

Date of Work Program Approval: January 8, 1997

Project Completion Date: The Environmental Trust Fund (ETF) appropriated in 1995 will be expended by June 30, 1997. The ETF and Future Resource funds (FRF) appropriated in 1996 will be expended by December 31, 1997. It is anticipated that the bonding funds will be expended by June 30, 1998. ETF and general revenue funds appropriated in 1997 and will be expended by June 30, 1999.

LCMR Work Program 1997

I. PROJECT TITLE: RIM -CRITICAL HABITAT MATCH PROGRAM

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Total Biennial Project Budget: See Appendix A.

II. PROJECT SUMMARY AND RESULTS:

This program provides an opportunity for private individuals, groups, and businesses to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. State funds in the Minnesota Critical Habitat Private Sector Matching account (CHM) are matched dollar-for-dollar by restricted and unrestricted contributions of land easements, or cash to the program. Specific CHM procedures are outlined in Appendix B. Most donations are restricted for projects of mutual interest for the donor and the Division of Fish and Wildlife. Land donations and purchases have been primarily for wildlife management areas (WMA), with other projects involving acquisitions in scientific and natural areas (SNA), state parks, aquatic management areas (AMA), and state forests.

Projects will emphasize the protection and enhancement of habitat for endangered or threatened species, protection of uncommon or diminishing ecological communities, benefits to existing fish and wildlife populations, and enhancement of fish and wildlife oriented recreation.

In addition to acquisition, critical habitat may be improved in order to protect and restore fish and wildlife populations and native plant communities. The most common projects are planting critical winter cover and secure nesting cover, restoring wetlands, and improving forest habitat. Fisheries habitat may be protected or improved by acquiring riparian lands, stabilizing lake or stream shores, restoring aquatic vegetation, improving fish habitat in streams, reclaiming watersheds, and other fisheries management activities. Work is also undertaken to improve habitat for nongame species. The private match for the nongame projects comes from the contributions to the nongame wildlife management account (as allowed by M.S. 84.943, Subd. 3).

Special Critical Habitat License Plates: The 1995 Legislature authorized the issuance of a special critical habitat license plate to motor vehicle applicants who pay, in addition to the normal registration fees, an extra \$10 fee to cover the costs of handling and manufacturing the plate and contribute at least \$30 annually to the Minnesota critical habitat private sector matching account. The contributions are credited to the CHM account and will be matched by private donations of cash or land to purchase or develop critical habitat for fish and wildlife. A portion of the plate funds will be matched with contributions to the nongame wildlife management account and used for critical nongame acquisition and development projects.

III. WORK PROGRAM UPDATE SUMMARY: 6/30/97-10/15/97

Expenditures: \$141,000 in bonding funds, \$314,000 in Trust funds, and \$88,000 in Future Resources funds were liquidated.

Donations received: \$1,023,000 in new donations were matched.

IV. OUTLINE OF PROJECT RESULTS:

A. Current Appropriations: New Expenditures - Proposed

The following \$122,828 in new bonding expenditures, \$83,450 in Environmental Trust Fund, and \$100,000 in Critical Habitat License Plate funds for a total of \$306,278 are proposed for LCMR recommendation:

PROPOSED CHM LAND PURCHASE EXPENDITURES

Private Match Source: 50% cash donation (Donors contribute cash equal to half the purchase price and the CHM Program provides the other half of the purchase price. The total acreage of each parcel is as shown below but the total purchase price is twice the amount shown below.)

County	Project	Acres	Bonding Expenditure	ETF Expenditure	CHM License Plate
Freeborn	Magaksica WMA	31.00	\$48,053.00		
Itasca	Deer Lake Island WMA	26.00			\$100,000.00
Martin	Krahmer WMA	35.09	\$28,900.00		
Nicollet	Swan Lake WMA	56.15		\$83,450.00	
Nobles	Lone Tree WMA	29.31	\$45,875.00		
TOTAL		121.40	\$122,828.00	\$83,450.00	\$100,000.00
GRAND TOTAL			\$306,278.00		

See Appendix C for definitions of fish, wildlife, and critical habitat development activities.

B. Proposed Expenditures:

	<u>1997 Trust Fund Appropriation</u>	<u>1997 General Revenue Appropriation</u>	<u>Critical Habitat License Plate</u>
Acquisition	\$342,000.00	\$486,000.00	\$192,000.00
Nongame Projects	\$200,000.00	\$0.00	\$50,000.00
Development ^a	\$ 50,000.00	\$60,000.00	\$24,000.00
<u>Professional Services^b</u>	<u>\$ 38,000.00</u>	<u>\$54,000.00</u>	<u>\$24,000.00</u>
Total	\$630,000.00	\$600,000.00	\$290,000.00

^a CHM development projects have averaged approximately 10 percent of total project expenditures and the amount spent for development versus land purchases is dependent on donor interests.

^b Professional services include the costs for staff time, appraisal and survey costs, and recording and abstracting fees for CHM land donations and purchases. These costs have averaged about 10 percent of the total value of these acquisitions.

The CHM Program will periodically present expenditure requests for these funds to LCMR for approval of specific projects.

V. CONTEXT:

A. Significance:

The CHM Program has been highly successful at encouraging private donations to help fund the cost of acquiring and enhancing crucial habitat for fish, wildlife, and rare and endangered species, as well as provide additional areas for related recreation.

Since its inception in 1986, this public-private partnership has received and matched over \$15 million in private donations. During the past five years, donations have averaged \$1.5 million per year. This program continues to encourage substantial private donations and cooperation. Approved pledged donations currently exceed available appropriations by \$3 million.

ANTICIPATED PROGRAM NEEDS THROUGH JUNE 30, 2000

	<u>Pledges Accepted</u>	<u>Pledges Anticipated</u>	<u>Cumulative Needs</u>
Fiscal Year 1998	\$3,000,000.00	\$1,000,000.00	\$4,000,000.00
Fiscal Year 1999		\$1,000,000.00	\$5,000,000.00
Fiscal Year 2000		\$1,000,000.00	\$6,000,000.00

CUMULATIVE PROGRAM ACCOMPLISHMENTS THROUGH 10/15/97

DONATIONS

- Cash donations: \$4.308 million
- Land donations:

<u>Unit</u>	<u>Acres</u>	<u>Donation Value</u>
Aquatic Management Areas	116.02	\$195,323.00
State Forests	1,421.39	\$361,214.00
Scientific and Natural Areas	3,654.94	\$3,055,305.00
State Parks	2,914.90	\$3,864,250.00
Wildlife Management Areas	11,472.27	\$4,770,522.00
<u>Conservation Easements</u>	<u>500.77</u>	<u>\$1,422,057.00</u>
TOTAL	20,080.29	\$13,668,670.00

EXPENDITURES

- Land purchases:

<u>Unit</u>	<u>Acres</u>	<u>Purchase Price</u>
Aquatic Management Areas	96.91	\$1,161,681.00
State Forests	175.43	\$86,500.00
Scientific and Natural Areas	1,811.05	\$2,026,433.00
State Parks	206.90	\$274,437.00
<u>Wildlife Management Areas</u>	<u>31,513.25</u>	<u>\$10,161,060.00</u>
TOTAL	33,803.54	\$13,710,111.00

- Habitat enhancement projects:

<u>Type</u>	<u>#Projects</u>	<u>Acres</u>	<u>Cost</u>
Fisheries Enhancement	7	2,687.00	\$261,960.00
Forest Enhancement	85	11,913.20	\$871,487.00
Grassland Development	3	412.00	\$9,445.00
Nongame Projects	74	31.00	\$352,352.00
Prairie Enhancement/Devel.	38	14,758.50	\$354,138.00
SNA Development	10		\$23,296.00
Wetland Enhancement/Devel.	25	10,809.30	\$485,312.00
<u>Woody Cover Development</u>	<u>32</u>	<u>627.55</u>	<u>\$83,353.00</u>
TOTAL	274	41,238.55	\$2,441,343.00

A status table summarizing all CHM appropriations is attached as Appendix A and a cumulative summary of state funding and private donations is shown on the bar graph on Appendix D. A complete listing of project expenditures reviewed and approved by LCMR during the period July 1, 1991 to November 11, 1995 has been provided to LCMR staff.

B. Time: The Environmental Trust Fund (ETF) and Future Resource funds (FRF) appropriated in 1996 will be expended by December 31, 1997. It is anticipated that the bonding funds will be expended by June 30, 1998. ETF and general revenue funds appropriated in 1997 and will be expended by June 30, 1999.

C. Budget Context:

1. Professional Service Fees: \$1,687,500.

Professional service fees include the following costs for CHM acquisition projects: staff time for the Bureau of Real Estate Management and Engineering, and the Attorney General's Office; appraisal and survey costs; and recording and abstracting fees to process RIM Match land donations and purchases. Habitat enhancement projects may also incur professional service costs if engineering is required to accomplish the project. This is the total cost to process and complete \$27.3 million worth of RIM land donations and purchases and is equal to 6.2% of the total value of these acquisitions. Professional service costs paid from the state appropriations are included in the total amount "expended and /or approved for expenditure" on Appendix B. A similar percentage will be assessed for future professional service costs for RIM Match land acquisitions and for habitat enhancement projects that require engineering services.

2. Use of Classified Employees:

a. Type and Amount of Classified Salaries

i. Part-time or seasonal natural resource technicians and laborers may be paid with these funds to conduct and assist in performing projects in this work program such as habitat development, improvement, or restoration projects on state wildlife management areas and selected natural resource lands. These positions are classified and unclassified.

ii. These funds may be used to fund overtime costs of full-time wildlife personnel involved in habitat projects in this work program.

b. Unique Qualifications

The projects in this work program require specialized skills (wildlife identification, habitat knowledge, and management implications) and qualifications to implement them. Classified DNR Wildlife or Fisheries staff employees have the training, experience and certification required to perform these specialized tasks and are usually the best qualified to do these projects.

c. Expense to the State

Other options are considered to implement projects. Often hiring additional unclassified employees is impractical because they lack appropriate knowledge or would require extensive training while some existing staff with necessary skills are less than full-time. Contracts with outside biologists or heavy equipment operators are used when possible, but contractors are not available for some projects.

d. Supplemental Nature of Appropriation

The amount of time seasonal and part-time employees work is based on available funds. These funds will be supplementing their other work. Without these funds, none of the projects in this work program would be completed. They are an acceleration of these initiatives.

VI. COOPERATION: Coordination with other DNR divisions, federal agencies, and private non-profit groups is constantly explored to protect critical habitat. In most cases, the DNR works closely with the donors to determine suitable critical habitat projects to be funded with the state matching dollars. Interest in the CHM has been remarkable as evidenced by both the wide variety and number of donors that have made contributions. Of the over 370 donors, 158 were private individuals, 196 conservation groups, 14 corporations, and 5 were miscellaneous groups.

VII. LOCATION: A wide range of subsections across the state depending on donor interest in the CHM matching project.

VIII. Reporting Requirements: Work program updates will be submitted at least semiannually or more frequently as CHM expenditure approvals are needed.

APPENDIX A

Components of Balance

<u>Appropriation</u>	<u>Year</u>	<u>Appropriated</u>	<u>Total Matched (Donations Received)</u>	<u>Matched and Liquidated</u>	<u>Balance to Liquidate</u>	<u>Matched and Encumb.</u>	<u>Matched but not Encumb.</u>	<u>Balance To Match</u>	<u>Pledges Accepted (Waiting for donation)</u>
<u>BONDING</u>									
RIM Critical Habitat Match	1986-90	5,280	5,280	5,280	0	0	0	0	0
RIM Critical Habitat Match ¹	1991	3,000	3,000	2,876	124	67	57	0	0
RIM Critical Habitat Match ²	1992	1,250	1,250	1,197	53	53	0	0	0
RIM Wildlife Acquisition	1994	1,000	1,000	1,000	0	0	0	0	0
RIM Wildlife Acquisition ⁵	1996	2,500	2,500	1,557	943	3	940	0	0
SUBTOTAL		13,030	13,030	11,910	1,120	123	997	0	0
<u>TRUST FUND</u>									
RIM Critical Habitat Match	1993	2,600	2,600	2,600	0	0	0	0	0
RIM Critical Habitat Match ³	1995	250	250 ^a	250	0	0	0	0	0
RIM Critical Habitat Match ⁴	1996	630	630	629	1	1	0	0	0
RIM Critical Habitat Acq. & Enhancement ⁶	1997	630	623 ^b	206	424	119	298	7	7
SUBTOTAL		4,110	4,103	3,685	425	120	298	7	7
<u>FUTURE RESOURCES FUND</u>									
RIM Critical Habitat Match ⁴	1996	120	120	120	0	0	0	0	0
<u>GENERAL REVENUE</u>									
RIM Critical Habitat Match ⁷	1997	600	600	0	600	0	600	0	0
<u>CRITICAL HABITAT LICENSE PLATES</u>									
RIM Critical Habitat Match ⁸	1995	358	124 ^c	0	358	0	124	234	234
Donations and pledges exceeding appropriations									2,957
TOTAL		18,218	17,977	15,715	2,503	243	2,019	241	3,198

The private match will come from contributions to the nongame wildlife management account(as allowed by M.S. 84.943, Subd. 3 (see Appendix A, page 6) for the following amounts and are reported on a separate nongame work program:

*\$150,000 of the 1995 Trust Fund appropriation

^b\$200,000 of the 1997 Trust Fund appropriation

^c\$50,000 of the 1995 Critical Habitat License Plate fund

APPENDIX A (Continued)

1991 Appropriation Language

1 M.L. 1991, Chapter 254, Section 17(b). To the commissioner of natural resources for transfer to the critical habitat private sector matching account for purposes of Minnesota Statutes, sections 84.943 and 84.944: \$3,000,000;

1992 Appropriation Language

2 M.L. 1992, Chapter 558, Section 18, Subd. 13. Critical Habitat Acquisition. For transfer to the critical habitat private sector matching account under Minnesota Statutes, section 84.943. \$1,250,000

1995 Appropriation Language

3 M.L. 1995, Chapter 220, Section 19, Subd. 10(b) as amended by M.L. 1996, Chapter 407, Section 52. RIM - Accelerate Critical Habitat Match Program. This appropriation is from the trust fund to the commissioner of natural resources for activities authorized under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas.

1996 Appropriation Language

4 ML 1996, Chap. 407, Sec. 8, Subd. 7(a)
RIM - Accelerate Critical Habitat Match Program.
\$630,000 of this appropriation is from the environment and natural resources trust fund and \$120,000 is from the future resources fund to the commissioner of natural resources for activities authorized by Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas.

1996 Appropriation Language

5 ML 1996, Chap. 463, Sec. 7, Subd. 22
RIM Wildlife and Natural Area Land Acquisition.
To acquire land for wildlife management areas under Minnesota Statutes, section 97A.135; to acquire land for scientific and natural areas under Minnesota Statutes, section 84.033; to acquire native prairie bank easements under Minnesota Statutes, section 84.96; for the critical habitat private sector matching account under Minnesota Statutes, section 84.943; and for acquisition and wetland restoration under the North American Waterfowl Management Plan. The commissioner shall determine project priorities as appropriate based upon need. \$500,000 is for scientific and natural areas and native prairie bank easements.

(The total 1996 bonding appropriation for RIM Wildlife and Natural Area land Acquisition is \$3,500,000. The agency has allocated \$2,500,000 to Critical Habitat Match.)

1997 Appropriation Language

6 M.L. 1997, Chap. 216, Sec. 15, Subd. 17(l) .

RIM - Critical Habitat Acquisition and Enhancement.

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the Reinvest in Minnesota Program (RIM) activities authorized under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas. Retroactive reimbursement for the greening the great river park project is authorized.

7 M.L. 1997, Chap. 216, Sec. 5, Subd. 7.

\$600,000 the first year is to the critical habitat private sector matching account for the purposes of Minnesota Statutes, section 84.943.

1995 Special Critical Habitat License Plates

8 M.L. 1995, Chap. 220, Sec. 112, Subd. 5.

Contributions under subdivision 1, clause (5), must be paid to the registrar and credited to the Minnesota critical habitat private sector matching account established in section 84.943. The fees collected under this section must be deposited in the highway user tax distribution fund.

M.S. 84.943, Subd. 3 Appropriations must be matched by private funds.

Appropriations transferred to the critical habitat private sector matching account may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests of land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

APPENDIX B

Critical Habitat Match Procedures

Step 1

Donors contact the DNR local offices or the DNR Central Office regarding potential donations.

Step 2

Pledges for enhancement projects and land donations are screened by area and regional fish and wildlife staff.

Step 3

Once approved at the local level, the pledges or donations for projects are evaluated by a Division of Fish and Wildlife panel. The panel includes the Division Director, Wildlife and Fisheries Section Chiefs, the Wildlife Land Acquisition Coordinator, and other individuals as necessary. Donations are evaluated according to the state statutes 84.944 (Acquisition of Critical Habitat) and Minnesota Rules 6210.0400 (Priorities for the Acquisition and Improvement of Critical Natural Habitat).

In the review process, each proposal is assigned one of the following priorities. These priorities are listed in order of decreasing importance as established by 2450 Minnesota Rules 6210.0400:

- a) Potential contribution to the maintenance or enhancement of populations of native plant, fish, and wildlife species listed as endangered or threatened.
- b) Potential contribution to the protection or enhancement of native ecological communities that are now uncommon or diminishing.
- c) The benefits provided to existing or potential habitat for fish and wildlife populations.
- d) The enhancement of fish and wildlife oriented recreation.

When there are several proposed projects within one of the above categories, they will be evaluated against one another based on the following attributes. These priorities were established by the Division of Fish and Wildlife.

- 1) Acquisition is within or adjacent to an existing unit of the Outdoor Recreation System.
- 2) New WMA's, SNA's, or Aquatic Management Areas that are large enough to achieve resource or recreation protection and management objectives.
- 3) The project would protect or improve habitat as identified by the Division's Fish and Wildlife Long Range Plans.
- 4) Project contributes to the goal of the North American Waterfowl Management Plan.

Step 4

After approval by the Division of Fish and Wildlife, and completion of donation or 50/50 land donations are optioned, the projects expending Critical Habitat Match funds are submitted to LCMR for recommendation under their bonding, environmental trust fund, and future resources fund oversight responsibilities.

Step 5

Expenditures are recommended for approval by LCMR.

Step 6

State funds are encumbered.

Step 7

Development projects and land acquisitions are initiated. Land purchase values will be based on a certified appraisal.

Step 8

State and private funds are expended.

Note: Donations are deposited and deeds are received at various times between Steps 1 through 3.

APPENDIX C

Fish, Wildlife and Critical Habitat Development Activity Glossary

Access Development or Improvement

The construction, extension, expansion or improvement of access roads or sites for public recreational use or management purposes. Includes unit access, single land roads and trails.

Aquatic Plant Restoration

Re-establishment of emergent or floating plants that are beneficial fish habitat.

Boundary Development

The initial installation of signs or fences on recreational units.

Brushland Development or Improvement

The enhancement of brushland habitats or communities through development (i.e. timber to brushland type conversion) or setback of brushland encroachment or canopy enclosure.

Fish Barrier

Installation of physical or electrical obstruction to exclude undesirable fish from a lake or wetland.

Fish Spawning Habitat Development or Improvement

Installation of suitable substrates for the improvement of natural reproduction of fish species.

Forest Opening Development or Improvement

The establishment or improvement of openings in the forest environment to provide forest edge.

Forest Stand Development or Improvement

The enhancement of forest stands for wildlife benefits through stand regeneration, thermal cover planting, mast regeneration, grass seeding or browse regeneration.

Grassland Development or Improvement

The establishment of grasslands through development or improvement measures undertaken to assure establishment. Includes native grass plantings and cool season grass plantings.

Lake Reclamation

The enhancement of lake habitats by typically removing carp and bullheads with rotenone and restocking with a healthy fish community.

Nesting Structure Development

The installation of nesting structures or loafing rafts.

Prescribed Burns

The use of burning to enhance wildlife habitats and plant communities.

Trout Stream Habitat Improvement

Installation of boulders, lunger structures and grass seedings to restore degraded streams as trout habitat.

Unit Facility Development or Improvement

The construction or expansion of facilities designed to be used by the public or for management purposes. Includes subactivities such as simple parking areas or observation blinds.

Unit Resource Protection

The completion of activities that protect recreational unit resources including well sealing, site cleanup or erosion control.

Wetland Development

The creation of new wetlands through the construction of dams and dikes.

Wetland Enhancement

The enhancement of an existing wetland through various vegetative or water management techniques including the installation of fish barriers, island development or aquatic seeding.

Wetland Restoration

The restoration of drained wetlands by plugging drain tiles, or adding a water control structure to an outlet ditch.

Wetland Structure Improvement

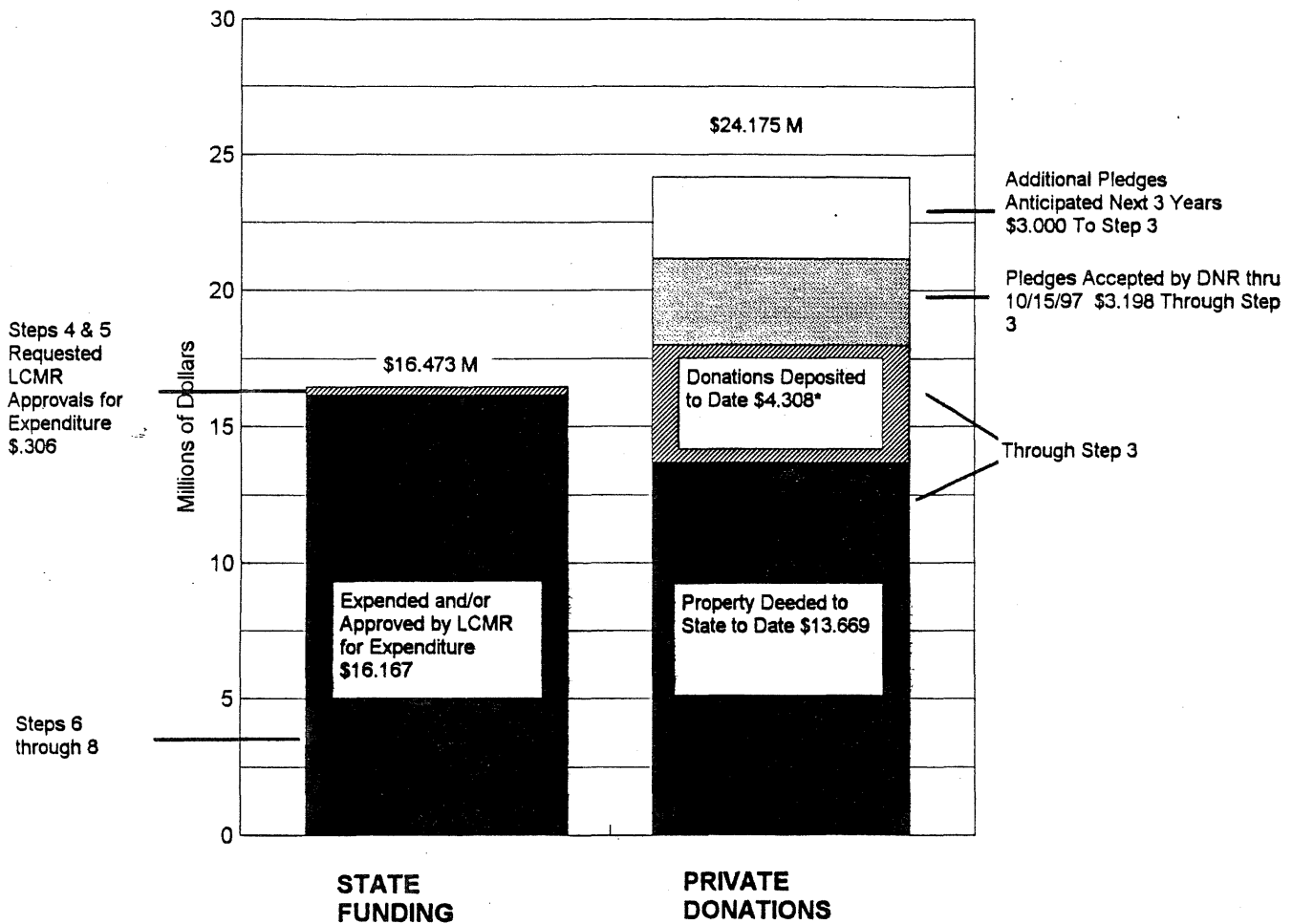
The major repair or replacement of a water control structure or related dike, spillway, diversion or channel.

Woody Cover Development or Improvement

The establishment of tree and shrub plantings or improvement measures undertaken to assure establishment.

APPENDIX D

Status of Critical Habitat Match



*Includes \$632,500 of funds contributed to the nongame wildlife account.

APPENDIX E

