

2003 Project Abstract
For the Period Ending June 30, 2006

FINAL REPORT
AUG 29 2006

TITLE: Metropolitan Area Wildlife Corridors – Forest Legacy (3.6)
PROJECT MANAGER: Peggy Booth
ORGANIZATION: Minnesota Department of Natural Resources
ADDRESS: 1200 Warner Rd, St Paul, MN 55106
WEB SITE ADDRESS: <http://www.dnr.state.mn.us/snas/index.html>
FUND: Environment and Natural Resources Trust Fund
LEGAL CITATION: ML 2003, Chap. 128, Art. 1, Sec. 9, Subd. 5b.

APPROPRIATION AMOUNT: \$197,000

Overall Project Outcome and Results

A 42.5-acre conservation easement acquired through this project protects the 55-acre environmentally and historically significant Arcola Mills site (May Township, Washington County). The Environmental and Natural Resources appropriation acquired almost 20% of the \$1 million easement value (2003 appropriation: 7.29 acres and 2005 appropriation: .85 acres) and leveraged a 50% easement value contribution by the landowner, 10% value locally contributed by Washington County, and another 20% through Metro Greenways state bonding funds.

Arcola Mills – with ½ mile of St. Croix River shoreline within the St. Croix National Scenic Riverway – features spring-fed pools and 5 high quality cold-water brooks – home to brook trout and a new genus of aquatic macro-invertebrate recently discovered at Arcola Mills. It is a state site of biodiversity significance for its high quality native plant communities and context within the landscape. Several listed species (cattail sedge, American ginseng, Louisiana waterthrush, and trumpeter swan) are documented at Arcola Mills. Also, a 2005 Audubon survey found several DNR Species of Greatest Conservation Need: Eastern Wood-Pewee, Ovenbird, Prothonotary Warbler, Blue-winged Warbler, Golden-winged Warbler, and Canada Warbler.

Acquisition of the conservation easement assures that none of the site's natural resources will be lost to development and provided funds to the Arcola Mills Historic Foundation to enhance resource interpretation and conservation at the site.

Project Results Use and Dissemination

Project information has acknowledged contributions from the Environmental and Natural Resources Trust Fund.

LCMR 2003 Work Program**Date of Report:** June, 30 2006**LCMR Final Work Program Report****I. PROJECT TITLE: Metropolitan Area Wildlife Corridors – Forest Legacy (3.6)
(#4 St. Croix Focus Area)****Project Manager:** Margaret (Peggy) Booth**Affiliation:** Mn Department of Natural Resources – Division of Forestry**Mailing Address:** 1200 Warner Road**City / State / Zip :** St. Paul, MN 55106**Telephone Number:** 651-772-7562 (note: Peggy's # is now 651-259-5088)**E-mail Address:** peggy.booth@dnr.state.mn.us**FAX Number:** 651-772-7977**Web Page address:** www.dnr.state.mn.us

Total Biennial LCMR Project Budget:	LCMR Appropriation:	\$197,000
	Minus Amount Spent:	\$197,000
	Equal Balance:	\$ 0

Legal Citation: ML 2003, Chap. 128, Art. 1, Sec. 9, Subd. 5b.

Appropriation Language: (b) Metropolitan Area Wildlife Corridors \$2,425,000 the first year and \$2,425,000 the second year are from the trust fund to the commissioner of natural resources. \$3,550,000 of this appropriation is for acceleration of agency programs and cooperative agreements with the Trust for Public Land, Ducks Unlimited, Inc., Friends of the Mississippi River, Great River Greening, Minnesota Land Trust, and Minnesota Valley National Wildlife Refuge Trust, Inc., for the purposes of planning, improving, and protecting important natural areas in the metropolitan region, as defined by Minnesota Statutes, section 473.121, subdivision 2, through grants, contracted services, conservation easements, and fee acquisition. \$500,000 of this appropriation is for an agreement with the city of Ramsey for the Trott Brook Corridor acquisition. \$800,000 of this appropriation is for an agreement with the Rice Creek Watershed District for Hardwood Creek acquisition and restoration. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. 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 before expenditure. Expenditures are limited to the identified project areas as defined in the work program. This appropriation may not be used for the purchase of residential structures unless expressly approved in the work program. 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; 97A.125; 97C.001; and

97C.011. The commissioner may so designate any lands acquired in less than fee title. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

II & III. FINAL PROJECT SUMMARY:

A 42.5-acre conservation easement acquired through this project protects the 55-acre environmentally and historically significant Arcola Mills site (May Township, Washington County). The Environmental and Natural Resources appropriation acquired almost 20% of the \$1 million easement value (2003 appropriation: 7.29 acres and 2005 appropriation: .85 acres) and leveraged a 50% easement value contribution by the landowner, 10% value locally contributed by Washington County, and another 20% through Metro Greenways state bonding funds.

Arcola Mills – with ½ mile of St. Croix River shoreline within the St. Croix National Scenic Riverway – features spring-fed pools and 5 high quality cold-water brooks – home to brook trout and a new genus of aquatic macro-invertebrate recently discovered at Arcola Mills. It is a state site of biodiversity significance for its high quality native plant communities and context within the landscape. Several listed species (cattail sedge, American ginseng, Louisiana waterthrush, and trumpeter swan) are documented at Arcola Mills. Also, a 2005 Audubon survey found several of Minnesota's Species of Greatest Conservation Need: Eastern Wood-Pewee, Ovenbird, Prothonotary Warbler, Blue-winged Warbler, Golden-winged Warbler, and Canada Warbler.

Acquisition of the conservation easement assures that none of the site's natural resources will be lost to development and provided funds to the Arcola Mills Historic Foundation to enhance resource interpretation and conservation at the site.

IV. OUTLINE OF PROJECT RESULTS

Result 1: Acquire Significant Habitat

Summary Budget Information for Result 1:	LCMR Budget	\$197,000
	Amount Spent:	\$197,000
	Balance:	\$ 0

Completion Date: June 30, 2006

Final Results:

A 42.5-acre conservation easement acquired through this project protects the 55-acre environmentally significant Arcola Mills site in May Township, Washington County. The Environmental and Natural Resources appropriation acquired almost 20% of the \$1 million easement value. The funding package assembled by Metro Conservation Corridors partnership and the resulting acreage acquired by funding source is listed below.

Funding Source	\$s Contributed (not counting transaction costs)	% of Funding	acres
2003 LCMR Metro Corridors – 3.6 Forest Legacy	\$171,610	17.2%	7.29
2005 LCMR Metro Corridors – 3.7 Forest Legacy	\$20,000	2.0%	.85
2002 Bonding – Metro Greenways	\$101,849	10.2%	4.35
2005 Bonding – Metro Greenways	\$106,541	10.6%	4.51
Washington County	\$100,000	10.0%	4.25
Arcola Mills Historic Foundation (discounted value of easement)	\$500,000	50.0%	21.25
TOTAL	\$1,000,000	100%	42.5

Arcola Mill's included ½ mile of St. Croix River shoreline within the St. Croix National Scenic Riverway. The site features spring-fed pools and seeps emerging out of bedrock bluffs that feed 5 high quality cold-water brooks entering the St. Croix on the property which are home to brook trout and a new genus of aquatic macro-invertebrate recently discovered at Arcola Mills and named after the site. Arcola Mills is identified as a state site of biodiversity significance for its high quality native plant communities and context within the landscape. Ravines are forested with oak, maple, and basswood. Seepage swamps and lowland hardwoods canopy the seeps, ravine bottoms and river floodplain that adjoins the Arcola Sandbar area of natural islands, backwater marshes, and meanders. Several listed species (e.g. cattail sedge, American ginseng, Louisiana waterthrush, and trumpeter swan) are documented at Arcola Mills. Also, a 2005 Audubon survey found several birds listed by the DNR as Species of Greatest Conservation Need (Eastern Wood-Pewee, Ovenbird, Prothonotary Warbler, Blue-winged Warbler, Golden-winged Warbler, and Canada Warbler). Bald eagles nest in the bluffs and islands of the Arcola area and a heron rookery was formed in the area since motorized traffic from the south was reduced several years ago.

Arcola Mills is also the site of a historic sawmill village. Two buildings on the site are National Historic Register listed, including the oldest, timber frame construction home in Minnesota. Public educational classes, tours, scientific and historical programs attract many visitors from the Twin Cities (St Paul is just 22 miles away) to witness firsthand the importance of forest conservation and natural history in this

unique setting. Acquisition of the conservation easement not only assures that none of the site's natural resources will be lost to development, but also the funds received by the Arcola Mills Historic Foundation through the sale are going directly to enhance resource interpretation and conservation at the site.

Simultaneous with this land protection project, Metro Conservation Corridors partners (Metro Greenways and Great River Greening) used \$9,000 LCMR-approved restoration funding (reported separately through Greening) to leverage \$15,000 of federal Upper Mississippi River Forestry Partnership funds and another \$9,000 in private, inkind, and Sentence-to-Service to develop a natural resource management plan, museum interpretive materials, and implement 40-acres of forest restoration including white pine reforestation in a oak wilt pocket that was treated, as well as woody exotics removal.

The Arcola Mills conservation easement acquisition project including using LCMR funding from this 2003 appropriation for real estate transaction costs including the survey and appraisal. The Phase I Environmental Assessment was completed using federal funds received through the Mn Pollution Control Agency.

The primary setback for this project was the inability to leverage federal funding. An Anoka County site within the Lower St. Croix Forest Legacy Area in 2003 (FFY2005 cycle) was Minnesota's 2nd priority site and included by the NE Area of the Forest Service in their list of recommended sites, but it was not recommended for funding at the national level. The Arcola Mills site was nominated, but faced tough competition in Minnesota in 2004 Forest Legacy applications. Arcola Mills was initially ranked 3rd in the state in the Minnesota State Forest Stewardship Committee's rating and it was initially submitted to the USDA Forest Service for funding. But, when the previous year's federal priority for Forest Legacy in Minnesota was only partially funded, it (a large Potlatch parcel) bumped Arcola off the current federal-funding list, since the state may only submit 3 projects.

V. TOTAL LCMR PROJECT BUDGET:

All Results: Personnel: \$0

All Results: Equipment: \$0

All Results: Development: \$0

All Results: Acquisition: \$171,644.50 (conservation easement)

All Results: Other: \$25,355.50 real estate transaction costs (title, appraisal, environmental, survey, and legal costs).

TOTAL LCMR PROJECT BUDGET: \$197,000

Explanation of Capital Expenditures Greater Than \$3,500: NA

VI. PAST, PRESENT AND FUTURE SPENDING:

A. Past Spending:

The Lower St. Croix Forest Legacy Area had not been activated until 2003 and had not been eligible to receive federal funding. No state funding has been directly spent on Forest Legacy in Metro (although Metro Greenways funding has been spent on conservation easements on forested tracts within the Lower St. Croix Forest Legacy Area). In FY00-03, Minnesota received nearly \$2 million in U.S.D.A. funds for Forest Legacy areas in other parts of the state and leveraged a comparable amount in local and state funds.

B. Current Spending:

DNR budget has committed general funds for 1 FTE to state Forest Legacy staff, plus approximately .1 FTE in Central Region.

C. Required Match (if applicable): NA

D. Future Spending: The DNR expects to continue to seek state and federal funds for Forest Legacy conservation easement or fee title acquisition of forest lands, but none are expected to be within the Metropolitan Area.

VII. Project Partners:

A. Partners Receiving LCMR Funds: DNR Forestry/Forest Legacy partnered with Metro Greenways on this acquisition. Great River Greening simultaneously did a restoration project at this site (reported separately) that utilized federal, private and LCMR-approved funding.

B. Project Cooperators: Forest Legacy in the Lower St. Croix was achieved through cooperation between the DNR Divisions of Forestry and Regional Operations/Metro Greenways, and the U.S.D.A. Forest Service. This project included involvement of the Washington County, Great River Greening, Minnesota Land Trust, and National Park Service.

VIII. DISSEMINATION: Information on Forest Legacy is posted on the DNR website www.dnr.state.mn.us. Great River Greening and DNR newsletters referenced their Arcola Mills projects. The media was provided information on the project including use of the Environment and Natural Resources Trust fund.

IX. LOCATION: The Lower St. Croix Forest Legacy Area includes selected areas of northeastern Anoka County (East Bethel, Linwood, and Columbus) and northern and eastern Washington Co (Forest Lake, New Scandia, Marine-on-St. Croix, Hugo, May, Grant, Stillwater Twsp, Baytown, West Lakeland, Afton, and Denmark). This project was targeted only at one location within Focus Area 4. St. Croix River.

X. REPORTING REQUIREMENTS: Periodic work program progress reports were submitted ~ February 1 in 2004, 2005, and 2006, and August 1 in 2004 and 2005.

**Attachment A: Budget Detail for 2003 Projects - Summary and a Budget page for each partner
Final Report - August 2006**

Proposal Title: Metropolitan Area Wildlife Corridors - 3.6 Forest Legacy

Project Manager Name: Peggy Booth

LCMR Requested Dollars: \$197,000

2003 LCMR Proposal Budget	<u>Result 1 Budget:</u> 3.6. Acquire Significant Habitat	Amount Spent	Balance
BUDGET ITEM			
PERSONNEL: staff salary			
PERSONNEL: staff benefits			
Contracts			
Professional/technical			
Other contracts			
Space rental: NOT ALLOWED	X		
Other direct operating costs			
Equipment / Tools			
Office equipment & computers			
Other Capital equipment			
Land acquisition			
Land rights acquisition (less than fee - 20 ac)	180,000	171,645	8,356
Printing			
Advertising			
Communications, telephone, mail, etc.			
Office Supplies			
Other Supplies			
Travel expenses in Minnesota			
Travel outside Minnesota			
Construction			
Other land improvement - fences, signs, & other improvements required for land to meet minimum DNR standards	1,000	0	1,000
Other (real estate transaction costs)	16,000	25,356	-9,356
COLUMN TOTAL	197,000	197,000	0

Note on "Other" costs: the survey & appraisal costs exceeded those originally budgeted, DNR Metro Greenways bonding will be used to cover any development costs necessary to meet minimum DNR standards.

**Table 2 -- MAWC Summary of Progress Reports
August 2006 Final Report - 3.6. Forest Legacy only**

		LCMR Funds							Other State Funds			Non-State Funds			TOTAL		
					Proposed Accomplish-ments		Current Accomplish-ments			Current Accomplish-ments			Current Accomplish-ments		Current Accomplish-ments		
Activity	Partners	LCMR Allocation	Expenditure	Balance	Acres	Miles/ Shoreline	Acres	Miles/ Shoreline	Expend-iture	Acres	Miles/ Shoreline	Expenditure	Acres	Miles/ Shoreline	Expend-iture	Acres	Miles/ Shoreline
1.1. Develop and coordinate MAWC program	DNR - Metro Greenways	\$ 128,000	\$ 91,369	\$ 36,631											\$ 91,369	0.0	0.00
2. Restore Significant Habitat																	
2.1. Restoring Wetlands on Public	Ducks Unlimited (DU)	\$ 92,000	\$ 72,128	\$ 19,872	700	-									\$ 72,128	0.0	0.00
2.2. Friends of the Mississippi	Friends of the Mississippi	\$ 92,000	\$ 18,042	\$ 73,958	100	-									\$ 18,042	0.0	0.00
2.3. Great River Greening	Great River Greening (G	\$ 124,000	\$ 34,649	\$ 89,351	180	-									\$ 34,649	0.0	0.00
2.4. Minnesota Valley Trust	MN Valley Natn'l Wildlife Refuge Trust, Inc. (MVT)	\$ -	\$ -	\$ -		-									\$ -	0.0	0.00
2.5. Metro Greenways - Restore Significant Habitat	DNR - Metro Greenways	\$ 270,000	\$ 64,090	\$ 205,910	150	-									\$ 64,090	0.0	0.00
2.6 Hardwood Creek	Rice Creek Watershed D	\$ 600,000	\$ 82,758	\$ 517,242	600										\$ 82,758	0.0	0.00
SUBTOTAL		\$ 1,178,000	\$ 271,667	\$ 906,333	####	-	0.0	0.00	\$ -	0.0	0.00	\$ -	0.0	0.00	\$ 271,667	0.0	0.00
3. Acquire Significant Habitat																	
3.1. Protecting Significant Habitat by Acquiring Donated Conservation Easements	Minnesota Land Trust (M	\$ 230,000	\$ 46,000	\$ 184,000	400										\$ 46,000	0.0	0.00
3.2. Minnesota Valley Trust	MN Valley Natn'l Wildlife Refuge Trust, Inc. (MVT)	\$ 290,000	\$ -	\$ 290,000	70										\$ -	0.0	0.00
3.3. Trust for Public Land Critical Lands Protection Program	The Trust for Public Land (TPL)	\$ 420,000	\$ 100,000	\$ 320,000	40										\$ 100,000	0.0	0.00
3.4. Scientific and Natural Areas Acquisition	DNR - Div. of Ecological Services (DNR-Eco)	\$ 264,000	\$ 264,000	\$ -	20										\$ 264,000	0.0	0.00
3.5. Fisheries Land Acquisition	DNR - Division of Fisheries (DNR-Fish)	\$ 384,000	\$ -	\$ 384,000	11										\$ -	0.0	0.00
3.6. Forest Legacy	DNR - Division of Forestry (DNR-For)	\$ 197,000	\$ 197,000	\$ -	20		7.3		\$ 228,390	9.7		\$ 600,000	25.5		\$ 1,025,390	42.5	0.50
3.7. Metro Greenways - Acquire Significant Habitat	DNR - Metro Greenways (MG)	\$ 819,000	\$ 668,597	\$ 150,403	65										\$ 668,597	0.0	0.00
3.8. Wildlife Management Area Acquisition	DNR - Division of Wildlife (DNR-Wild)	\$ 240,000	\$ 9,548	\$ 230,452	40	-									\$ 9,548	0.0	0.00
3.9 Trott Brook	City of Ramsey	\$ 500,000	\$ 11,254	\$ 488,746	40	-									\$ 11,254	0.0	0.00
3.10 Hardwood Creek	Rice Creek Watershed District (RCWD)	\$ 200,000	\$ -	\$ 200,000	100										\$ -	0.0	0.00
SUBTOTAL		\$ 3,544,000	\$ 1,296,399	\$ 2,247,601	806	0	7.3	0.00	\$ 228,390	9.7	0.00	\$ 600,000	25.5	0.00	\$ 2,124,789	42.5	0.00
									**			***					
TOTAL		\$ 4,850,000	\$ 1,659,435	\$ 3,190,565					\$ 228,390			\$ 600,000			\$ 2,487,825		

* LCMR allocation changed for RCWD.

** Total other state funds does NOT include \$165,000 from Metro Greenways (LCMR 2001) to purchase an easement in St. Croix Focus Area.

*** Total non-state funds does NOT include \$1,565,000 in known donated value of conservation easements accepted by MLT & \$65,000 contributed by landowners to the MLT Stewardship & Enforcement Fund; also it does NOT include \$390,000 towards SNA land purchase contributed by TPL for costs above appraised land value.

Table 3 -- MAWC Progress Report for Focus Areas 1 - 12
August 2006 Final Report - 3.6. Forest Legacy only

	LCMR Funds					Other State Funds					Non-State Funds					TOTAL				
	Spent	Accomplishments to Date				Spent	Accomplishments to Date				Spent	Accomplishments to Date				Spent	Accomplishments to Date			
		Acquire Acres	Easement Acres	Restore Acres	Shore Miles		Acquire Acres	Easement Acres	Restore Acres	Shore Miles		Acquire Acres	Easement Acres	Restore Acres	Shore Miles		Acquire Acres	Easement Acres	Restore Acres	Shore Miles
FOCUS AREA 4																				
St. Croix River																				
<i>Acquire</i>																				
DNR-For (3.6)	\$ 197,000		7.3			\$ 228,390		9.7			\$ 600,000		25.5			\$ 1,025,390	0.0	42.5	0.0	0.50