

MEMORANDUM
Comfort Lake-Forest Lake Watershed District

To: Board of Managers

Date: December 8, 2022

From: Mike Kinney

Subject: Little Comfort Lake Project & Budget Transfer

Background/Discussion

The purpose of this agenda item is to consider a budget transfer which would accomplish two things:

1. Reflect the expenses related to the acquisition of the North Shore Trail Nature Area (Cranberry Lake Channel Property), located just north of Forest Lake's 3rd basin. Between approving the 2022 budget and acquiring this property, the District received a \$400,000 grant for the purchase. The budget transfer will be reflective of this.
2. Allocate budget dollars to perform a Phase I Environmental Site Assessment (ESA) on another potential property acquisition referred to as the Gravel Pit. This property is a potential site for a water quality improvement project that could achieve 80-100 lb/yr phosphorus reduction to Little Comfort Lake. As part of the District's due diligence in assessing this property, it should perform a Phase I ESA. The estimated cost of the ESA is \$6,400. The proposed budget transfer would allow for the District Administrator to contract with the District Engineer to perform this task.

Recommended Action

Proposed Motion: Manager _____ moves to amend the 2022 budget for account 3-012-A to \$517,000 and to transfer \$417,000 from account 000-2900 to account 3-012-A. Seconded by Manager _____.

Attached: Budget Transfer Form, Candidate Site Evaluation Form for Gravel Pit Property



Budget Transfer Form

Comfort Lake-Forest Lake Watershed District

Date: 12/15/22

Brief Description: Transfer from Reserve to Land Acquisition & Management (Gravel Pit Environmental Site Review)

Transfer FROM						
Account Code	Budget Line Item Description	Additional Activity Description (Optional)	2022 Expense Budget Amount	Transfer Amount	Balance After Transfer (estimated December balance)	Explain why funding is available
000-2900	Reserve Fund		N/A	\$417,000.00	\$903,098.39	The District keeps a healthy reserve fund balance in the event of need. The District received \$400,000 of earned revenue from CPL grant to acquire North Shore Trail Nature Area (Cranberry Lake Channel Property) earlier this year, meaning this expense was already deducted from the fund balance. The November ending fund balance does not include the December 1st levy payments. The estimated December balance indicated includes the December 1st levy payments.

Transfer TO						
Account Code	Budget Line Item Description	Additional Activity Description (Optional)	2022 Expense Budget Amount	Transfer Amount	Balance After Transfer	Explain why transfer is necessary
3-012-A	Land Acquisition & Management Ongoing Initiatives	Gravel Pit Parcel Environmental Site Assessment	\$100,000.00	\$417,000.00	\$517,000.00	

Rules

1. Multiple items may be included under Transfer FROM, but only one item can be included under Transfer TO. If transfers TO multiple items are necessary, multiple forms should be filled out
2. Record of transfers will be kept in 2022 working budget workbook

COMFORT LAKE-FOREST LAKE WATERSHED DISTRICT CANDIDATE SITE EVALUATION FORM

Date: 12/1/22

Prepared By: District staff

Site Name (Landowner Last Name): Gravel Pit (R.E. Peterson)

Location: Southwest of Little Comfort Lake in Wyoming, MN

PIN: 21.10701.10

Property Description: 29.49-acre parcel containing undeveloped upland, some wetland, and an abandoned gravel pit. This parcel is currently only accessible via the adjacent property to the north which is currently under the same ownership and contains a driveway leading from Heath Avenue to the gravel pit.

Improvements: Proposed improvements include conversion of the gravel pit into a water quality treatment infiltration basin, estimated to reduce 80-100 lb/yr phosphorus loading to Little Comfort Lake.

Property Context:

- This site is located in a priority subwatershed identified in the Comfort Lake/Little Comfort Lake Diagnostic Study
- Adjacent land use includes large lot rural residential as well as the Liberty Ponds subdivision which is located to the west of the property. The adjacent property under the same ownership (by which the gravel pit parcel can be accessed) includes a rural residential homestead and some industrial storage for the contracting company owned by the property owner.
- The gravel pit parcel is generally not fit for development due to the restrictions the site would present with respect to sewer/water utilities.

Parcel Information

PIN	SIZE
21.10701.10	30.0 acres

Evaluation Checklist

[Watershed Management Plan, 3012 Land Acquisition & Management](#)

District spending under the Land Acquisition & Management Program encompasses both spending to evaluate a potential acquisition (e.g., appraisal, resource evaluation, environmental assessment) and the costs associated with the acquisition.

Before committing funds to acquire a fee or easement interest, the Board of Managers will consider the criteria in the following checklist.

CANDIDATE SITE EVALUATION CRITERIA		
	Criteria	Comments
WMP CRITERIA, 3012, subsection 4.5.12	1. Suitability of the property for a capital project or other project identified in the Plan.	High. This site could be used for an infiltration basin resulting in water quality improvements to Little Comfort Lake.
	2. Potential for the land rights to facilitate the District's pursuit of water quality, flood management or other water resource goals identified in WMP, with respect to specific waterbodies or more generally.	High. Estimated 80-100 lb./yr. phosphorus reduction to Little Comfort Lake as a result of the proposed project.
	3. Market value of the rights to be acquired, by means of appraisal or other valuation as the Board of Managers determines appropriate.	To be discussed by the Board at the 12/15/22 meeting. The District completed an appraisal on the site, and the results are within a reasonable price range for this site.
	4. Water resource value of the acquisition	High. See items #1 and #2.
	5. Consistency of acquisition with city/township land use classification/plans and potential for collaboration on use of the property.	High. Have discussed the proposed acquisition/project with City of Wyoming staff, and have also emailed with Chisago County staff. While the farmstead parcel to the north might be suitable for residential subdivision in the future, the gravel pit parcel is less suited to development.
	6. Extent to which water resource purposes of acquisition can be achieved without District spending public funds, due to physical, regulatory, or similar constraints on property use.	Low. Without acquisition and implementation of the proposed project, water quality benefits to Little Comfort Lake would not be achieved.
	7. Ongoing property management costs.	Low/Unknown, though likely minimal. Has not been quantified, but we can estimate based on past experience with other similar District projects.
	8. Ability to dispose of District property interests if potential use for a capital or other project fails to materialize.	Low. Unlikely that the District could find a buyer due to the development restrictions on this property.
	9. Potential for facilitating District goals for the property but acquisition can be completed by another conservation entity	Low. Not a priority location for other entities. The District's proposed use of the gravel pit for a water quality project is innovative and unique. Other conservation entities would not likely be interested in such a site due to its limited presence of rare or high quality wildlife habitat.
	10. Sources of additional funding, such as state or federal grants, which can be utilized in acquisition	Limited. If the District were to utilize grant funds such as the Outdoor Heritage Fund, it would be required to provide perpetual public access to the site. Given that the only way to access the site is via a private homestead, it is unlikely that full public access could be arranged. After having discussions with the landowner, it is more likely that the District could merely secure access for its own operation and maintenance of the water quality project.
	11. Conservation ranking	High. Opportunity for significant water quality improvement project.
	12. Ability to leverage resources including financial (e.g. bargain purchase) and conservation resources (acquisition is a catalyst for other projects, or management is covered by another entity)	Purchase will be at market price, funded by District levy dollars. Property is necessary for District project (see items #1 and #2 above).

	13. Urgency, due to imminence of threat, property listing or pending offer, or resource degradation.	High. CLFLWD has a Clean Water Fund grant that can only be extended to 12/31/24. If utilizing those funds to construct the water quality improvement project, it must act quickly.
	14. Landowner readiness pertaining to sale of property interest, and expectations related to the value.	Landowner is ready to sell if a price can be agreed upon.

ATTACHMENTS

Property Aerial Map

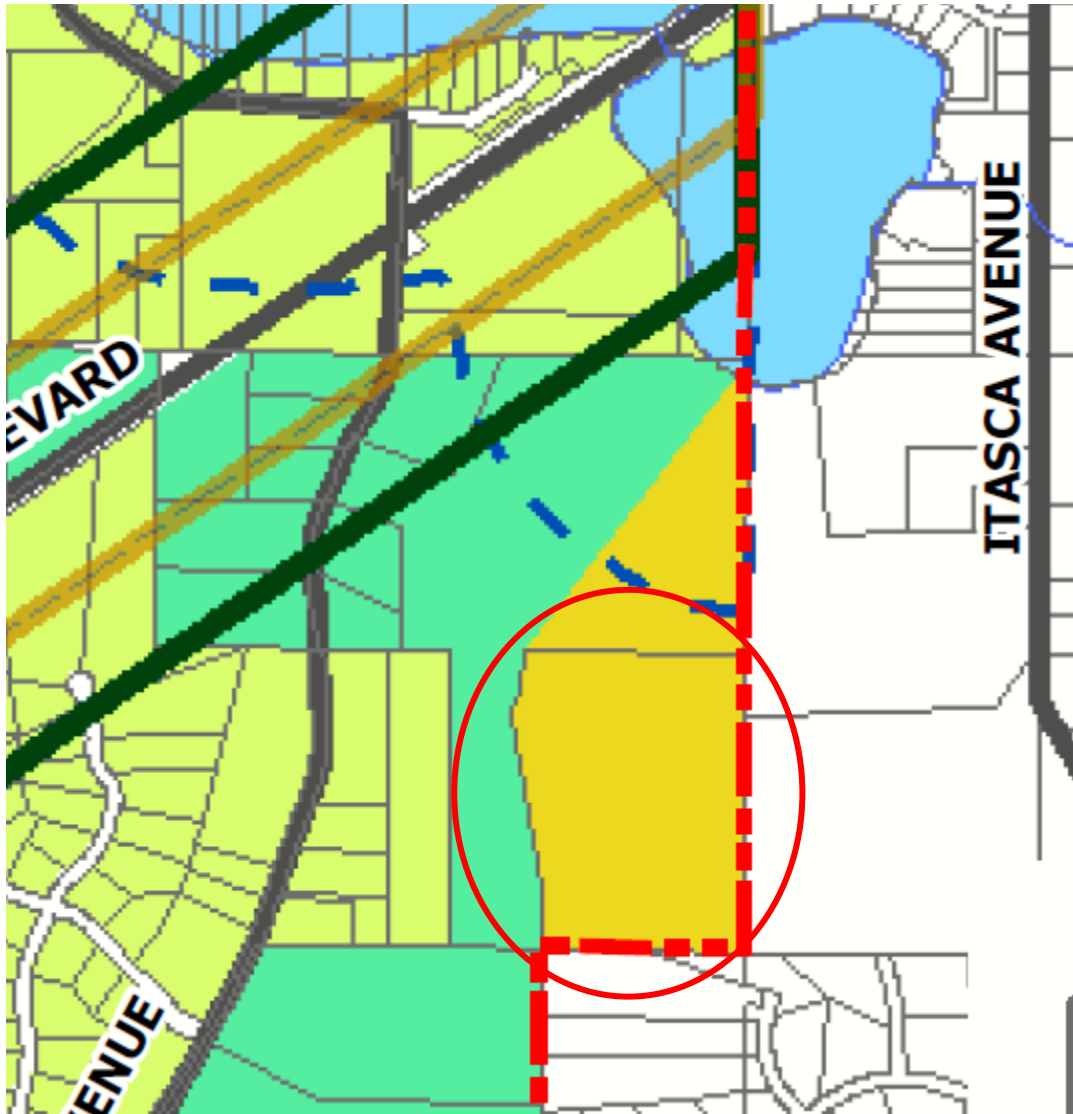


2 Items

	PIN	DotPin	Ownname	MailAddr	MailCity	MailState	MailZip	Pr
X	211070100	21.10701.00	R & C PETERSON PROPERTIES LLC	28465 EAGLE DR	CHISAGO CITY	MN	55013	24
X	211070110	21.10701.10	R.E.PETERSON INC	30315 NEAL AVE	LINDSTROM	MN	55045	

Proposed gravel pit parcel and farmstead access parcel located to the north

Tax Parcel Map (w/zoning overlay)



Zoning; here is a snippet from the zoning map; the property is currently zoned Rural Residential II (R2).