2001 Project Abstract
For the Period Ending June 30, 2004

TITLE: Agricultural Land Preservation
PROJECT MANAGER: Robert Patton, AICP
ORGANIZATION: Minnesota Department of Agriculture
ADDRESS: 90 West Plato, St. Paul, MN 55107
WEB SITE ADDRESS: www.mda.state.mn.us
FUND: Environment and Natural Resources Trust Fund (TF)
LEGAL CITATION: ML 2001, 1st Special Session, Chap. 2, Sec. 14, Subd. 08(b)

APPROPRIATION AMOUNT: $205,000

Overall Project Outcome and Results

This project consisted of five results to implement agricultural land preservation plans and programs and refine and demonstrate agricultural land preservation tools:

1. The Development Impact Assessment Model (DIAMaTR) was used to study the local budgetary impact of alternative residential growth patterns, from compact to sprawling, in three cities (Oronoco, Pine Island, and Long Prairie), counties (Goodhue, Olmsted, and Todd), and townships (Oronoco, Pine Island, and Long Prairie); two water and sewer utilities (Pine Island and Long Prairie); and two school districts (Pine Island and Long Prairie-Grey Eagle).
2. An outline of curriculum on fiscal impact analysis and a training manual were produced.
3. A GIS-based agricultural land preservation model for identifying and prioritizing lands to be preserved for agricultural use was completed by Todd County.
4. An implementation program was produced for the Dakota County Farmland and Natural Areas Plan, leading to a $20 million bond referendum to purchase easements for farmland and natural areas protection.
5. Contacts were made with over 150 landowners and over 30 personal conservation proposals were prepared, resulting in 29 farmland protection and 22 natural area protection applications. The County identified top priority farmland and natural area applications; and hired a Farmland and Natural Area Program Manager to negotiate these landowners.

Project Results Use and Dissemination

Six individuals were trained in use of DIAMaTR at the City of Pine Island, Region 5, and Region 7E Development Commissions. Presentations were made on agricultural land preservation, fiscal impact analysis and DIAMaTR results to the Oronoco City Council and planning and zoning committee (approximately 20 people in attendance), Pine Island city staff (three people), and the Todd County Board of Commissioners (approximately 40 people in attendance). In Dakota County, workshops were held with eight cities and nine townships, and program guidelines were released and posted on the website.

Date of Report: June 30, 2004

LCMR Final Work Program Report and Work Program Amendment

I. PROJECT TITLE: 08(b) Agricultural Land Preservation

Project Manager: Robert Patton, AICP, Local Government Outreach Coordinator
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Total Biennial Project Budget:

LCMR Appropriation:	**- Amount Spent:**	**= $ Balance:**
$ 205,000	$ 188,342.55	$ 16,657.45

Legal Citation: ML 2001, 1st Special Session, Chap. 2, Sec. 14, Subd. 08(b)

Appropriation Language: $102,000 the first year and $103,000 the second year are from the trust fund to the commissioner of agriculture in cooperation with Dakota County for educational materials, training, and workshops on agricultural land use planning tools.

Carryforward Language: The availability of the appropriation for the following project is extended to June 30, 2004, unless an earlier date is specified in the work program: ML 2003, Art. 1, Ch.128, Sec. 9, Subd. 20(a): 8 (b) Agricultural land preservation

II. and III. FINAL PROJECT SUMMARY:

This project consisted of five results to implement agricultural land preservation plans and programs and demonstrate and refine agricultural land preservation tools:

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5. Contacts were made with over 150 landowners and over 30 personal conservation proposals were prepared, resulting in 29 farmland protection and 22 natural area protection applications. The County identified top priority farmland and natural area applications; and hired a Farmland and Natural Area Program Manager to negotiate with these landowners.

IV. OUTLINE OF PROJECT RESULTS:

Result 1: Use and demonstrate the Development Impact Assessment Model (DIAMaTR, computer software for fiscal impact analysis) and other fiscal impact analysis techniques, and develop capacity for long-term delivery of fiscal impact services to local governments at a regional level.

The 1997 project, "Reinventing the Agricultural Land Preservation Program", resulted in:

- Recommendations for improving Minnesota's agricultural land preservation programs;
- Cost of Public Services (fiscal impact analysis) case studies in five Minnesota counties that identified local cost/revenue dynamics of land development patterns in those counties. The study generally confirmed the results of MDA's 1989 Wright County Study; that new residential development is more fiscally advantageous when it occurs within established urbanized areas than when it occurs in outlying undeveloped rural areas; and
- Development Impact Assessment Model (DIAMaTR) software available to help other local officials analyze cost and revenue implications of planning decisions in their communities.

DIAMaTR provides a tool, previously unavailable, to calculate costs and revenues of residential development across an entire county, city, township, or school district (or combination of them) over a span of years, based on readily-available local budget records and official population and housing data. This allows local government to compare costs and revenues of different development scenarios (such as more sprawling versus more economically planned development). Other available fiscal impact techniques can assess the cost and revenue implications of single developments, but are unable to assess the effects of yearly residential growth over large areas and over a number of years. DIAMaTR's ability to look at whole jurisdictions and growth over time makes it uniquely suited to help answer questions of Minnesota's local officials when they are conducting advance planning for future growth.

Experience with DIAMaTR to date, however, has demonstrated the importance of high quality information to be fed into the model in order to produce results that will be useful in answering local planning and development questions. The MDA provided training in September 1999 on use of DIAMaTR to likely model users (staff from regional

development commissions, the University of Minnesota Extension Service, the Initiative Foundation, the Office of Strategic and Long-Range Planning, now part of the Department of Administration, and the Metropolitan Council) as part of the 1997 LCMR project. However, MDA identified a need for further hands-on experience with the model, and improved training based on that experience, to better prepare users for collecting and generating data that is used in the model.

This result was intended to:

- Increase local officials' and public awareness and understanding of:
  - the value of agricultural land preservation in helping achieve overall land use management goals, maintaining and supporting the local economy, and achieving smart growth;
  - the impacts of land use and development decisions on costs and revenues to local governments;
- Enhance the long-term capacity of the State and of regions (through regional development commissions, regional planning organizations, extension educators, initiative funds, or other organizations as appropriate) to assist local governments in fiscal impact analysis techniques as they relate to agricultural land preservation, local land use planning, and development decision-making.
- Provide MDA with experience using DIAMaTR to help answer local government cost and revenue questions surrounding actual agricultural land preservation/land use planning issues.

For this project, a University of Minnesota research assistant was retained to work with the MDA to use the DIAMaTR model to analyze fiscal impacts of development patterns in various locations in Minnesota. The MDA also worked with and trained regional development commission staff.

The project analyzed fiscal impacts in three locations:

- The City of Oronoco in Olmsted County;
- The City of Pine Island in Goodhue County; and
- The City of Long Prairie in Todd County

Oronoco and Pine Island were selected in order to assist with comprehensive planning being conducted in those cities and the Minnesota Department of Transportation's Interregional Corridor Project. These planning efforts had been receiving planning assistance from multiple state agencies through the Local Solutions Alliance (under the leadership of the Office of Strategic and Long-Range Planning, currently a part of the Department of Administration).

Todd County conducted an agricultural land preservation planning effort to implement its community-based comprehensive plan. It received a grant from MDA through Result 3

of this project, and used a portion of that grant for a professional/technical services contract with Region 5 Development Commission to conduct a DIAMaTR analysis.

Accomplishments of this project included:

1. **Training of personnel in the study locations.** The MDA trained the research assistant, personnel at Region 5 and 7E Development Commissions (Chisago County was considered as a fourth study location for this result, but ultimately study at that location was not pursued. However, because of the potential study in Chisago County, MDA provided training to Region 7E Development Commission under this result. Region 7E has expressed an intent to conduct DIAMaTR analysis in Chisago County in the future) and the City of Pine Island.

2. **Analysis conducted using fiscal impact tools.** In each of the study locations, the MDA, the research assistant, and regional development commission personnel collected data, entered the data into the models and worksheets, and conducted analyses based on available data, working closely with local officials knowledgeable about local development and budget issues (such as county administrators, city and county public works directors and planning directors, township clerks, and school officials).

3. **Provide fiscal impact information and study results to local officials and the public.** At several points in the study, the MDA, the U of M, regional and local personnel gave presentations and provided information to local officials and the public on fiscal impact analysis and DIAMaTR as it relates to agricultural land preservation and planning. MDA and the U of M research assistant made a presentation to the Oronoco City Council in September 2002. Similar information was provided during training of Pine Island officials that fall. MDA staff presented preliminary study results to the Oronoco City Council on September 15, 2003, and reported on progress of the Pine Island study to city staff on September 17, 2003. Additionally, on October 21, 2003, Todd County, Region 5, and MDA staff made a presentation to the Todd County Board on the results of the DIAMaTR work conducted as part of Result 3.

4. **Reports summarizing study results.** Three reports were prepared:

    - The Cost of Public Services in Oronoco, Minnesota
    - The Cost of Public Services in Pine Island, Minnesota
    - Todd County Development Impact Assessment (prepared by Region 5 Development Commission staff as part of Result 3)

Abstracts of the reports are below, in this section under the subsection, "Final Status," and under Result 3.

Two conclusions applicable to all three reports are that conduct of the analyses resulted in the development of applications and materials that augment the use of DIAMaTR, and the results demonstrate that DIAMaTR is a useful tool for helping local government leaders analyze future development options.

Remaining Balances and Work Program Amendment

A substantial balance remained in the Local Automobile Mileage and Other Travel Expenses categories of the budget. In preparing the budget, MDA staff had anticipated it would be traveling on a regular basis to visit five locations where there would be ongoing DIAMaTR activities. However, DIAMaTR analysis was conducted in three locations instead of five, and a considerable amount of the work was conducted in the office (at the University of Minnesota, St. Paul Campus and the MDA offices).

The work program amendment requests transfer of a portion of the remaining balance ($737.25) from the Other Travel Expenses category to the Wages, Salaries & Benefits category in Result 2 (see Result 2 for further information).

LCMR Budget: ~~$35,500~~$34,762.75
Balance: $9,447.29

A. Wages, Salaries & Benefits: ***$21,000***

Research assistant retained by the University of Minnesota, Department of Applied Economics. Benefits include health benefits and tuition reimbursement.

B. Printing/Copying, Communications (Telephone, Mail, etc.), and Office Supplies: $500

C. Local Automobile Mileage: ***$2,500***

D. Other Travel Expenses: ~~*$7,500*~~*$6,762.75*

Lodging and meals for the research assistant, other U of M staff, U of M Extension Service, and MDA staff.

E. Office Equipment and Computers: ***$4,000***

Computer hardware and software for the research assistant to enable traveling to multiple locations in Minnesota and working with local officials on DIAMaTR and other fiscal impact analysis.

Completion Date: September 30, 2003

Final Status:

MDA staff and the U of M research assistant traveled to Staples in June 2003, to meet with Region 5 and Todd County staff, discuss data that had been collected, and discuss how to proceed with the analysis. The purpose of the meeting was related to Results 1, 2, and 3. MDA and U of M staff were able to answer questions about DIAMaTR as it related to the study in Todd County (part of Result 3), but the exchange information and ideas helped MDA staff with completion of the Oronoco and Pine Island studies (Result 1), and helped MDA and the U of M research assistant in framing issues that needed to be addressed in guidance for using DIAMaTR (Result 2).

MDA staff completed the data collection for the Oronoco and Pine Island studies over the summer, and completed analysis in the fall of 2003.

DIAMaTR was designed to be able to evaluate the fiscal impacts of "alternative growth scenarios"; i.e., a set of differing population projections and development patterns for a city, township, county, school district, and/or sewer and water utility. However, use of DIAMaTR in the 1999 Cost of Public Services Study evaluated only one set of growth projections; therefore, up until this project, neither the MDA nor its project partners had used DIAMaTR to analyze multiple growth or "build-out" scenarios.

Oronoco Analysis

As mentioned in the previous update report, leadership changes in the City of Oronoco led to changes in policy direction for future development. MDA staff revised the future growth scenarios accordingly, and proceeded with the analysis. MDA staff presented preliminary study results to the Oronoco City Council on September 15, 2003. Subsequently, MDA prepared a report entitled *The Cost of Public Services in Oronoco, Minnesota*. The report is still considered preliminary. The results of the DIAMaTR model are strongly affected by assumptions entered into the model. The assumptions built into the Oronoco report (and the report on Pine Island as well, discussed below) were developed by the MDA based on materials provided by the local governments, and data available from state and federal agencies. The assumptions have not yet been fully critiqued by the local governments, and are subject to change. The abstract of the preliminary report for Oronoco is as follows:

> Costs and revenues of residential development were analyzed in the City of Oronoco, Minnesota, the adjacent township of Oronoco, Olmsted County, and School District No. 255 (the School District within which Oronoco is located), using the Development Impact Assessment Model (DIAMaTR, fiscal impact analysis software developed for the Minnesota Department of Agriculture). The analysis is part of a larger project funded by the Minnesota Future Resources Fund, as recommended by the Legislative Commission on Minnesota Resources (LCMR), intended to implement agricultural land preservation plans and programs and refine and demonstrate agricultural land preservation tools. Three future "build-out scenarios" were developed in order to compare resulting

> projected fiscal outcomes (the net of revenues minus expenditures). For each scenario, calculations were made of net expenditures in the "base year" (2000), and projections were made for the "horizon year" (2027). The build-out scenarios used in this analysis were: high Oronoco City growth, low township growth (Scenario 1); moderate Oronoco City growth, low township growth (Scenario 2); and low Oronoco City growth, high county-wide township growth (Scenario 3). When comparing the three build-out scenarios overall, the scenario with the highest concentration of future residential development in the City of Oronoco and lowest concentration in Oronoco Township and the rural parts of the Olmsted County (Scenario 1: High Oronoco City Growth, Low Township Growth) generally resulted in higher net revenues or lower net expenditures than the other two scenarios. Conversely, the scenario with the lowest future residential development concentrations in the City and the highest concentrations in the Township and the rural parts of the County (Scenario 3, Low Oronoco City Growth, High County-Wide Township Growth) generally resulted in lower net revenues and higher net expenditures than the other two scenarios. Overall, the results of this analysis are consistent with the summary finding of the Cost of Public Services Study (Minnesota Department of Agriculture, 1999), that "the fiscal impacts of new residential development are more favorable when development occurs within or adjacent to established urban areas than when it occurs in outlying rural areas." Conduct of this and two other analyses under the overall LCMR-funded project resulted in the development of applications and materials that augment the use of DIAMaTR, and the results demonstrate that DIAMaTR is a useful tool for helping local government leaders analyze future development options.

Pine Island Analysis

Also as mentioned in the previous update, Pine Island City leaders became interested in learning how to use DIAMaTR to analyze implications of future growth policies. In addition to training previously given to City staff, MDA staff met with City staff in September 2003 to provide an update on the Pine Island project. Subsequently, MDA prepared a report entitled *The Cost of Public Services in Pine Island, Minnesota*, which as mentioned above, is still considered preliminary. The abstract of that preliminary report is as follows:

> Costs and revenues of residential development were analyzed in the City of Pine Island, Minnesota, the adjacent township of Pine Island, Goodhue County, and School District No. 255 (Pine Island School District), using the Development Impact Assessment Model (DIAMaTR, fiscal impact analysis software developed for the Minnesota Department of Agriculture). The analysis is part of a larger project funded by the Minnesota Future Resources Fund, as recommended by the Legislative Commission on Minnesota Resources (LCMR), intended to implement agricultural land preservation plans and programs and refine and demonstrate agricultural land preservation tools. Three future "build-out scenarios" were developed in order to compare resulting projected fiscal outcomes (the net of revenues minus expenditures). For each scenario, calculations were made of net expenditures in the "base year" (2000), and projections were made for the "horizon year" (2020). The build-out scenarios used in this analysis were: high Pine Island City growth, low Township growth (Scenario 1); moderate Pine Island City growth, low Township growth (Scenario 2); and low Pine Island City growth, high

> county-wide Township growth (Scenario 3). When comparing the three build-out scenarios overall, the results are mixed. For Goodhue County and Pine Island Township, the scenario representing the most scattered form of future development (Scenario 3: Low Pine Island City Growth, High County-Wide Township Growth) resulted in higher net expenditures than the two more compact development scenarios. Per pupil transportation costs were also higher for Scenario 3 than for the other two. This is consistent with the summary finding of the Cost of Public Services Study (Minnesota Department of Agriculture, 1999), that "the fiscal impacts of new residential development are more favorable when development occurs within or adjacent to established urban areas than when it occurs in outlying rural areas." However, Scenario 3 resulted in higher net revenues/lower expenditures than the other two scenarios (Scenario 1: High Pine Island City Growth, Low Township Growth, and Scenario 2: Moderate Pine Island City Growth, Low Township Growth) for the City of Pine Island and the water and sewer utility operating outlays. The result for the City of Pine Island is due primarily to higher assumed capital costs for new residents than for existing residents, and a far greater projected number of new residents in the horizon year in Scenarios 1 and 2 than in Scenario 3. For water and sewer utility operating outlays, new dwelling units were assumed to be developed at a density slightly lower than the existing residential area of Pine Island. Because DIAMaTR assumes that operating costs are inversely proportional to density (i.e., the lower the density, the higher the operating costs), and there are more new connections assumed for Scenarios 1 and 2 than for Scenario 3, outlays per new connection are found to be higher for Scenarios 1 and 2 when compared to Scenario 3. Conduct of this and two other analyses under the overall LCMR-funded project resulted in the development of applications and materials that augment the use of DIAMaTR, and the results demonstrate that DIAMaTR is a useful tool for helping local government leaders analyze future development options.

Setting up these analyses provided an unexpected set of challenges, but also proved to be a tremendous learning opportunity. In particular, setting up DIAMaTR to analyze multiple growth scenarios provided valuable insights about how DIAMaTR fits into the comprehensive planning process and what types of growth projections must be made to be able to perform the DIAMaTR analysis. These "lessons learned" were incorporated into the guidance documentation prepared for Result 2, and also resulted in the development of a number of spreadsheets and templates that, after further refinement, can be ultimately be distributed to local and regional governments for use with DIAMaTR.

Result 2: Develop and produce training materials on DIAMaTR, its context in relation to other fiscal impact analysis techniques, and its context in local decision-making on development.

The result consists of production of materials for the training of professionals that work with local government officials and the public on DIAMaTR, its relationship to fiscal impact analysis generally, and how guiding the location and pattern of development and protecting agricultural land can affect the costs of providing public services. Materials

focus on use of DIAMaTR and put DIAMaTR in context with other fiscal impact analysis techniques for agricultural land preservation planning and assessment of development impacts in general. Accomplishments of this project included:

1. An outline of an overall curriculum on fiscal impact analysis. The outline is in the form of a Power Point presentation; and

2. Detailed training curriculum on DIAMaTR that can be delivered both as stand-alone training and as a module within an overall curriculum on fiscal impact analysis. This is in the form of a manual entitled *Preparing to Use DIAMaTR: A Supplement to the DIAMaTR User Manual.*

Remaining Balances and Work Program Amendment

The budget anticipated needs for mailing out informational materials to local governments and others interested in using DIAMaTR. Additionally, some travel to counties, including overnight stays, was anticipated. Actual communications costs, including mailing, were considerably less than anticipated. Also, very little travel was involved with Result 2 and none of it was overnight travel. Finally, there were no expenses for room rentals or refreshments for meetings. As a result, substantial balances remained in the Other Printing/Copying, Communications and Office Supplies, Local Automobile Mileage, and Other Travel Expenses categories. At the same time, the number of hours required for the research assistant on this task was underestimated. The amendment requests transfer of $4,346.70 from the categories of Result 2 with balances to the Wages, Salaries & Benefits category. Additionally, the amendment transfers a portion of the remaining balance ($737.25) from the Other Travel Expenses category in Result 1 to the Wages, Salaries & Benefits category in this Result.

LCMR Budget: ~~**$25,250**~~**$25,987.25**
Balance: **$2,524.82**

F. Wages, Salaries & Benefits: ~~***$20,500***~~***$25,583.95***

Research assistant retained by the University of Minnesota Department of Applied Economics. Benefits include health benefits and tuition reimbursement.

G. Other Printing/Copying, Communications (Telephone, Mail, etc.), and Office Supplies: ~~***$1,500***~~***$313.98***

H. Local Automobile Mileage: ~~***$750***~~***$89.32***

I. Other Travel Expenses: ~~***$2,500***~~***$0***

Lodging and meals for research assistant, U of M, U of M Extension Service, and MDA staff; meeting room rental and refreshments for public meetings.

Completion Date: September 30, 2003

Final Status:

After completion of the outline of the fiscal impact analysis curriculum, the MDA and U of M decided to focus their energies on studying how DIAMaTR works, and in developing a supplement to the DIAMaTR user manual that helps the user understand how to apply DIAMaTR to planning problems and questions of interest. MDA and U of M staff determined that they needed to have a better understanding of the workings of DIAMaTR to be able to offer well-informed advice on how to interpret model outputs. They studied DIAMaTR by:

- Examining the formulas in a spreadsheet version of DIAMaTR; and
- Performing sensitivity analyses to see how changing the inputs and assumptions affected the outcomes.

Additionally, a great deal was learned about DIAMaTR through using it in planning applications in Result 1 as discussed in the previous section.

The work product is *Preparing to Use DIAMaTR: A Supplement to the DIAMaTR User Manual*. Secondary products include supplemental spreadsheets and templates that were described under Result 1.

Result 3: Implement an agricultural land preservation program and demonstrate tools in a Greater Minnesota county.

This result was intended to be achieved through a grant to a Greater Minnesota county with high growth and/or high level of rural/urbanizing conflict, to implement an agricultural land preservation program and demonstrate use of agricultural land preservation tools described and developed through the 1997 LCMR project.

In May 2002, MDA finalized a grant agreement with Todd County to develop a geographic information system (GIS) model for identifying and prioritizing lands to be preserved for agricultural use.

Additionally, as discussed under Result 1, Todd County contracted with the Region 5 Development Commission for analysis of the fiscal impacts of growth in the county using the DIAMaTR model. The results supplement the GIS-based agricultural land preservation model.

Accomplishments of this project included:

1. An agricultural land preservation model, a geographic information system (GIS) model for identifying and prioritizing lands to be preserved for agricultural use. A primary tool in the project is a parcel-based GIS database, which includes environmental, cultural, and economic features that impact agricultural, residential, and recreational development. The parcel-based database was completed for eight out of the 28 townships in the County. Work continues on the remaining township database. Completion is expected in three to five years. Six separate versions of the model were run; three of which used the parcel database, and three of which

were run county-wide without the parcel data. The product, included with this final report, is a summary document entitled *Todd County Agricultural Land Preservation Model*. The document includes a summary report, specific information about the data (metadata), maps, and model results.

2. A fiscal impact analysis, using the DIAMaTR model, conducted to supplement the agricultural land preservation model. This work was conducted under contract with Region 5 Development Commission and is discussed above under Result 1. The product was *Todd County Development Impact Assessment: Final Report*. The abstract of that preliminary report is as follows:

> Costs and revenues of residential development were analyzed in the City of Long Prairie, Minnesota, the adjacent township of Long Prairie, Todd County, and the Long-Prairie-Grey Eagle School District, using the Development Impact Assessment Model (DIAMaTR, fiscal impact analysis software developed for the Minnesota Department of Agriculture). The analysis is part of a larger project funded by the Minnesota Future Resources Fund, as recommended by the Legislative Commission on Minnesota Resources (LCMR), intended to implement agricultural land preservation plans and programs and refine and demonstrate agricultural land preservation tools. Three future "build-out scenarios" were developed in order to compare resulting projected fiscal outcomes (the net of revenues minus expenditures). For each scenario, calculations were made of net expenditures in the "base year" (2000), and projections were made for the "horizon year" (2020). The build-out scenarios used in this analysis were: equal proportion of growth in the City and Township (Scenario 1); higher proportion of growth in the City (Scenario 2); and higher proportion of growth in the Township (Scenario 3). The overall conclusion reached by the author (Region 5 Development Commission staff) was that:
>
> > "The findings associated with Scenario 1 show that the equal concentration of new development among townships and cities within Todd County may result in public service costs that are less than in Scenario 3, but greater than in Scenario 2. While the concentration of development within the Township area presented in Scenario 3 could prove to be very beneficial to the townships within Todd County, the results of this study indicate the potential for higher public services costs than in Scenarios 1 and 2. In contrast with Scenarios 1 and 3, the concentration of development within the City area as presented by Scenario 2 is mostly likely to provide for greater revenue and/or lower costs in providing public services overall."
>
> Conduct of this and two other analyses under the overall LCMR-funded project resulted in the development of applications and materials that augment the use of DIAMaTR, and the results demonstrate that DIAMaTR is a useful tool for helping local government leaders analyze future development options.

Remaining Balances

The Todd County project came in under budget by $2,490.80. MDA staff incurred no costs under Printing/Copying, Communications and Office Supplies under this result, and travel to Todd County by MDA and U of M staff was related to both Result 2 and Result 3. Travel was charged to Result 2; therefore, there were no travel costs associated with this Result, and a balance of $500 remained in the Travel category.

LCMR Budget: $50,750
Balance: $3,240.80

A. Grant to Greater Minnesota County: $50,000

B. Printing/Copying, Communications (Telephone, Mail, etc.), and Office Supplies: $250

C. Other Travel Expenses: $500

Completion Date: September 30, 2003

Final Status:

Todd County completed the GIS map layers, determined criteria and weighting for the model, ran the model, and prepared the report and maps. Region 5 met with Todd County, MDA, and U of M staff on the data, planning projections, and scenarios to be used with the DIAMaTR model, prepared the scenarios and entered values into the DIAMaTR model, and prepared the report.

Result 4: Implement the "Protecting Dakota County Farmland and Natural Areas" Plan

The intent of this result was to establish a farmland and natural area protection program based on recommendations from the Farmland and Natural Area Protection Plan that Dakota County prepared through the 1999 LCMR grant "Protecting Dakota County Farmland and Natural Areas." National experts have suggested that a minimum of 50,000 acres of farmland should be protected (using a variety of tools) to ensure the economic viability of farming in a county. Experts have also recommended protecting corridors of interconnected natural resource lands to enable movement of wildlife and enhance water quality. Accomplishments include:

1. **Implementation Program for Protection of Farmland and Natural Areas.** The program was based on the recommendations from the plan resulting from the 1999 LCMR project, "Protecting Dakota County Farmland and Natural Areas". Elements included:

   a. A governance structure for implementing the program, adopted by the Board of Commissioners in June 2003. The governance structure has been

tested through both a farmland (Summer/Fall 2003) and a natural area application round (Fall 2003).

- A technical work group consisting of farmland and natural area professionals (staff from other agencies), to evaluate the quality of farmland and natural area resources and seek out sources of matching funds from other programs.
- A 14 member citizen advisory committee to recommend land protection applications for funding using the County Board's criteria (e.g. political support, public access, bargain sale).
- The role of the County Board's Physical Development Committee (Committee of the Whole) to review citizen advisory committee recommendations and forward applications to the County Board for approval.
- The role of the County Board to approve or decline funding for land protection applications.

b. Funding options, including the availability of state, regional, and federal funding, local funding, and whether or not to hold a local referendum. It was determined that the County should hold a referendum. Dakota County voters approved the sale of $20 million in bonds in November 2002 to fund the program.

c. Involvement of cities and townships in the program. Dakota County engaged the cities and townships in the development of the new program through workshops with city administrators, planners, and park directors, and township officials. In addition, County staff met with cities on an individual basis to discuss their land protection priorities, and questions about how a new program could interfere with the need to extend city services or could be used to enhance their parks and open space systems. The County continues to engage the cities and townships in the new program. Now that the program is in place, the County notifies cities and townships of landowner applications so that local government has an opportunity to support or comment on land protection proposals as they may impact other local government initiatives. Dakota County has adopted scoring criteria that gives priority to applications that have local support and leverage funding from local government.

d. Establishment of a multi-agency technical committee to work with County staff to coordinate funding opportunities and to rank and evaluate individual land protection proposals. Two inter-agency committees were established to help Dakota County implement the new program. The first was used to assist in program development (as described in the previous LCMR update). The second is a standing work group to assist with program operations. In 2003, the work group consisted of staff from Dakota County SWCD, Friends of the Mississippi River, Minnesota Land Trust, the Trust for Public Land, MN DNR, MN Natural Resource Conservation Service, and the MDA.

2. **Workshops with Cities and Townships to Prepare Local Government to Use Tools to Protect the Land Identified in the 1999 LCMR "Protecting Dakota County Farmland and Natural Areas" Plan.** A workshop with city officials was held on March 20, 2003. The workshop with Township Officials was held on April 9, 2003.

3. **Tools for Implementing Program for Protection of Farmland and Natural Areas.** Dakota County adopted program guidelines on June 17, 2003. The *Dakota County Farmland and Natural Areas Program Guidelines* were prepared by a consultant to the County, and are included with this report. The program guidelines provide a comprehensive framework that Dakota County is currently using to implement its program. The guidelines include:

    - Application, Review, and Negotiation procedures
    - Governance and Decision Making
    - Program Administration
    - Landowner Outreach
    - Coordination with Other Programs
    - Advisory Committee By-Laws
    - Model Documents (application forms, conservation easement, earnest money agreement, etc.)

Remaining Balances

The contract for producing the *Dakota County Farmland and Natural Areas Program Guidelines* came in under budget, resulting in a remaining balance of $3,435.50.

LCMR Budget: $51,500
Balance: $3,435.50

A. Personnel: $15,000

Dakota County staff was responsible for all elements above, and administered professional/technical assistance contracts.*

B. Professional/Technical Assistance Contract: $35,000

The contract was to provide advice on how to create a governance structure, apply tools locally, and other technical work towards program implementation as needed.

* Dakota County matched the LCMR share with a $15,000 in-kind contribution of staff time. Please see Section VI, Past, Present, and Future Spending.

C. Printing/Copying, Communications (Telephone, Mail, etc., and Office Supplies:$1,500

Completion Date: September 30, 2003

Final Status:

A governance structure for the program, developed by County staff and established by the Dakota County Board of Commissioners at a workshop on March 13, 2003, was adopted by the Board on June 17, 2003. The governance structure for the new program consists of:

Technical work group

- Consists of farmland and natural area professionals (staff from other agencies)
- Purpose is to evaluate the quality of farmland and natural area resources and seek out sources of matching funds from other programs

14 member citizen advisory committee

- Two appointments from each of the seven County Commissioners
- Purpose is to recommend land protection applications for funding using the County Board's criteria (e.g. political support, public access, bargain sale)

County Board Physical Development Committee

- County Board Committee of the Whole that will review citizen advisory committee recommendations and forward applications to the County Board for approval

County Board

- Will make approve or decline funding for land protection applications

Dakota County continues to engage the cities and townships in the new program. Now that the program is in place, the County notifies cities and townships of landowner applications so that local government has an opportunity to support or comment on land protection proposals as they may impact other local government initiatives. Dakota County has adopted scoring criteria that gives priority to applications that have local support and leverage funding from local government.

A standing work group to assist with program operations was established, consisting of staff from the Dakota County SWCD, the Friends of the Mississippi River, the Minnesota Land Trust, the Trust for Public Land, the Minnesota DNR, the Natural Resource Conservation Service, and the MDA.

Result 5: Conduct outreach to owners of high priority farmland and natural areas in Dakota County.

The intent of the outreach effort was to work with landowners to make them aware of the voluntary program and explain how the tools could work in their individual situations.

Staff from Friends of the Mississippi River and the Soil and Water Conservation District conducted outreach to priority farmland and natural areas. They met with over150 landowners and prepared over 30 personal conservation proposals. As a result of their outreach efforts, Dakota County received 29 applications for farmland protection (Summer 2003), and 22 applications for natural area protection (Fall 2003). Because of their successful outreach activities, Dakota County Commissioners (assisted by the Technical Work Group and Citizen Advisory Committee) identified the top priority farmland and natural area applications hired a Farmland and Natural Area Program Manager to negotiate with these landowners.

Remaining Balances and Work Program Amendment

A higher amount of the budget ($750) than anticipated was spent in the category of Printing/Copying, Communications and Office Supplies. At the same time, a minor balance remained in the Travel category. Consequently, the amendment requests transfer of $750 from Travel to Printing/Copying, Communications and Office Supplies.

LCMR Budget: $42,000
Balance: $533.86

A. Personnel: ***$38,500***

Friends of the Mississippi River ($19,250) and Dakota County Soil and Water Conservation District ($19,250) staff.

B. Printing/Copying, Communications (Telephone, Mail, etc.), and Office Supplies: ~~*$1,500*~~ *$2,250*

C. Travel ~~*$2,000*~~ *$1,250*

D. Office Equipment and Computers: ***$0***

Completion Date: December 31, 2003

Final Status:

Outreach efforts were conducted by the Friends of the Mississippi River and the Dakota County Soil and Water Conservation District. As a result, Dakota County received 29 applications for farmland protection (Summer 2003), and 22 applications for natural area protection (Fall 2003).

V. TOTAL PROJECT BUDGET:

Wages, salaries and benefits	~~$95,000~~$100,083.95
Professional/technical assistance contract	$35,000
Grant to Greater Minnesota County	$50,000
Publication printing	$ —
Other printing/copying, communications, and office supplies	~~$5,250~~$4,813.98
Local auto mileage	~~$5,250~~$3,839.32
Other travel expenses in Minnesota	~~$10,500~~$7,262.75
Office equipment and computers	$4,000
TOTAL BUDGET:	**$205,000**

VI. PAST, PRESENT AND FUTURE SPENDING:

Past Spending:

A. Minnesota Department of Agriculture

1997 LCMR Project, "Reinventing the Agricultural Land Preservation Program": $100,000 from MN Future Resources Fund, $115,000 match from Minnesota Conservation Fund (Legal Citations: ML 1997, Chap. 216, Sec. 15, Subd. 9. (c) and ML 1997, Chap. 216, Sec. 7 Subd. (3)).

B. Dakota County

During the 1999 LCMR funding cycle, $200,000 was allocated by LCMR and matched with $50,000 cost-share from project partners to:

1. Develop a farmland and natural areas protection collaborative
2. Increase awareness of the importance of farmland and natural areas

3. Identify and prioritize farmland and natural areas to be protected
4. Conduct a financing options survey
5. Protect 300-500 acres of land through donated conservation easements
6. Develop a County-wide farmland and natural areas protection plan

Current and Future Spending:

C. Current

	In-Kind Contribution of Staff Time	
	Percent Time	*Dollars*
Minnesota Department of Agriculture Staff	16%	$15,000
Dakota County Staff	16%	$15,000
Total		**$30,000**

D. Future

Fiscal impact analysis services using the DIAMaTR software will continue to be delivered to local government primarily through regional partners (regional planning organizations such as regional development commissions, initiative funds, or extension offices), and their capacity to provide this service will be enhanced by the current LCMR project. Minnesota Department of Agriculture staff will continue to support the efforts of these regional partners as well as directly providing technical assistance to local governments.

Additionally, MDA staff will continue to raise awareness of and provide technical assistance to local governments of new advances in agricultural land preservation through the Minnesota Agricultural Land Preservation Program (Minn. Stat. Ch. 40A).

Provided that funding is obtained from local, state, federal and/or private sources, Dakota County will proceed with implementation of a purchase of development rights program, and will support agricultural land preservation efforts of cities and townships.

Project Partners:

Name	Affiliation	In-Kind Contribution of Staff Time	
		Percent Time	*Dollars*
Tom Wegner	University of Minnesota Extension Service	10%	$9,000
Laura Kalambokidis	University of Minnesota Department of Applied Economics	5%	$6,000
Gene Knaff	Metropolitan Council	2%	$1,600
Jan Gustafson	Metropolitan Council	2%	$1,600
Steven Reckers	Office of Strategic and Long Range Planning	2%	$1,600
Total			**$19,800**

Time:

Project completion was extended to December 31, 2003.

VII. DISSEMINATION:

Six individuals were trained in use of DIAMaTR at the City of Pine Island, Region 5, and Region 7E Development Commissions. A general presentation was made to the Oronoco City Council and Planning and Zoning Committee in September 2002 on agricultural land preservation, fiscal impact analysis and DIAMaTR (approximately 20 people in attendance). In September 2003 presentations were made on preliminary DIAMaTR results to the Oronoco City Council and Planning and Zoning Committee (approximately 20 people in attendance) and Pine Island city staff (three people). Todd County, Region 5, and MDA staff members presented results of the Todd County Agricultural Land Preservation Model and the report *Todd County Development Impact Assessment* (DIAMaTR analysis) to the Todd County Board of Commissioners in October 2003 (approximately 40 people in attendance). In Dakota County, workshops were held with eight cities in March 2003 and nine (out of 13) townships in April 2003. Program guidelines were released in June 2003 and are posted on the Dakota County website.

VIII. LOCATION:

- **Result 1:** Three locations were selected for the DIAMaTR project: Oronoco (Olmsted County), Pine Island (Goodhue County), and Long Prairie (Todd County. Work performed under Result 3).
- **Result 2:** Statewide.

- **Result 3:** Todd County
- **Result 4:** Dakota County is the selected location for this project.
- **Result 5:** Dakota County is the selected location for this project.

IX. REPORTING REQUIREMENTS:

This is the final work program report.

Attachment A

Project Title: Agricultural Land Preservation

Project Number: 08(b)

LCMR Recommended Funding: $205,000

Attachment A Deliverable Products and Related Budget

2001 LCMR Project Biennial Budget — Objective/Result

	Result 1: Budget	Result 1: Current Invoice	Result 1: Balance	Result 2: Budget	Result 2: Current Invoice	Result 2: Balance	Result 3: Budget	Result 3: Current Invoice	Result 3: Balance	Result 4: Budget	Result 4: Current Invoice	Result 4: Balance	Result 5: Budget	Result 5: Current Invoice	Result 5: Balance	PROJECT TOTAL:		
Budget Item (Title of Result)	Use and demonstrate the DIAMaTR and other fiscal impact analysis techniques, and develop capacity for long-term delivery of fiscal impact services to local governments at a regional level.			Develop and produce promotional, educational, and training materials on DIAMaTR and other fiscal impact analysis techniques, and their context in local decision-making on development.			Implement Agricultural Land Preservation Program and Demonstrate Tools in Greater Minnesota County			Implement "Protecting Dakota County Farmland And Natural Areas" Plan			Conduct Outreach to Owners of High Priority Farmland and Natural Areas			**BUDGET TOTAL:**	**CURRENT INVOICE TOTAL:**	**BALANCE TOTAL:**
Wages, sal. & ben.																		
* Student worker	$ 21,000.00	$ 21,000.00	$ —	~~$ 25,583.95~~ ~~$ 20,500.00~~	$ 25,583.95	$ —										~~$ 46,583.95~~ ~~$ 41,500.00~~	$ 46,583.95	$ —
* Dakota Co. staff										$ 15,000.00	$ 15,000.00	$ —				$ 15,000.00	$ 15,000.00	$ —
* Friends of Miss.													$ 19,250.00	$ 19,250.00	$ —	$ 19,250.00	$ 19,250.00	$ —
* Dakota SWCD													$ 19,250.00	$ 19,250.00	$ —	$ 19,250.00	$ 19,250.00	$ —
Prof/tech contract										$ 35,000.00	$ 31,564.50	$ 3,435.50				$ 35,000.00	$ 31,564.50	$ 3,435.50
Grant to Gr. MN co.							$ 50,000.00	$ 47,509.20	$ 2,490.80							$ 50,000.00	$ 47,509.20	$ 2,490.80
Publication printing																		
Other printing/copying, communications & office supplies	$ 500.00	$ 303.12	$ 196.88	~~$ 313.98~~ ~~$ 1,500.00~~	$ 313.98	$ —	$ 250.00	$ —	$ 250.00	$ 1,500.00	$ 1,500.00	$ —	~~$ 2,250.00~~ ~~$ 1,500.00~~	$ 2,250.00	$ —	~~$ 4,813.98~~ ~~$ 5,250.00~~	$ 4,367.10	$ 446.88
Local auto mileage	$ 2,500.00	$ 219.21	$ 2,280.79	~~$ 89.32~~ ~~$ 750.00~~	$ 89.32	$ —							~~$ 1,250.00~~ ~~$ 2,000.00~~	$ 716.14	$ 533.86	~~$ 3,839.32~~ ~~$ 5,250.00~~	$ 1,024.67	$ 2,814.65
Other travel exp. MN.	~~$ 6,762.75~~ ~~$ 7,500.00~~	$ —	$ 6,762.75	~~$ —~~ ~~$ 2,500.00~~	$ —	$ —	$ 500.00	$ —	$ 500.00							~~$ 7,262.75~~ ~~$ 10,500.00~~	$ —	$ 7,262.75
Office eqmt. & comp.	$ 4,000.00	$ 3,793.13	$ 206.87													$ 4,000.00	$ 3,793.13	$ 206.87
COL. TOTAL	~~$ 34,762.75~~ ~~$ 35,500.00~~	$ 25.315.46	$ 9,447.29	~~$ 25,987.25~~ ~~$ 25,250.00~~	$ 25,987.25	$ —	$ 50,750.00	$ 47,509.20	$ 3,240.80	$ 51,500.00	$ 48,064.50	$ 3,435.50	$ 42,000.00	$ 41,466.14	$ 533.86	$ 205,000.00	$ 188,342.55	$ 16,657.45