



# Environment and Natural Resources Trust Fund (ENRTF) M.L. 2013 Work Plan

**Date of Status Update Report: May 21, 2015**

**Date of Next Status Update Report: June 30, 2015**

**Date of Work Plan Approval: May 20, 2013**

**Project Completion Date: June 30, 2016**

**Is this an amendment request? YES**

**PROJECT TITLE:** MeCC7: Dakota County Lakeshore and Riparian Protection

**Project Manager:** Lisa West

**Affiliation:** Dakota County

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**Location: Dakota County – natural areas along the Vermillion and Cannon rivers and their tributaries**

**Total ENRTF Project Budget:**

**ENRTF Appropriation: \$368,000**

**Amount Spent: \$0**

**Balance: \$368,000**

**Legal Citation:** M.L. 2013, Chp. 52, Sec. 2, Subd. 04d2.6/3.7

**Appropriation Language:** \$2,000,000 the first year is from the trust fund for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$10,000 is to the commissioner of natural resources for agency programs and \$1,990,000 is to the commissioner of natural resources for agreements as follows: \$304,000 with Friends of the Mississippi River; \$368,000 with Dakota County; \$208,000 with Great River Greening; \$310,000 with Minnesota Land Trust; \$400,000 with Minnesota Valley National Wildlife Refuge Trust, Inc.; and \$400,000 with the Trust for Public Land for planning, restoring, and protecting priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties, through contracted services, technical assistance, conservation easements, and fee title acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work plan. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work plan. Lands that would require payments in lieu of taxes under Minnesota Statutes, section 97A.061 or 477A.12, shall not be

acquired with money from this appropriation. Up to \$54,000 is for use by Minnesota Land Trust in a monitoring and enforcement fund as approved in the work plan and subject to subdivision 16. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work plan. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2016, by which time the project must be completed and final products delivered.

**I. PROJECT TITLE:** MeCC7: Dakota County Lakeshore and Riparian Protection

**II. PROJECT STATEMENT:**

The long history of settlement and long-accepted agricultural land use practices have resulted in the loss, degradation and fragmentation of our natural resource systems. In Dakota County, only 3% of the pre-settlement plant communities remain. Despite increased public awareness of water quality issues, improvement methods, and multi-agency efforts to assist landowners, most of the natural areas throughout the County have been negatively affected. In recent decades, the County has experienced tremendous residential development. This development is attracted to the remaining natural features - especially lakes and rivers.

In 2003, Dakota County embarked on an ambitious program to protect farmland and natural areas through the voter-approved, \$20 million, Farmland and Natural Areas Program. Since the program began, the County is on track to have completed more than 95 projects protecting over 9,700 acres, with an estimated value of \$80 million. The County has an excellent track record of working effectively with a wide variety of agencies, jurisdictions, and organizations and has the capacity to acquire and manage conservation easements and implement increased natural resource stewardship.

The goal of this project will be to acquire land or permanent conservation easements, from willing landowners, along the Vermillion River and its main branches and tributaries, and the Cannon River and its primary tributaries (Chub, Darden, Dutch, Mud, and Pine creeks, and Trout Brook); to prepare natural resource management plans; and to restore/enhance publically owned or permanently protected property.

The scale and scope of this project is feasible and significant. It encompasses some of the best natural resource features found in the metropolitan area, across urban, suburban and rural landscapes. It takes a precise and sound fiscal and ecological systems approach to conservation, while attempting to balance the interests, rights and responsibilities of private landowners with the public's concerns about water, wildlife habitat, outdoor recreation, and climate change.

**III. PROJECT STATUS UPDATES:**

**Project Status as of February 1, 2014:**

The County is committed to preserving the Marcott Lakes area in Inver Grove Heights, one of the few significant areas in a well-developed suburban community that has high natural resource values. Acquisition of the Lindberg parcel (103.1-acres with 13.2-acre lake) was a major step forward to ensure protection of the Marcott Lakes area into the future. The County previously acquired a 16.7-acre easement on one of the Grannis family parcels, which included substantial shoreline and a pond. Additional Grannis parcels include substantial additional shoreland and high-quality habitat. Plans for the area's future include development of an outdoor skills visitor center and an assisted living facility (both to be located outside the easement) that would provide some of the necessary operating funds for the outdoor skills center.

Vance Grannis worked with the City of Inver Grove Heights on a revision of the current comprehensive plan that would allow the proposed visitor center and an assisted living facility. The draft appraisal of

the Grannis property was completed in August and required significant revisions. It was revised and the County and the landowners met in late September to discuss values. The landowners were not pleased with the methodology and resulting easement value. The Grannis family requested that the County Board to release the full appraisal by specific Board Resolution, which the Board did in early November. The landowners have now contracted for a separate appraisal, and the County has contracted for a new appraisal that will include a residential subdivision plan to assist the County in better determining fair market value for this unique property. This appraisal should be completed in March.

The County Board approved the MeCC VII Dakota County Lakeshore and Riparian Protection grant agreement with DNR on January 21, 2014. A preliminary Natural Resources Management Plan for the entire property was developed in cooperation with the landowners. No restoration/enhancement activities occurred during the reporting period.

A legal description of the proposed easement was prepared based on a survey completed by the County. The easement deed was drafted (without LCCMR-related language), the Purchase Agreement was drafted without the acquisition cost, the Natural Resource Management Plan was drafted, and the environmental assessment was completed with no issues.

**Project Status as of August 1, 2014:**

Due to a number of issues raised by LCCMR staff, and presumably Commission members, and Outdoor Heritage Fund staff, use of Trust Funds for this project is on hold until further review by the Commission. General issues include using public funds to pay for easements when the easement value is close to the fee title value and the lack of or acceptable levels of public access/use. These concerns are further heightened by its complex nature, expense, uncertainty about the viability of the Darvan Acres Outdoor Skills Center and the potential future use of the three proposed easement exception areas.

Although funding is on-hold, a number of activities have continued. As referenced in the previous status report, the County and the Grannis family each contracted with new appraisers to determine the Before, After, and Conservation Easement Values of the 134-acre Grannis family property. County staff, including the Assessor's Office, concluded that it was in the public interest to complete a second appraisal and to base the new appraisal on a residential subdivision plan to provide additional quantitative analysis to determine the highest and best use of the property, as opposed to using qualitative adjustments to other "comparable" properties.

The County's appraiser and the Grannis family contracted with the same private development company to develop a legally, physically and financially feasible sub-development plan that would likely be approved by the City of Inver Grove Heights (and Dakota County, since the potential development would directly connect to a County road). The development plan would then be used by both appraisers to determine the location, size and number of lots and also estimate the associated development costs. An issue arose during the County Plat Commission review of the plan and the Plat Commission determined that two proposed cul-de-sacs would have to be connected to meet transportation guidelines. This resulted in the loss of a three potential lots and added development expenses thereby reducing both the gross and Before Value of the property.

The appraisers would choose one of three residential development scenarios ranging between 29 and 39 lots with two outlots and use the following considerations to determine the Before Value: number and value of the lots less the site development costs, time for city approval, absorption rate, taxes, closing costs, insurance, contingency, profit (risk during permitting, development and marketing), discount rate and internal rate of return. The After Value would be based on the value of the land with the proposed easement in place. This value would be based on removing development potential for all portions of the property either not encumbered by the 16.8-acre existing easement or the proposed exception areas and the types of uses still allowed by the easement. The difference between the Before Value and the After Value is the Easement Value.

County staff reviewed this appraisal and found it acceptable. After a closed session with the County Board to discuss this project on May 20, 2014, the County Board authorized the release of the second appraisal to the Grannis family and also authorized the release of the first and second Grannis property appraisals to the LCCMR and the LSOHC for review, by Resolution on July 8, 2014. The County is waiting for the Grannis appraisal to be completed and available for County review before sharing its appraisal.

The County requested that Mr. Grannis provide a status update on the Darvan Acres Outdoor Skills Center. He provided the following:

- Incorporation approved as 501c3 by IRS and State of MN
- City Of Inver Grove Heights resolution supporting the easement and approval of Local Comp Plan amendments to allow proposed facilities.
- Contracted with the Carlson School of Management at U of M to review business plan. Their conclusion was that this was a viable plan, but begin operating before major capital investments
- Renovated 1,700 sq. ft. building located in one of the proposed exception areas that included new concrete floor with in-floor heat, insulation, incinerating toilet, glass doors, gravel parking area, energy efficient lighting, and donated furnishings.
- Completed preliminary design plans for visitor center
- Discussions with three different companies/organizations for the proposed Independent Senior Center and Pre-School to be located within one of the proposed exception areas. Further studies are on-hold until the land can be secured.)
- Held discussions with the Independent School District 199 Superintendent. Her comment was “If you build it, we will fill it.”
- The Board of Directors of both the Dodge Nature Center and Carpenter Nature Center are interested in partnering or potentially operating the Center.
- 5.9 miles of trails are being maintained.
- There is ongoing natural resource management with materials taken to St. Paul District Energy
- The Wildlife Resource Center in Roseville is considering making investments in the existing barns to allow for the rehabilitation and release of wildlife on the property.
- On-site programs have been conducted for Simley High School, Inver Hills Community College, Boy Scouts, youth turkey hunts, and DNR gun safety classes. On April 30, 2014, 44 neighbors attended a program on Center plans and habitat restoration on the property and habitat suggestions for their properties.

A revised easement deed, containing LCCMR recommended language, was drafted.

#### **Project Status as of May 15, 2015:**

Based on discussions with LCCMR staff in late March, County staff will not seek ENRTF funding for the Grannis project and is withdrawing the project from this appropriation Workplan and associated Acquisition and Restoration lists. Per LCCMR staff discussions, County staff will determine appropriate projects that could be added to this appropriation Workplan and Acquisition and Restoration lists through an approved amendment.

#### **Amendment Request (5/15/15)**

##### **Conservation Easement Acquisition**

The M.L. 2011 appropriation ends June 30, 2015. The County requests that the general river and stream reaches from the M.L. 2011 appropriation acquisition list be added to the Acquisition List for this M. L. 2013 appropriation, and be inserted as part of Activity 1 in this Workplan: Vermillion River Headwaters and Western Main Stem; Vermillion River Central Main Stem and South, Middle and North Creeks; Vermillion River South Branch; Vermillion River Eastern Main Stem; Cannon River; Chub, Dutch and Mud Creeks; Darden and Pine Creeks; and Trout Brook.

The County requests that these new projects, not carried forward from the M.L. 2011 appropriation, be added to the Acquisition List for this M.L. 2013 appropriation: Betzold – Parcel 2 (46.6 acres; 0.8 miles of shoreline along the Vermillion River); and Odette (55.2 acres; 0.5 miles of shoreline along Chub

Creek). Project summary information, estimated costs, and maps are provided in Attachment B to this status report.

#### Restoration

The M.L. 2011 appropriation ends June 30, 2015. The County requests that the general river and stream reaches from the M.L. 2011 appropriation acquisition list be added to the Restoration List for this M. L. 2013 appropriation, and be inserted as part of Activity 2 in this Workplan: Vermillion River Headwaters and Western Main Stem; Vermillion River Central Main Stem and South, Middle and North Creeks; Vermillion River South Branch; Vermillion River Eastern Main Stem; Cannon River; Chub, Dutch and Mud Creeks; Darden and Pine Creeks; and Trout Brook.

Amendment approved by the LCCMR May 18, 2015.

#### **Amendment Request (5/21/15)**

##### Fee Title Acquisition

The County requests that the following project be approved as an addition to the Acquisition List and inserted in Activity 1 in this workplan: Fee title acquisition of the 61.7-acre Cemstone property that includes 1.7 miles of the Vermillion River. Project summary information, estimated costs, and maps are provided in Attachment B to this status update report.

Dakota County's original proposal and M.L. 2013 workplan was specific to acquiring a permanent conservation easement and completing natural resource restoration and management on the Grannis property in Inver Grove Heights. The County has removed the Grannis project from this appropriation and consolidated its Grannis project funding request within a current Outdoor Heritage Fund appropriation to the County that already includes the Grannis project. This change provides an opportunity to add new projects to the acquisition and restoration lists for this appropriation, resulting in the need to request this amendment to add a new fee acquisition project.

Dakota County has been working with the Minnesota DNR to acquire the 424-acre Cemstone property located between the Vermillion Highlands Research, Recreation and Wildlife Management Area and the Vermillion River. Public protection of this critical property would provide water quality, wildlife habitat and outdoor recreation benefits. The property has been included in the County's Park and Greenway System Plan to protect and manage a long-range, multi-purpose water quality, wildlife habitat and paved recreational trail corridor between the cities of Farmington and Hastings along the Vermillion River. Cemstone had an informal agreement with Empire Township to provide a paved trail corridor. The County and Township strongly desired to preserve a future trail option. However, Cemstone was not interested in selling an easement, the DNR Division of Fish and Wildlife did not want a paved recreational trail through the proposed Wildlife Management Area (WMA) addition, and the Outdoor Heritage Funds being used to acquire most of the Cemstone property for the WMA expansion generally prevents paved trails. In order to protect the entire Cemstone property, meet the DNR, County and Township goals, as well as State funding requirements, there was agreement that the County would acquire the 61.7-acre corridor along the Vermillion River to accommodate a future trail and the DNR would acquire the remaining 362 acres. The County and the DNR would continue to cooperatively manage the former Cemstone property as part of the larger 4,000-acre Vermillion Highlands complex.

Fee title acquisition is included in the M.L. 2013, Chp. 52, Sec. 2, Subd. 04d2.6/3.7 appropriation language, and this acquisition protects a high quality natural resource and will accommodate public access and use.

**Project Status as of August 1, 2015:**

**Project Status as of February 1, 2016:**

**Project Status as of June 30, 2016:**

#### **IV. PROJECT ACTIVITIES AND OUTCOMES:**

## **ACTIVITY 1: Acquire Conservation Easements**

### **Description:**

The County's land conservation initiatives are part of a comprehensive Dakota County Land Conservation Vision that also includes regional parks, multi-purpose greenways and the protection of high quality natural areas and working lands.

The County's Land Conservation Vision integrates and prioritizes the combined protection and improvement of water quality, wildlife habitat and appropriate outdoor recreational opportunities, and includes the LCCMR-funded Vermillion River Corridor Plan as the basis for land protection within the Vermillion River system. Established criteria area used to evaluate projects, including reducing non-point pollution; improving stream channel, floodplain and wetland functions; ecological quality and size; length of shoreline; proximity to other protected land; landowner commitment to current and future stewardship; cost and leveraged funds; improving appropriate outdoor recreational opportunities; and other considerations. The easements do not require public access, but projects including public access receive higher evaluation scores. In addition, payment for public access easements, similar to the DNR Angler Access Easement Program, is available to landowners. Easements will be written in a way that will not preclude future public trails to reflect changes in demographics and local land use. A similar plan and criteria system is being developed for the north Cannon River system. A technical staff team from the County's Environmental Resources Department and the Dakota County SWCD reviews and ranks projects and forwards recommendations to the County Board for approval.

Many projects will involve riparian buffers. GIS and outreach efforts have and will identify critical and willing landowners interested in protecting and managing important parcels as part of the County's comprehensive initiative to provide buffers along all rivers and streams.

Easement values for projects in cities or with an estimated cost exceeding \$20,000 will be based on an independent fair market appraisal. Due to the lack of sale comparables for small riparian easements in the metro region and increased staff and financial efficiency, a formula based on rural agricultural tax assessed value and variably adjusted according to regulatory conditions, floodplain, amount of cultivated land taken out of production, and vegetation types will be used to determine per acre easement values below the \$20,000 DNR threshold that triggers an appraisal. Updated aerial photography and Minnesota Land Cover Classification System data, official FEMA floodplain boundaries, and site visits will be used to determine the following respective acreage components of each easement:

- Agricultural Land - within and outside of 50 feet from shoreline
- Woodlands - within and outside of 100-year floodplain
- Fields and wetlands - within and outside of 100-year floodplain

These acreages will then be multiplied by the relevant valuation amount to determine the value of each respective component to produce the overall easement value. Payment for public access will be based on \$5/foot for stream length or lakeshore within the easement. This process was reviewed and approved by the County Attorney's Office, County Assessor's Office, County Administration and the County Board of Commissioners. In addition, the process was reviewed by three independent appraisers and their comments were integrated within the approach.

All provisions of Dakota County easements are perpetual and include standard requirements to minimize negative impacts to surface water and groundwater quality and quantity. In part, these are addressed adaptively through required Natural Resource Management Plans that are updated every five years.

The County will provide a draft template of the easement for review and approval by LCCMR staff and written approval from the DNR Commissioner will be obtained prior to closing per 116P.17.

Phase I Environmental Site Assessments will be completed for all projects and all solid waste removed as a condition of participation. Easements are surveyed by the County Surveyor's Office and the resulting information is used for legal documents and boundary markers. Baseline Property Reports and Natural Resource Management Plans, referenced in the easement deed, are reviewed and signed by the landowner and the County and completed prior to acquisition. All information is entered into a land management data base.

As previously adopted by the County Board, the County's standard practice is to monitor each easement on an annual basis. A combination of remotely reviewing the easement using available technology and then scheduling a site visit is used to determine easement compliance. Each written monitoring report is reviewed and signed by the landowner and the County, and then entered into the data base. Monitoring and future enforcement, if necessary, is an ongoing County obligation and is budgeted accordingly.

**Summary Budget Information for Activity 1:**

<b>ENRTF Budget:</b>	<b>\$328,000</b>
<b>Amount Spent:</b>	<b>\$0</b>
<b>Balance:</b>	<b>\$328,000</b>

**Activity Completion Date:**

Outcome	Completion Date	Budget
1. <del>480</del> <u>150</u> acres protected through a perpetual conservation easements	June 30, 2016	\$ <del>328,000</del> <u>221,750</u>
2. <u>61.7</u> acres protected through fee title acquisition	<u>June 30, 2016</u>	<u>\$106,250</u>

**Project Status as of April 1, 2014:**

During the reporting period, negotiations continued with the Grannis family on the easement. Mr. Grannis worked with the City of Inver Grove Heights on a revision of the current comprehensive plan that would allow the proposed visitor center and an assisted living facility. The draft appraisal of the Grannis property was completed in August and required significant revisions. It was revised and the County and the landowners met in late September to discuss values. The landowners were not pleased with the methodology and resulting easement value. The Grannis family requested that the County Board to release the full appraisal by specific Board Resolution, which the Board did in early November. The landowners have now contracted for a separate appraisal, and the County has contracted for a new appraisal that will include a residential subdivision plan to assist the County to better determine fair market value for this unique property. This appraisal should be completed in March.

The County Board approved the MeCC VII Dakota County Lakeshore and Riparian Protection grant agreement with DNR on January 21, 2014.

A legal description of the proposed easement was prepared based on a survey completed by the County. The easement deed was drafted (without LCCMR-related language), the Purchase Agreement was drafted without the acquisition cost, and the environmental assessment was completed with no issues.

**Project Status as of August 1, 2014:**

See status summary on pages 3 and 4 above

**Project Status as of May 15, 2015:**

Based on discussions with LCCMR staff in late March, County staff will not seek ENRTF funding for the Grannis project and is withdrawing the project from this appropriation Workplan and associated Acquisition and Restoration lists. Staff is requesting approval of the addition of two new conservation easement projects and several general river and stream reaches to enable future addition of specific river/stream easement acquisition projects to this Workplan and associated Acquisition list.

**Project Status as of August 1, 2015:**

**Project Status as of February 1, 2016:**

**Project Status as of June 30, 2016:**

**Final Report Summary:**

**ACTIVITY 2: Restoration**

**Description:**

All easements require the completion of a Natural Resource Management Plan (NRMP) jointly developed by the County and the landowner. The NRMP describes the current and preferred habitat and other conditions with recommendations on how to achieve mutual goals. A detailed work plan, describing priority activities and responsibilities, is also completed as a core element of the NRMP. Easement deed language requires completion of the final NRMP within six months of closing.

In addition, restoration and enhancement activities will take place on public land and private lands already encumbered by a conservation easement.

**Summary Budget Information for Activity 2:**

<b>ENRTF Budget:</b>	<b>\$40,000</b>
<b>Amount Spent:</b>	<b>\$0</b>
<b>Balance:</b>	<b>\$40,000</b>

**Activity Completion Date:**

<b>Outcome</b>	<b>Completion Date</b>	<b>Budget</b>
<b>1. 40 acres restored and/or enhanced</b>	June 30, 2016	\$40,000

**Project Status as of February 1, 2014:**

A preliminary Natural Resources Management Plan for the entire property was developed in cooperation with the landowners. No restoration/enhancement activities occurred during the reporting period.

**Project Status as of August 1, 2014:**

No funds have been expended on restoration and enhancement due to the noted issues described above.

**Project Status as of May 15, 2015:**

The Grannis acquisition is being removed from this appropriation Workplan and associated Acquisition and Restoration lists, so no restoration work has taken place to date. Staff is requesting approval of the addition of general river and stream reaches from the M.L. 2011 appropriation restoration list that will end on June 30, 2015, to enable future additions of specific river/stream restoration projects to this Workplan and associated Restoration list.

**Project Status as of August 1, 2015:**

**Project Status as of February 1, 2016:**

**Project Status as of June 30, 2016:**

**Final Report Summary:**

**V. DISSEMINATION:**

**Description:**

The County has a well-established Communications Department that effectively uses print and electronic media. The County features land conservation projects in a separate section on its web-site.

The County installs signs for easement projects and has an agreement with the landowner to develop prominent signage to describe the natural area and funding partners.

**Project Status as of February 1, 2014:**

The County revised and updated the website to include a description and materials for the ShoreHolders program and added project summaries to the Lands Protected category of the website. (URL: <http://www.co.dakota.mn.us/Environment/LandConservation/Pages/default.aspx>.) The County also completed a fact sheet about the Lindberg acquisition (a connecting property within the Marcott Lakes chain) to encourage public interest in land protection in this area.

**Project Status as of August 1, 2014:**

No information on this project has been disseminated due to its pending status.

**Project Status as of May 15, 2015:**

The Grannis acquisition is being removed from this appropriation Workplan and associated Acquisition and Restoration lists. Projects added through approved amendments to this Workplan will be included in appropriate County communications.

**Project Status as of August 1, 2015:**

**Project Status as of February 1, 2016:**

**Project Status as of June 30, 2016:**

**Final Report Summary:**

**VI. PROJECT BUDGET SUMMARY:**

**A. ENRTF Budget:**

Budget Category	\$ Amount	Explanation
Easement Acquisition:	\$320,000 <del>213,750</del>	Conservation easements
<u>Fee Title Acquisition</u>	<u>\$106,250</u>	<u>One fee title acquisition</u>
Restoration and Enhancement:	\$40,000	Removal of invasive species, conversion of agricultural land (pasture and cultivated fields) and shoreline restoration
Professional Services for Acquisition:	\$8,000	Appraisal and closing costs
<b>TOTAL ENRTF BUDGET:</b>	<b>\$368,000</b>	

**B. Other Funds:**

Source of Funds	\$ Amount Proposed	\$ Amount Spent	Use of Other Funds
<b>Non-state</b>			
County	\$127,500 <del>246,750</del>	\$0	Matching funds
Landowner Donation	\$26,550	\$0	<u>Reduce total cost</u>
<b>State</b>			
<b>TOTAL OTHER FUNDS:</b>	<b>\$154,050 <del>273,300</del></b>	<b>\$0</b>	

## VII. PROJECT STRATEGY:

### A. Project Partners:

The County works with Friends of the Mississippi River and the Dakota County Soil and Water Conservation District to develop Natural Resource Management Plans for some acquisition projects, and complete restoration projects on public and private lands already encumbered by a conservation easement.

### B. Project Impact and Long-term Strategy:

The County is currently implementing an ambitious, comprehensive, long-term approach to land and water conservation. This conservation vision and associated implementation plan will integrate acquisition of regional park in-holdings, development of a 200-mile multi-purpose greenway system, and protection and improvement of riparian and lakeshore buffers, and natural area and agricultural conservation zones. County staff has preliminarily estimated an additional 15,000 acres will need to be protected and managed to fully achieve a variety of public benefits at an estimated cost of \$45M.

In 2011, the County Board of Commissioners adopted the protection of riparian and lakeshore buffers as one of its top 25 County-wide goals, and included an additional \$2M of Environmental Fund balance over the next five years.

The County will continue to work proactively with landowners and numerous partners to strategically protect the highest quality natural resource lands that provide multiple public benefits.

### C. Spending History:

Funding Source	M.L. 2007 or FY08	M.L. 2008 or FY09	M.L. 2009 or FY10	M.L. 2010 or FY11	M.L. 2011 or FY12-13
ENRTF		\$509,965			\$1,097,000

## VIII. ACQUISITION LIST:

Easement: Betzold

The 47-acre portion of the Betzold property straddles approximately 0.8 miles of the Vermillion River in Eureka Township, adjacent to the south boundary of the City of Farmington. See Attachment B for additional detail and maps.

Fee Title: Cemstone

The 61.7-acre portion of the Cemstone property lies along 1.7 miles of the northern shoreline of the Vermillion River in Empire Township. See Attachment B for additional detail and maps.

Easement: Odette

The 55-acre portion of the Odette property straddles approximately 0.5 miles of Hazelwood Creek, a tributary of Chub Creek, and about 6 acres of an approximate 10-acre pond in Greenvale Township. See Attachment B for additional detail and maps.

**IX. MAP:** See Attachment B.

**X. RESEARCH ADDENDUM:** NA

## XI. REPORTING REQUIREMENTS:

**Periodic work plan status update reports will be submitted not later than February 1, 2014; August 1, 2014; February 1, 2015; August 1, 2015; February 1, 2016; and June 30, 2016. A final report and associated products will be submitted between June 30 and August 15, 2016, as requested by the LCCMR.**

Attachment A: Budget Detail for M.L. 2013 Environment and Natural Resources Trust Fund Projects									
Project Title: MeCC7: Dakota County Lakeshore and Riparian Protection									
Legal Citation: M.L. 2013, Chp. 52, Sec. 2, Subd. 04d2.6/3.7									
Project Manager: Lisa West									
M.L. 2013 ENRTF Appropriation: \$368,000									
Project Length and Completion Date: June 30, 2016									
Date of Update: May 21, 2015									
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Revised Activity 1 Budget 5/21/15	Amount Spent	Balance	Activity 2 Budget	Amount Spent	Balance	TOTAL BUDGET	TOTAL BALANCE
BUDGET ITEM	<i>Acquisition</i>				<i>Restoration</i>				
<b>Professional/Technical/Service Contracts</b> Contracts will be for undetermined private companies and/or non-profit organizations to implement priority restoration/enhancement activities on land already or soon to be protected by an easement.					\$40,000	\$0	\$40,000	\$40,000	\$40,000
<b>Easement Acquisition:</b> Acquiring an estimated 480 <u>150</u> acres	\$320,000	<u>\$213,750</u>	\$0	\$213,750				\$213,750	\$213,750
<b>Fee Title Acquisition:</b> Acquiring 61.7 acres		<u>\$106,250</u>		\$106,250				\$106,250	\$106,250
<b>Professional Services for Acquisition</b> Appraisal and closing costs	\$8,000	<u>\$8,000</u>	\$0	\$8,000				\$8,000	\$8,000
<b>COLUMN TOTAL</b>	<b>\$328,000</b>	<b><u>\$328,000</u></b>	<b>\$0</b>	<b>\$328,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$368,000</b>	<b>\$368,000</b>

**Environment and Natural Resources Trust Fund**

**M.L. 2013 Acquisition/Restoration List (5/21/15) We are requesting to amend this list to add the Cemstone fee title acquisition.**

Project Title: MeCC7: Dakota County Lakeshore and Riparian Protection

Project Manager Name: Lisa West

M.L. 2013 ENRTF Appropriation: \$368,000

#	Acquisition or Restoration Parcel Name	Geographic Coordinates		Estimated Cost	Estimated Annual PILT Liabilities	County	Ecological Significance	Activity Description	# of Acres	# of Shoreline Miles	Type of Landowner	Proposed Fee Title or Easement Holder (if applicable)	Status
		Latitude	Longitude										
<b>Acquisition</b>													
1	<b>1. Vermillion River Headwaters and western Main Stem</b>												
2	1.a. Betzold	44°39'53.7"N	93°2'56.36"W	\$65,000	\$0	Dakota	Designated trout stream riparian area and upland	Easement Acquisition	46.6	0.8			Plan to order appraisal in late May or June 2015
3	1. b. Cemstone	44°39'53.7"N	93°2'56.36"W	<u>\$106,250</u>	<u>\$0</u>	<u>Dakota</u>	<u>Designated trout stream riparian area and upland</u>	<u>Fee Title Acquisition</u>	<u>61.7</u>	<u>1.7</u>	<u>Public</u>	<u>Dakota County</u>	<u>Awaiting DNR appraisal value</u>
4	<b>2. South, Middle, and North Creeks and central Main Stem of</b>												
5	<b>3. Vermillion River South Branch</b>												
6	<b>4. Eastern Main Stem of the Vermillion River</b>												
7	<b>5. Chub, Dutch, and Mud Creeks</b>												
8	5.a. Odette	44°39'53.7"N	93°2'56.36"W	\$75,500	\$0	Dakota	Chub Creek tributary, quality pond and upland	Easement Acquisition	55.2	0.5			Plan to order appraisal in late May or June 2015
9	<b>6. Cannon River</b>												
10	<b>7. Pine and Darden Creeks</b>												
11	<b>8. Trout Brook</b>												
<b>NOTES:</b>													

#	Acquisition or Restoration Parcel Name	Geographic Coordinates		Estimated Cost	Estimated Annual PILT Liabilities	County	Ecological Significance	Activity Description	# of Acres	# of Shoreline Miles	Type of Landowner	Proposed Fee Title or Easement Holder (if applicable)	Status
		Latitude	Longitude										
<b>Restoration</b>													
1	1. Vermillion River Headwaters and western Main Stem												
2	2. South, Middle, and North Creeks and central Main Stem of												
3	3. Vermillion River South Branch												
4	4. Eastern Main Stem of the Vermillion River												
5	5. Chub, Dutch, and Mud Creeks												
6	6. Cannon River												
7	7. Pine and Darden Creeks												
8	8. Trout Brook												
NOTES:													

# Environment and Natural Resources Trust Fund

## Description and Summary of M.L. 2013 Dakota County Acquisition Project

### 5-19-15 Amendment Request

#### Appendix 1: Maps for listed project

##### A. Cemstone Property – Fee Title Acquisition

The 424-acre Cemstone property is adjacent to Vermillion Highlands Wildlife Management Area (WMA) and Vermillion Highlands Modified WMA as part of the larger 4,000+ acre Vermillion Highlands Complex in Empire Township. The County's 2008 Park and Greenway System Plan included a future, multi-purpose wildlife habitat, water quality and recreational greenway from Whitetail Woods Regional Park, south through the existing Vermillion River WMA, through Metropolitan Council property and along the Vermillion River east to the City of Hastings. This route included the southern portion of the Cemstone property which was also included in the Empire Township Comprehensive Plan. The Conservation Fund secured a purchase agreement with Cemstone that includes provisions for a ten-year, 160-acre mining reserve area that significantly reduced the overall purchase price. The DNR was allocated significant ML 2014 Outdoor Heritage (OH) funding and other state funds to acquire the majority of the property.

The County was previously allocated M.L. 2014 OHC funds to assist in the acquisition of the Cemstone property. However, the DNR Fish and Wildlife Division determined that the proposed paved regional trail would not be compatible with the Vermillion River WMA, due to statutory and statewide policy considerations; and the Lessard-Sams Outdoor Heritage Council confirmed that a paved trail would not be acceptable on any portion of the Cemstone property funded in part or wholly with OHC funds allocated to either the County or the DNR. As a result, the County and the DNR agreed to partition the Cemstone property into two parcels: the DNR would acquire 363 acres, including the 160-acre mining area; and the County would acquire fee title to the southern 61.7 acres of the property along the Vermillion River. As part of the transaction process, the Conservation Fund agreed to assign the purchase agreement to the DNR and County.

The 61.7-acre property includes 1.7 miles of the northern shoreline of the Vermillion River. Much of the property is located within the designated floodplain and consists of a mixture of short grasses and mixed trees, altered/non-native dominated seasonally flooded shrubland, and temporarily flooded altered/non-native dominated grassland. See map (Appendix 1). Approximately 8.8 acres were previously cultivated and 3.6 acres are currently cultivated. Top soil has been stockpiled along the northern boundary of this area of the property and will be spread on the adjacent former gravel mining area as part of an approved reclamation plan to be completed by Cemstone with DNR oversight.

As proposed, a ten-foot wide, 0.9-mile long paved trail (~1.1 acres) would only be constructed at such time as the County acquired all necessary land control from the former Miles property east to the City of Vermillion and beyond. This is anticipated to take decades, if it happens at all. In the short-term, a small parking area will be created and a non-paved path will be developed to facilitate public access for fishing and other outdoor recreation uses.

The DNR completed two appraisals of the entire Cemstone property, with the County portion included as a separate value. The County recently accepted the DNR certified value of \$186,000. The County provided all surveying requirements and completed an Environmental Assessment. Due to the complexity and changes to the transaction, the County and the DNR agreed to split half of the legal expenses incurred by Cemstone.

The Dakota County Board approved this acquisition on May 5, 2015.

Total Estimated Acquisition Cost: \$186,000 (fee title acquisition) + \$22,500 (¼ of attorney fees) + \$4,000 (closing) = \$212,500

Estimated ENRTF Funding Request = \$106,250

Estimated County Cost = \$106,250

## **Appendix 1**

### **Project Maps – Acquisition**

# Cemstone Property

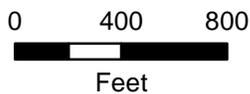


## Legend

### Layer

-  Extent of Easement (61.7 ac)
-  Parcel Boundaries

Copyright 2015, Dakota County  
This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices and other sources, affecting the area shown, and is to be used for reference purposes only. Dakota County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact this office.



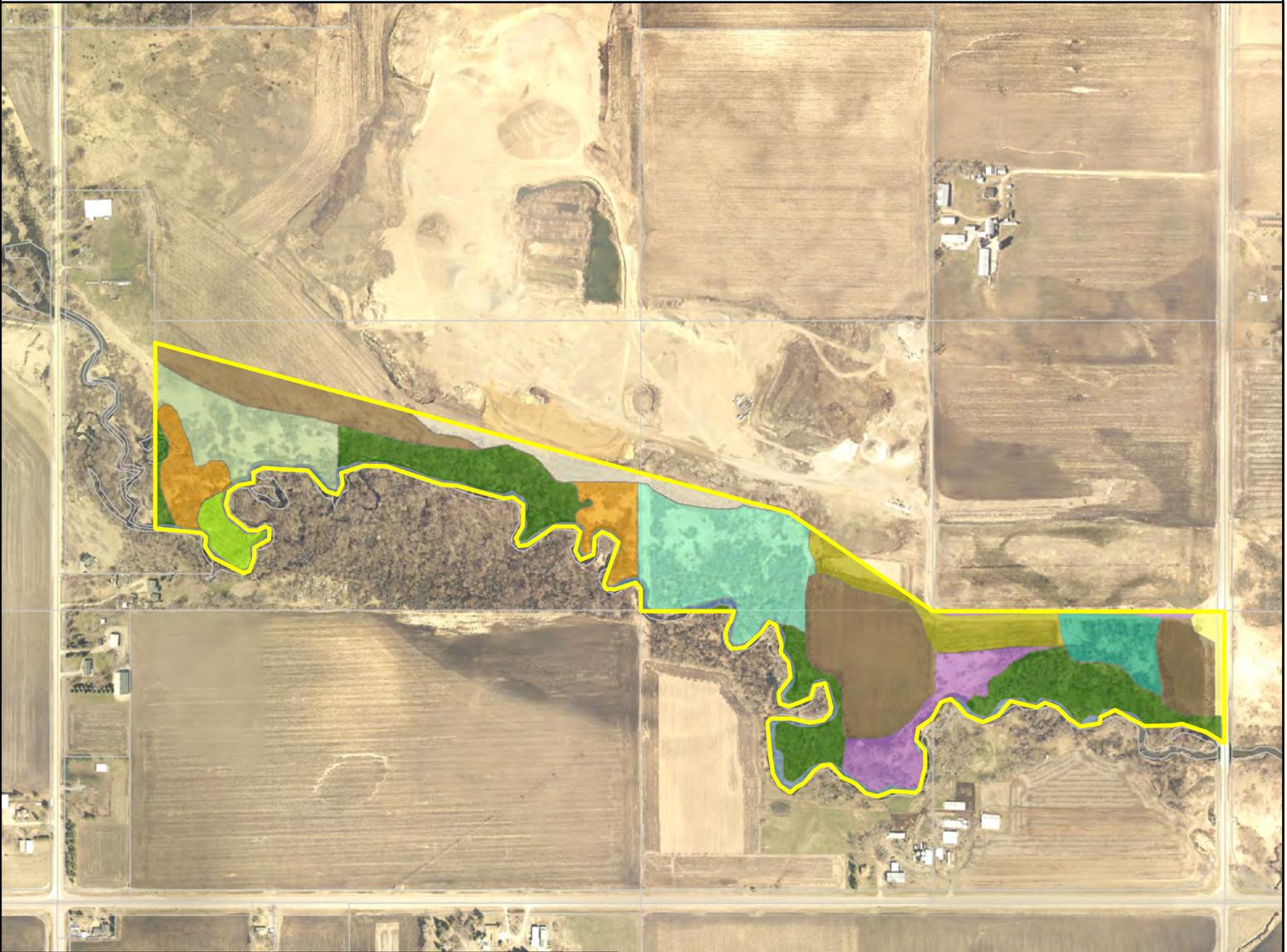
Prepared by the  
Dakota County  
Office of GIS



**Agenda Item: 07**

Map Date: 5/6/2015  
Date of Photography: 2014

# Cemstone Property

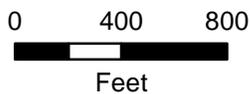


## Legend

### Land Cover Classification

-  Short grasses and mixed trees with 11-25% impervious cover (0.80 ac.)
-  Non-native dominated long grasses with 4-10% impervious cover (3.58 ac.)
-  Sand and gravel pits with 0-10% impervious cover (2.53 ac.)
-  Upland soils - cropland (13.59 ac.)
-  Floodplain forest (11.86 ac.)
-  Floodplain forest silver maple subtype (1.12 ac.)
-  Altered/non-native deciduous woodland (4.08 ac.)
-  Altered/non-native dominated seasonally flooded shrubland (2.56 ac.)
-  Native dominated temporarily flooded shrubland (8.92 ac.)
-  Temporarily flooded altered/non-native dominated grassland (4.13 ac.)
-  Medium-tall grass altered/non-native dominated grassland (5.18 ac.)
-  Slow moving linear open water habitat (3.40 ac.)
-  Extent of Easement (61.7 ac)
-  Parcel Boundaries

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Prepared by the  
 Dakota County  
 Office of GIS



Map Date: 5/6/2015  
 Date of Photography: 2014

**Agenda Item: 07**