

**Environment and Natural Resources Trust Fund  
2011-2012 Request for Proposals (RFP)**

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**LCCMR ID: 075-C1+2**

**Project Title:** Preserving Public Values on Private Land

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**Category:** C1+2. Protection, Restoration, and Enhancement

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**Total Project Budget:** \$ 65,000

**Proposed Project Time Period for the Funding Requested:** 2 yrs, July 2011 - June 2013

**Other Non-State Funds:** \$ 0

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**Summary:**

This study will identify privately owned riparian habitat and discern an incentive type and level sufficient to alter owner behavior to protect this habitat into the future.

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**Sponsoring Organization:** Minnesota Seasonal Recreational Property Owners Coalition

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**Location**

**Region:** Statewide

**Ecological Section:** Statewide

**County Name:** Statewide

**City / Township:** Statewide

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_____ Funding Priorities	_____ Multiple Benefits	_____ Outcomes	_____ Knowledge Base
_____ Extent of Impact	_____ Innovation	_____ Scientific/Tech Basis	_____ Urgency
_____ Capacity Readiness	_____ Leverage	_____ Employment	_____ TOTAL _____%

# 2011-2012 MAIN PROPOSAL

## PROJECT TITLE: PRESERVING PUBLIC VALUES ON PRIVATE LAND

### I. PROJECT STATEMENT

The Minnesota Statewide Conservation and Preservation Plan, recommend using "tax incentives" to preserve threatened riparian areas but fails to provide a model of an incentive program for privately owned shoreline, which is the largest ownership block in Minnesota.

The USFS reports that about 85% of forestland owners do not want to sell their land. Yet, the average seasonal lot in Minnesota has decreased from 78 acres to less than 53 acres. The reason is that many people can no longer afford the property taxes on these lands. Updating shoreline rules has proven elusive. Buying conservation easements has limited effectiveness because CEs provide no property tax relief. Providing tax incentives will be a powerful tool.

The goal of *Preserving Public Values on Private Land* is to design a model for an incentive program that will preserve the most shoreline at the least cost. Agricultural or timber industry land will be excluded; incentives exist for these lands and the economics are vastly different.

The report produced will help guide legislators in creating an effective incentive program that provides the most ecological services at the best ROI with a minimum of administrative requirements.

### II. DESCRIPTION OF PROJECT ACTIVITIES

#### **Activity 1: Establish Definition Riparian Buffer Zone Budget: \$ 3,000.00**

An interdisciplinary team will define "riparian buffer area" in specific size and/or feature descriptions. Definition will be evaluated by its ease to understand and administer, include the broadest possible public benefits across the widest land types.

Outcome	Completion Date
1. RFP to limnologists, biologists, soils and drainage specialists	August 2011
2. Multiple meetings to define goals, reach agreement on definition	January 2012

#### **Activity 2: GIS Study of Riparian Zones that meet the description: \$50,000.00**

Contract GIS services - 1,000 Friends of Minnesota.

Outcome	Completion Date
1. Process research and data collection	April 2012
2. Project development and analysis	July 2012
3. Test results, quality control review, reporting outcomes	October 2012
4. Project documentation and data posting	December 2012

**Activity 3: Create a model of an effective incentive program: Budget \$5,000.00**

RFP for an economist – use definition and GIS data to model an incentive that would provide the greatest public benefit at the lowest public cost.

<b>Outcome</b>	<b>Completion Date</b>
<b>1. RFP goes out/candidate selected.</b>	<i>January 2013</i>
<b>2. Literature/Statute Review</b>	<i>March 2013</i>
<b>3. Study economics of lakeshore and riparian zone owners in Minnesota, excluding timber/agricultural riparian zones.</b>	<i>May 2013</i>
<b>4. Final Report presented to legislative leaders and LCCMR, including specific recommendations that can be used to legislatively create a riparian buffer zone incentive program for private land owners in Minnesota.</b>	<i>July 2013</i>

**III. PROJECT STRATEGY**

**A. Project Team/Partners**

Jeff Forester, Writer (Forest for the Trees, MHSP, 2005) & Executive Director, Minnesota Seasonal Recreational Property Owners coalition, a 501c4 org., Board Member, Sensible Tax and Fiscal Systems, STAFS, 501c3 think tank, Board Member 1,000 Friends of Minnesota, will oversee the project and compile final report. MSRPO, in-kind contribution .10 FTE/two years.

Scientists from a variety of disciplines to create comprehensive, workable definition of “riparian zone.” This group will divide a small honorarium of \$3000 to attract a high level of competence and commitment.

Invite representatives from the Dep. of Revenue or the Minnesota Association of Assessors.

A \$5000 fellowship to an accredited economist. Distinguished Professor of Economics at Baylor University Earl Grinols, has worked in this area, expressed interest and is a likely participant.

Sally Wakefield, interim ED of 1,000 Friends of Minnesota and an expert in GIS services will lead GIS team for \$50,000.00.

Judy Corrigan, office manager of MSRPO, will handle all the accounting, scheduling, and organizational details of the project. Her time is estimated at a .10 FTE for two years, or \$7,000.

**B. Timeline Requirements**

The project will take a full two years. Establishing a working definition of riparian buffer zone for the purpose of creating an effective tax incentive program will take a number of meetings of the interdisciplinary team, and will require some research between meetings. The synthesis of the GIS data as well as current economic conditions in Minnesota is expected to take 3 to 6 months.

The final report and documentation will be presented in July 2013.

**C. Long-Term Strategy and Future Funding Needs**

*N.A.*

## 2011-2012 Detailed Project Budget

### IV. TOTAL TRUST FUND REQUEST BUDGET 2 years

<u>BUDGET ITEM</u>	<u>AMOUNT</u>
Personnel: Judy Corrigan/Administration. .10FTE for two years. Judy will administer the project, keep paperwork and light accounting, schedule meetings and interface with the various participants.	\$7,000
Contracts: GIS Services, 1,000 Friends of Minnesota - Process research and data collection.	\$7,000
Contracts: GIS Services, 1,000 Friends of Minnesota - Project development and analysis	\$25,000
Contracts: GIS Services, 1,000 Friends of Minnesota - Testing Results, QC review and reporting outcomes.	\$15,000
Contracts: GIS Services, 1,000 Friends of Minnesota - Project documentation and data posting.	\$3,000
Honorarium: 5 member interdisciplinary team of scientists to determine a useful description of "riparian buffer area" in terms of public values; wildlife habitat, water quality, biological diversity, and aesthetics culled from fields such as, wildlife biologist, limnologist, botanist, soils and riparian specialist.	\$3,000
Fellowship - Grad student in economics, under the supervision of a Professor of Economics - to research other incentive programs, determine their relative success or failure, and determine the specific areas where they were effective and why. Recommend design a working model for an incentive program that would encourage the most shoreline habitat protection or restoration for the best ROI..	\$5,000
Travel: Interdisciplinary team members travel to meetings... since most members will probably come from the twin cities Area - probably no travel expense.	NA
<b>TOTAL ENVIRONMENT &amp; NATURAL RESOURCES TRUST FUND \$ REQUEST</b>	<b>\$ 65,000</b>

### V. OTHER FUNDS

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	
Other Non-State \$ Being Applied to Project During Project Period: Salary Project Manager Jeff Forester - .10 FTE for two years. MSRPO is a 501c4 association of @6000 seasonal property owners in Minnesota. Our budget comes entirely from voluntary member contributions.	\$ 14,000	<b>Secured</b>
In-kind Services During Project Period: Office support - MSRPO - typical office expenses.	\$ 1,000	Secured

**Project Manager Qualifications:** Jeff Forester received his undergraduate degree from University of Illinois, and his MFA from the University of Oregon in 1989.

He has published in a variety of periodicals, including Rolling Stone, Whole Earth Review, and Cabin Life.

In 1995 he received an ongoing fellowship from the Wilderness Research Foundation in Ely, MN to study human interaction with the area that has become the Boundary Waters Canoe Area Wilderness. In 2004 Forester published the product of this research, Forest for the Trees: How Humans Shaped the North Woods, through the Minnesota Historical Society Press. The book was a finalist in the Minnesota Book Awards, 2005, and the Northeast Minnesota Book Awards. In 2006 it won the Choice Awards.

Forester has also written and sold scripts to Paramount. His film FLAHPPOINT, an adventure film based on a catastrophic wildfire scenario, in pre-production with Paramount. He is the Associate Producer on THE WALKING CURE, with tpt National for distribution on PBS. The film is about organ transplant at the Mayo Clinic, University of Minnesota, and New York Presbyterian Hospital.

Foresters work on Forest for the Trees illustrated how big an impact on land use patterns the property tax has had in Minnesota. He identified that in high value recreational areas like Ely and Lake Vermilion, property tax pressure was forcing long time owners of modest means to sell or subdivide their land. Forester joined the board of the Minnesota Seasonal Recreational Property Owners Coalition in 1994 due to this interest. In 2005 he became the Executive Director of MSRPO.

In 2008 Forester joined the board of 1,000 Friends of Minnesota, a 501c3 organization that is "trying to help Minnesota grow without wrecking the place." In 2010 he joined the board of Sensible Tax and Fiscal Systems, a 501c3 dedicated to improving both structure and operation of Minnesota's tax and fiscal system.

**Organization Description:** The Minnesota Seasonal Recreational Property Owners, MSRPO is a 501c4 organization formed when a seasonal cabin owner on Lake Vermilion became alarmed at rapidly rising property tax bills, particularly because he used so few services (his property is located on an island.) The tax rate on shoreline was 2.25% of value then, more than twice the rate of a homestead.

MSRPO has as a core tenant that Minnesota's ad valorem tax - a tax based on value at the "highest and best use," values land only as a commodity, without recognizing that land is the basis of ongoing ecological health. When land is viewed and valued as a commodity, it is consumed. As such the tax code drives the consumption of land rather than its protection, conservation and stewardship.

MSRPO has over 6,000 members and is the only advocate for Minnesota's 120,000 seasonal property owners. MSRPO seeks incentives for sound stewardship, fair taxation, transparent assessment practices and greater involvement in local decision making. MSRPO has a 15 member volunteer Board. Judy Corrigan and Executive Director Jeff Forester are both .50 FTE.

