

2001 Project Abstract

For the Period Ending June 30, 2004

Title: Restoring Minnesota's Fish and Wildlife Habitat Corridors – Big Woods Heritage Forest (3b). Conservation Easement Projects under this segment will be located in the Southern Lakes Corridor (10).

Project Manager: Richard Peterson
Organization: Minnesota Department of Natural Resources-Forestry
Address: 1810-30th Street NW Faribault, MN 55021
Telephone: 507/333-2012
E-mail: richard.peterson@dnr.state.mn.us
Fax: 507/333-2008
Web Address: www.dnr.state.mn.us

<u>Fund</u>	<u>Year</u>	<u>Approp</u>	<u>Liquid</u>	<u>Encum</u>	<u>Balance</u>
Restoring MN Fish & Wildlife Habitat Corridors (ETF)	2001	\$500,000			
	Fiscal 2002	\$250,000	\$24,388.50		\$225,611.50
	Fiscal 2003	\$250,000	\$81,067		\$394,544.50
	Fiscal 2004	\$0	\$394,544.50		\$0

Legal Citation: 04(e) M.L. 2001 1st Special Session, Chapter 2, Section 14, Subd. 04(e) \$11,745,000 (Env. Trust Fund). Restoring Minnesota's Fish and Wildlife Habitat Corridors. \$5,873,000 the first year and \$5,872,000 the second year are from the trust fund to the Commissioner of Natural Resources for acceleration of agency programs and cooperative agreements with Minnesota Waterfowl Association, Minnesota Deer Hunters Association, Ducks Unlimited Inc., National Wild Turkey Federation, Pheasants Forever, The Nature Conservancy, Minnesota Land Trust, Trust for Public Land, U.S. Fish and Wildlife Service, Bureau of Indian Affairs, Natural Resources Conservation Service, and the U.S. Forest Service to restore and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. \$352,000 is for program coordination, corridor identification, and mapping, \$3,343,000 is for restoration and management activities in wildlife management areas, wetland habitat, lakes, wild rice beds, grasslands, and fisheries habitat. \$2,650,000 is for conservation easement programs on riparian areas, big woods forests, native prairies, and wetlands. \$5,400,000 is for habitat acquisition activities on prairies, riparian areas, and other fish and wildlife habitat corridors. As part of the required work program, criteria and priorities for planned acquisition and restoration activities must be submitted to the Legislative Commission on Minnesota Resources for review and approval. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the Commissioner of Natural Resources. Any land acquired in fee title by the Commissioner of Natural Resources with money from this appropriation must be

designated (1) as an outdoor recreation unit under Minnesota Statutes, section 86A.07; or (2) as provided in Minnesota Statutes, sections 89.018, subdivision 2, paragraph (a); 97A.101; 971.125; 97C.001; and 97C.011. The commissioner may so designate any lands acquired in less than fee title. The appropriation is available until June 30, 2004, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Overall Project Outcome and Results

The purpose of the project was to acquire permanent conservation easements within the Southern Lakes (10) project area in order to conserve and restore Big Woods habitats. This project resulted in the acquisition of 10 tracts totaling 713 acres of permanent easements held by the State of Minnesota, Department of Natural Resources-Forestry. The total value of the 10 tracts was \$1,984,900. Of this total, \$500,000 was provided by the LCMR grant, \$1,100,000 was provided by U.S. Forest Service Forest Legacy Program grants, and \$384,900 was donated by landowners to the State of Minnesota in bargain sales. These results greatly exceed the original targets of 420 acres protected and \$500,000 in match dollars. The project was especially critical in providing the needed funding to acquire the professional services such as appraisals, surveys, title opinions, etc and in providing the required non-federal match of the Federal Forest Legacy Program.

The Big Woods of South-central Minnesota is one of Minnesota's most endangered and fragmented forest ecosystems. All of these tracts are adjacent to or near significant state and county protected Big Woods remnants in Rice County including Nerstrand Big Woods State Park, Boyd Wildlife Management Area, Cannon River Wilderness County Park, and Caron County Park, and the protection of these tracts will help preserve this valuable natural heritage for Minnesota. All these tracts will remain in private ownership, landowners will continue to pay property taxes, and all will be managed with guidance from Forest Stewardship Plans. The easements will be annually monitored by the Division of Forestry.

The project targeted landowners in the Cannon River Watershed portion of project area 10, many who had been involved with previous LCMR supported educational, conservation and stewardship efforts in the Big Woods led by the Cannon River Watershed Partnership in cooperation with DNR-Forestry. The earlier efforts greatly contributed to the success of the current project by helping prepare landowners knowledgeable about Big Woods conservation and willing to embrace permanent protection.

Project Results Use and Dissemination

The results of this project have been disseminated through several program presentations throughout Minnesota (Grand Rapids, Duluth, Lake City, Brainerd, Faribault, Nerstrand, Morristown), through regular Forest Legacy Program progress reports submitted to the Forest Service, and by the Forest Service in annual Forest Legacy Program Reports. Additionally, DNR-Division of Forestry will build use the results of this program to continue to improve our private lands stewardship programs in general and the Forest Legacy Program specifically.

**Attachment B -- Habitat Corridors Partnership PHASE I -- Individual Work Program Summary
Final Progress Report (For all completed activities thru June 30, 2004)**

Activity	Partner:	LCMR			Proposed Accomplishments			Current LCMR Accomplishments			Other Funds			Other Funds		
		Allocation	Expenditure	Balance	LCMR Acres	LCMR Miles/ Shoreline	LCMR Lakes Restored	LCMR Acres	LCMR Miles/ Shoreline	LCMR Lakes Restored	Committed	Expenditure	Balance	Acres	Miles/ Shoreline	Lakes Restored
Big Woods Conservation Easements	DNR Forestry	500,000	500,000	0	420			240			\$869,000	1,100,000		473		

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<u>Fund</u>	<u>Year</u>	<u>Approp</u>	<u>Liquid</u>	<u>Encum</u>	<u>Balance</u>
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The Big Woods of South-central Minnesota is one of Minnesota's most endangered and fragmented forest ecosystems. All of these tracts are adjacent to or near significant state and county protected Big Woods remnants in Rice County including Nerstrand Big Woods State Park, Boyd Wildlife Management Area, Cannon River Wilderness County Park, and Caron County Park, and the protection of these tracts will help preserve this valuable natural heritage for Minnesota. All these tracts will remain in private ownership, landowners will continue to pay property taxes, and all will be managed with guidance from Forest Stewardship Plans. The easements will be annually monitored by the Division of Forestry.

The project targeted landowners in the Cannon River Watershed portion of project area 10, many who had been involved with previous LCMR supported educational, conservation and stewardship efforts in the Big Woods led by the Cannon River Watershed Partnership in cooperation with DNR-Forestry. The earlier efforts greatly contributed to the success of the current project by helping prepare landowners knowledgeable about Big Woods conservation and willing to embrace permanent protection.

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Work Program Amendment Approved 5/4/04
 Date of Report: August 4, 2004
 LCMR Final Work Program Report
 Date of Work Program Approval: July 24, 2001
 Work Program Amendment Approved 5/4/04
 Project Completion Date: July 1, 2004

LCMR Work Program 2001

Title: Restoring Minnesota's Fish and Wildlife Habitat Corridors – Big Woods Heritage Forest (3b). Conservation Easement Projects under this segment will be located in the Southern Lakes Corridor (10).

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Total Biennial Project Budget:

<u>Fund</u>	<u>Year</u>	<u>Approp</u>	<u>Liquid</u>	<u>Encum</u>	<u>Balance</u>
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II. and III. Final Project Summary

Overall Project Outcome and Results

The purpose of the project was to acquire permanent conservation easements within the Southern Lakes (10) project area in order to conserve and restore Big Woods habitats. This project resulted in the acquisition of 10 tracts totaling 713 acres of permanent easements held by the State of Minnesota, Department of Natural Resources-Forestry. The total value of the 10 tracts was \$1,984,900. Of this total, \$500,000 was provided by the LCMR grant, \$1,100,000 was provided by U.S. Forest Service Forest Legacy Program grants, and \$384,900 was donated by landowners to the State of Minnesota in bargain sales. These results greatly exceed the original targets of 420 acres protected and \$500,000 in match dollars. The project was especially critical in providing the needed funding to acquire the professional services such as appraisals, surveys, title opinions, etc and in providing the required non-federal match of the Federal Forest Legacy Program.

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1V. Outline of Project Results

June 30, 2004

Result 1: #10 Southern Lakes

10 easements totaling 713 acres were acquired by this project. These 10 tracts represent a significant protection effort of Big Woods in an ecosystem that has suffered over 93% habitat loss over the past 150 years.

<u>Total Budget</u>	<u>Amount Spent</u>	<u>Encumbered</u>	<u>Balance</u>
	\$500,000	\$500,000	\$0
Development (other funds)	\$1500	\$1500	\$0
Easements	\$360,916	\$360,916	\$0
Professional Services	\$139,084	\$139,084	\$0

Big Woods Conservation Easement-Tract Status Details

<u>Landowner</u>	<u>Acres</u>	<u>Federal Funds</u>	<u>CH01 Funds</u>	<u>Status 11/30/03</u>
7-Mile Woods 1	148	\$330,000	\$	Closed
7-Mile Woods 2	80	\$5,000	\$	Closed
7-Mile Woods 3	45	\$95,000	\$	Closed
7-Mile Woods 4	20	\$10,000	\$	Closed
4 tracts	293	\$440,000	\$65,122	
Cannon Big Woods 1	89	\$359,000	\$	Closed

Cannon Big Woods 2		\$	\$	Withdrawn
Cannon Wilderness 1	56	\$101,000	\$	Closed
Nerstrand Woods 3	79	\$100,000	\$	Closed
7-Mile Woods 7		\$	\$	Withdrawn
7-Mile Woods 6		\$	\$	Withdrawn
Nerstrand Woods 3		\$	\$	Withdrawn
3 tracts	224	\$560,000	\$115,241	

Nerstrand Woods 4		\$	\$	Optioned
Nerstrand Woods 5		\$	\$	Optioned
Nerstrand Woods 6	75	\$100,000	\$	Closed
Nerstrand Woods 7		\$	\$	Optioned
Nerstrand Woods 8		\$	\$	Dropped
Cannon River Big Woods 3		\$	\$	Optioned
Cannon River Wilderness 2		\$	\$	Optioned
Cannon River Wilderness 3		\$	\$	Dropped
7-Mile Woods 5	86	\$0	\$	Closed
7-Mile Woods 8		\$	\$	Optioned
7-Mile Woods 9	35	\$0	\$	Closed
	196	\$	\$319,637	

Grand Totals:

10 tracts 713 acres \$1,100,000 \$500,000 \$384,900 landowners

This project provided nearly 3:1 leverage of other monies (match) from U.S. Forest Service Grants and Landowner donations (bargain sales).

V. Total Project Budget (Work Program changes were approved on October 9, 2002 and May 4, 2004.)

All results:	Personnel:	NA
All results:	Equipment:	NA
All results:	Development:	\$1500 signs paid for by non-LCMR funding
All results:	Acquisition:	NA
All results:	Easements	\$360,916
All results:	Other:	\$139,084 (Professional services-appraisal, survey, etc)

VI. Past, Present and Future Spending

A. Past Spending:

The Division of Forestry has received from the US Forest Service grants of \$906,000 in 2001 and \$678,000 in 2000 to acquire conservation easements on 593

acres and 470 acres respectively in the Big Woods of Rice County. The non-federal contribution to these two grants will be a minimum of \$869,000. One tract, 111 acres has closed using \$238,000 of the 2000 federal grant. The remaining tracts for acquisition are detailed above. The Division of Forestry coordinates acquisition of easements and matching funds for the Forest Legacy Program.

B. Current and Future Spending:

The long term-plan of the Division is to acquire 2000 acres of Big Woods Forest Conservation easements in selected areas of Rice County.

C. Project Partners

The Big Woods Project is comprised of local landowners, government agencies, who help promote protection, restoration, and maintenance of Big Woods in Rice County. The Nature Conservancy of Minnesota, the Cannon River Watershed Partnership, Friends of 7-Mile Woods, and the Friends of the Cannon River Wilderness Area have been a Long-time supporter of the group. The DNR interdisciplinary Big Woods Team provides review and coordination for this and other projects in the Big Woods. The USDA Forest Service Northeastern Area State and Private Forestry provides funding and support to acquire forest conservation easements through the Forest Legacy Program. No LCMR funds will support project partners.

D. Time:

Project would extend until June 30, 2004 to allow sufficient time to close on all projects.

VII. Dissemination

Easement tracts will be posted and notice provide in the Big Woods Update-the newsletter of the Big Woods Project. Use of Forest Legacy funds are reported to U.S. Congress and program accomplishments are widely distributed by the U.S. Forest Service.

VIII. Location

Within the established area 10, we will target large tracts, tracts that are part of a Larger block of Big Woods forest, and tracts that are adjacent to public land or protected land. Emphasis will be placed on lands that also meet the criteria of the Federal Forest Legacy Program. All projects will be located in Project Area 10, specifically Rice County.

IX. Reporting Requirements

Progress reports for this work program will be submitted to MN Waterfowl Association on May 31, 2002, November 30, 2002, March 30, 2003, November 30, 2003, and July 1, 2004.

Attachment A

Restoring Minnesota's Fish and Wildlife Habitat Corridors-Big Woods Heritage Forest(3b)

Project Number CH01:

LCMR Funding \$500,000

**Attachment A Deliverable Products and Related Budget
2001 LCMR Project Biennial Budget**

	Result1: #10 So. Lakes	Results 1 Amount spent cumulative	Result 1: Encumbered	Results 1: Balance
Budget Item (Title of Result)	Easement Acres Acquired	\$360,916		\$0
Budget Item (Title of Result)	Professional Services	\$139,084		\$0
Total Budget	All results	\$500,000		\$0

Minor work program change requests are underlined in sections IV & V..

Work Program Revision Requested

Date of Report: May 3, 2004

Date of Next Program Update: ~~March 30, 2004~~ *Final Report*

Date of Work Program Approval: July 24, 2001

Project Completion Date: July 1, 2004

LCMR Work Program 2001

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II. Project Summary and Results:

Conservation easements will be acquired by the Minnesota Department of Natural Resources, Division of Forestry, in the Southern Lakes (10) project area to conserve and restore remaining Big Woods habitat. A minimum of 420 acres of Big Woods habitat will be protected under this program. This project will complement and supplement two projects currently funded by the U.S. Forest Service Forest Legacy Program to fund the acquisition of conservation easements in Minnesota's Big Woods.

III. Progress Summary:

May 3, 2005

Grand Total acres of conservation easements acquired: 517 acres on 7 tracts. An additional two hundred acres from 3 tracts are encumbered and optioned.

Accomplishments from November 1 To May 3, 2004

A total of 9 projects have been optioned. Surveys are being completed on 3 projects. LCMR funds have been encumbered for three projects totaling approximately 200 acres.

Accomplishments from May 1 2003 to November 1, 2003

135 acres of conservation easements on 2 projects in Project Area 10 (Southern Lakes). Two offers have been accepted and one is currently being surveyed. Forest Legacy Signs have been acquired from outside funding.

Accomplishments from November 15, 2002 to May 1, 2003.

382 acres of conservation easements on 5 projects in Project Area 10 (Southern Lakes). One offer has been accepted and is being surveyed. 11 additional tracts are in the appraisal stage. 5 landowners have withdrawn.

Accomplishments from July 24, 2001 to November 15, 2002.

0 acres as of November 15, 2002.

Grand Total Easement Acres Acquired:

382 acres of conservation easements on 5 projects in Project Area 10.

IV. Outline of Project Results

November 30, 2003 See table, page 4.

Result 1: #10 Southern Lakes

Total Budget		Amount Spent	Encumbered	Balance
	\$500,000	\$240,650	\$259,350	\$0
Development (other funds)	\$1500	\$1500		\$0
Easements	\$375,000	\$101,566	\$259,350	\$0
	<u>\$360,916</u>			
Professional Services	\$125,000			
	<u>\$139,084</u>	\$139,084		\$0

November 15, 2002

Applications on file:

31

Applications approved for Forest Service Match with Federal Forest Legacy Dollars: 21 tracts for 1196 acres

Of the 21 tracts approved for easement acquisition, 9 appraisals have been completed, 5 offers have been accepted, and one landowner has withdrawn due to death of a spouse. Surveys have been completed on the 5 tracts where offers have been accepted. One tract has been withdrawn due to sale to Nerstrand Big Woods State Park.

Several issues have developed relative to acquisition of these easements. Those issues include:

- Appraisal of properties where gravel resources are present-a new state law requires additional due diligence with regard to appraisal and notification where gravel resources are likely present on the property.
- Review appraisals-the Forest Service requires all appraisals to meet their yellow book standards and to be reported in a format acceptable to them. Our DNR Lands and Minerals Division has been working with the Forest Service Forest Legacy staff to develop the acceptable reporting format.

- Subordination of mortgage-several tracts have existing mortgages on them that requires the mortgage holder to sign-off on the easement. That sign-off has been slow in coming.

Federal Forest Legacy Program Funds totaling \$2,346,000 is currently committed to implement acquisition of the 21 tracts noted above.

Big Woods Conservation Easement-Tract Status

<u>Landowner</u>	<u>Acres</u>	<u>Federal Funds</u>	<u>CH01 Funds</u>	<u>Status 11/30/03</u>
7-Mile Woods 1	148	\$330,000	\$	Closed
7-Mile Woods 2	80	\$5,000	\$	Closed
7-Mile Woods 3	45	\$95,000	\$	Closed
7-Mile Woods 4	20	\$10,000	\$	Closed
4 tracts	293	\$440,000	\$65,122	
Cannon Big Woods 1	89	\$359,000	\$	Closed
Cannon Big Woods 2		\$	\$	Withdrawn
Cannon Wilderness 1	56	\$101,000	\$	Closed
Nerstrand Woods 3	79	\$100,000	\$	Closed
7-Mile Woods 7		\$	\$	Withdrawn
7-Mile Woods 6		\$	\$	Withdrawn
Nerstrand Woods 3		\$	\$	Withdrawn
3 tracts	224	\$560,000	\$115,241	
Nerstrand Woods 4		\$	\$	Optioned
Nerstrand Woods 5		\$	\$	Optioned
Nerstrand Woods 6	75	\$	\$Encumbered	Optioned
Nerstrand Woods 7		\$	\$	Optioned
Nerstrand Woods 8		\$	\$	dropped
Cannon River				
Big Woods 3		\$	\$	Optioned
Cannon River				
Wilderness 2		\$	\$	Optioned
Cannon River				
Wilderness 3		\$	\$	Dropped
7-Mile Woods 5	90	\$	\$Encumbered	Optioned
7-Mile Woods 8		\$	\$	Optioned
7-Mile Woods 9	35	\$	\$Encumbered	Optioned
		\$	\$319,637	
Grand Totals:				
7 tracts	517 acres	\$1,000,000	\$240,650	Completed
3 tracts encumbered	200 acres	\$100,000	\$259,350	Encumbered/optioned

V. Total Project Budget (Work Program change was requested on September 24, 2002, and approved on October 9, 2002)

All results:	Personnel:	NA
All results:	Equipment:	NA
All results:	Development:	\$1500 signs paid for by non-LCMR funding
All results:	Acquisition:	NA
All results:	Easements	\$375,000 \$360,916
All results:	Other:	\$125,000 <u>\$139,084</u> (Professional services-appraisal, survey, etc)

Change request is due to the following factors: 1. Forest Service Forest Legacy Program grants pay for acquisition costs, but not professional services. Those services are being paid from the LCMR grant; 2. We will soon begin acquisition of Federal FY2002 Forest Legacy Program tracts, thus creating a demand for additional professional services; and 3. Professional services costs were estimated by lands and minerals to be about 10% of the cost of the purchase, but are coming in at a higher amount.

Change request dated 5/3/04 is due to revised dollar amounts needed for easements compared to professional services fees. The amount of funding initially estimated for professional services compared to easements has been somewhat higher than estimated due to higher than anticipated costs for appraisal services and Lands and Minerals staff time. Additionally, bargain sales reduced the amounts needed for easements.

Remaining Phase I funds have been totally encumbered for three optioned parcels totaling about 200 acres which are due to close in the next few weeks, or prior to June 30, 2004. Closeout of Phase 1 is requested in order to make available Phase 2 funds to pay for appraisals, surveys, and Lands & Minerals staff time for the projects that are ongoing.

VI. Past, Present and Future Spending

A. Past Spending:

The Division of Forestry has received from the US Forest Service grants of \$906,000 in 2001 and \$678,000 in 2000 to acquire conservation easements on 593 acres and 470 acres respectively in the Big Woods of Rice County. The non-federal contribution to these two grants will be a minimum of \$869,000. One tract, 111 acres has closed using \$238,000 of the 2000 federal grant. The remaining tracts for acquisition are detailed above. The Division of Forestry coordinates acquisition of easements and matching funds for the Forest Legacy Program.

B. Current and Future Spending:

The long term-plan of the Division is to acquire 2000 acres of Big Woods Forest Conservation easements in selected areas of Rice County.

C. Project Partners

The Big Woods Project is comprised of local landowners, government agencies, who help promote protection, restoration, and maintenance of Big Woods in Rice County. The Nature Conservancy of Minnesota, the Cannon River Watershed Partnership, Friends of 7-Mile Woods, and the Friends of the Cannon River Wilderness Area have been a Long-time supporter of the group. The DNR interdisciplinary Big Woods Team provides review and coordination for this and other projects in the Big Woods. The USDA Forest Service Northeastern Area State and Private Forestry provides funding and support to acquire forest conservation easements through the Forest Legacy Program. No LCMR funds will support project partners.

D. Time:

Project would extend until June 30, 2004 to allow sufficient time to close on all projects.

VII. Dissemination

Easement tracts will be posted and notice provide in the Big Woods Update-the newsletter of the Big Woods Project. Use of Forest Legacy funds are reported to U.S. Congress and program accomplishments are widely distributed by the U.S. Forest Service.

VIII. Location

Within the established area 10, we will target large tracts, tracts that are part of a Larger block of Big Woods forest, and tracts that are adjacent to public land or protected land. Emphasis will be placed on lands that also meet the criteria of the Federal Forest Legacy Program. All projects will be located in Project Area 10, specifically Rice County.

IX. Reporting Requirements

Progress reports for this work program will be submitted to MN Waterfowl Association on May 31, 2002, November 30, 2002, March 30, 2003, November 30, 2003, and July 1, 2004.

Attachment A (include in all future update reports.) Use as many results as necessary. Landscaping on legal size paper to fit all the columns may be helpful.

The commission will not allow office space rental fees or salary payments to officers or directors, this applies to all projects. General other will not be accepted. Be specific and use as many lines as necessary.

Restoring Minnesota's Fish and Wildlife Habitat Corridors-Big Woods Heritage Forest(3b)

Project Number CH01:

LCMR Funding \$500,000

Attachment A Deliverable Products and Related Budget
2001 LCMR Project Biennial Budget

	Result1: #10 So. Lakes	Results 1 Amount spent cumulative	Result 1: Encumbered	Results 1: Balance
Budget Item (Title of Result)	Easement Acres Acquired	\$101,566	\$259,350	\$0
Budget Item (Title of Result)	Professional Services	\$139,084		\$0

Total Budget	All results	\$240,650	\$259,350	\$0
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**Attachment B -- Habitat Corridors Partnership PHASE I -- Individual Work Program Summary
November 2003 Progress Report (For all completed activities thru 10/31/03)**

Activity	Partner:	LCMR Allocation	LCMR Expenditure	LCMR Balance	Proposed Accomplishments			Current LCMR Accomplishments			Other Funds Committed	Other Funds Expenditure	Other Funds Balance	Other Funds Acres	Other Funds Miles/ Shoreline	Other Funds Lakes Restored
					LCMR Acres	LCMR Miles/ Shoreline	LCMR Lakes Restored	LCMR Acres	LCMR Miles/ Shoreline	LCMR Lakes Restored						
Big Woods Conservation Easements	DNR Forestry	500,000	240,650	259,350	420			81			\$869,000	1,000,000		436		