

Legislative-Citizen Commission on Minnesota Resources

2005 Project Abstract

For the Period Ending June 30, 2008

PROJECT TITLE: Sustainable Management of Private Forest Lands

PROJECT MANAGER: Richard Peterson

AFFILIATION: MN Department of Natural Resources-Forestry

MAILING ADDRESS: 1810-30th St. NW

CITY/STATE/ZIP: Faribault, MN 55021

PHONE: 507/333-2012

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E-MAIL: Richard.Peterson@dnr.state.mn.us

WEBSITE: www.dnr.state.mn.us

FUNDING SOURCE: Trust Fund

LEGAL CITATION:

Legal Citation: ML 2005, First Special Session, Chap.1, Art. 2, Sec.11, Subd.9c.

Appropriation Language: Sustainable Management of Private Forest Lands. \$437,000 the first year, \$437,000 the second year are from the trust fund to the commissioner of natural resources to develop stewardship plans for private forested lands, implement stewardship plans on a cost-share basis and for conservation easements matching federal funds. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Legal Citation: ML 2006, Chap 243, Sec. 20, Subd. 11.

Appropriation Language: Subd. 11. Forest Legacy. \$250,000 in fiscal year 2006 and \$250,000 in fiscal year 2007 is to the Commissioner of Natural Resources to acquire easements as described under Minnesota Statutes, Chapter 84C, on private lands. The conservation easement must guarantee public access, including hunting and fishing.

APPROPRIATION AMOUNT: \$1,374,000

Overall Project Outcome and Results

This project targeted private forestland in Minnesota. Private (non-industrial) landowners own 40% of the forestland in Minnesota. These acres have been identified as critical to the overall sustainability of our forest resources.

The purpose of this project was to: 1) provide stewardship advice to private forest landowners to improve the sustainability of forest habitat on their property; 2) cost-share stewardship practices on private forestland; and 3) protect private forestland with permanent conservation easements.

Complimentary Results #1 and #2 protect water quality, create wildlife habitat, offer recreational opportunities, provide forest-based economies wood fiber, and improve many other forest amenities. Stewardship plans outline forest management recommendations that help landowners meet their goals. Some of those recommendations may require financial assistance. The cost share dollars are incentives provided to landowners to entice them to implement those forest management activities outlined in their stewardship plan.

Result #1, providing private landowners stewardship plans, successfully provided 272 forestland owners, covering 44,348 acres, professional forest management assistance via the Woodland Stewardship Program. And Result #2, cost-sharing stewardship practices on private forestlands, resulted in the implementation of nearly 1,150 acres of on-the-ground forest management projects.

Results #3: Protection of Private Forestland with Permanent Conservation Easements through matching Federal Funds: Permanent working forest conservation easements were acquired from 2

landowners in Itasca County and Lake County, Minnesota. Total federal match leveraged on these two projects was \$818,983. Accomplishments: The total acres protected from development is 7,665 acres: 1,659 acres on the Sugar Hills Project in Itasca County; and 6,006 acres on the Wolfwood project in Lake County. All 7,665 acres provide permanent public access for hunting and fishing according to the terms of the conservation easements.

LCMR 2005 Work Program Final Report

Date of Report: August 12, 2008

LCCMR 2005 Work Program Final Report

I. PROJECT TITLE: Sustainable Management of Private Forest Lands

Project Manager: Richard Peterson Affiliation: DNR Division of Forestry

Mailing Address: 1810-30th St. NW Faribault, MN 55021

Telephone Number: 507/333-2012

E-mail Address: richard.peterson@dnr.state.mn.us

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Web Page address: www.dnr.state.mn.us/forestry

Location: Technical and cost-share assistance – Statewide

Conservation easements on private forest land for sites according to Minnesota's Forest Legacy Assessment of Need (March, 2000), approved by U.S. Forest Service. Focus on sites in Minnesota's Arrowhead Region including Brainerd-Lakes/Walker and North Duluth.

Total Biennial LCMR Project Budget					\$1,374,000
Result 1 2005			\$274,000		
Result 2 2005				100,000	
Results 3 Part A 2005		\$500,000			
Results 3 Part B 2006	\$500,000				
Minus Amount Spent	\$500,000	\$500,000	\$274,000	100,000	
Balance:	\$0	\$0	\$0	\$0	\$0

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II. and III Final Project Summary: This project targeted private forestland in Minnesota. Private (non-industrial) landowners own 40% of the forestland in Minnesota. These acres have been identified as critical to the overall sustainability of our forest resources.

The purpose of this project was to: 1) provide stewardship advice to private forest landowners to improve the sustainability of forest habitat on their property; 2) cost-share stewardship practices on private forestland; and 3) protect private forestland with permanent conservation easements.

Complimentary Results #1 and #2 protect water quality, create wildlife habitat, offer recreational opportunities, provide forest-based economies wood fiber, and improve many other forest amenities. Stewardship plans outline forest management recommendations that help landowners meet their goals. Some of those recommendations may require financial assistance. The cost share dollars are incentives provided to landowners to entice them to implement those forest management activities outlined in their stewardship plan.

Result #1, providing private landowners stewardship plans, successfully provided 272 forestland owners, covering 44,348 acres, professional forest management assistance via the Woodland Stewardship Program. And Result #2, cost-sharing stewardship practices on private forestlands, resulted in the implementation of nearly 1,150 acres of on-the-ground forest management projects.

Results #3: Protection of Private Forestland with Permanent Conservation Easements through matching Federal Funds: Permanent working forest conservation easements were acquired from 2 landowners in Itasca County and Lake County, Minnesota. Total federal match leveraged on these two projects was \$818,983. Accomplishments: The total acres protected from development is 7,665 acres: 1,659 acres on the Sugar Hills Project in Itasca County; and 6,0006 acres on the Wolfwood project in Lake County. All 7,665 acres provide permanent public access for hunting and fishing according to the terms of the conservation easements.

IV. OUTLINE OF PROJECT RESULTS: Non industrial private forest landowners own 40% of the forests in Minnesota (6,000,000+ acres). Only 20% of this is managed under the guidance of a professional forest management plan. With the increase in demand for forest products and the need for a sustainable forest in Minnesota, it is critical that professional management of these forests be expanded. The 2003 Governor's Advisory Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry recommended additional funding for management of NIPF lands. Conservation easements on private forest land leveraged by funding through the federal Forest Legacy program are critical tools in providing long-term conservation of valuable forest parcels especially in rapidly developing areas of the state.

Result 1: Landowner Motivation Through Stewardship Plans

Personnel: \$274,000 (Private consultant Forest Stewardship plan writers)

Description: This project will use qualified private sector professionals to develop sustainable ecosystem-based forest stewardship plans around landowner goals and land capability on 55,000 acres involving 550 landowners. Each plan requires a field inventory of the resources and adds to the landscape objectives. The Minnesota Forest Stewardship Committee and the DNR will oversee professional standards and training.

Summary Budget Information for Result 1:	LCMR Budget	<u>\$274,000</u>
	Balance	<u>\$0</u>

Completion Date: June 30, 2008

Final Report Summary: A total of 272 landowners receive professional forest management advice through this LCCMR grant. The stewardship plans covered 44,348 acres. The stewardship plans provide to the landowner, at no cost, professional forest management advice. The plan outlines the current condition of their forestlands and suggests future management activities that will help them reach the goals they've set for the property. The landowners who received plans from this grant now have an in-depth forest management plan they can use to help them meet their forest management goals. Their active forest management provides the citizens of Minnesota a multitude of benefits such as clean water, wildlife habitat, carbon storage, and hopefully a sustained production of forest products.

Result 2: Cost Sharing to Convert Forest Stewardship Plans to Action

Description: Landowners with Forest Stewardship plans may apply. Cost sharing will be coordinated with federal and state programs to ensure cost effectiveness. The Forest Stewardship Committee and DNR will oversee practices and rates. LCMR's cost share contribution will be at least doubled by landowners and other private sector donors.

Predicted accomplishments – actual mix will vary with landowner requests:

<u>Wildlife habitat</u>	<u>Reforestation</u>	<u>Forest development</u>	<u>Riparian protection</u>
1,165 acres	430 acres	650 acres	350 acres

Other: \$ 100,000 – Cost share for private landowners

Summary Budget Information for Result 2:	LCMR Budget	<u>\$100,000</u>
	Balance	<u>\$ 0</u>

Completion Date: June 30, 2008

Final Report Summary:

A total of 1,146 acres of on-the-ground accomplishments were completed via this LCCMR grant. The following table outlines this grant's accomplishments.

Wildlife habitat protection	Reforestation	Forest development	Riparian protection	Controlling invasive species
365 acres	496 acre	150 acres	0	135 acres

This LCCMR grant, in combination with accomplishments from the \$100,000 cost share dollars provided by the federal government, nearly realized the predicted accomplishments listed above. These two grants provided landowners the financial incentives to implement the forest management activities outlined in their forest stewardship plans. Almost immediately these projects will store carbon, provide refuge for wildlife species, improve the health and productivity of Minnesota's forests, and help to curb the spread of invasive species. These LCCMR grant dollars had an immediate and lasting impact to Minnesota's family forests.

Result 3A & 3B: State Matching Fund for Federal Forest Legacy Projects

Description: Forest Legacy is a federal conservation easement program operated by the U.S. Forest Service to prevent the loss of productive timberland, fragmentation of important and threatened forestland, and the parcelization of forest ownership. The easement allows the landowner to manage the property under a sustainable forest management plan for timber, wildlife, water and recreational values, but prevents the land from being subdivided or developed for non forest values. These properties could be located in any one of six Forest Legacy Areas located in the forested part of the state. The federal program pays landowners up to 75% of the easement cost. LCMR funding will be used to provide the 25% match required to qualify for federal funds for acquisition of the conservation easements. LCMR funding beyond the 25% will be used to help pay for professional services such as appraisal, survey and title work.

The MN Department of Natural Resources, Division of Forestry, owns title to the easement and monitors the easement on an annual basis. Many landowners who complete forest stewardship are interested in furthering conservation goals by putting a permanent easement on their property, therefore it is important to provide funding to help landowners achieve their conservation goals.

Acquisition : \$ \$1,000,000

Summary Budget Information

For: Result 3A:	LCMR Budget	2005	\$500,000
Result 3B:	LCMR Budget	2006	<u>\$500,000</u>

Balance March 28, 2008	\$0	\$0
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Matching funds for this result (see below VI B Forest Legacy) \$2,200,000

Final Report Summary: Result 3 included the acquisition of 2 perpetual conservation easements totaling 7,665 acres in Itasca and Lake Counties. The protection of the 1,659 acre Sugar Hills area protected an important outdoor recreation site (x-c skiing, hiking, hunting) from development and also allows the property to continue to be managed sustainably for timber production. The protection of the 6,006 acre Wolfwood Project (aka Clair A. Nelson Memorial Forest) was a significant contribution to forest landscape protection in that this tract was within and adjacent to state and county forest land. Wolfwood also is open for public recreation and is being sustainably managed for timber. These 2 projects leveraged \$2,200,000 from other sources including federal, other state, landowner contributions, and private grants.

V. TOTAL LCMR PROJECT BUDGET:

All Results: Personnel: \$274,000 – Private consultant forest management plan writers

All Results: Acquisition: \$ \$1,000,000

All Results: Other: \$ 100,000 – Cost share for private landowners

TOTAL LCMR PROJECT BUDGET: \$ \$1,374,000

VI. OTHER FUNDS & PARTNERS:

A. Project Partners: Private consulting foresters providing technical Stewardship Plan writing assistance to Non-industrial private forest landowners - \$274,000

Non-industrial private landowners applying for cost-share assistance in implementing forest management practices - \$100,000

Private landowners applying for Forest Legacy easements - \$500,000.

2006 State legislative bonding bill - \$7,000,000 for result 3.

B. Other Funds being spent during the Project Period:

Technical and Cost-Share Assistance

\$500,000 – USDA Forest Service Forest Stewardship funding; \$40,000 – Private donations; \$1,800,000 -In kind – DNR Forestry FTE's.
 \$100,000 - Landowner cost-share match for forest management practices.

Forest Legacy

Sugar Hills Project
 \$818,983 - Federal Forest Legacy match

\$72,000 - Landowner donations of land value, as partial match

\$122,888 – Reinvest in Minnesota

\$250,000 – The Nature Conservancy

\$36,129 – LCMR, 2005, First Special Session, Chp. 1, Art. 2, Sec. 11 Subd. 05a

In-kind real estate services by The Nature Conservancy & Trust for Public Land.

In-kind DNR staff time and funding for monitoring easements, and for professional services such as appraisals, surveys, attorney fees, etc.

Wolfwood Project

\$900,000 – Landowner donations of land value as partial match

\$400,000 - 2006 Capital Bonding Minnesota Session Laws 2006-Chapter 258
 Section 7 Subdivision 15: Large scale forest land and Forest Legacy conservation easements.

C. Required Match (if applicable):

D. Past Spending:

Technical and Cost-share Assistance

Funding source	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005
LCMR	\$0	\$875,000	\$450,000	\$485,000	\$75,000
DNR FTE's	\$1,800,000	\$1,900,000	\$1,920,000	\$1,875,000	\$1,850,000
Federal Sources	\$1,889,907	\$690,456	\$388,855	\$354,000	\$336,000

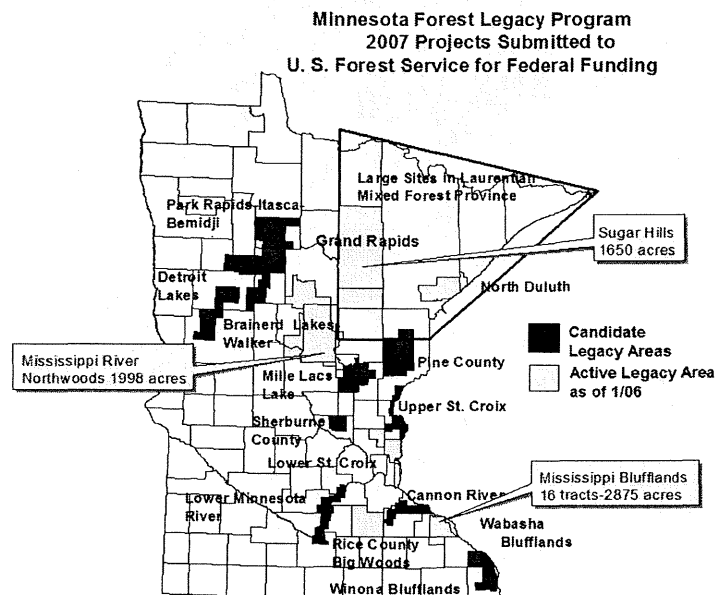
Forest Legacy

Funding source	2000	2001	2002	2003	2004
LCMR		\$500,000		\$145,500	
Federal Sources	\$678,000	\$906,000	\$1,000,000	\$407,000	\$500,000

E. Time: July 1, 2005 to June 30, 2008. The July 1 start date eliminates most of the first field season. The extension provides two full field seasons to accomplish the planning and development work.

VII. DISSEMINATION: The Forest Legacy projects appear on the US Forest Service website: <http://www.fs.fed.us/na/durham/legacy/index.shtml>. DNR Forestry is currently working on a cooperative project with the US Forest Service that will put all the forest stewardship plans into a GIS database. This project will be completed by the end of 2006 and will be available for public use.

VIII. REPORTING REQUIREMENTS: Periodic work program progress reports will be submitted not later than January, 2006; July 2006; January 2007; July 2007; January 2008. A final work program report and associated products will be submitted by June 30, 2008.

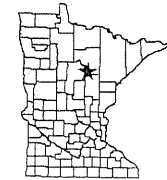
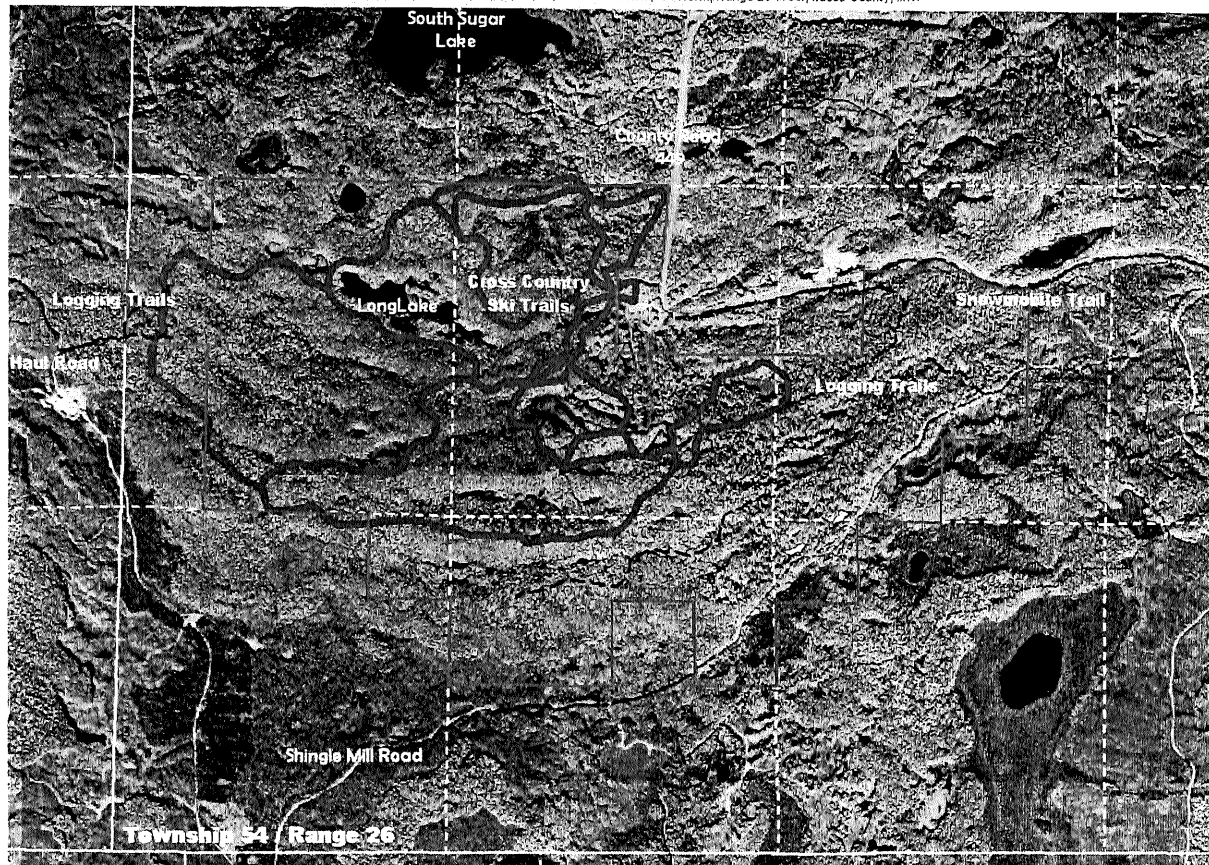




Sugar Hills Forest Legacy Area - Logging Roads / Recreation Trails

Liila Forest Products / Rajala Companies

Portions of Sections 28, 29, 30, 31, 32, & 33 of Township 54 North, Range 26 West, Itasca County, MN.



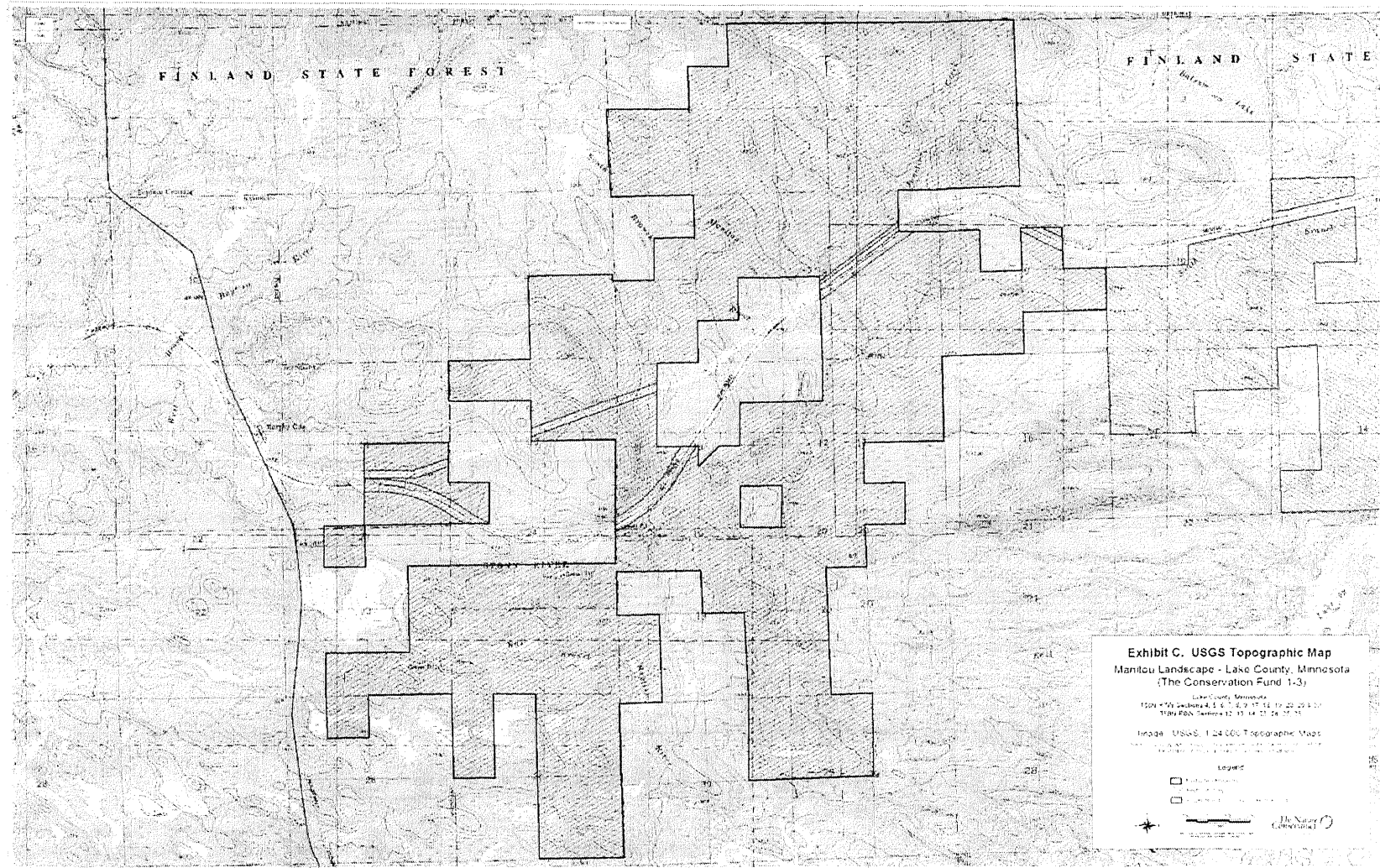
Location of Sugar Hills

Legend

- Legacy Area
1659.84 acres
- Cross Country
Ski Trail
- Snowmobile Trail
- Haul Road
- Logging Trails
- Landings
- Township lines
- Section lines



Map Date:
Feb 20, 2007
DNR Forestry
Olson



Attachment A: Budget Detail for 2005 Projects - Summary and a Budget page for each partner (if applicable)

Proposal Title: Sustainable Management of Private Forest Lands

Project Manager Name: Richard Peterson

LCMR Requested Dollars: \$ 1,374,000

- 1) See list of non-eligible expenses, do not include any of these items in your budget sheet
- 2) Remove any budget item lines not applicable

2005 LCMR Proposal Budget	Result 1 Budget:	Amount Spent 6-30-08	Balance 6-30- 08	Result 2 Budget:	Amount Spent 6-30-08	Balance 6-30- 08	Result 3 Budget: Revised 6-07-06	Amount Spent 6-30-08
	<i>Landowner Motivation Through Stewardship Plans</i>			<i>Cost Sharing to Convert Forest Stewardship Plans to Action</i>			<i>State Matching Funds for Federal Forest Legacy Projects</i>	
BUDGET ITEM								
Professional/technical (<i>with whom?, for what?</i>)	\$274,000 Consultant Plan Writers	274,000	0					
Land rights acquisition (<i>less than fee</i>) 2005							500,000	500,000
Land rights acquisition (<i>less than fee</i>) 2006							500,000	500,000
Other land improvement (<i>for what?</i>)				\$100,000 -Cost share for Private Landowners	100,000	0		
COLUMN TOTAL		274,000	0		100,000	0		1,000,000

Balance 6-30-08	
	TOTAL FOR BUDGET ITEM
	274,000
0	500,000
0	500,000
	100,000
0	1,374,000