

**TITLE: GRANTS TO LOCAL GOVERNMENTS TO ASSIST NATURAL RESOURCE
DECISION MAKING**

PROJECT MANAGER: Jim Birkholz

ORGANIZATION: Minnesota Board of Water and Soil Resources

ADDRESS: 1 W. Water Street, St. Paul, MN 55107

LEGAL CITATION: ML 1997, Ch. 216, Sec. 15, Subd. 9 (a)

APPROPRIATION AMOUNT: \$150,000

Statement of Objectives: To enhance the ability of local governments to make natural resource decisions (such as land use, zoning and permitting) that are appropriate to the natural resources of their communities.

Overall Project Results: Six projects were funded:

1. Olmsted County/City of Rochester (\$40,500)—Groundwater Recharge Management Areas—Mapped groundwater recharge and discharge areas, prepared design models and planning and zoning controls to protect groundwater resources.
2. Beltrami Soil and Water Conservation District (\$25,000)—Integration of natural resources information for use by the four townships surrounding the City of Bemidji and training in its use was accomplished by this project.
3. Douglas County (\$37,500)—GIS mapping of lakeshore bluffs, wetlands and sensitive areas was accomplished, local staff and officials trained in its use in plat approval process and changes to local ordinances are underway.
4. Scott Soil and Water Conservation District (\$10,000)—Created a team of county and soil and water conservation district professionals—Development in Review Team or "DIRT" to address issues and concerns of individuals planning to develop land in Scott County. All proposers of development have the opportunity to meet simultaneously with all the staff to work through all natural resource issues related to their development proposals.
5. City of Savage (\$21,380)—Completed and adopted a Comprehensive Wetland Protection and Management Program for all jurisdictional wetlands in the city.
6. Rock County (\$5725)—Included natural resource information and set goals for management and protection of natural resources in Rock County as part of the County's update of its "Land Management Plan".

Project Results Use and Dissemination

1. Planning and zoning tool used in evaluating and permitting all development in the Rochester area.
2. Four townships now use standard set of natural resource information to guide all planning and zoning decisions.
3. Sensitive areas given special consideration for all platting done around 20 major county lakes. One county staff GIS specialist added as ongoing county position.
4. Forty one developments given comprehensive natural resources review and assistance to be continued as permanent program. Project won a National Association of Counties award.
5. City now operates from a solid base of information to make wetlands impact decisions under a plan approved by the BWSR and other natural resource agencies.
6. Proactive natural resource policies are now part of Rock County's land use plan. County decisions to protect natural resources as part of approving developments can now withstand challenges.

FINAL REPORT

JUN 26 2001

Date of Report: July 1, 2000

LCMR Final Work Program Update Report

Date of Work Program Approval: June 23, 1997

Project Completion Date: June 30, 2000

LCMR Work Program 1997

1. **PROJECT TITLE:** E-1 Grants to local governments to assist natural resource decision-making.

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Total Biennial Project Budget:

| | | | |
|---------------------|------------------|---------------------|------------------|
| \$LCMR (Approp.) | \$150,000 | \$Match | \$150,000 |
| \$LCMR (Encumb.) | \$149,605 | \$Match Amount | \$145,993 |
| <u>Amount Spent</u> | <u>\$140,105</u> | <u>Amount Spent</u> | <u>\$145,993</u> |
| LCMR Balance | \$ 9,500 | Match Balance | \$ 0 |

A. **Legal Citation:** ML 1997, Chap. 216, Sec. 15, Subd. 9.a.

Appropriation Language: This appropriation is from the future resources fund to the board of water and soil resources for matching grants to local governments to help enable incorporation of impacts on natural resources into local decision making. **Carryforward Language:** ML 1999, Chap. 231, Sec. 16, Subd., 25 Carryforward (a) The availability of the appropriation for the following projects is extended to June 30, 2000: Laws 1997, Chapter 216, Section 15, subd. 9, paragraph (a), grants to local governments to assist natural resource decisionmaking.

B. Status of Match Requirement: Match commitments will be obtained from participating local governments after a RFP and selection process.

II. **PROJECT SUMMARY AND RESULTS:**

This project involves making grants to selected local governments. Local governments would use the funds to enhance their staff ability to utilize emerging technologies and state-of-the-art concepts to make land use, zoning, and permitting decisions which are appropriate to the land and water resources and result in sustainable development. It is anticipated that most grants will go toward augmenting local government staff resources. The ability of local governing boards to make good natural resource decisions should be enhanced via improved staff input into those decisions. Priority will be given to local governments which agree to provide a match to the grant and which indicate a

willingness to continue funding the activity after the end of the LCMR project. Local governments will be encouraged to propose cooperative projects involving more than one local government.

BWSR will issue a request for proposal to local governments and work through their respective associations to market this opportunity. Participants will be selected with input from a team comprised of state agency, local government association, and interest groups which will rank proposals utilizing a weighted matrix process similar to the existing BWSR Natural Resource Block grant Challenge Grant process. It is anticipated that most of the grant recipients will participate in two year grants, however BWSR may reserve a portion of available funds until January 1998 because some local governments may need lead time to budget or levy for their local match.

Local governments which are experiencing development and land use changes which impact natural resources will be eligible to apply. For example, this may include development around the St. Cloud to Rochester "arc", other development centers around the state, lake areas undergoing development, and scattered development sprawl in rural areas. It is likely that 3 to 4 projects will be selected for funding. Anticipated results will be developed after selection of individual projects and incorporated into agreements with local governments.

III. PROGRESS SUMMARY:

Result 1:

1. A Request for Proposal was prepared and distributed in April of 1998 as part of the packet for the 1998 Natural Resources Block Grant Challenge Grant for implementing comprehensive local water plans. This was done to contain the costs involved in advertising the grant and to offer local governments the opportunity to consider their possible use of this grant at the same time as they considered utilizing the Challenge Grants.
2. BWSR received 29 applications from local governments in response to the RFP, totaling approximately \$945,000 in requests.
3. Evaluation of the proposals was conducted using a slightly modified version of the evaluation profile used to evaluate BWSR Challenge Grants. Funding alternatives were presented to the BWSR Board which selected the following proposals for funding at their July 1998 meeting:

Olmsted County--To develop model zoning and platting controls for the focused groundwater recharge area within the Rochester-Zumbro aquifer-shed that the City of Rochester relies upon for its water supply. \$50,000. **Final Report:** (more complete information is provided separate from this document) Workplan Element 1-Inventory of Groundwater Recharge Management Areas is complete in GIS format. This information will guide land development decisions during the

Land Use Plan amendment and rezoning process. Procedures were further developed to use this information at a scale appropriate for the preparation and review of General Development Plans and Plats. Work Element 2—Two model General Development Plans were prepared for representative sites. The plans illustrate design and construction features that could be employed to protect the needed hydrologic amenities. Work Element 3—Develop Model Zoning and Platting Controls. This information is being used to evaluate alternative alignments for transportation and utility corridors as well as proposed lot layouts. A set of recommendations for development decisions were developed. This project was part of a larger effort and the maps and planning aids developed are best viewed in person. BWSR will be happy to facilitate an informational meeting between LCMR representatives and the Rochester/Olmsted County Planning office to view the results of this project first hand. In lieu of this, representative maps, reports and analysis will be provided.

Beltrami Soil and Water Conservation District--gather and create necessary information, develop a natural resource assessment model for the Bemidji area, train and educate local officials and staff in use of the model and integrate its use into local government decision making to better manage growth. \$25,000. Final Report—This project was completed as proposed. It prepared paper copies of natural resources information and presented them with training as to their use to the township officials in the four townships surrounding the City of Bemidji. One of the accomplishments of the project was to enable the townships and the City of Bemidji to work with the same information for making natural resource and related land use decisions. The three ring binder is self explanatory as to the information prepared and presented. In the "Conclusions and Future Efforts" section of the report the results of the interaction of the project with township officials was characterized. One important question which was addressed is, why not provide the information in GIS format? The report concludes that the capacity of townships to utilize GIS technology is still nonexistent. In spite of the increasing development pressures on land and water resources in Beltrami County, planning information is still fragmented or nonexistent. This project represents an important bridge—it will no doubt convince townships of the importance of embracing the use of computerized data and forming collaborative relationships with their neighbors to plan, administer and implement their land use responsibilities. The partners in the project are committed to pursuing future efforts to better manage the area's natural resources. The report could have been more specific in terms of a workplan to accomplish this followup. BWSR staff will commit to doing the necessary followup to see that better collaboration between the city, townships, county and state results in progressively better natural resource decisionmaking.

Douglas County--Map shoreline bluffs, wetlands and sensitive areas of concern, develop a program to assist decision makers in the county to implement their roles in protecting these areas, re-zone sensitive areas in Douglas County to protect them through more restrictive regulations and ordinance changes in order to better protect and manage the lakes resource of the county. \$37,500. Final Report—This project was completed as proposed. A technician was hired to map sensitive areas in electronic format. This technician position is being funded on an ongoing basis—the LCMR funds did, in fact, help this “high concentration of lakes” county add a key staff position faster than they would otherwise. Training was conducted for local government staff and officials on use of the information. More critically, the project is resulting in changes to implementing approved plats and is making visible differences in how Douglas County platting is done. Rezoning and/or ordinance upgrades are being pursued as an ongoing result of this project. The planning commission handbook attached also contains brochures and news articles describing the project. Additional copies of GIS generated maps resulting from this project are available under separate cover.

Scott Soil and Water Conservation District-- create and maintain a team of professional staff (Development In Review Team--DIRT) from Scott County and the Scott Soil and Water Conservation District to address issues and concerns of individuals planning to develop land within Scott County. \$10,000. Final Report—This project was completed as proposed. Development proposers in Scott County during the project period all had the opportunity to meet simultaneously with county and SWCD staff to work through all natural resources implications of their proposed developments. The process has worked very well. The attached report itemizes the actual work accomplished. The project received an award from the National Association of Counties. It resulted in outstanding cooperation and “one stop shopping” for developers which resulted in better protection of natural resources on developing lands. The county and SWCD intend to continue to utilize the “DIRT” approach for all proposed development in Scott County. Once again, LCMR funding stimulated a natural resource protection initiative that proved valuable enough to be picked up as an ongoing process by local government.

City of Savage--In cooperation with the Scott Soil and Water Conservation District, develop a Comprehensive Wetland Protection and Management Program for the City of Savage. \$21,380. Final Report—This project was completed as proposed. Completion of this plan which has also been approved by the BWSR was done by the City in compliance with Chapter 8420, Wetland Conservation Act Rules. This plan inventoried the wetlands in the City, assigned wetland functions and values based on the Minnesota Routine Assessment Method (MnRAM) 2.0, and placed wetlands into management categories. The plan is implemented by City ordinance. Having the plan as a backup to its ordinance assures that the City is operating from a good base of knowledge about wetlands, results in streamlined administration of wetland protection programs, and helps

the City get to the next step of regulation involving a knowledge of whether wetlands within its jurisdiction are groundwater recharge or groundwater discharge areas. The City is better equipped to manage its wetlands as a result of this project. The Plan is available under separate cover.

Rock County--update and reevaluate the Rock County Land Use Plan for use by the Recipient and other local government boards in Rock County to use, in conjunction with the County Comprehensive Local Water Plan, Zoning Ordinance, and permitting process, to make sound decisions on appropriate use of land and water resources and to contribute to sustainable development. \$5725.

Final Report—As a result of this project an updated Rock County Land Management Plan was prepared and adopted by the Rock County Board. The small amount of funding enabled the plan to be much more inclusive of natural resource information and to set goals for management and protection of natural resources in Rock County. The plan is available under separate cover.

4. The projects selected all involve intergovernmental cooperation between several local units of government. All projects include at least a 1:1 match with LCMR funds.

5. Contracts are either in place or simply require final signature and work is progressing on all six local projects under this grant. BWSR Board Conservationists are serving as contract managers and providing assistance as needed to the local governments participating.

6. Three projects have requested a six month extension to complete their projects--Douglas County (\$37,895), City of Savage (\$21,380) and Scott SWCD (\$10,000). BWSR staff have scrutinized the requests, forwarded them to LCMR staff and the required language authorizing the extensions is included in the House and Senate LCMR appropriations bills. The City of Rochester also requested an extension which was granted.

Result 2: Progress on individual projects was originally envisioned to be reported via the LARS reporting system. The current design of the LARS system will not accommodate reporting on these six stand alone grants but it will be used in the future when LCMR funds are used to accelerate the implementation of comprehensive local water plans. Please accept the above narrative as the final report.

Result 3: As soon as the final report is accepted by the LCMR the BWSR will generate publications which share the results of the projects. This will be done through a combination of news releases, information posted on the BWSR web site and newsletter stories such as in our local water planning publication. Note that during the project period the local governments were encouraged to note the LCMR funding contributions toward the projects. This did not get done consistently. The BWSR will ensure that this information is accurately communicated in our followup publicity.

IV. OUTLINE OF PROJECT RESULTS:

Result 1: Award of four grants to local governments selections based on responses to the RFP.

| | | | |
|------------------|--------------|----------------|-----------|
| LCMR Budget: | \$150,000 | Balance: | \$150,000 |
| Match: | \$150,000 | Match Balance: | \$150,000 |
| Completion Date: | January 1998 | | |

Result 2: Track accomplishments and natural resources protected as a result of the grants using the computerized "LGU Annual Reporting System" previously developed by BWSR in cooperation with other natural resource agencies. Formal reporting periods for local governments to report progress to BWSR will have deadlines as follows:

| | |
|--------------------------|------------------|
| 1st Reporting Deadline | January 31, 1998 |
| 2nd Reporting Deadline | June 30, 1998 |
| 3rd Reporting Deadline | January 31, 1999 |
| Preliminary Final Report | May 1, 1999 |
| Final Report | June 30, 1999 |

This formal reporting timeline will allow BWSR to monitor progress on agreements with local governments. Funds not utilized as planned by a grant recipient can be redistributed where they will be used to accomplish the project purposes.

Result 3: BWSR summary report of project accomplishments for dissemination. In addition, BWSR will provide project management as an in-kind contribution.

V. DISSEMINATION: Progress and results of this project will be shared via articles in appropriate local government association newsletters and related publications, the BWSR "Mentor", professional journals, and at annual meetings and training sessions of local governments. BWSR anticipates established a Web site by 1997 to further disseminate this information.

IV. CONTEXT:

A. Significance: Local governments are making an increasing number of far reaching decisions which impact natural resources. The trend to decentralize responsibilities from federal and state to local governments is accelerating this trend. In Minnesota, local governments impact natural resources through their planning and zoning authorities and the various activities of special purpose districts. Local governments in developing areas often lack expertise in key natural resource disciplines or planning and zoning to make optimum decisions in the early stages of development. Local boards get frustrated making decisions with inadequate information and costly problems can result. It can take

some time for tax capacity (budgets) to build up to the point where local governments can staff appropriately to deal with complex problems. Lacking statewide planning and zoning authority, the state can assist local governments to make natural resource decisions which are far sighted and sustainable by helping to compress the time it takes for local government boards to hire the staff expertise they need to assist in decisionmaking. This project will, on a pilot basis, help participating local governments acquire the knowledge and expertise to proactively deal with increasingly complex land use decisions.

B. Time: The project will be completed by June 30, 1999. The project was extended to June 30, 2000 by 1999 Minnesota Session Laws, Ch. 231, subd. 25.

C. Budget Context:

| | January 1995- June 1997 | July-1997- June 1999 | July 1999- July 2001 |
|-------------------|------------------------------------------|---------------------------------------------|------------------------------------------------|
| | Prior Expenditures On this project | Proposed expenditures on this project | Anticipated expenditures on this project |
| 1. LCMR | \$0 | \$150,000 | \$0 |
| 2. Other State | \$0 | \$0 | \$0 |
| 3. Non state cash | \$0 | \$150,000 | \$0 |
| Total | \$0 | \$300,000 | \$0 |

Budget:

| | |
|------------------------|-------------------------|
| Personnel: | \$0 |
| Equipment: | \$0 |
| Acquisition: | \$0 |
| Development: | \$0 |
| Grants to LGUs: | <u>\$150,000</u> |

Total: **\$150,000**

VII. COOPERATION:

Cooperators include local government associations and state environmental agencies. BWSR will consult with them to guide the project and share information. LCMR project dollars will not be used for any cooperators.

VIII. LOCATION:

Statewide eligibility. A map will be produced when participating local governments are identified.

IX. REPORTING REQUIREMENTS:

Periodic workprogram progress reports will be submitted not later than the schedule set forth in Result 2. A final workprogram report and associated products will be submitted by June 30, 1999, or by the completion date as set in the appropriation.

X. RESEARCH PROJECTS: N/A