

**Environment and Natural Resources Trust Fund
2010 Request for Proposals (RFP)**

LCCMR ID: 064-B2

Project Title:

Linking Habitat Restoration to Bioenergy and Local Economies

LCCMR 2010 Funding Priority:

B. Renewable Energy Related to Climate Change

Total Project Budget: \$ \$1,508,000

Proposed Project Time Period for the Funding Requested: 3 years, 2010 - 2013

Other Non-State Funds: \$ \$0

Summary:

This project restores high quality native habitats by removing ecologically inappropriate woody vegetation while stimulating local economies and providing bioenergy through strategic utilization of the biomass material.

Name: Barb Spears

Sponsoring Organization: DNR

Address: 1200 Warner Rd
St. Paul MN 55106

Telephone Number: (651) 259-5849

Email: barb.spears@dnr.state.mn.us

Fax: (651) 772-7977

Web Address: www.mndnr.gov

Location:

Region: Regional

County Name: Anoka, Benton, Carver, Chisago, Dakota, Dodge, Goodhue, Hennepin, Isanti, Kanabec, Le Sueur, McLeod, Meeker, Mille Lacs, Nicollet, Olmsted, Pine, Ramsey, Rice, Sherburne, Sibley, Stearns, Steele, Wabasha, Waseca, Washington, Wright

City / Township:

_____ Knowledge Base	_____ Broad App.	_____ Innovation
_____ Leverage	_____ Outcomes	
_____ Partnerships	_____ Urgency	_____ TOTAL

MAIN PROPOSAL

PROJECT TITLE: Linking Habitat Restoration to Bioenergy and Local Economies

I. PROJECT STATEMENT

1. In 2007, the legislature provided the Minnesota DNR one-time funds to pilot an innovative woody biomass project that directly addresses habitat and energy recommendations in three strategic areas identified in the *LCCMR Six-year Strategic Plan (SSP)* adopted in 2009: 1) Land and Water Restoration and Protection; 2) Sustainable Practices; and 3) Economic Incentives for Sustainability. The pilot effort developed the capacity to implement and manage projects, generate fiscal and operational data, and learn lessons that set a strong foundation to expand this work to the next level. Without continued funding this work cannot continue to link biomass markets with removal of ecologically inappropriate woody vegetation that is degrading high quality native habitats and natural resources. An informal preliminary survey identified more than 7000 acres of public and private lands needing restoration that are located within 75 miles of St. Paul.

2. The overarching goal is to provide direct benefits to ecosystems and economies. The project will facilitate additional native habitat restoration within a 75-mile radius of St. Paul on public and private lands and stimulate local markets; supplement landowner resources for native habitat restoration and management; capture the energy through strategic utilization instead of traditional burning and landfill disposal; support local businesses and NGO's; utilize and employ labor crews such as Sentencing to Service and Minnesota Conservation Corps; and formally evaluate the ecological and market (bioenergy and other) impacts and implications for the future.

3. This project will refine a proven RFP process with discrete criteria to select eligible project sites. Critical requirements include ecological value of the site, current technically-sound management plan, project-specific harvest plan, and post-harvest habitat restoration plan. The pilot project elucidated issues and barriers limiting the participation of some landowners. The proposed expanded scope would address barriers by providing funding for pre-project planning and preparation, project implementation and site management, chemical and/or mechanical stump treatment, and post-harvest restoration activities for one year. The project will expand market opportunities to attract potentially interested buyers stimulating local economies. It will also position the State to better assess the feasibility of market-driven ecological restoration.

II. DESCRIPTION OF PROJECT RESULTS

Result 1: Implement a minimum of 7 projects/year for 2 years. **Budget:** \$562,875
Through an RFP process, select projects that meet established criteria and coordinate project activities for the cutting, moving and staging of material for biomass markets.

Deliverable

1. Minimum 300-500 acres cleared of ecologically inappropriate woody material.

Completion Date

February 2012

Result 2: Support post-harvest restoration activities. **Budget:** \$860,875
Subsidize costs to conduct post-harvest restoration activities for up to 1 year after harvest.

Deliverable

1. Minimum 300-500 acres under restoration

Completion Date

June 2013

Result 3: Expand opportunities for competitive woody biomass markets. **Budget:** \$42,125
Identify viable woody biomass markets and buyers/users and develop a formal process to connect them to source material.

Deliverable

1. List of woody biomass markets and buyers/users
2. Record of disposition of material, volumes, revenues

Completion Date

June 2013
June 2013

Result 4: Analyze, evaluate and disseminate results.

Budget: \$42,125

Compile and analyze project data to articulate lessons learned. Information will be communicated to target markets, landowners, resource professionals and others.

Deliverable

1. Database, reports on multiple metrics including costs and revenues
2. Assessment of the feasibility of market-driven ecological restoration
3. Mechanisms and strategy to communicate and disseminate information

Completion Date

June 2013
June 2013
June 2013

III. PROJECT STRATEGY

A. Project Team/Partners

Primary project team members are Barb Spears, DNR Woody Biomass Project Manager, Jan Wolff, DNR Eco Central Region Manager, DNR Project Assistant to be hired, and Hannah Texler, DNR Regional Ecologist. Mark Lindquist, DNR Biofuels Program Manager; DNR Forestry staff Anna Robertson, Biomass Program Coordinator and Keith Jacobson, Utilization and Marketing Program Director; Lance Sorenson, Regional Utilization and Marketing Staff; Mohammed Iddrisu, RC&D Forester; and Don Arnosti, Institute for Agriculture and Trade Policy. Specific project partners will vary as projects are selected and will represent public and private landowners, biomass market interests, small businesses and restoration companies, NGO's and others as identified.

B. Timeline Requirements

Funding is requested for a 3-year project timeline. Site requirements dictate timing and implementation strategy and often require frozen ground conditions occurring December through February. Road restrictions may impact the transportation of material to markets from March to May.

Jul 2010 – Feb 2011: RFP process, projects implemented (pre-planning and harvest)

Mar 2011 – Jun 2011: Move material to market, implement restoration activities, reporting.

Jul 2011 – Feb 2012: Repeat RFP and implementation of new projects, restoration activities

Mar 2012 – Jun 2012: Move material to market, implement restoration activities, reporting.

Jul 2012 – Jun 2013: Restoration activities, evaluation, and final reporting

C. Long-Term Strategy

Future expansion of this project could include: broadening the scope to include forest health initiatives (such as emerald ash borer); replicating this approach in other parts of the state as biomass markets develop; focusing efforts on one specific project area and associated local economy to efficiently and effectively accomplish multiple objectives; and creating a landowner-based woody biomass cooperative to support local biomass markets. The long-term vision for this effort is to achieve an ecologically sound and systematic approach that addresses: current and future issues of habitat restoration and enhancement; renewable energy and climate change; invasive species, and natural resources conservation planning and implementation – all of which are effected, to some degree, by the impacts and opportunities of woody biomass.

Project Budget

Linking Habitat Restoration to Bioenergy and Local Economies

Minnesota DNR

IV. TOTAL PROJECT REQUEST BUDGET (3 years)

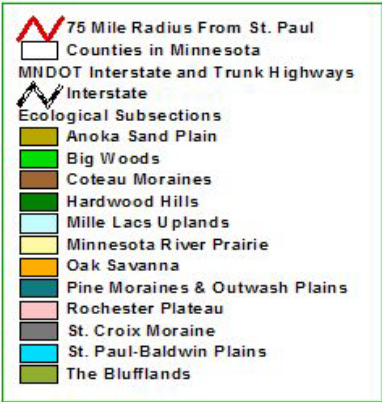
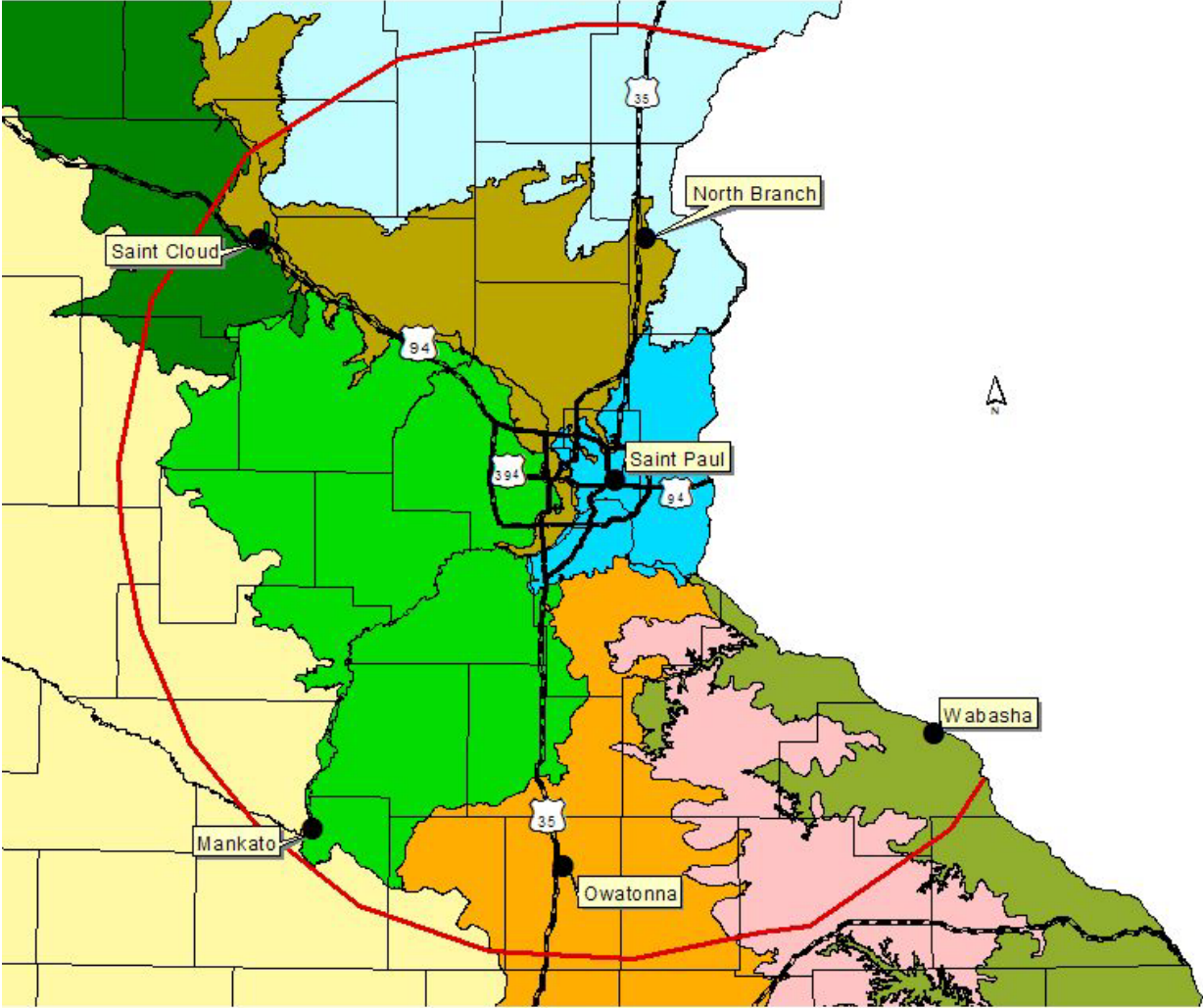
<u>BUDGET ITEM</u>	<u>AMOUNT</u>
Personnel:	
Project Director : 1.0 FTE @ \$70,000/yr x 3 years	\$ 210,000
Project Manager: 0.5 FTE @ \$40,000/yr x 3 years	\$ 120,000
Contracts: Grant agreements with landowners for pre-project planning, project management, stump treatment/removal, and reporting: 7 projects @ \$30K/project x 2 years to restore 300-500 acres.	\$ 420,000
Grant Agreements with landowners for post-harvest restoration activities: \$2,500/acre to restore 300-500 acres.	\$ 750,000
Contracts with buyers/users of biomass material will provide legal protection of the site during collection operation. Revenues will offset project costs and be made available for additional projects increasing total acreage restored. Current market variables and volatility prevents an estimation of potential revenues.	\$ -
Equipment/Tools/Supplies: Computer, digital camera, office supplies, project equipment (hard hats, safety vests, field notebooks, etc.)	\$ 3,000
Acquisition (Fee Title or Permanent Easements): Not applicable.	\$ -
Travel: Project staff for coordination, site visits, project consultations and evaluation, and outreach activities: \$500/year x 3 years	\$ 1,500
Additional Budget Items: Contingency fund for necessary modifications to allow harvest (e.g. lowering power lines): \$250/project x 14 projects	\$ 3,500
TOTAL PROJECT BUDGET REQUEST TO LCCMR	\$ 1,508,000

V. OTHER FUNDS

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	<u>Status</u>
Other Non-State \$ Being Applied to Project During Project Period: None	\$ -	
Other State \$ Being Applied to Project During Project Period: Could include grant monies to a landowner in common from the DNR Invasives Species Program.	\$ -	
In-kind Services During Project Period: Labor from DNR Ecological Resources professionals for project consultation: grant review, project planning, technical assistance, and ecological restoration expertise: \$10K/yr x 3 years	\$ 30,000	
Remaining \$ from Current Trust Fund Appropriation (if applicable): n/a		
Funding History: \$500,000 - Laws of 2007, Chapter 57, Article 2, subd. 6	\$ 500,000	

Project area for Linking Habitat Restoration to Bioenergy and Local Economies – Minnesota DNR, 2009

75-mile radius around St. Paul



Project Title: Linking Habitat Restoration to Bioenergy and Local Economies

Project Manager Qualifications: Barb Spears, Woody Biomass Project Coordinator, MN DNR

Barb Spears has served as the project manager for the current woody biomass pilot project since December 2007. In this capacity, she has developed and refined procedures and criteria for selecting and funding woody biomass removal projects; established a review team to review required management and harvest plans to ensure that ecological restoration principals are adequately addressed; coordinated and facilitated project activities with each project grantee and District Energy St. Paul; adapted MN DNR invasive species guidelines to woody biomass projects; and managed 10 projects ranging in size, species removed, distance, landownership, service providers and many other variables that have generated important project data and information, including lessons learned, to continually improve the management and implementation of projects.

Barb holds a B.S. degree in Urban Forestry from the University of Minnesota and is a Certified Forester with the Society of American Foresters. She previously worked for Tree Trust, the Institute for Agriculture and Trade Policy, and the USDA Forest Service where she developed experience and skills in program, project and grants management; work planning; coordination; partnership development; facilitation; monitoring; communication and public education; records and data management; and reporting. While at the Institute for Agriculture and Trade Policy, she became well-versed in the Forest Stewardship Council (FSC) third-party certification of sustainable forest management that involved the development of a selection process for qualified projects that she used as the foundation for the woody biomass pilot project. This experience also involved identifying and developing market strategies for FSC-certified products.

Organization Description:

The Minnesota Department of Natural Resources' (MN DNR) mission is to work with citizens to conserve and manage the State's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

This project helps to address two of the three keys trends identified in the MN DNR's new systems approach to conservation as outlined in "A Strategic Conservation Direction 2009-2013; Part 1: Strategic Directions – Trends that Shape DNR's Mission and Conservation Strategies for the Future." These two trends are:

- 1) Trend: Changes Related to Energy and Climate
 - Conservation-based Energy Sources: Meeting Energy Needs While Protecting the Environment
- 2) Trend: Landscape Changes from Growth and Development
 - Private Lands Conservation Assistance: Working with Landowners to Improve Land and Water Conditions
 - Community Conservation Assistance: Building Partnerships to Protect and Conserve Land and Water
 - Integrated Public and Private Land Management: A Comprehensive Landscape Approach to Land and Water Health

This project also addresses a major goal of the MN DNR's action plan for Minnesota wildlife "Tomorrow's Habitat for the Wild and Rare - Minnesota's Comprehensive Wildlife Conservation Strategy" dated January 2006:

- Goal 1, Strategy 1A – Identify key Species in Greatest Conservation Need (SGCN) habitats and focus management efforts on them. Priority conservation actions have been identified including: manage invasive species, encourage habitat restoration efforts, and enhance adjacent habitats.