



**Environment and Natural Resources Trust Fund (ENRTF)
M.L. 2011 Work Plan**

Date of Status Update:

Date of Next Status Update: 5/1/2012

Date of Work Plan Approval: 8/11/2011

Project Completion Date: 6/30/2014

Is this an amendment request? _____

Project Title: HCP VII - Shoreland Protection Program (3a)

Project Manager: Sarah Strommen

Affiliation: Minnesota Land Trust

Address: 2356 University Ave W, Ste 240

City: St Paul **State:** MN **Zipcode:** 55114

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Email Address: sstrommen@mnland.org

Web Address: http://www.mnland.org

Location:

Counties Impacted: Statewide

Ecological Section Impacted: Lake Agassiz Aspen Parklands (223N), Minnesota and Northeast Iowa Morainal (222M), North Central Glaciated Plains (251B), Northern Minnesota and Ontario Peatlands (212M), Northern Minnesota Drift and lake Plains (212N), Northern Superior Uplands (212L), Paleozoic Plateau (222L), Red River Valley (251A), Southern Superior Uplands (212J), Western Superior Uplands (212K)

| | | |
|------------------------------------|--------------------------------|---------|
| Total ENRTF Project Budget: | ENRTF Appropriation \$: | 450,000 |
| | Amount Spent \$: | 0 |
| | Balance \$: | 450,000 |

Legal Citation: M.L. 2011, First Special Session, Chp. 2, Art.3, Sec. 2, Subd. 04j3a

Appropriation Language:

\$1,737,000 the first year and \$1,738,000 the second year are from the trust fund to the commissioner of natural resources for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$125,000 the first year and \$125,000 the second year are to the commissioner of natural resources for agency programs and \$3,225,000 is for agreements as follows: \$637,000 the first year and \$638,000 the second year with Ducks Unlimited, Inc.; \$38,000 the first year and \$37,000 the second year with Friends of Detroit Lakes Wetland Management District; \$25,000 the first year and \$25,000 the second year with Leech Lake Band of Ojibwe; \$225,000 the first year and \$225,000 the second year with Minnesota Land Trust; \$200,000 the first year and \$200,000 the second year with Minnesota Valley National Wildlife Refuge Trust, Inc.; \$242,000 the first year and \$243,000 the second year with Pheasants Forever, Inc.; and \$245,000 the first year and \$245,000 the second year with The Trust for Public Land to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. The United States Department of Agriculture, Natural Resources Conservation Service, is an authorized cooperating partner in the appropriation. Expenditures are limited to the project corridor areas as defined in the work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum habitat and facility management standards, as determined by the commissioner of natural resources. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work program. 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 program. An entity who 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 program. 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, 2014, by which time the project must be completed and final products delivered.

I. PROJECT TITLE: HCP VII-3a – Shoreland Protection Program

II. PROJECT SUMMARY:

The Minnesota Land Trust's Shoreland Protection Program is a focused and cost effective component of the Habitat Conservation Partnership. The focus of the Land Trust's activities under this project is on shorelands—fragile and ecologically important areas that have been recognized in the Statewide Conservation and Preservation Plan as among the most threatened natural systems in the State and in need of protection, conservation, and restoration. Working in the delineated project areas, our land protection efforts are directed only to protecting critical riparian shorelands along Minnesota's legendary network of lakes, wetlands, rivers and streams—some of the most valuable and vulnerable habitats in the State.

This program reflects the goals of the Statewide Conservation and Preservation Plan and Minnesota's Comprehensive Wildlife Conservation Strategy. It prioritizes protecting high-quality fish habitat, maintaining wooded shoreline key to waterfowl, and protecting habitat for a variety of migratory birds and species in greatest conservation need, including yellow rail, black tern, and red-shouldered hawk.

The Land Trust will carefully select, design and implement individual real estate projects to make sure that conservation goals and objectives can be met and that the conservation values are protected in perpetuity. Although we work with willing landowners, we prioritize projects and coordinate with other partners to the extent possible in order to maximize efficiency and effectiveness. The Land Trust will work in any of the mapped project areas, but particular focus will be on Areas 2, 3-7-8, 4, 5, 10, and 11.

The Land Trust works only with perpetual conservation easements. These easements prohibit land uses or development that negatively affect important habitat and other conservation values, direct the management of vegetation, and require plans for enhanced management and restoration as appropriate. The Land Trust also will explore the potential for public access with landowners on a case-by-case basis. The conservation easements may be either purchased or donated, or a combination of the two (bargain purchase). These easements are monitored annually and enforced as necessary under the Land Trust's comprehensive conservation easement monitoring, management, and enforcement program. In order to fulfill these stewardship obligations, grant funds may also be requested for our dedicated Stewardship and Enforcement Fund on a project-by-project basis in accordance with our LCCMR-approved policies and procedures and as described in the documents attached to the initial work plan for this appropriation. The Land Trust will report to LCCMR annually on the status and performance of the Stewardship and Enforcement Fund and monitoring activity associated with easements acquired with funds from this grant. This reporting includes submitting an annual financial audit of the Stewardship and Enforcement Fund.

Proposed activities under this grant include: 1) contacting and negotiating with interested landowners in identified areas and in other strategic locations; 2) drafting and completing conservation easements; 3) documenting property conditions; and 4) dedicating funds for the perpetual monitoring, management and enforcement of those easements.

III. PROJECT STATUS UPDATES:

Project Status as of August 2011 and Request to Work on Grants Concurrently

In June 2011, the Land Trust completed one (Lake Superior) of the two projects described and approved in our 2010 Work Program that will complete the 2010 HCP grant. The Land Trust anticipates that the second project (Little Pine River) will close within the next month, and completion of this project will use remaining 2010 funds. At the same time, we have a number of project on our 2011 Potential Project list that are ready to move forward. Therefore, we are requesting approval to be able to work on both the 2010 and 2011 grants concurrently.

Request approved on _____.

Project Status as of November 1, 2011:

Project Status as of May 1, 2012:

Project Status as of November 1, 2012:

Project Status as of May 1, 2013:

IV. PROJECT ACTIVITIES AND OUTCOMES:

ACTIVITY 1: Protect Critical Shorelands through Conservation Easements

Description:

The Land Trust will protect critical riparian habitat within the mapped project areas by: 1) contacting landowners; 2) negotiating and completing 4-6 permanent conservation easements on 400-600 acres of land (including documenting property conditions and creating management plans as appropriate); and 3) dedicating funds for the perpetual monitoring, management and enforcement of the easements.

The Land Trust will work primarily with donated easements, purchasing easements when necessary and then at below market value whenever possible. Criteria for determining when a purchase is necessary include landowner ability to donate, connectivity of parcel to other protected lands, and quality of natural resources on the site. All potential easement projects are evaluated for habitat value (quality and quantity of existing habitat on site), context (proximity and relationship to other protected lands), opportunity/threat (which landowners will participate now), and other benefits (meeting multiple objectives, including visual and physical access, forestry goals, water quality, etc.). Current potential projects are identified on the attached list. New projects will be added as landowners are identified. We will continually evaluate potential projects and pursue those that protect the highest quality habitat and maximize public benefit.

Summary Budget Information for Activity 1:

ENRTF Budget: \$ 450,000
Amount Spent: \$ 0
Balance: \$ 450,000

Activity Completion Date:

| Outcome | Completion Date | Budget |
|--|------------------------|---------------|
| 1. Protect 400-600 acres by completing 4-6 conservation easements by identifying and contacting landowners, completing all components of conservation easement projects, and dedicating funds for long-term management, monitoring, and enforcement. | June 30, 2013 | \$ 450,000 |

Activity Status as of November 1, 2011:

Activity Status as of May 1, 2012:

Activity Status as of November 1, 2012:

Activity Status as of May 1, 2013:

Final Report Summary:

V. DISSEMINATION:

Description:

The Minnesota Land Trust holds more conservation easements than any other private conservation organization in the State, making it one of the most experienced organizations working with this unique conservation tool. As we learn from our experiences in protecting land with conservation easements, we will continue to share our knowledge and techniques with others working in this area. Results will be disseminated by the Minnesota Land Trust in our publications and on our web page (www.mnland.org). We will work to publicize completed projects in the media, targeting communities in which the lands are located. We will also participate when possible in larger dissemination and publicity efforts of the Habitat Corridors Partnership.

Status as of February 1, 2012:

Status as of August 1, 2012:

Status as of February 1, 2013:

Final Report Summary:

VI. PROJECT BUDGET SUMMARY:

A. ENRTF Budget:

| Budget Category | \$ Amount | Explanation |
|--|-------------------|---|
| Personnel: | \$ 140,000 | Staff expenses including salaries, benefits (FICA,FUTA. SUI, worker's comp health insurance, 401 (k), etc.) and related costs for approximately 1 FTE for 2 years as follows: conservation directors or other land protection staff (approximately 0.75 FTE) and staff attorney and other support staff (approximately 0.25 FTE) or contract staff for land protection project professional services, including negotiating and drafting conservation easements and/or completing easement baseline documentation.* |
| Easement Acquisition: | \$ 215,000 | Includes purchase price of conservation easement(s); title work, insurance, etc.; maps, GIS (including project mapping by Community GIS); film; other (including appraisals, surveys, recording fees, etc.) to protect 400-600 acres of land. |
| Travel Expenses in MN: | \$ 5,000 | Mileage and related travel expenses in Minnesota. \$4,000 for mileage reimbursement estimated at \$0.50 per mile and \$1,00 for lodging/meals. |
| Conservation Easement Monitoring and Enforcement Fund: | \$ 90,000 | Funds dedicated to perpetually monitoring and enforcing 4-6 easements acquired and held by the Land Trust as needed. Estimated at \$15,000 per easement. |
| TOTAL ENRTF BUDGET: | \$ 450,000 | |

*Per discussion with LCCMR staff, contract staff is included here to allow flexibility to supplement existing MLT staff capacity to complete anticipate outcomes.

Explanation of Use of Classified Staff: N/A

Explanation of Capital Expenditures Greater Than \$3,500: N/A

Number of Full-time Equivalent (FTE) funded with this ENRTF appropriation: 1 for two years

B. Other Funds:

Although we don't anticipate any cash funds at this time, we do anticipate providing leverage through value of easements donated to the Land Trust under this project.

| Source of Funds | \$ Amount Proposed | \$ Amount Spent | Use of Other Funds |
|---------------------------|--------------------|-----------------|--------------------|
| Non-state | | | |
| | \$ | \$ | |
| State | | | |
| | \$ | \$ | |
| TOTAL OTHER FUNDS: | \$ | \$ | |

VII. PROJECT STRATEGY:

A. Project Partners:

The Land Trust is the only entity receiving funds through this request, however, the Land Trust coordinates its work with other Habitat Conservation Partnership partners (please see overall proposal for list of project partners) as appropriate. Additionally, our partners include private landowners, as well as various units of state and local government that help in identifying and completing potential projects.

B. Project Impact and Long-term Strategy:

This project is part of the Land Trust's long-term, strategic conservation agenda. The conservation agenda sets out the specific conservation focus of the Land Trust which includes, among other things, the preservation of lakeshores, rivers and streams for their importance as habitat, for their relationship to water quality, and for the scenic values that have long been associated with Minnesota's beauty. The conservation agenda also identifies a suite of critical landscapes throughout the State that embody the natural and cultural features that make Minnesota unique. All of the HCP project areas selected for this phase of the grant overlap with Land Trust critical landscapes.

The Minnesota Land Trust has a comprehensive easement monitoring and enforcement program directed at preserving the conservation values of protected lands. With each easement accepted, the Minnesota Land Trust will secure the funds necessary to meet our long-term obligations, setting aside funds for each project as necessary to meet future needs.

C. Spending History:

| Funding Source | M.L. 2005 or FY 2006-07 | M.L. 2007 or FY 2008 | M.L. 2008 or FY 2009 | M.L. 2009 or FY 2010 | M.L. 2010 or FY 2011 |
|----------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ENRTF – HCP | \$230,000 | \$300,000 | \$210,000 | \$210,000 | \$102,000 |
| | | | | | |
| | | | | | |

VIII. ACQUISITION/RESTORATION LIST: See Acquisition List Attachment

IX. MAP(S): See Map Attachment

X. RESEARCH ADDENDUM: N/A

XI. REPORTING REQUIREMENTS:

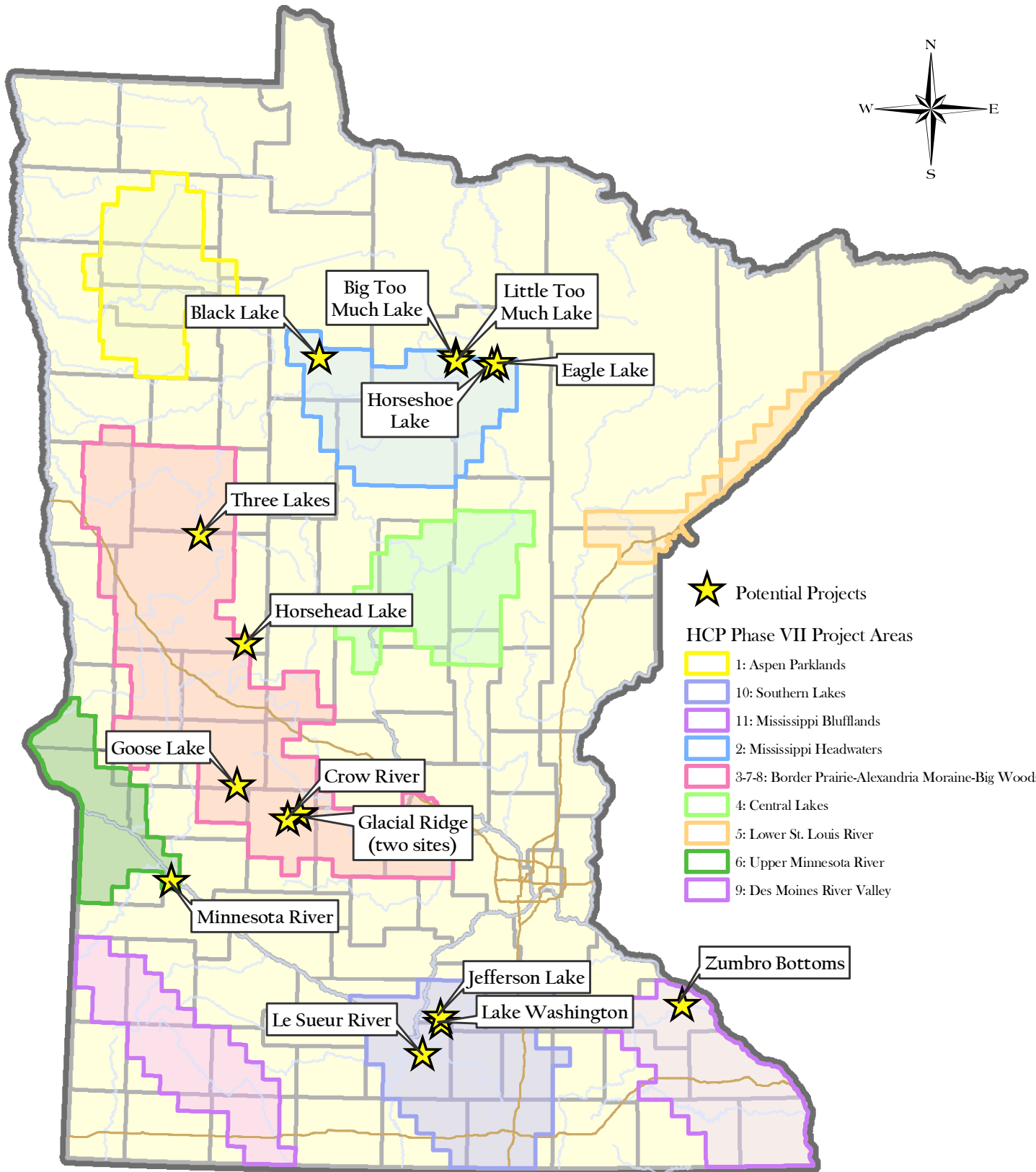
Periodic work plan status update reports will be submitted no later than November 1, 2011, May 1, 2012, November 1, 2012, and May 1, 2013. A final report and associated products will be submitted by August 1, 2013 as requested by the LCCMR.

Attachment A: Budget Detail for M.L. 2011 (FY 2012-13) Environment and Natural Resources Trust Fund Projects

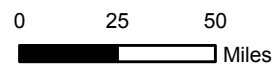
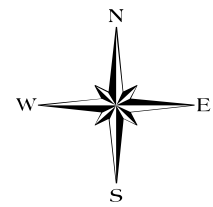
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|--|--|---------------------|------------------|---------------------|----------------------|
| Project Title: HCP VII-3a – Shoreland Protection Program | | | | | |
| Legal Citation: M.L. 2011, Chapter ____, Article ____, Section ____, Subdivision ____ | | | | | |
| Project Manager: Sarah Strommen | | | | | |
| M.L. 2011 (FY 2012-13) ENRTF Appropriation: \$450,000 | | | | | |
| Project Length and Completion Date: June 30, 2013 | | | | | |
| Date of Update: | | | | | |
| | | | | | |
| ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET | Activity 1 Budget | Amount Spent | Balance | TOTAL BUDGET | TOTAL BALANCE |
| BUDGET ITEM | <i>Protect Critical Shorelands through Conservation Easements</i> | | | | |
| Personnel (Wages and Benefits) <i>Staff expenses including salaries and benefits (FICA, FUTA, SUI, worker's comp health insurance, 401 (k), etc.) for approximately 1 FTE for 2 years as follows: conservation directors or other land protection staff (approximately 0.75 FTE) and staff attorney and other support staff (approximately 0.25 FTE) or contract staff for land protection project professional services, including negotiating and drafting conservation easements and/or completing easement baseline documentation.</i> | \$140,000 | | \$140,000 | \$140,000 | \$140,000 |
| <i>MLT Conservation Staff</i> | | | | | |
| <i>Contract Land Protection Staff</i> | | | | | |
| <i>MLT Legal Staff</i> | | | | | |
| <i>MLT Support Staff</i> | | | | | |
| Easement Acquisition <i>Includes purchase price of conservation easement(s); title work, insurance, etc.; maps, GIS (including project mapping by Community GIS); film; other (including appraisals, surveys, recording fees, etc.)</i> | \$215,000 | | \$215,000 | \$215,000 | \$215,000 |
| Travel expenses in Minnesota <i>Mileage and related travel expenses in Minnesota</i> | \$5,000 | | \$5,000 | \$5,000 | \$5,000 |
| Easement Monitoring & Enforcement Fund <i>Funds dedicated to perpetually monitoring, managing, and enforcing 4-5 easements acquired and held by the Land Trust as needed.</i> | \$90,000 | | \$90,000 | \$90,000 | \$90,000 |
| COLUMN TOTAL | \$450,000 | | \$450,000 | \$450,000 | \$450,000 |

Habitat Conservation Partnership Phase VII

MINNESOTA LAND TRUST POTENTIAL PROJECTS



- Potential Projects
- HCP Phase VII Project Areas**
- 1: Aspen Parklands
- 10: Southern Lakes
- 11: Mississippi Blufflands
- 2: Mississippi Headwaters
- 3-7-8: Border Prairie-Alexandria Moraine-Big Woods
- 4: Central Lakes
- 5: Lower St. Louis River
- 6: Upper Minnesota River
- 9: Des Moines River Valley



**Environment and Natural Resources Trust Fund
M.L. 2011 Acquisition/Restoration List**

Project Title: HCP VII-3a – Shoreland Protection Program
Project Manager Name: Sarah Strommen
M.L. 2011 ENRTF Appropriation: \$450,000

| # | Acquisition or Restoration Parcel Name | Geographical Coordinates (Provide Latitude/Longitude OR UTM-X/UTM-Y) | | County | Ecosystem Description | Ecological Significance | Activity Description | # of Acres | # of Shoreline Miles (if applicable) | Proposed Fee Title or Easement Holder (if applicable) | Landowner Type | Status |
|----|--|---|--------------------|---------------------|---|--|-----------------------------------|------------|--------------------------------------|---|---------------------------------|--|
| | | Latitude or UTM-X | Longitude or UTM-Y | | | | | | | | | |
| 1 | Big Too Much Lake | 441235 | 5277999 | Itasca | forest, wetlands, shoreline | undeveloped shoreline along Big Too Much Lake | conservation easement acquisition | 55 | TBD | Minnesota Land Trust | Private landowner | Negotiations underway |
| 2 | Eagle Lake | 464861 | 5273928 | Itasca | forest, wetlands, shoreline | undeveloped shoreline along Eagle Lake | conservation easement acquisition | 34 | TBD | Minnesota Land Trust | Private landowner | Negotiations underway |
| 3 | Horseshoe Lake | 461655 | 5272370 | Itasca | forest, wetlands, shoreline | undeveloped shoreline along Horseshoe Lake | conservation easement acquisition | 26 | TBD | Minnesota Land Trust | Private landowner | Negotiations underway |
| 4 | Little Too Much Lake | 441649 | 5275254 | Itasca | forest, shoreline | undeveloped shoreline along Little Too Much Lake | conservation easement acquisition | 57 | TBD | Minnesota Land Trust | Private landowner | Negotiations underway |
| 5 | Crow River | 345859 | 5015065 | Kandiyohi | woodland, wetland, grassland, shoreline | undeveloped shoreline along the Middle Fork of the Crow River | conservation easement acquisition | 30 | 2,651 | Minnesota Land Trust | Private landowner | Donation. Negotiations underway |
| 6 | Glacial Ridge | 352498 | 5018632 | Kandiyohi | forest, wetlands | part of a larger conservation complex | conservation easement acquisition | 100 | TBD | Minnesota Land Trust | Private landowner | initial contact completed |
| 7 | Glacial Ridge | 352529 | 5017859 | Kandiyohi | forest, wetlands | part of a larger conservation complex | conservation easement acquisition | 80 | TBD | Minnesota Land Trust | Private landowner | initial contact completed |
| 8 | Goose Lake | 317066 | 5034284 | Pope | forest, wetlands, agricultural, shoreline | wooded shoreline along Goose Lake | conservation easement acquisition | 199 | TBD | Minnesota Land Trust | Private landowner | Donation. nitial contact completed |
| 9 | Horsehead Lake | 321469 | 5114902 | Otter Tail | woodland, grassland, wetlands, ponds | undeveloped shoreline on Horsehead Lake | conservation easement acquisition | 43 | TBD | Minnesota Land Trust | Private landowner | Donation. Initial contact completed |
| 10 | Three Lakes | 296106 | 5177095 | Becker & Otter Tail | wetlands, water, forest, grassland, ag land, | undeveloped shoreline on three lakes | conservation easement acquisition | 147 | 10,000 | Minnesota Land Trust | Private landowner | Likely purchase - funding source not yet identified. |
| 11 | Minnesota River | 279724 | 4979940 | Lac Qui Parle | forest, wetlands, savanna | undeveloped shoreline along Minnesota River and stream | conservation easement acquisition | 157 | TBD | Minnesota Land Trust | Private landowner | initial contact completed |
| 12 | Lake Washington | 433126 | 4899725 | Le Sueur | grassland, forest, wetland, open water, woodlands, agricultural | undeveloped shoreline along intermittent stream that meanders into Lake Washington to the west | conservation easement acquisition | 132 | 6,440 | Minnesota Land Trust | Private landowner - partnership | Donation. Negotiations underway |
| 13 | Lake Jefferson | 432734 | 4903032 | Le Sueur | woodland, wetland, grassland, agricultural, shoreline | wooded shoreline along Lake Jefferson | conservation easement acquisition | 73 | TBD | Minnesota Land Trust | Private landowner | Donation. Initial contact completed |
| 14 | Le Sueur River | 422449 | 4881853 | Blue Earth | grassland, forest, water, shoreline | undeveloped shoreline along Le Sueur River and an intermittent stream | conservation easement acquisition | 55 | 1,500 + | Minnesota Land Trust | Private landowner | Donation. Negotiations underway |
| 15 | Black Lake | 363893 | 5277005 | Beltrami | forest, woodland, grassland, wetland, shoreline | wooded shoreline along Black Lake | conservation easement acquisition | 407 | 7,160 | Minnesota Land Trust | Private landowner | Donation. Initial contact completed |
| 16 | Zumbro Bottoms | 569622 | 4909748 | Wabasha | forest, grassland, wetland, agriculture, shoreline | undeveloped shoreline along the Zumbro River, contains three native plant communities mapped by MCBS | conservation easement acquisition | 250 | | Minnesota Land Trust | Private landowner | Donation. Initial contact completed |

NOTES: The above list includes projects the Minnesota Land Trust currently is considering. Other projects may be added to the list as new landowners are contacted. Some projects on the list will not be completed. Projects not completed under the 2011 phase may be moved to future phases.

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

M.L. 2011 Potential Project Summaries

Project Title: HCP VII-3a – Shoreland Protection Program

Project Manager Name: Sarah Strommen

M.L. 2011 ENRTF Appropriation: \$450,000

PROJECT: Big Too Much Lake

- **Conservation Values/Public Benefit:** This 55-acre property in Itasca County contains relatively natural and undisturbed habitats of forest and wetlands that support a large array of terrestrial and aquatic wildlife species. The property also contains extensive shoreline along Big Too Much Lake and lies adjacent to Chippewa National Forest to the north.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** We anticipate this project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Eagle Lake

- **Conservation Values/Public Benefit:** This 34-acre property in Itasca County contains relatively natural and undisturbed habitats of forest and wetlands that provide habitat for a variety of wildlife species. The property also contains shoreline along Eagle Lake and connects two pieces of George Washington State Forest, creating a larger corridor of protected forest.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** We anticipate this project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Horseshoe Lake

- **Conservation Values/Public Benefit:** This 26-acre property in Itasca County contains relatively natural and undisturbed habitats of forest and wetlands that support a large array of terrestrial and aquatic wildlife species. The property also contains shoreline along Horseshoe Lake and connects to George Washington State Forest at the southwest corner of the property.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** We anticipate this project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Little Too Much Lake

- **Conservation Values/Public Benefit:** This 57-acre property in Itasca County contains relatively natural and undisturbed plant communities of forest and wetlands that provide habitat for a variety of wildlife species. The property also contains shoreline along Little Too Much Lake and lies adjacent to Chippewa National Forest to the north and east.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** We anticipate this project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Crow River

- **Conservation Values/Public Benefit:** This 30-acre property in Kandiyohi County contains relatively natural and undisturbed habitats of wetlands, woodlands and grasslands that support a large variety of fish, wildlife and plants, including the short-eared owl, Blanding's turtle, and a variety of migratory songbirds. Additionally, the wetlands and undeveloped shoreline along the Middle Fork of the Crow River help maintain the water quality and ecological integrity of the river and nearby Nest Lake.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The easement will prohibit division of the property, prohibit agricultural use, and limit residential use to the one existing home.

PROJECT: Glacial Ridge

- **Conservation Values/Public Benefit:** This 100-acre property in Kandiyohi County contains relatively natural and undisturbed habitats of forest, wetlands and ponds that support a large variety of terrestrial and aquatic species, including migratory birds. The property also contains an extensive amount of basswood – bur oak forest, a native plant community identified by the Minnesota County Biological Survey. Additionally, the property lies in an area of prior protection work by the Land Trust, and lies adjacent to an existing conservation easement.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Glacial Ridge

- **Conservation Values/Public Benefit:** This 80-acre property in Kandiyohi County contains relatively natural and undisturbed habitats of forest, wetlands, and ponds that support a large variety of terrestrial and aquatic species, including migratory birds. The property also lies in an area of prior protection work by the Land Trust and connects two pieces of land already protected with conservation easements.

- **Landowner Information:** The property is owned by a private landowner. This will be second property protected by the same family.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Goose Lake

- **Conservation Values/Public Benefit:** This 199-acre property in Pope County contains relatively natural and undisturbed habitats of forest and wetlands that provide habitat for a variety of wildlife and aquatic species. The property also contains undeveloped, wooded shoreline along Goose Lake, a natural environment lake.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Horsehead Lake

- **Conservation Values/Public Benefit:** This 43-acre property in Otter Tail County contains relatively natural and undisturbed habitats of woodland, grassland, wetlands and ponds that support a large variety of terrestrial and aquatic species, including migratory birds. The property also contains undeveloped shoreline along Horsehead Lake.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Three Lakes

- **Conservation Values/Public Benefit:** This 147-acre property in Becker & Otter Tail Counties contains relatively natural and undisturbed habitats of forest, wetlands and a pond that support a large variety of terrestrial and aquatic species. The property is incredibly unique in that it contains over 10,000 feet of undeveloped shoreline along Fischer Lake, Gray Lake, and Albertson Lake.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project likely will be a purchased easement. The terms of this easement are still being negotiated.

PROJECT: Minnesota River

- **Conservation Values/Public Benefit:** This 157-acre property in Lac Qui Parle County contains relatively natural and undisturbed habitats of forest, wetlands, grasslands, woodlands and a pond that provide habitat for a variety of species. The property also

contains undeveloped shoreline along the Minnesota River and one of its tributaries. The southern dry hill prairie on the property has been identified as a significant native plant community by the Minnesota County Biological Survey.

- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Lake Washington

- **Conservation Values/Public Benefit:** This 132-acre property in Le Sueur County contains relatively natural and undisturbed habitats of forest, woodlands, wetlands, grasslands and ponds that support a large variety of terrestrial and aquatic species. The property also contains undeveloped shoreline along a stream that eventually flows into Lake Washington.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Lake Jefferson

- **Conservation Values/Public Benefit:** This 73-acre property in Le Sueur County contains relatively natural and undisturbed habitats of woodlands, wetlands, grasslands and ponds that support a large variety of terrestrial and aquatic species. The property also contains undeveloped wooded shoreline along Lake Jefferson and lies adjacent to Bur Oak Wildlife Management Area to the west.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: LeSueur River

- **Conservation Values/Public Benefit:** This 55-acre property in Blue Earth County contains relatively natural and undisturbed habitats of grassland and forest that support a variety of wildlife. The sugar maple – basswood forest on the property has been identified as a significant native plant community by the Minnesota County Biological Survey. The property also contains undeveloped shoreline along the Le Sueur River and one of its tributaries.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Black Lake

- **Conservation Values/Public Benefit:** This 407-acre property in Beltrami County contains relatively natural and undisturbed habitats of forest, woodland, wetland and grassland that support a large variety of wildlife. The property also contains over 7,000 feet of undeveloped shoreline along Black Lake and lies adjacent to Three Island Lake County Park to the east.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

PROJECT: Zumbro Bottoms

- **Conservation Values/Public Benefit:** This 250-acre property in Wabasha County contains relatively natural and undisturbed habitats of forest, wetlands and grassland that support a large variety of wildlife. The property also contains an extensive amount of undeveloped shoreline along Zumbro River and its tributaries. The southern dry-mesic oak forest, silver maple - green ash – cottonwood terrace forest, and the elm – ash – basswood forest have all been identified as significant native plant communities by the Minnesota County Biological Survey. The property also lies adjacent to Richard J. Dorer hardwood Forest to the south.
- **Landowner Information:** The property is owned by a private landowner.
- **Easement Summary:** This project will be a donated conservation easement. The terms of this easement are still being negotiated.

**Minnesota Land Trust
Habitat Conservation Partnership**

**Work Plan Addendum 1:
Conservation Easement Stewardship Overview**

MINNESOTA LAND TRUST

Stewardship: Working in partnership with landowners and the communities in which their lands are located to preserve the conservation values of those lands protected by Minnesota Land Trust conservation easements.

Conservation easements are forever. With each easement it accepts, the Minnesota Land Trust simultaneously accepts responsibility to protect that land and its conservation values into the future. The following generally describes our plan for meeting our stewardship obligations.

Goals:

The ultimate responsibility of the Minnesota Land Trust's conservation easement stewardship program is to preserve the conservation values associated with each property protected by an easement. To meet our obligations effectively, the goals of the Minnesota Land Trust's stewardship program are to:

- Encourage voluntary compliance with the terms of our conservation easements.
- Establish and maintain good relationships with our landowners.
- Establish and maintain good relationships with the communities in which our easements are located.
- Provide professional, timely responses and service to our landowners.
- Document the condition of lands protected by each easement at the time the easement is completed and monitor that condition over time.
- Maintain accurate records.
- Be efficient and effective with the use of our funds in supporting our stewardship activities.
- Swiftly address any potential violations and legally defend our easements as needed.

Components of a Stewardship Program:

Stewardship in the Minnesota Land Trust starts with a well-drafted conservation easement. Many future problems can be eliminated if the easement itself is drafted with long-term stewardship issues in mind.

That being said, there are a number of specific components to the Minnesota Land Trust's stewardship program. These include:

- creating the baseline property report

- easement administration
- monitoring
- landowner relations
- community relations and finally
- easement enforcement and defense

Major aspects of each area are discussed below.

Baseline Property Reports:

A baseline property report documents the physical and biological condition of a parcel of land subject to an easement at the time the easement is granted. It is the background information against which the property is monitored and evaluated over time to determine if there has been a violation of the terms of the easement.

A baseline property report will be created for every conservation easement held by the Minnesota Land Trust. All property reports will contain:

- A descriptive overview of the property covering vegetation and improvements.
- Maps.
- Photographs.

Each property report will be signed by the landowner conveying the easement and the Minnesota Land Trust attesting to the fact that the report reflects the condition of the property at the time the easement was completed. Property reports will be updated as necessary to reflect changes to the property from the exercise of reserved rights, any amendments to the easement or other factors which reflect major changes to the condition of the property.

Easement Administration:

Administrative tasks associated with conservation easements include routine requests for information or interpretation about a particular easement, formal requests for approval from the Minnesota Land Trust for certain activities specified in the easement as requiring Land Trust approval (e.g. building locations, forestry management plans, etc.) and, in very rare circumstances, amendments to the easement itself.

Requests for information:

The Conservation Stewardship Director routinely handles requests for information about an easement or about monitoring or similar matters. Interpretations of ambiguous or confusing language require review by legal staff. All interpretations are set out in writing to avoid later misunderstandings.

Formal approvals:

Easements often allow certain activities to take place only with the written approval of the Land Trust. Formal approvals require an initial written request with appropriate supporting information from the landowner. All requests are initially reviewed by the Conservation Stewardship Director to make sure that any approvals are consistent with the conservation purpose of the easement and will not adversely impact the conservation values of the land.

Requests for approvals are also reviewed by legal staff to make sure any approval is in technical compliance with the terms of the easement. All approvals will be given to a landowner in writing, generally signed by the Executive Director.

Amendments:

Amendments to conservation easements are very uncommon and are seriously addressed, but may be appropriate in certain of situations, such as technical corrections, clarifications of ambiguous language, adding additional land, or removing reserved rights to strengthen the easement. The Minnesota Land Trust's amendment policy states that any amendment must result in an improvement in conservation benefits. Amendment requests require thorough review by the Stewardship Director, appropriate legal review, approval by the Executive Director for minor technical amendments and approval by the Board of Directors for any substantive requests.

Monitoring:

Monitoring is the core component of any conservation easement stewardship program. It helps build relationships with landowners, allows the Land Trust to discover any problems, and provides an opportunity to document changes in the property or its ownership.

Monitoring plans:

The Land Trust will create a monitoring plan for each property on which it holds a conservation easement. These plans will be based on terms of the conservation easement itself and on the property report created to document the condition of the property at the time the easement was completed. The monitoring plan will suggest how and when the property should be monitored and identify those areas of particular concern or requiring special attention. A monitoring plan will generally include a monitoring map to assist in monitoring. Conditions on the property may change over time and monitoring plans will need to be updated to reflect these changes.

Monitoring workbooks:

A monitoring workbook will be maintained on each protected property. Unlike a property report that is intended to capture a "moment in time," the monitoring workbook will be a dynamic tool tracking changes in the condition and ownership of the property. The monitoring workbook will include:

- Current ownership, contact information and directions to the property.
- Copy of the property report including maps and photographs.
- Monitoring plan for the property, with monitoring map.
- Past monitoring reports.
- Copy of the conservation easement.
- Copies of any amendments, approvals or interpretations of the easement.
- Summary of Land Trust monitoring procedures.
- Current monitoring report form.

Timing of monitoring visits:

It is the practice of the Minnesota Land Trust to monitor each property annually or more often if needed such as at time of construction, amendment of the easement, or approval of the exercise of a reserved right.

Monitors:

The Land Trust uses both staff and volunteers to monitor protected property. All volunteers will be asked to complete a certification program.

Landowner Relations:

The Minnesota Land Trust will be most successful if landowners voluntarily comply with the terms of the easements protecting their lands. Therefore, the Land Trust views its relationship with landowners as a partnership. To support this partnership, the Land Trust will:

- Send each landowner a completed easement packet that will include a copy of the recorded easement and information on monitoring and other matters of concern to most landowners regarding their conservation easement.
- Provide each landowner with signs that note the protected status of their property.
- Provide each landowner with an honorary life membership.
- Hold an annual landowner appreciation event.
- Distribute an annual landowner newsletter.
- Following the transfer of ownership, make sure that all new landowners receive a personal visit from staff, a copy of the property report, a complimentary membership and an easement packet.

Community Relations:

Conservation of private lands will be successful if the communities in which these lands are located recognize and value the role of private land conservation in creating a livable community. The Minnesota Land Trust will work with local communities by:

- Hosting appropriate events to educate a community about conservation easements and activities in the area.
- Working with local media.
- Identifying and working with selected audiences such as realtors, local government officials, neighbors, or homeowners associations.

Violations and Easement Defense:

In the end, the Minnesota Land Trust must be prepared to correct violations of easement terms. Each suspected violation requires an individualized approach. Whenever possible, the Land Trust will work with the landowner to have the landowner voluntarily correct the situation. However, it is the Land Trust's intent and obligation to legally enforce the easement as necessary. Any judicial action taken by the Minnesota Land Trust requires approval by the Board of Directors.



CONSERVATION EASEMENT PROJECT COST ANALYSIS OVERVIEW

June, 2010

SUMMARY

Conservation easements are forever. With each easement, the Minnesota Land Trust accepts responsibility to protect that land and its conservation values into the future.

Recognizing the seriousness of this commitment, the Board of Directors and staff of the Minnesota Land Trust continually emphasize the importance of creating and demonstrating high standards in all land protection activities, including the drafting, monitoring and enforcement of conservation easements.

In order to meet this objective, it was critical that the Land Trust develop a better understanding of the financial costs of these activities. Therefore, in 2002 the Minnesota Land Trust completed a process of extensively analyzing the immediate and long-term expenses associated with accepting a conservation easement. This cost analysis has been updated several times since 2002, including its most recent update in 2009. While individual data have been adjusted for inflation or based upon increased knowledge with expanded experience, the general approach has been reconfirmed upon each review.

The importance of understanding and planning for all costs associated with land conservation projects was reconfirmed as the Land Trust applied for, and was granted, accreditation by the Land Trust Accreditation Commission, an independent program of the Land Trust Alliance.

The Land Trust has approached the analysis of its land protection project costs based upon establishing a “typical” land protection project with “typical” transactional components. While all Land Trust projects are unique, they do have certain similarities and are completed according to specific policies and procedures.

In analyzing conservation easement protection project costs, we have estimated both the one-time initial expenses related to a conservation easement project and the recurring costs associated with monitoring, managing and enforcing perpetual conservation easements. With respect to recurring costs, we have then calculated an initial amount needed to create a reserve or endowment sufficient to generate income to cover the costs of future recurring expenses. With a “typical” Minnesota Land Trust conservation easement project in mind (the “typical” easement is approximately 100 acres in size and prohibits buildings, structures and division of

the property), we estimate that it costs approximately \$9,700 for the Land Trust to initially negotiate and complete a donated conservation easement with an additional \$2,500 needed to complete the baseline property report and \$300 to cover initial easement management and stewardship costs.

Once the easement is completed, we estimate that it will require about \$700 each year to meet our ongoing management and monitoring commitments, requiring approximately \$14,000 to fully endow these ongoing commitments. Finally, an additional \$1,000 is required as a contribution to cover future legal defense needs.

This brings the total estimated upfront cost for the Minnesota Land Trust to complete a “typical” conservation easement project to approximately \$27,500, including \$15,000 for easement stewardship. However, it is important to note that each project is unique and that costs can vary greatly depending upon complexity of the transaction, location and terms of the easement.

Historically, this has meant that the Minnesota Land Trust is able to permanently protect land at a cost of about \$300 an acre, demonstrating that conservation easements remain a cost effective way to preserve Minnesota’s natural and scenic heritage.

Details of the analysis are discussed in detail below.

A. OVERVIEW

Purpose:

The purpose of developing this project cost analysis was to provide the Land Trust with the best information available on what it actually costs the organization to negotiate and hold a perpetual conservation easement. This information would then help with annual planning and budgeting, fundraising, grant writing and, perhaps most importantly, creating the appropriate suite of policies to make sure that the Land Trust has adequate resources to support all of its work.

Process:

Having accepted nearly 400 conservation easements, the Land Trust has now accumulated a wealth of experience in accepting and managing donated conservation easements. With such an extensive portfolio of easements, the Land Trust has also experienced some of the problems that come with the changes in land ownership and land conditions that occur over time. The initial project cost analysis was completed in early 2002. A thorough review was completed in 2004 and again in 2007 and 2009. With new data and increased experience, adjustments have been made to categories, assumptions and rates to make the cost analysis as accurate as possible. We have used our own experience, national trend data, and other factors to estimate all of the potential costs.

The Land Trust will continue to update the cost analysis periodically based on its own experience and that of other organizations from around the country.

Spreadsheet Analysis with Assumptions:

The attached spreadsheet sets out the detailed results of the updated analysis. This spreadsheet itemizes the various categories of anticipated expenses, expense estimates, and assumptions regarding frequency of occurrence of certain events or activities that were used in the analysis.

Costs included are those costs that are incurred from the *first visit* to a site proposed for protection with a conservation easement through *ongoing monitoring obligations to potential easement amendments and violations*. It does not include costs related general conservation planning or landowner outreach.

The methodology used recognizes that conservation easement projects are not identical but do have many consistent characteristics and transactional components. Additionally, more recent analysis of all of the Land Trust's completed land protection projects allows us to draw some overall conclusions about the type of land protected and the terms of the easements negotiated.

This allows the Land Trust to identify expenses of a "typical" project as well as to understand the range of costs that might be incurred in any particular transaction. The format itself also provides a mechanism to estimate or track costs for any specific project as well. A worksheet that can be used for this purpose has been created.

Of course, not all Minnesota Land Trust conservation easement projects follow this specific pattern described for a "typical" project. Differences in the nature of the land, the terms of the easement, the details of the real estate transaction and the circumstances or situation of the landowner may all have an impact on the specific assumptions made – and may lead to different cost conclusions.

Overall results of the cost analysis project to the Minnesota Land Trust:

In understanding the costs associated with every conservation easement, the Minnesota Land Trust has become significantly more rigorous in reviewing its land protection project decisions.

Projects are scrutinized for their financial implications as well as their conservation benefits. In fact, recognizing the costs that come with every conservation easement has increased awareness of the need to:

- Select and analyze projects carefully in the first place.
- Invest in the initial stages of project development to help ensure the defensibility of any conservation easement ultimately accepted.
- Fully fund all components of a project through ongoing stewardship and management.
- Devote resources to encourage voluntary compliance with conservation easements to help prevent considerably more costly enforcement measures.

As a result, our project selection process and stewardship programs are increasingly reflecting these concerns.

Additionally, our annual budgets more accurately take project costs into account. And, the Land Trust now requests—and receives—considerably more support for the Stewardship and Enforcement Fund for each conservation easement it accepts.

B. SUMMARY OF METHODOLOGY

In creating this costs analysis, The Minnesota Land Trust chose to estimate expenses on a per project basis. Understanding the funds needed for the long-term management and stewardship of an easement was initially identified as the most critical initial need. However, we decided to track expenses associated with all aspects of a project from initial project development through possible enforcement of an easement.

Project Components:

To track all project costs, we divided a conservation easement project and its related costs into six categories: initial project costs, baseline property report documentation, initial easement stewardship costs, recurring monitoring and on-going easement management, encouraging voluntary compliance, enforcement—addressing potential violations; and enforcement—legal enforcement.

As set out in the analysis, these categories were further broken down to reflect more detailed components of project activity and actions, specifically capturing expenses for those activities required by the Land Trust and identifying others that might be necessary in specific situations.

Costs associated with a particular project rarely fall neatly into separate categories. But this division of costs helps us separate one-time expenses from recurring costs and allows us to look at issues related to various components of a project from different perspectives as well as allowing us to view the analysis holistically.

C. FORMAT

The results of the analysis are displayed in a spreadsheet format, breaking down costs by the categories discussed above and detailed below. Using this format allows the analysis to be quickly updated as certain assumptions change. It also provides a way to quickly view the various components of a project and their related costs, with this summary available when more detail is needed.

Range of Expenses:

Recognizing that conservation easement projects vary dramatically but often have similar components, we chose a format for analyzing project costs that would estimate costs for a "typical" project completed by the Minnesota Land Trust but would also demonstrate the range of costs that might be incurred for any specific project.

Costs associated with a "typical" project are calculated based upon the experience of Minnesota Land Trust staff in completing projects along with an analysis of the detail of the land protection projects completed over the past 15 years. The costs reflect those activities and expenses the staff most commonly undertake in completing a project based upon typical attributes of completed projects.

The range of costs from "low" to "high" is somewhat misleading. Rarely would a project fall completely into one of those categories in all of its components. For example, a relatively simple easement could be on a site remote from any Land Trust office. It would therefore have "low" costs associated with all categories but travel which would be "high." The overall project would fit into neither range.

Additionally, the "high" costs still represent the more typical complex projects. In fact, any one project might exceed all of the assumptions identified.

Nevertheless, using this approach does help quickly demonstrate the range of activities and related costs that might be needed to complete a given conservation easement.

Worksheet:

In addition to creating the cost analysis spreadsheet, a companion worksheet was created that can be used to customize cost estimates for a specific, individual project.

D. EXPENSE CATEGORIES:

Conservation easement projects and their related costs have been divided into the following six main categories:

- **Initial Project Costs:**

There are a number of one-time expenses associated with initiating and closing a deal. For this analysis, costs are calculated from the time of the first site visit on a project. Landowner cultivation or outreach activities before this initial visit were not included.

Activities range from the site visit to project planning and negotiation to the transactional costs associated with completing any real estate transaction. These costs may vary widely depending upon the nature of a particular transaction. Transaction costs associated with the purchase of an easement would typically be more than the costs associated for the acceptance of a gift.

This analysis is based primarily on costs associated with donated conservation easements and does not include a range of costs for purchasing easements but could easily be used or adjusted for that purpose. Donated conservation easements remain the typical transaction for the Minnesota Land Trust but purchases are becoming increasingly common.

Activities listed are based upon Land Trust policies, procedures and common practices related to completing conservation easement protection projects.

The Minnesota Land Trust requires at least one staff site visit to evaluate and collect information on each project. Typically, *three* visits are needed before the easement is completed and the baseline property report prepared. For purposes of this assessment, we assume that the landowner is available to meet with Land Trust staff at the site.

The Land Trust also requires *title evaluation* on every project, and typically *title insurance*, as well as a staff *environmental assessment*. In unique situations, a more comprehensive environmental assessment may be necessary.

GIS mapping for all projects is now standard and these costs are included. Digital photography is rapidly replacing film and print photographs but the category has been retained to capture specific situations if necessary.

Appraisals are required for purchases, but not for gifts. *Surveys* are not typically required but may be needed in unique situations. Other costs may vary with the nature of the land and the transaction.

- Baseline Property Report:

There are one-time expenses associated with gathering and compiling the required information for the initial baseline property report that documents the current condition of the property. Some of the expenses associated with creating the report, including mapping and some site assessment, are also necessary to complete the easement itself and are included with those expenses.

A baseline property report is required for all Minnesota Land Trust conservation easements and by the IRS to support a tax deduction.

For additional information on property reports see the Minnesota Land Trust's "Baseline Property Report Guide."

- Initial Stewardship Costs:

These are one-time administrative costs incurred at the completion of each project to prepare for the ongoing monitoring and management of the easement. It includes staff time for file

review and providing the landowner with a final conservation easement packet and gift. This category also includes the one-time expense of producing the Minnesota Land Trust sign stating the property's protected status.

Although the Land Trust does not now actively engage in land management, this category provides a format to consider such initial land management costs in a particular situation should they be necessary.

- Monitoring and Ongoing Easement Management:

Each property protected by a conservation easement held by the Minnesota Land Trust requires certain ongoing, predictable activities, such as an annual site visit and review, resulting in reasonably predictable annual expenses. These expenses are identified in this category. See the Minnesota Land Trust's "Stewardship Overview" for more information on monitoring and ongoing conservation easement management.

The monitoring required for each property is identified in a monitoring plan for the land. All projects, however, require at a minimum an annual site visit by a Land Trust monitor.

A monitoring workbook is created for each property and is used during the monitoring visits. The workbook, based upon the Baseline Property Report with additional information for monitoring, will need to be updated to document any changes on the property (i.e. vegetation growth, new buildings, etc.).

Comprehensive review and updates of the baseline property report and monitoring workbook are required every 5 years, so this cost has been annualized.

- Encouraging Voluntary Compliance:

This category includes the types of activities that are less predictable than annual monitoring and that are geared toward avoiding more costly easement infractions. For purposes of this analysis, they include:

- Maintaining positive landowner relations and providing education about the easement.
- Reviewing and approving (or denying) requests by a landowner for a formal easement interpretation or to exercise a reserved right such as constructing a building or improving habitat under an approved plan,
- Connecting with new property owners.
- Amending the conservation easement.

The Minnesota Land Trust premises its easement stewardship program on maintaining positive relationships with its landowners and the communities in which their lands are located. This means providing information and making needed decisions in a timely manner, including adapting to changes in the environment over time in a way that protects

conservation values while recognizing the need to deal with unanticipated or unique situations.

The time and money associated with the costs of these activities are identified here.

Many Minnesota Land Trust conservation easements include rights reserved to landowners that can only be exercised with approval of the Land Trust. Other times, restrictions or reserved rights may not be as clearly stated as hoped. Although there is still limited hard data to date, we are estimating that a landowner of a “typical” easement may request a formal easement interpretation or an approval once every 20 years. Therefore, for purposes of this assessment, the estimated costs of activities associated with interpretations and approvals has been annualized.

NOTE: With the “typical” easement prohibiting buildings, structures and division of the property, any easement allowing such activities will likely result in a request for an approval or interpretation at a more frequent interval. Similarly, the amount of time estimated to be spent on each request along with associated costs may also be greater.

Similarly, we are estimating that land ownership will change once every 10 years. It is Land Trust policy to meet with new landowners as soon as possible and to provide them with information about their conservation easement and the Minnesota Land Trust. Costs of these activities have been annualized.

An easement may need to be amended for a variety of reasons—to correct a legal description, to clarify terms, to accommodate an unanticipated circumstance, etc. Amendments should be rare but are nevertheless estimated to be needed on average once every 30 years or three times in 100 years. Again, the cost has been annualized.

- Enforcement:
Conservation easement enforcement is broken into two categories: *investigating and resolving violations* and *legal enforcement*.

The first category—investigating and resolving violations—captures activity related to assessing and reacting to possible infractions. Activities captures can be categorized as those where there is a suspected violation, but upon further investigation there turns out to be no violation, where the violation is minor, or where the violation can be resolved without litigation.

Our experience over the last 15 years indicates that we can expect to assess or investigate approximately 6 to 8 potential violations a year (roughly 2 per 100 easements). A very few of these will be actual easement violations and even fewer will involve major impacts to the conservation values of the land. To date, all violations have been resolved without litigation.

Therefore, for the purposes of this analysis we have estimated a frequency of one potential violation or actual violation resolved without litigation every 50 years for a “typical” Land Trust conservation easement. The second category—legal enforcement—assumes that the Land Trust would need to take judicial action to resolve a violation. While the Minnesota

Land Trust and the entire land trust community have had limited experience with judicial enforcement of easements, all expect litigation to be required at some point. Predicting the frequency of judicial enforcement and its potential costs is extremely difficult, although the Land Trust Alliance has been engaged in collecting detailed information on this topic.

For purposes of this analysis we are assuming that litigation going to trial might average \$100,000 for each case. An appeal, another \$50,000.

To establish a fund sufficient to cover such potential litigation, a one-time amount of \$1,000 has been included in the project cost analysis. This creates a legal defense fund of \$100,000 per 100 easements. Over time, a large enough fund would be established to allow for needed legal defense while still leaving sufficient funds in the stewardship account to cover ongoing needs. Moreover, Minnesota Land Trust easements are drafted so that the organization can recover legal costs when the Land Trust prevails in litigation.

E. SOURCES OF INFORMATION:

In completing this analysis, we relied on the Land Trust's own past experience and information provided by a number of other land trusts across the country.

Source of information include:

- Conservation Easement Handbook, Land Trust Alliance (1998)
- Land Trust Alliance Exchange, Fall 2002: *Vermont Land Trust Reevaluates the Costs of Easement Stewardship and How to Cover Them*
- Land Trust Alliance Exchange, Fall 1997: *Growing Pains and Stewardship Funds: The Northwest Experience*
- Land Trust Alliance Exchange, Fall 1993: *Long Range Stewardship: How Vermont Land Trust is Tackling the Problem*
- *Conservation Capacity and Enforcement Capability: A Research Report*, Land Trust Alliance (2007)
- *Determining Stewardship Costs and Raising and Managing Dedicated Funds*, Land Trust Alliance (2007)

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MINNESOTA LAND TRUST

Conservation Easement Project Cost Analysis-Typical Project
Updated 2009

| A. Initial Project Costs--One Time Expenses | | | | | | | |
|--|---------------------|------|---------|------------|----------|-----------|-------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| Property evaluation-initial site review | | | | | | | |
| Site visit (assumes one visit) | | | | | | | |
| Staff time: at site | 2 | 8 | 2 | \$ 50 | \$ 100 | \$ 400 | \$ 100 |
| travel | 2 | 16 | 4 | \$ 50 | \$ 100 | \$ 800 | \$ 200 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ 28 | \$ 440 | \$ 110 |
| Other (meals/lodging) | | | | | \$ - | \$ 150 | \$ 10 |
| Other (consultants, etc.): project specific | | | | | | | |
| Project planning, design, negotiation, review and closing-including additional site visit | | | | | | | |
| Staff time | 80 | 200 | 100 | \$ 50 | \$ 4,000 | \$ 10,000 | \$ 5,000 |
| Legal staff time | 20 | 40 | 30 | \$ 65 | \$ 1,300 | \$ 2,600 | \$ 1,950 |
| Supplies, copying, etc. | | | | | \$ 40 | \$ 75 | \$ 40 |
| GIS or other maps (including maps for baseline property reports) | | | | | \$ 200 | \$ 1,000 | \$ 700 |
| Site visit (assumes 0-1 additional visits, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 8 | 2 | \$ 50 | \$ - | \$ 400 | \$ 100 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 800 | \$ 200 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 440 | \$ 110 |
| Other (meals/lodging) | | | | | \$ - | \$ 150 | \$ 10 |
| Transactional costs (not including the cost of purchasing an easement) | | | | | | | |
| Title work and closing costs | | | | | \$ 1,000 | \$ 3,000 | \$ 1,200 |
| Survey | | | | | \$ - | \$ 15,000 | \$ - |
| Appraisal/documentation of value | | | | | \$ - | \$ 15,000 | \$ - |
| Environmental assessment | | | | | \$ - | \$ - | \$ - |
| Other (consultant, etc.): project specific | | | | | \$ - | \$ - | \$ - |
| | Subtotals A: | | | | \$ 6,768 | \$ 50,255 | \$ 9,730 |

| B. Baseline Property Report--One Time Expenses | | | | | | | |
|--|---------------------|------|---------|------------|----------|----------|-------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| Property documentation-site visit | | | | | | | |
| Site visit (assumes 0-1 visit, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 5 | 3 | \$ 50 | \$ - | \$ 250 | \$ 150 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 800 | \$ 200 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 440 | \$ 110 |
| Other (meals/lodging) | | | | | \$ - | \$ 150 | \$ 10 |
| Aerial flight (not typical) | | | | | | | |
| Staff time | 0 | 5 | 0 | \$ 50 | \$ - | \$ 250 | \$ - |
| Flight cost | | 5 | | | \$ - | \$ 500 | \$ - |
| Report preparation (3 copies: landowner, office, monitoring workbook.) NOTE: needed maps included above | | | | | | | |
| Supplies, copying, etc. | | | | | \$ 30 | \$ 90 | \$ 30 |
| Film/processing (no longer as necessary, moving to digital photos) | | | | | \$ - | \$ 40 | \$ - |
| Staff time | 20 | 50 | 40 | \$ 50 | \$ 1,000 | \$ 2,500 | \$ 2,000 |
| Other (consultant, additional mapping, etc.): project specific | | | | | \$ - | \$ - | \$ - |
| | Subtotals B: | | | | \$ 1,030 | \$ 5,020 | \$ 2,500 |

| C. Initial Easement Stewardship--One Time Expenses | | | | | | | |
|--|-------|------|---------|---------------|--------|--------|----------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| Post-closing materials (signs, landowner packets and gift, etc.) | | | | | \$ 15 | \$ 100 | \$ 50 |
| Staff time (record-keeping, archiving) | 3 | 10 | 5 | \$ 50 | \$ 150 | \$ 500 | \$ 250 |
| Other: project specific | | | | | \$ - | \$ - | \$ - |
| Subtotals C: | | | | | \$ 165 | \$ 600 | \$ 300 |

| D. Monitoring and Ongoing Easement Management--Recurring Expenses | | | | | | | |
|---|-------|------|---------|---------------|--------|----------|----------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| File Administration/Management: annually recurring expenses | | | | | | | |
| Staff time | 0.50 | 3 | 0.50 | \$ 50 | \$ 25 | \$ 150 | \$ 25 |
| Supplies, copying, photos, etc. | | | | | \$ 10 | \$ 10 | \$ 10 |
| Monitoring: annually recurring expenses | | | | | | | |
| Staff time | | | | | | | |
| Monitoring preparation | 1 | 2 | 1 | \$ 50 | \$ 50 | \$ 100 | \$ 50 |
| Monitoring follow-up | 1 | 3 | 1 | \$ 50 | \$ 50 | \$ 150 | \$ 50 |
| Site visit (assumes 1 site visit/year with 2 sites typically monitored per trip) | | | | | | | |
| Staff time: at site | 1 | 5 | 2 | \$ 50 | \$ 50 | \$ 250 | \$ 100 |
| travel | 2 | 16 | 4 | \$ 50 | \$ 50 | \$ 400 | \$ 100 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ 14 | \$ 220 | \$ 55 |
| Other (meals/lodging) | | | | | \$ 5 | \$ 75 | \$ 5 |
| Other (consultant, additional mapping, etc.): project specific | | | | | \$ - | \$ - | \$ - |
| Aerial Flights: not typical but otherwise assumes 1 fly-over every 10 years (costs annualized) | | | | | | | |
| Staff time | 0 | 5 | 0 | \$ 50 | \$ - | \$ 25 | \$ - |
| Flight cost | | | | | \$ - | \$ 50 | \$ - |
| Monitoring Workbook Update: assumes 1 update every 5 years (costs annualized) | | | | | | | |
| Supplies (\$10 to \$30, \$10 typical) | | | | | \$ 2 | \$ 6 | \$ 2 |
| Film/processing (no longer as necessary, moving to digital photos) | | | | | \$ - | \$ 8 | \$ - |
| GIS (\$0-\$1000, \$140 typical) | | | | | \$ - | \$ 200 | \$ 28 |
| Staff time | 1 | 25 | 4 | \$ 50 | \$ 10 | \$ 250 | \$ 40 |
| Subtotals D: | | | | | \$ 266 | \$ 1,894 | \$ 465 |

| E. Encouraging Voluntary Compliance: Recurring Expenses | | | | | | | |
|--|---------------------|-------------|----------------|-------------------|-------------|-------------|--------------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| Landowner Relations: annually recurring expenses | | | | | | | |
| Staff time (event, questions, etc.) | 0.25 | 5 | 0.25 | \$ 50 | \$ 50 | \$ 250 | \$ 13 |
| Landowner newsletter | | | | | \$ 3 | \$ 3 | \$ 3 |
| Landowner event | | | | | \$ 2 | \$ 2 | \$ 2 |
| Community Relations/Education: annually recurring expenses | | | | | | | |
| Staff time | 0 | 5 | 0.25 | \$ 50 | \$ - | \$ 250 | \$ 13 |
| Approval/Exercise of Reserved Rights: assumes 1 every 20 years (costs annualized) | | | | | | | |
| Staff time | 2 | 10 | 4 | \$ 50 | \$ 5 | \$ 25 | \$ 10 |
| Legal staff time | 1 | 5 | 1 | \$ 65 | \$ 3 | \$ 16 | \$ 3 |
| Other (consultants, etc): project specific | | | | | \$ - | \$ - | \$ - |
| Site visit (assumes 0-2 visits, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 6 | 2 | \$ 50 | \$ - | \$ 15 | \$ 5 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 40 | \$ 10 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 22 | \$ 6 |
| Other (meals/lodging) | | | | | \$ - | \$ 8 | \$ 1 |
| Monitoring workbook update for every approval: | | | | | | | |
| Supplies (\$0-100, \$10 typical) | | | | | \$ - | \$ 5 | \$ 1 |
| Film/processing (no longer as necessary, moving to digital photos) | | | | | \$ - | \$ 2 | \$ - |
| GIS (\$0- \$1,000, \$0 typical) | | | | | \$ - | \$ 50 | \$ - |
| Staff time | 1 | 10 | 2 | \$ 50 | \$ 3 | \$ 25 | \$ 5 |
| Property Transfer: assumes 1 transfer every 10 years (costs annualized) | | | | | | | |
| Staff time | 1 | 10 | 1 | \$ 50 | \$ 5 | \$ 50 | \$ 5 |
| Legal staff time | 0 | 2 | 0 | \$ 65 | \$ - | \$ 13 | \$ - |
| Site visit (assumes 0-2 visits, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 4 | 2 | \$ 50 | \$ - | \$ 20 | \$ 10 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 80 | \$ 20 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 44 | \$ 11 |
| Other (meals/lodging) | | | | | \$ - | \$ 15 | \$ 1 |
| Property report reproduction (\$10-\$50, \$10 typical) | | | | | \$ 1 | \$ 5 | \$ 1 |
| Amendments: assumes 1 every 30 years (costs annualized) | | | | | | | |
| Staff time | 5 | 20 | 12 | \$ 50 | \$ 8 | \$ 33 | \$ 20 |
| Legal staff time | 5 | 40 | 10 | \$ 65 | \$ 11 | \$ 87 | \$ 22 |
| Site visit (assumes 0-2 visits, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 6 | 2 | \$ 50 | \$ - | \$ 10 | \$ 3 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 27 | \$ 7 |
| Travel costs: | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 15 | \$ 4 |
| Other (meals/overnight) | | | | | \$ - | \$ 5 | \$ 0 |
| Monitoring workbook update: | | | | | | | |
| Supplies (\$0-100, \$10 typical) | | | | | \$ - | \$ 3 | \$ 0 |
| Film/processing (no longer as necessary, moving to digital photos) | | | | | \$ - | \$ 1 | \$ - |
| GIS (\$0- \$1000, \$140 typical) | | | | | \$ - | \$ 33 | \$ 5 |
| Staff time | 1 | 20 | 2 | \$ 50 | \$ 2 | \$ 33 | \$ 3 |
| Title and Recording Costs (assumes \$500-\$1,200, \$800=typical) | | | | | \$ 17 | \$ 40 | \$ 27 |
| | Subtotals E: | | | | \$ 109 | \$ 1,227 | \$ 208 |

| F. Enforcement--Investigating and Resolving Potential Violations | | | | | | | |
|--|-------|------|---------|---------------|------|-------|----------------------|
| | Hours | | | Staff Rate | Cost | | "Typical" Project |
| | Low | High | Typical | | Low | High | |
| Addressing Potential Violations: assumes 1 potential violation every 50 yrs (costs annualized) | | | | | | | |
| Staff time | 1 | 20 | 5 | \$ 50 | \$ 1 | \$ 20 | \$ 5 |
| Legal staff time | 0 | 12 | 2 | \$ 65 | \$ - | \$ 16 | \$ 3 |
| Site visit (assumes 0-2 visits, 1 visit typical) | | | | | | | |
| Staff time: at site | 0 | 6 | 2 | \$ 50 | \$ - | \$ 6 | \$ 2 |
| travel | 0 | 16 | 4 | \$ 50 | \$ - | \$ 16 | \$ 4 |
| Travel costs | | | | | | | |
| Mileage (assumes minimum 50 miles, maximum 800, typical 200) | | | | | \$ - | \$ 9 | \$ 2 |
| Other (meals/lodging) | | | | | \$ - | \$ 3 | \$ 0 |
| Subtotal F: | | | | | \$ 1 | \$ 69 | \$ 16 |

| G. Enforcement--Legal Enforcement | | | |
|--|----------|----------|----------------------|
| | Cost | | "Typical" Project |
| | Low | High | |
| Legal Defense Contribution | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Subtotal G: | | | \$ 1,000 |

| TOTAL PROJECT COSTS | | | |
|---|----------|-----------|----------------------|
| | Cost | | "Typical" Project |
| | Low | High | |
| A. Initial project cost | \$ 6,768 | \$ 50,255 | \$ 9,730 |
| B. Baseline property report | \$ 1,030 | \$ 5,020 | \$ 2,500 |
| C. Initial easement stewardship | \$ 165 | \$ 600 | \$ 300 |
| D-F. Easement Stewardship-initial investment required to cover annual expenses at 5% return | \$ 7,500 | \$ 63,816 | \$ 13,788 |
| G. Enforcement--Legal Enforcement | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Total project costs (A-G): | | \$ 16,463 | \$ 120,691 |
| | | \$ 27,318 | |

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