

## **Session: Innovative Financing for Land Acquisition and Development**

Panel: Commissioner Joe Harris, Dakota County; [joseph.harris@CO.DAKOTA.MN.US](mailto:joseph.harris@CO.DAKOTA.MN.US)  
Cordelia Pierson, The Trust for Public Land, [Cordelia.Pierson@tpl.org](mailto:Cordelia.Pierson@tpl.org)  
Moderator: Dorian Grilley, Parks & Trails Council, [dgrilley@parksandtrails.org](mailto:dgrilley@parksandtrails.org)  
Note-taker: Teresa Thews, DNR, [teresa.thews@dnr.state.mn.us](mailto:teresa.thews@dnr.state.mn.us)

### Cordelia's Presentation:

TPL has a very successful track record in promoting conservation financing through legislation. 84% of conservation finance measures promoted by TPL have passed. These measures provided \$19.6 Billion for land protection over the last 10 years.

Cordelia then talked about National Conservation Finance Trends. There have been 1300 ballot measures (mainly cities) over the last 10 years where 1000 of these referendums have passed.

Because of the decline in federal funding available, local conservation financing is growing in importance. Local funding is the foundation of any long term funding. Competition for this funding has become extremely fierce.

Nationally, there is broad support for local conservation financing from the environmental and business community. Voters are more likely to support a tax increase if it is for a specific conservation purpose. If the people know where the tax goes to, the referendum will likely pass.

Minnesota Conservation Finance Trends – Highest priority for MN voters is water conservation – especially drinking water. Voters believe protecting waters threatened by development is important and also realize the importance of water protection to MN economy – Tourism is Big.

With Federal conservation funding in the decline, MN funding sources will need to depend more on State, Regional, Local and very rarely, private funds. A local referendum is a key funding sources and have a better chance of passing than a constitutional amendment. Dakota County was successful in obtaining a referendum a few years ago and Washington Co. citizens will be voting this November on an open space referendum.

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Joe Harris – Dakota County Commissioner Presented: Referendum Passed in 2004

TPL was very instrumental in getting voter support for this referendum. A group met monthly for 2 years to prepare for passing the referendum. LCMR provided \$200,000 to study and prepare. Preparation included surveys to the voters such as how much would people pay?? This group also studied why Washington Co. had failed to pass a similar referendum a couple years earlier. They worked hard to get the county support and the community support. There were numerous workshops and many public meetings. All this work paid off.

Dakota Co. is receiving \$20MIL over a 10 Year period to acquire conservation easements or fee land acquisition. The added tax per year for a home valued at \$250,000 or more is about \$16.00. So far, 2900 acres have been secured (easement

and fee title) and another 2100 acres are in the works. The County has spent about \$11 Mil so far. 75% of these funds were from other funding sources as matching grants, etc. The County has obtain matching grant funds from the Metro Greenways, DNR Remediation Grant, Conservation Corridors Funds, Federal Farmland and Ranch land Protection Grants, LAWCON, Communities, various foundations and some private donations.

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Discussion:

Arne Stefferud, Met Council stated that one GAP in financing is Nurturing Legacy Donations – Family gifting of money or land donations

John VonDeLinde, Director, Anoka County P & R stated Best Practice where the City of St Paul water utility owned property in three counties for city's drinking water source. When they moved from surface water system to taking the water from the Mississippi River, the City decided to sell over 1000 acres. Met Council got involved to acquire these acres at a bargain price for watershed water quality protection.

Dorian Grilley, P & TC of MN stated that asking for private funding is a worthy tool for leveraging funding. He gave an example of 3 elderly ladies in Jackson Co. who donated money for conservation and this \$ was leveraged with Fed Hwy Grant to fund a bike trail. Dorian stated that going around and just asking for funding sometime works – worth a try. **ROLE OF ADVOCACY IN FINANCING**

Al Liefert, Douglas Co. stated that a good resource for fund raising help are University Alumni. The Alumni Giving programs have staff that could train people to raise money. In one case, an alumni at a local university trained 12 people to raise \$ for a bike trail. In 6 months, they raised \$150,000 which was matched with T21 and regional trail money. **ROLE OF ADVOCACY IN FINANCING**

John, St. Paul stated he worked with the Rice Creek Watershed Dist. to purchase a conservation easement in the headwaters area. The easement was for protection, preservation and restoration. They brought in matching funds from three partners.

Steve Sullivan, Dakota County pointed out that one should consider interim use for lands secured but no immediate need. One farmer wanted to continue farming for 10 years. The acquisition amount had been discounted for this continued 10 year use. Sometimes, one could work out an agreement to start managing the land in some way while the farmer continues to farm for a designated time.

Dorian Grilley, P & TC – stated that their organization works with State Park Friends Groups to keep an eye on landowners interested in selling. P & TC conducts training that includes role playing on how to work with the private landowners.

Joel Wager, DNR Trails and Waterways – stated they have used P & TC many times. For specific trail acquisitions, they involve the local community to get out and work with local groups to make the landowner contacts. It has worked well. This process is more effective in getting project support. Neighborhood meetings, good maps, trail proposal and input on trail route all create a tremendous buy in and make the locals realize the trail is not forced on them. **HAVE VOLUNTEERS MAKE INITIAL CONTACTS**

Greg Ingraham, Vice President of Hoisington Kogler Group said he was hired to develop a park and trail open space plan for western Hennepin County. This conservation plan was developed before the land use plan (usually other way around). This worked very well. **DO CONSERVATION PLAN BEFORE LAND USE PLAN**

Cordelia mentioned the importance of friends groups – they are key to citizen motivation for a project.

Joe Harris, Dakota County Commissioner emphasized that the language on the ballot is key to referendum being passed. Washington County did not mention water in their referendum. Dakota Co. was very careful wording their referendum and mentioned water protection many times. **EMPHASIS WATER**

Greg Ingraham said he has seen clients use a 10 year tax with a sunset for conservation financing – seems to be successful. The City of Woodbury has had a term referendum passing three times with cost to property owner in the \$20 to \$30 range. Montgomery Co. Maryland has also been successful extending referendums every 3 to 5 years. Indicates that these term referendums are very likely to pass again (easier to swallow).

Steve Sullivan, Dakota County asked if there was a legislative way to encourage donations. Cordelia stated that “tax credits” for donation of land value are not allowed in MN yet. Concept is like a reverse appropriation. **TAX CREDIT LEGISLATION**

Al Liefort, Douglas County said that cities and counties have raised money with Park Land Dedication \$. There would be a per lot fee on every sales transaction. The city of Bemidji, Chisago Co. and Isanti Co. have this type of conservation fee.

#### Other Topics Not Discussed

- RANKING PARCELS FOR ACQUISITION
  - PACKAGING AN OVERALL FINANCIAL STRATEGY
  - KEEPING PACE WITH DEVELOPMENT
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- What are the **3 most important factors/ideas** to emerge from this session?
    1. inholdings
    2. ranking parcels for acquisition
    3. overall financial strategy
    4. advocacy in financing
    5. keeping pace with development
    6. leveraging sales tax
    - 7.