

2001 PROJECT ABSTRACT

For the Period Ending June 30, 2006

AUG 01 2006

TITLE: Restoring Minnesota's Fish and Wildlife Habitat Corridors —Phase 2
Shorelands Protection Program (3a)

PROJECT MANAGER: Jane Prohaska, President

ORGANIZATION Minnesota Land Trust

ADDRESS: 2356 University Avenue West,
St. Paul, MN 55114

WEB SITE ADDRESS: www.mnland.org

FUND: Environment and Natural Resources Trust Fund

LEGAL CITATION: M.L. 2003, Chapter 128, Article 1, Section 9, Subd. 5(a)

APPROPRIATION AMOUNT: \$279,100

OVERALL PROJECT OUTCOME AND RESULTS

In the second phase of this project, the Minnesota Land Trust continued to work with landowners to secure permanent conservation easements on lands that border or contain critical riparian habitats, completing 12 conservation easements in 5 project areas. See the attached map for a summary of these projects.

Collectively, these easements protect more than 1,031 acres of land, including 20,100 feet of shoreline. All of the easements were donated and together have a known value that exceeds \$4,722,000. The cost to the state to complete these easements through this grant was just over \$256 per acre, demonstrating the cost effectiveness of protecting land with conservation easements.

Additionally, the Land Trust prepared baseline reports for each easement, documenting the status of the property for future monitoring and enforcement. To fund this required perpetual obligation, the Land Trust also dedicated funds to its segregated Stewardship and Enforcement Fund.

Although pleased with the projects we completed, we were unable to close a number of anticipated projects during the project time period, leaving us short of our acreage target and unable to spend funds budgeted for stewardship on those projects.

PROJECT RESULTS USE AND DISSEMINATION

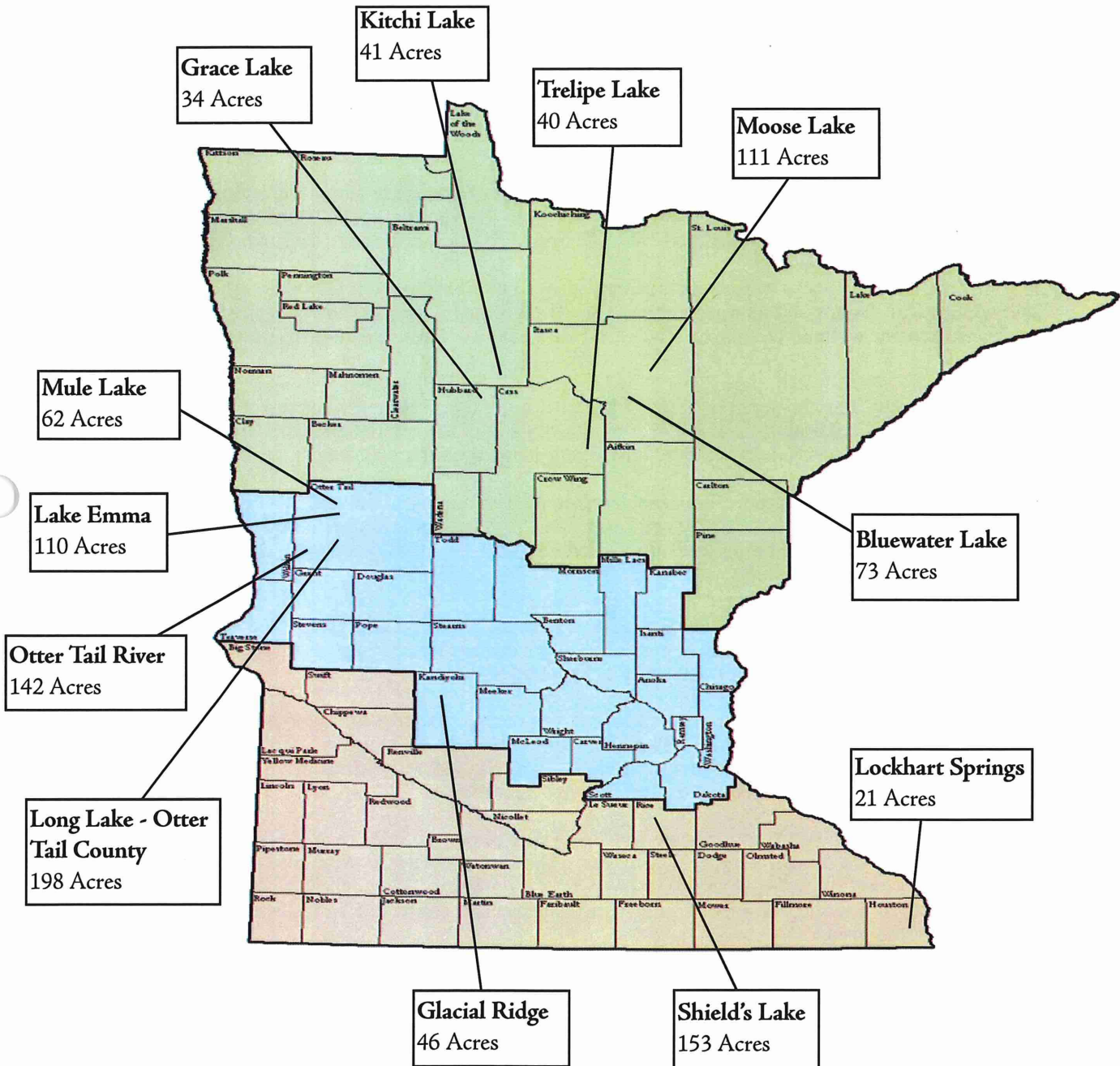
With each project we complete, the Minnesota Land Trust learns more about when conservation easements are effective protection tools, how to draft easements more effectively, and how to better manage an easement stewardship program that will ensure the effectiveness of each easement over time. We have confirmed our belief that lack of funding to purchase easements limits the ability to target lands for protection. We have noted a continued increase in rural land values which continues to put pressure on land preservation and the ability to rely on donated conservation easements.

The Land Trust disseminated information about this particular project and its results through press releases, our newsletter and our web site.

Minnesota Land Trust

Completed Projects

LCMR Outstate Wildlife Corridors Phase II



July 2006

Minnesota Land Trust Completed Projects
LCMR Outstate Wildlife Corridors Phase II

Bluewater Lake: This 73-acre parcel in Itasca County protects over 1,000 feet of undeveloped shoreline on Wabana Lake and Bluewater Lake. The property sits in a complex of lakes, wetlands and northern hardwood forest.

Glacial Ridge: This 46-acre parcel in Kandiyohi County is adjacent to an existing 167-acre easement held by the Trust. The property, much of which is in a natural state, features high, rolling forested hills and two small wooded wetlands.

Grace Lake: This beautiful 34-acre parcel lies along the south shore of Grace Lake. The property is heavily forested with large red pine, jack pine and paper birch trees. The surrounding area is rapidly transforming into a year-round residential area due to its proximity to Bemidji and Cass Lake.

Kitchi Lake: This 41-acre parcel protects over 2,500 feet of shoreline along Kitchi Lake and Turtle River in Beltrami County. The property is within the historic boundary of the Leech Lake Indian Reservation and is bordered by U.S. Forest Service and State of Minnesota lands.

Lake Emma: This 110-acre property is located across Lake Emma from Glendalough State Park in Otter Tail County. The property consists of high quality oak and maple forest and features an interior wetland complex. The easement protects ¼ mile of shoreline along Lake Emma.

Lockhart Springs: This 21-acre parcel in Houston County consists largely of mixed deciduous woods. It has local community significance as the site of the former Brownsville Brewery. Several springs and a perennially flowing stream are located on the property.

Long Lake – Otter Tail County: This site, containing 198 acres of land and 3,500 feet of shoreline along Long Lake, is located near Otter Trail, a state-designated Scenic Byway. Parts of the property are currently being used for agriculture, but the landowners plan to restore much of the land to native habitat.

Moose Lake: This 111-acre parcel in Itasca County consists of wetlands and mixed coniferous and hardwood forests. The property is part of a larger undeveloped forested area with good quality wildlife habitat and a variety of natural plant and aquatic communities.

Mule Lake: This beautiful 62-acre property preserves over 3,300 feet of shoreline on Mule and Anderson Lakes in Otter Tail County. The land is a lovely mix of lakeshore, wetlands and rolling woodlands and provides excellent wildlife habitat for species such as loons, river otter, mink and black bear, all of which have been seen on the property.

Otter Tail River: This 142-acre property in Otter Tail County includes over 2,500 feet of relatively undeveloped shoreline along the Otter Tail River. The Orwell Wildlife Area and the Orwell Lake Reservoir are located in close proximity to the property. The property contains natural wetlands that provide habitat for a variety of aquatic plants and animals and contribute to the ecological viability of the nearby wildlife area.

Shield's Lake: This 153-acre property in Rice County lies within a matrix of glacially formed lakes and associated wetlands. The wetlands on the property provide important wildlife habitat for a variety of plant and animal species and complement the adjacent wetlands to the west.

Trelipe Lake: This 40-acre parcel consists primarily of high quality hardwood forest and wetlands with an abundance of wildflowers, including yellow lady's slipper. The property is located in the Chippewa National Forest in northern Cass County.

AUG 01 2006

June 30, 2006

LCMR Final Work Program Report**I. PROJECT TITLE:****Restoring Minnesota's Fish and Wildlife Habitat Corridors — Phase 2
Shoreline Protection Program (3a)**

Projects were completed in the following Project Areas:

- 2 - Mississippi Headwaters
- 3 - Border Prairie
- 7 - Alexandria Moraine
- 10 - Southern Lakes
- 11 - Mississippi Bluff Lands

Project Manager: Jane Prohaska, President
Address: Minnesota Land Trust
2356 University Avenue West, St. Paul, MN 55114
Telephone Number: 651-647-9590
Fax Number: 651-647-9769
E-mail: jprohaska@mnland.org
Web Address: www.mnland.org

Total Biennial Project Budget:

\$ LCMR Appropriation:	\$279,100.00
\$ Amount Spent:	\$264,575.00
\$ Balance:	\$14, 525.00

Legal Citation: M.L. 2003, Chapter 128, Art. 1, Sec. 9 Subd. 5(a)

Appropriation Language: \$4,850,000 (Environmental Trust Fund) Restoring Minnesota's Fish and Wildlife Habitat Corridors Phase II - \$2,425,000 the first year and \$2,425,000 the second year are from the trust fund to the commissioner of natural resources for the second biennium for acceleration of agency programs and cooperative agreements with Minnesota Deer Hunters Association, Ducks Unlimited, Inc., National Wild Turkey Federation, Pheasants Forever, The Nature Conservancy, Minnesota Land Trust, the Trust for Public Land, Minnesota Valley Trust, Inc., U.S. Fish and Wildlife Service, U.S. Bureau of Indian Affairs, Red Lake Band of Chippewa, Leech Lake Band of Chippewa, Fond du Lac Band of Chippewa, USDA-Natural Resources Conservation Service, and the Board of Water and Soil Resources to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. As part of the required work program, criteria and priorities for planned acquisition and restoration activities must be submitted to the legislative commission on Minnesota resources for review and approval before expenditure. Expenditures are limited to the 11 project areas as defined in the work program. Land acquired with this appropriation must be

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sufficiently improved to meet at least minimum habitat and facility management standards as determined by the commissioner of natural resources. This appropriation may not be used for the purchase of residential structures unless expressly approved in the work program. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated: (1) as an outdoor recreation unit under Minnesota Statutes, section 86A.07; or (2) as provided in Minnesota Statutes, sections 89.018, subdivision 2, paragraph (a); 97A.101; 97A.125; 97C.001; and 97C.011. The commissioner may so designate any lands acquired in less than fee title. The appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

II. and III. FINAL PROJECT SUMMARY

In the second phase of its Shorelands Protection Program, the Minnesota Land Trust continued to work with landowners to secure permanent conservation easements on lands that border or contain critical riparian habitats -- specially crafting restrictions for each parcel to protect its unique shoreline features from future uses that could damage its important habitat values.

The Land Trust completed 12 conservation easements in 5 project areas. See the attached map for a summary of these projects.

Collectively, these easements protect more than 1,031 acres of land, including 20,100 feet of shoreline. All of the easements were donated and together have a known value that exceeds \$4,722,000. The cost to the State to complete these easements through this grant was just over \$256 per acre, demonstrating the cost effectiveness of protecting land with conservation easements.

Additionally, the Land Trust prepared baseline reports for each easement, documenting the status of the property for future monitoring and enforcement. To fund this required perpetual obligation, the Land Trust also dedicated \$77,500 in state funds to its segregated Stewardship and Enforcement Fund, an amount matched by landowners with an additional \$64,000

The Land Trust also disseminated information about this project through press releases, our newsletter and our web site.

Although pleased with the number of projects we were able to complete, we did fall short of our goal of protecting 1400 acres of land. We were unable to close a number of anticipated projects during the project time period, leaving us short of our acreage target and unable to spend funds budgeted for stewardship on those projects. Several of these will be carried over to phase 3.

Without the acquisition funding previously available in phase 1, we worked only with those landowners able to donate the value of their development rights. This limited our ability to target lands for protection. We have noted a continued increase in rural land values, a trend which will continue to put pressure on land preservation and the ability to rely on donated conservation easements.

IV. OUTLINE OF PROJECT RESULTS:

The Minnesota Land Trust was pleased with the work it was able to complete through the second phase of its Shorelands Protection Program, completing 12 projects protecting 1031 acres of land.

However, with an average project size of just over 85 acres, we did not meet our 1400 acre goal. The Land Trust spent considerable staff time working on a number of projects that we were unable to complete under this grant. This ultimately required that more funding from the grant be directed for personnel. Locations and complexities of the completed easements required that more funding from the grant be directed toward long-term stewardship on these easements as well. Budget allocation changes were requested and approved in June with final minor adjustments made at the time the project was concluded. These final changes are noted in the budget section below.

Without funds to purchase easements, the Land Trust was very successful in working with landowners financially able and willing to donate an easement over their land. This resulted in a gift value for these donations that well exceeds \$4,722,000. With the value of these easements at an average of more than \$4,500 per acre and the cost to the state to protect these lands at only \$256 per acre, this clearly demonstrates the cost effectiveness of protecting shorelands with conservation easements.

NOTE: Easement values are known for only about one half of the easements completed in this project as the Land Trust typically obtains appraisals only for purchased easements and knows of gift values only when a landowner takes a tax deduction for the value of the easement. Therefore, the easement values for projects completed in this grant -- in total and per acre -- are undoubtedly considerably higher.

It was clear that the Land Trust's ability to use funds from this grant to cover other project costs, particularly stewardship, made many of these donations possible when they would not otherwise have been so. But without the means to purchase easements, however, the Land Trust was limited in its ability to target land for protection.

The conservation easements accepted by the Minnesota Land Trust under this grant are generally located and described on the attached map. These projects are also summarized on the attached chart that includes the following information:

- Location of the project by Project Area.
- Minnesota Land Trust site and track name for the project.
- County and township in which the land is located and the easement recorded.
- Number of acres and shoreline feet protected.
- Water body involved.
- Date the project was completed.
- Value of the easement, if known.
- Amount of stewardship funding committed for future monitoring and enforcement.

Project and grant activity by Project Area is summarized below

Project Area 2 (Mississippi Headwaters)

LCMR funds spent: \$115,200

Results:

June 30, 2006

Projects completed: 5
Acres protected: 299
Shoreline protected: 7,380 feet

Known easement value: \$878,000
Other stewardship funds: \$25,000

Project Area 3 (Border Prairie)

LCMR funds spent: \$82,360

Results:

June 30, 2006

Projects completed: 4
Acres protected: 512
Shoreline protected: 11,132 feet

Known easement value: \$3,430,100
Other stewardship funds: \$32,000

Project Area 7 (Alexandria Moraine)

LCMR funds spent: \$20,340

Results:

June 30, 2006

Projects completed: 1
Acres protected: 46
Shoreline protected: wetlands

Known easement value: \$414,000
Other stewardship funds: \$5,000

Project Area 10 (Southern Lakes)

LCMR funds spent: \$23,340

Results:

June 30, 2006

Projects completed: 1
Acres protected: 153
Shoreline protected: wetlands

Known easement value: unknown
Other stewardship funds: none

Project Area 11 (Mississippi Bluff Lands)

LCMR funds spent: \$23,335

Results:

June 30, 2006

Projects completed: 1
Acres protected: 21
Shoreline protected: 1,583 feet

Known easement value: unknown
Other stewardship funds: \$2,000

V. TOTAL PROJECT BUDGET:

	Original Budget	Revised Budget:	Final Budget:
All Results: Personnel:	\$130,000	\$130,000	\$135,200
All Results: Travel	\$ 6,000	\$ 6,000	\$ 6,000
All Results: Supplies	\$ 8,000	\$ 8,000	\$ 8,000
All Results: Acquisition:	\$ 65,100	\$ 37,100	\$ 38,735
All Results: Stewardship	\$ 70,000	\$ 98,000	\$ 91,100
TOTAL BUDGET:	\$ 279,100	\$279,100	\$279,000

VI. PAST, PRESENT AND FUTURE SPENDING:

- A. Past Spending:** The Minnesota Land Trust has expended substantial financial resources to secure conservation easements throughout the state, including numerous projects throughout

the Project Areas in which we will be working. In addition, we have had programs and projects funded through Legislative Commission on Minnesota Resources in the past. However, we have not had a specifically targeted shoreline protection initiative in the past with funding available for easement acquisition.

- B. Current and Future Spending:** This funding will provide the Land Trust with an opportunity to expand on its current efforts as one of the partners in the Wildlife Corridors project. It will also help us implement our strategic plan of targeting our protection efforts and spreading our conservation activities around the state. As such, this project is just one portion of our organizational spending for securing conservation easements on critical shorelands, natural habitat and scenic areas throughout Minnesota.
- C. Required Match (if applicable):** While no match is required, by working to acquire donated easements, the Minnesota Land Trust has been able to protect lands at a fraction of what it would cost to purchase comparable lands in fee. This grant leveraged millions of dollars of value in lands protected through this program.
- D. Future Spending:** Contacts made and work completed in this project have set the stage for additional work in the identified project areas under phases 3 of the project and It is hoped that this program will be continued with support from LCCMR in future biennia.

VII. PROJECT PARTNERS

The Land Trust worked with a number of other Habitat Corridors Partnership organizations in coordinating our protection efforts under this project. Several of the completed projects were referred to the Land Trust by project partners.

VIII. DISSEMINATION

Results will be disseminated by the Land Trust in our publications and web page (www.mnland.org).

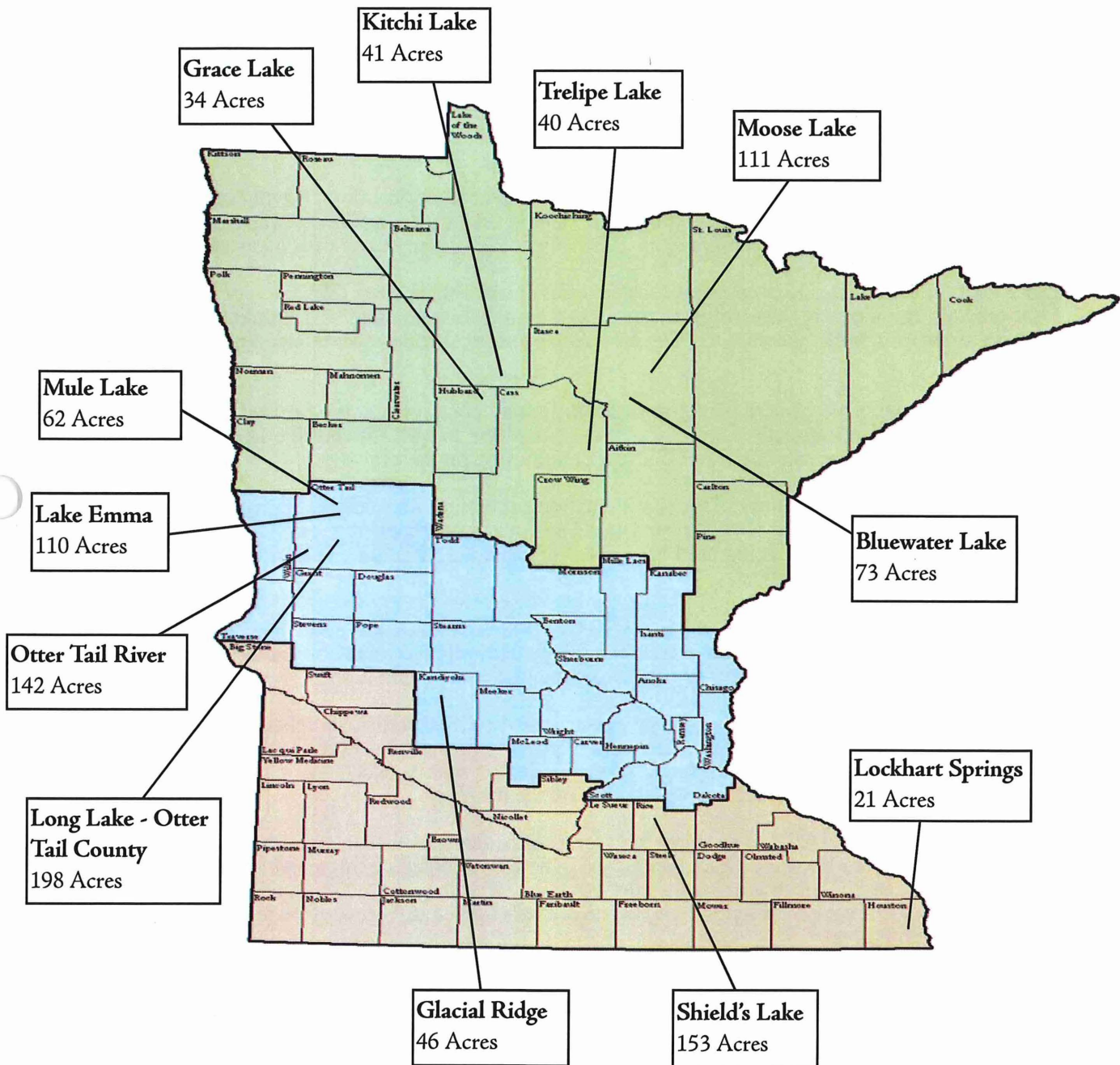
IX. LOCATION

The Minnesota Land Trust completed projects in the following project areas: Project Area 2 (Mississippi Headwaters), Project Area 3 (Border Prairie), Project Area 7 (Alexandria Moraine), 10 Project Area (Southern Lakes), and 11 Project Area (Mississippi Bluff Lands).

Minnesota Land Trust

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LCMR Outstate Wildlife Corridors Phase II



July 2006

Minnesota Land Trust Completed Projects
LCMR Outstate Wildlife Corridors Phase II

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Minnesota Land Trust
LCMR Wildlife Corridors Phase 2 Project List
As of June 30, 2006

Project Area 2

Site	Tract	Water Body	Acres	Shoreline Feet	County	Township	Completion		LCMR Stewardship	Other Stewardship	Easement Value
							Estimated	Actual			
Bluewater Lake	Manning	Wabana and Bluewater Lakes	73	1,175	Itasca	Wabana	CLOSED	6/06	\$11,500	\$5,000	\$658,000
Grace Lake	Sande	Grace Lake	34	150	Hubbard	Farden	CLOSED	6/06	\$8,500		Unknown
Kitchi Lake	Hagquist	Kitchi Lake/Turtle River	41	2,755	Beltrami	Brook Lake	CLOSED	6/06	\$8,500		Unknown
Moose Lake	Shanesy	Moose Lake/Balsam Creek	111	3,300	Itasca	Balsam	CLOSED	12/05	\$4,000	\$16,000	\$220,000
Trelipe Lakes	Steele	Wetlands	40		Cass	Inguadona	CLOSED	12/04	\$3,000	\$4,000	Unknown
Total			299	7,380					35,500	\$25,000	\$878,000

Projects completed: 5 Acres Protected: 299 Shoreline Feet Protected: 7,380 feet Easement value: \$878,000

Project Area 3

Site	Tract	Water Body	Acres	Shoreline Feet	County	Township	Completion		LCMR	Other	Easement
							Estimated	Actual	Stewardship	Stewardship	Value
Lake Emma	Reeve	Lake Emma	110	1,382	Otter Tail	Girard	CLOSED	6/06	\$7,000	\$6,000	Unknown
Long Lake	Long Lake Land, etc.	Long Lake	198	3,900	Otter Tail	St. Olaf	CLOSED	12/04		\$15,000	\$2,745,000
Mule Lake	Emery	Mule Lake & Anderson Lake	62	3,350	Otter Tail	Friberg	CLOSED	12/04	\$9,000	\$3,000	Unknown
Otter Tail River	CCSC	Otter Tail River	142	2,500	Otter Tail	Orwell	CLOSED	12/04	\$5,000	\$8,000	\$685,100
Total			512	11,132					\$21,000	\$32,000	\$3,430,100

Projects completed: 4 Acres Protected: 512 Shoreline Feet Protected: 11,132 Easement value: \$3,430,100

Project Area 7

Site	Tract	Water Body	Acres	Shoreline Feet	County	Township	Completion Estimated Actual		LCMR Stewardship	Other Stewardship	Easement Value
Glacial Ridge	T. Paffrath	Wetlands	46		Kandiyohi		CLOSED	11/05	\$5,000	\$5,000	\$414,000
Total			46						\$5,000	\$5,000	\$414,000

Projects completed: 1 **Acres Protected:** 46 **Shoreline Feet Protected:** Wetlands **Easement Value:** \$414,000

Project Area 10

Site	Tract	Water Body	Acres	Shoreline Feet	County	Township	Completion Estimated Actual		LCMR Stewardship	Other Stewardship	Easement Value
Shields Lake	Mach	Wetlands	153		Rice	Erin	CLOSED	6/06	\$8,000		Unknown
Total			153						\$8,000	0	

Projects completed: 1 **Acres Protected:** 153 **Shoreline Feet Protected:** 0

Project Area 11

Site	Tract	Water Body	Acres	Shoreline Feet	County	Township	Completion Estimated Actual		LCMR Stewardship	Other Stewardship	Easement Value
Lockhart Springs	Lockhart	Wildcat Creek Tributary	21	1,583	Houston	Brownsville	CLOSED	4/05	\$8,000	\$2,000	Unknown
Total			21	1,583					\$8,000	\$2,000	

Projects completed: 1 **Acres Protected:** 21 **Shoreline Feet Protected:** 1,583

Grand Total: Projects Completed = 12

Acres Protected = 1,031 (Goal = 1,400)

Shoreline Protected = 20,095 feet

Known CE gift value: \$4,722,100

LCMR Funds Spent: \$264,575

Other Funds Spent: \$64,000 (Stewardship and Enforcement Funds)

Minnesota Land Trust**Attachment A: Budget Detail-Final Adjustments as of June 30, 2006****Project Title:**

Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase II
Shoreland Protection Program

Contract #: **A55184**

Project Manager: Jane Prohaska

LCMR Requested Dollars: \$279,100

		Result 1: Shoreland Protection Program Budget:	
BUDGET ITEM			
Personnel: Staff expenses including salaries, benefits (FICA, FUTA, SUI, worker's comp insurance, 401(k), etc.) and related costs.		\$130,000.00	
		<u>\$135,200.00</u>	
Office supplies (including printing, photocopying, postage, telephone, etc.)		\$8,000.00	
Travel		\$6,000.00	
Easement acquisition costs		\$37,100.00	
		<u>\$38,800.00</u>	
Title work, title insurance, etc			
Maps, GIS (including project mapping by Community GIS)			
Film			
Other (including appraisals, surveys, recording fees, etc.)			
Easement stewardship		\$98,000.00	
		<u>\$91,100.00</u>	
TOTAL		\$279,100.00	

Minnesota Land Trust**Attachment A: Budget Detail -Final****Project Title:**

Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase II
Shoreland Protection Program

Contract #: **A55184**

Project Manager: Jane Prohaska

LCMR Requested Dollars: \$279,100

	Result 1: Shoreland Protection Program Budget:	Amount Spent as of 6/30/06	Balance as of 6/30/06
BUDGET ITEM			
Personnel: Staff expenses including salaries, benefits (FICA, FUTA, SUI, worker's comp insurance, 401(k), etc.) and related costs.	\$135,200.00	\$135,140.00	\$60.00
Office supplies (including printing, photocopying, postage, telephone, etc.)	\$8,000.00	\$8,000.00	\$0.00
Travel	\$6,000.00	\$5,200.00	\$800.00
Easement acquisition costs	\$38,800.00	\$38,735.00	\$65.00
Title work, title insurance, etc		18,225	
Maps, GIS (including project mapping by Community GIS)		15,625	
Film		605	
Other (including appraisals, surveys, recording fees, etc.)		4,280	
Easement stewardship	\$91100.00	\$77,500.00	\$15,300.00
TOTAL	\$279,100.00	\$264,575.00	\$14,525.00