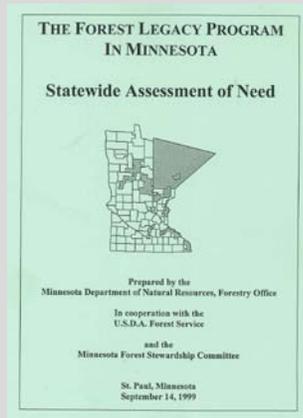


Minnesota Forests for the Future

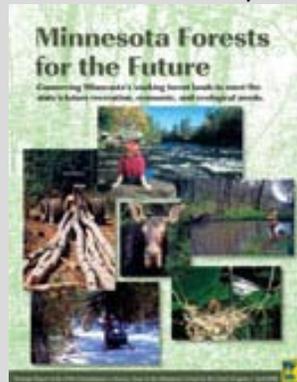
Conserving and protecting Minnesota's working forests to meet the state's future recreation, economic and ecological needs.

A. Program Goals and Accomplishments

1. Minnesota's efforts to use conservation easements to protect private forests began in 2000 when we began our participation in the Federal Forest Legacy Program (FLP). The FLP provides matching funds for eligible state projects.



2. In 2008 the Minnesota Legislature established the Minnesota Forests for the Future Program (Minnesota Statutes, Section 84.66). The Minnesota Forests for the Future Program's (MFF) goals are to 1) expand and improve the use of forest conservation easements and other tools to protect private forestland from development and 2) promote an interconnected network of sustainably managed private and public forests that conserve the full complement of forest benefits and values across entire landscapes.
3. A Commissioner's Advisory Committee provides advice on Program strategic direction (see Strategic Report of the DNR Commissioner's Advisory Team on the MFF Program. April 2009).

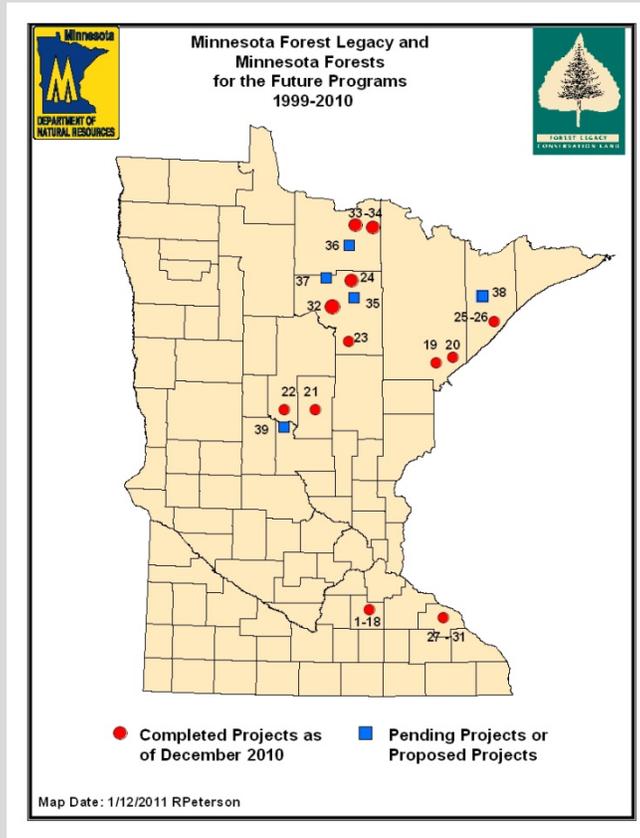


<http://www.dnr.state.mn.us/forestlegacy/index.html>

4. The report recommends an initial acquisition target of up to 530,000 acres of easements with top priority of protecting the largest blocks owned/managed by timber companies. We are currently

undertaking a review and updating of those proposed targets.

- As of 6/2011, 34 properties have been protected totaling approximately 333,000 acres with a value of over \$82 million (see map). Funding sources were: State-\$48.5 M; Federal \$16 M; Private \$15.4 M and landowner donation \$2.7 M. Average cost approx. \$250/acre; ranges from over \$1000/ac in southeast MN to \$175/ac in far northern MN.

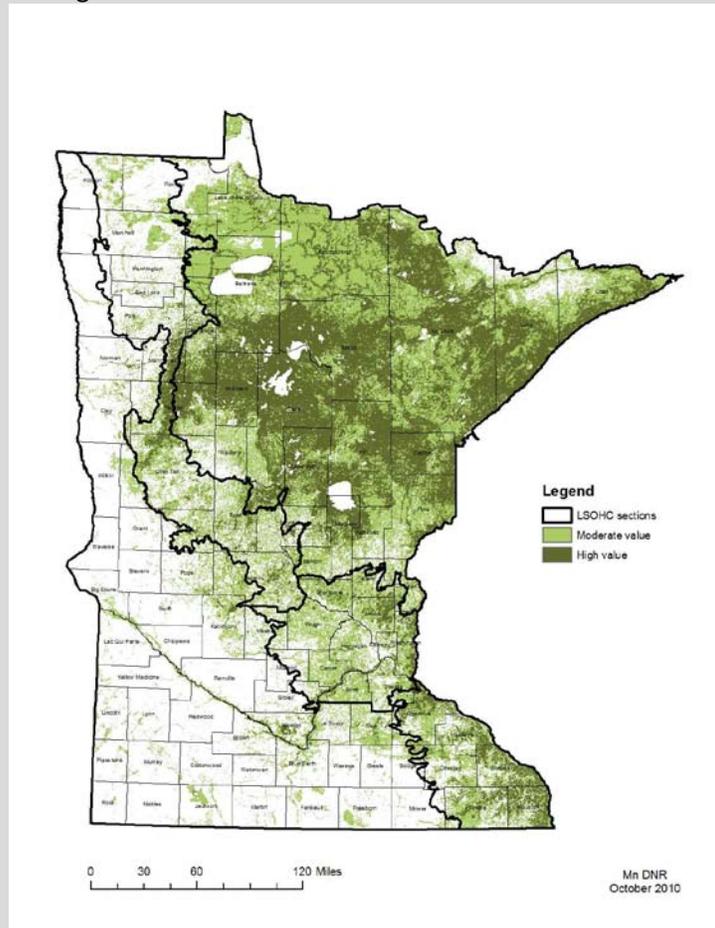


99% of all acres within the MFF and FLP allow public access.

B. Project Prioritization and Selection Process: All projects are reviewed and approved by the Division, the DNR regional management team, and the Commissioner's office before acquisition occurs.

- Landowner outreach occurs through:
 - Direct contact with landowners
 - From program partners including TNC, TPL, TCF, MLT and others
 - From our web site where general information and a landowner application are available. ([://www.dnr.state.mn.us/forestlegacy/legacy.html](http://www.dnr.state.mn.us/forestlegacy/legacy.html))
 - Other landowners who recruit their neighbors.
- Project Prioritization and Selection:

- We have developed a GIS-based tool to help identify and prioritize parcels for protection. This statewide analysis uses recreational, economic and ecological data to provide indices of priority forest lands. The map below is a composite of the recreational, economic and ecological values for forest lands with high and moderate values. We are currently reviewing and refining this map. We strive to focus on projects within the high value areas.



- We have developed a scoring system to help guide our prioritization and selection of individual projects. Projects are scored either by staff or a combination of staff and partners. Scoring criteria include the following:
 - Project size: large, reasonably intact forests generally provide more recreational, economic and ecological benefits compared to small tracts.
 - Strategic location: relative to other protected properties, as connecting corridors, as part of a larger conservation plan or strategy.
 - Importance: as measured by several recreational, economic and ecological/habitat sub-criteria.
 - Project readiness: including match funds, public support, status of acquisition activities (i.e. appraisals, survey, title, etc).

C. Project Acquisition Process

1. Fact Sheet Approvals: Prior to beginning acquisition, Fact Sheets are prepared for approval by the Regions, the Division Director and the Director of Lands and Minerals.
2. Terms: Easement terms are negotiated between State and the landowner. Easement terms cover: structures and development, subdivision, non-timber commercial uses of the forest, public access, and forest management.
3. Establishing value: All MFF and FLP conservation easement values are determined by a fair-market appraisal that is based on the difference between the market value of the parcel valued at its highest and best use (the before value) and the market value of the remainder as encumbered by the conservation easement and valued at its highest and best use (the after value). Once the appraisal is reviewed and certified by DNR, a Resume of Certified Value is issued.
4. Negotiations between State and Landowner determine the final sale price.
5. Once the option is signed, title work begins and survey, if needed, is completed.
6. On small projects, staff conducts a site inspection and environmental survey. On larger projects a Phase I Environmental Assessment is contracted to determine the presence of environmental contaminants.
7. Once due diligence is completed, State issues Election to Purchase, closing occurs, and deeds are recorded.
8. Stewardship Plans or similar forest management plans are prepared by the State or the landowner for all FLP or MFF projects.
9. Property reports are prepared by the State for all FLP and MFF projects prior to closing.

D. Easement Stewardship

1. The goal of MFF and FLP is to monitor all projects annually. Monitoring plans are prepared prior to the first monitoring visit. Monitoring is currently conducted by the Program Coordinator, sometimes assisted by area forestry staff.
2. Estimated costs and annual expenses for easement stewardship for all current FLP and MFF projects is estimated to cost up to \$40,000 annually for staff time, travel, supplies and other associated expenses.
3. Source of funding for monitoring is uncertain; General funds are increasingly limited; FLP program funds are currently available and support most of the current monitoring effort; for LSOHC funded projects, the recommended easement monitoring fund will cover those projects.