWSR | \$0 | \$0 | | \$0 |
| Capital Equipment | BWSR | \$0 | \$0 | | \$0 |
| Other Equipment/Tools | BWSR | \$0 | \$0 | | \$0 |
| Supplies/Materials | BWSR | \$0 | \$0 | | \$0 |
| DNR IDP | BWSR | \$0 | \$0 | | \$0 |
| Total | | -\$1,820,500 | \$0 | | -\$1,820,500 |

Personnel - BWSR

| Position | FTE | Over # of years | LSOHC Request | Anticipated Cash Leverage | Cash Leverage Source | Total |
|--|-------------|------------------------|----------------------|----------------------------------|-----------------------------|------------------|
| Conservation, legal and project staff - BWSR | 0.05 | 3.00 | \$13,500 | \$0 | | \$13,500 |
| Total | 0.05 | 3.00 | \$13,500 | \$0 | | -\$13,500 |

Output Tables

Table 1. Acres by Resource Type

| Type | Wetlands | Prairies | Forest | Habitats | Total |
|--|----------|----------|--------|----------|-------|
| Restore | 0 | 0 | 0 | 0 | 0 |
| Protect in Fee with State PILT Liability | 0 | 0 | 0 | 0 | 0 |
| Protect in Fee W/O State PILT Liability | 0 | 0 | 0 | 0 | 0 |
| Protect in Easement | 0 | 500 | 0 | 0 | 500 |
| Enhance | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 500 | 0 | 0 | 500 |

Table 2. Total Requested Funding by Resource Type

| Type | Wetlands | Prairies | Forest | Habitats | Total |
|--|----------|-------------|--------|----------|-------------|
| Restore | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Fee with State PILT Liability | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Fee W/O State PILT Liability | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Easement | \$0 | \$2,000,000 | \$0 | \$0 | \$2,000,000 |
| Enhance | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$2,000,000 | \$0 | \$0 | \$2,000,000 |

Table 3. Acres within each Ecological Section

| Type | Metro/Urban | Forest/Prairie | SE Forest | Prairie | Northern Forest | Total |
|--|-------------|----------------|-----------|---------|-----------------|-------|
| Restore | 0 | 0 | 0 | 0 | 0 | 0 |
| Protect in Fee with State PILT Liability | 0 | 0 | 0 | 0 | 0 | 0 |
| Protect in Fee W/O State PILT Liability | 0 | 0 | 0 | 0 | 0 | 0 |
| Protect in Easement | 0 | 0 | 0 | 500 | 0 | 500 |
| Enhance | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 500 | 0 | 500 |

Table 4. Total Requested Funding within each Ecological Section

| Type | Metro/Urban | Forest/Prairie | SE Forest | Prairie | Northern Forest | Total |
|--|-------------|----------------|------------|--------------------|-----------------|--------------------|
| Restore | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Fee with State PILT Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Fee W/O State PILT Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Protect in Easement | \$0 | \$0 | \$0 | \$2,000,000 | \$0 | \$2,000,000 |
| Enhance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$0 | \$0 | \$0 | \$2,000,000 | \$0 | \$2,000,000 |

Table 5. Target Lake/Stream/River Miles

0 miles

Parcel List

For restoration and enhancement programs ONLY: Managers may add, delete, and substitute projects on this parcel list based upon need, readiness, cost, opportunity, and/or urgency so long as the substitute parcel/project forwards the constitutional objectives of this program in the Project Scope table of this accomplishment plan. The final accomplishment plan report will include the final parcel list.

Section 1 - Restore / Enhance Parcel List

No parcels with an activity type restore or enhance.

Section 2 - Protect Parcel List

No parcels with an activity type protect.

Section 2a - Protect Parcel with Bldgs

No parcels with an activity type protect and has buildings.

Section 3 - Other Parcel Activity

No parcels with an other activity type.