

Project Title	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
				2004	2006	2008	2004	2006	2008
Flood Hazard Mitigation Grants	1	465	GO	\$20,000	\$20,000	\$20,000	\$20,000	\$0	\$0
Dam Repair/Reconstruction/Removal	2	445	GO	1,000	2,000	2,000	1,000	0	0
RIM - Critical Habitat Match	3	355	GO	4,000	4,000	4,000	4,000	0	0
RIM - Wildlife Area Land Acquisition	4	330	GO	12,000	12,000	12,000	12,000	0	0
Fisheries Acquisition and Improvement	5	340	GO	1,082	1,000	1,000	1,050	0	0
Water Access; Acquisition, Betterment, & Fishing Piers	6	360	GO	3,500	3,500	3,500	3,500	0	0
Stream Protection & Restoration	7	325	GO	500	500	500	500	0	0
Reforestation	8	410	GO	3,000	3,000	3,000	3,000	0	0
Metro Greenways and Natural Areas	9	350	GO	1,000	1,000	1,000	1,000	0	0
Native Prairie Bank Easements & Development	10	280	GO	1,000	1,000	1,000	1,000	0	0
SNA's Acquisition & Development	11	315	GO	500	1,000	1,000	300	0	0
State Trail Acquisition & Development	12	335	GO	2,000	2,000	2,000	2,000	0	0
County Forest Land Reforestation	13	435	GO	1,000	1,000	1,000	1,000	0	0
Fish Hatchery Improvements	14	210	GO	1,750	1,800	1,800	1,750	0	0
RIM - Wildlife Management Area Development	15	330	GO	1,000	1,000	1,000	600	0	0
State Forest Land Acquisition	16	215	GO	1,300	1,300	1,300	1,000	0	0
Forest Roads and Bridges	17	310	GO	1,300	1,300	1,300	1,000	0	0
State Park Acquisition	18	255	GO	3,000	3,000	3,000	2,000	0	0
State Parks Bldg. Dev & Rehab/Infrastructure	19	380	GO	18,200	17,000	17,000	3,000	0	0
RIM - Con-Con Designated WMA Boundary Survey & Pos	20	125	GO	1,000	750	0	0	0	0
Shooting Range Development	21	120	GO	1,000	1,000	1,000	0	0	0
Lake Superior Safe Harbors	22	280	GO	3,500	3,500	3,500	2,000	0	0
Local Initiative Grants	23	141	GO	2,500	2,500	2,500	0	0	0
State Trail Connections	24	235	GO	250	250	250	0	0	0
Statewide Asset Preservation	25	340	GO	5,000	5,000	5,000	2,000	0	0
Field Office Renovation & Improvements	26	245	GO	4,000	4,000	4,000	1,000	0	0
Office Facilities Development	27	185	GO	6,854	13,000	13,000	2,300	0	0
2006/2008 Capital Improvements	GOV-1		GO	0	0	0	0	67,000	67,000

Project Total	\$101,236	\$107,400	\$106,650	\$67,000	\$67,000	\$67,000
General Obligation Bonding (GO)	\$101,236	\$107,400	\$106,650	\$67,000	\$67,000	\$67,000

<b>Funding Sources:</b>	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

### Agency Profile At A Glance

#### FY 2004-05 Budget

The total of all appropriations (direct, open and statutory) available to the DNR for the biennium is \$613.9 million.

The \$613.9 million includes \$89.6 million in direct and open appropriations for pass-through payments and grants to other state agencies or government units. The \$613.9 million also includes appropriations of \$17.9 million to fund Legislative Commission on Minnesota Resources (LCMR)-recommended environmental projects (pass through and local initiative projects) where the DNR provides contract management and oversight.

#### Agency Purpose

Minnesota Department of Natural Resources (DNR) “works with citizens to conserve and manage the state’s natural resources, to provide outdoor recreation opportunities, and provide for commercial uses of natural resources in a way that creates a sustainable quality of life.” This mission requires sharing stewardship with citizens and partners, working together to address often-competing interests.

#### Core Functions

The DNR’s responsibilities are broad. The agency works to provide opportunities for hunting and fishing, recreation and economic development as well as to preserve important features of our natural heritage. The DNR’s mission requires balancing multiple interests to meet the needs of Minnesota citizens while protecting the long-term sustainability of our natural resources.

#### Key DNR Policy Principles:

- ⇒ Protect the long-term health of the state’s natural resources
- ⇒ Provide high profile, citizen-demanded services
- ⇒ Deliver sustainable levels of products and services that support Minnesota’s natural resources-based economies
- ⇒ Guard the integrity of dedicated funds and ensure financial accountability

The following strategies guide our

- ◆ Enhance communication and working relationships with core natural resource constituents; give particular attention to hunters and anglers,
- ◆ Cooperate with other agencies, local units of government, citizens and stakeholders to effectively manage and sustain natural resources,
- ◆ Provide for sustainable economic use of our natural resources; place immediate focus on enhancing the state’s forest-based economy,
- ◆ Make resource and land use decisions at the local level,
- ◆ Integrate planning and budgeting across area, regional, and state organizational levels,
- ◆ Adapt DNR’s organizational structure to more effectively and efficiently deliver services,
- ◆ Use sound scientific principles, accurate information, and state-of-the-art technology in managing our natural resources,
- ◆ Model the sustainable use of natural resources in our work.

#### Operations

The DNR works directly with citizens, stakeholder groups, and all levels of government in setting priorities, managing diverse natural resources, and providing scientific and technical expertise. The DNR administers 12 million acres in mineral rights and 5.5 million acres of land for state forests, wildlife management areas, parks, recreation areas, scientific and natural areas, state trails, and public water access sites.

The agency is organized into four geographic regions, nine operating divisions and several support bureaus. Staff work out of 200 field offices that are located statewide within four designated regions.

**Lands and Minerals** manages agency real estate transactions and provides expertise on mineral exploration, mining, and mine land reclamation.

**Waters** monitors all phases of the hydrologic cycle, managing impacts on wetland, lake, river and groundwater phases of the hydrologic cycle.

**Forestry** ensures the sustainable yield of forest resources while balancing the need to protect wildlife habitat and provide for recreation in state forests. The division also protects citizens and property from wildfires.

**Parks and Recreation** operates a system of state parks and recreation areas that preserves and manages natural, scenic and cultural resources, and offers opportunities for recreation and education.

**Trails and Waterways** provides access to lakes, rivers and streams; designates boating routes; and maintains a statewide network of recreation trails.

**Fisheries** protects and enhances the state's fishery resources through research, determining catch limits, stocking, and habitat restoration.

**Wildlife** manages wildlife populations, regulated hunting limits, conducts land and aerial surveys, and improves habitat on public and private land.

**Ecological Services** ensures healthy, resilient ecosystems through research on native plant and animal communities and provides extensive public information.

**Enforcement** ensures compliance with the laws related to game and fish and the operation of watercraft, snowmobiles, ATVs and other recreational vehicles and provides a series of conservation education programs.

**Regional Operations** divides the state into four geographic regions (Northwest, Northeast, Central and Southern) that ensure that core department mission work is integrated within their local, geographic area.

**Operations Support** contains several bureaus that provide administrative services to all other DNR divisions, as well as direct services to the general public.

### Budget

Of the \$613.9 million in total appropriations to the DNR for FY 2004-05, 39.5% is from the general fund, 28.1% from the Game and Fish Fund, 17% from the Natural Resources Fund, 6.4% from special revenue funds, 4.5% in federal funds, and 4.5% from the Environmental Trust Fund for LCMR-recommended projects.

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**At A Glance: Agency Long-Range Strategic Goals**

- ◆ Protect the health and safety of Minnesota citizens.
- ◆ Provide for the conservation of, and citizen access to, our natural resource heritage.
- ◆ Provide for the sustainable economic use of our natural resource heritage.
- ◆ Provide for the sustainable recreational use of our natural resource heritage.
- ◆ Preserve and rehabilitate department capital assets.

The mission of the Minnesota Department of Natural Resources (DNR) 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.

DNR is the major land management state agency, administering 94% of all state-owned land administered by state agencies. This includes ownership of 12 million acres in mineral rights and 5.7 million acres of land for parks, wildlife areas, public water accesses, scientific and natural areas, state trails, and state forests. These lands provide wildlife habitat and recreational opportunities and play an important role in supporting resource industries.

The agency creates safe opportunities to utilize resources to provide economic return. It provides forest fire protection to billions of dollars worth of private and public timber, as well as private property in forested areas encompassing 45 million acres. It develops and disseminates information on recreational travel and educational materials on natural resource subjects. It provides assistance to local government organizations and individuals on natural resource matters such as forest management, wildlife habitat improvement, and trail development.

Activities regulated by the department include hunting, trapping, fishing, boating, snowmobiling, wild rice-gathering, mineral exploration, mining and reclamation, dredging, filling, and draining protected waters and wetlands; constructing and maintaining dams; appropriating and using surface and ground waters; establishing lake levels; developing shore lands, floodplains

and the shores of wild, scenic, and recreational rivers; permitting and licensing private game farms, fish hatcheries, roadside zoo operations; and open burning.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Through its strategic planning processes, the department has identified significant factors and trends that affect the demand for DNR facilities and capital programs.

- ⇒ Surveys indicate that many Americans prefer a single-family dwelling in a non-urban setting. In many parts of Minnesota there are large tracts of land at comparatively inexpensive prices that support growth in rural land development. This development results in forest fragmentation and the loss of habitat and recreational opportunity.
- ⇒ A trend is emerging to sell or lease land previously available to the general public. This trend limits access to forested lands for hunting, fishing and other recreational pursuits (e.g. Potlach has begun leasing land that was previously available to the public).
- ⇒ Budget restrictions at the federal, state, and local level are resulting in less operating dollars for ongoing repairs and have added to deferred maintenance as well as the need to ensure efficiency in operations.
- ⇒ Population is growing in urban and suburban areas and development pressures are intense. The need for maintaining open space and connecting urban populations with the natural resources is becoming critical.
- ⇒ Technology can change market demand, generate concerns about new or more intensive demand on natural resources, and create new possibilities for resource management. Examples of recent market trends that have created new and often competing demands for recreational access and facilities include personal watercraft, roller blades, mountain bikes, and off-road vehicles.
- ⇒ America's affluent society creates large demands on natural resources such as timber and minerals, despite efforts to recycle and reduce waste.

### **Provide A Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Minnesotans can be proud of their parks, water access sites, wildlife management areas, scientific and natural areas, state trails, and state-administered forests. The land the department administers for the state preserves Minnesota's natural resource heritage and is our number one capital asset. This land requires continuous management and capital investment, ranging from acquisition of private lands that lie within unit boundaries (to enhance the efficiency of operations) to reforestation, (for asset improvement) to signing and facility development (for customer access and satisfaction). Additionally, DNR is responsible for identifying unique acquisition opportunities for resource conservation and citizen access.

The DNR has on inventory 2,400 active, full-maintenance buildings ranging from vault toilets to complex office buildings housing more than 100 people. Each represents a significant part of DNR's investment in facilities and a set of facility management issues such as public access and site maintenance obligations. Of these buildings covering 2.8 million square feet, nearly one-third are 50 years old or older; or, in other words, 30% of the physical plant is beyond its design life. Only 18% of the department's buildings have been built using design specifications roughly equivalent to today's standards.

Previously appropriated funds for Asset Preservation, plus the Capital Asset Preservation and Replacement Account (CAPRA) funds from the Department of Administration, have helped the DNR make significant progress in correcting many serious facility repair problems. The department, however, has not kept pace with the rate at which facility deterioration is occurring and continues to face many serious problems.

#### **Condition, Suitability, and Functionality**

Ensuring adequate public access and protection of essential natural habitat is a challenging job for the DNR. Forest fragmentation, habitat degradation and loss, and the need for ongoing reinvestment in our natural resources require significant capital investment. Dense development in the state's major metropolitan areas cries out for careful protection of open space and significant natural resources. Unique, scientifically important, natural resources must be protected from degradation and loss. Trends in leasing

and sale of lands, once available to the public, speaks to a need for additional public land holdings where habitat is protected and the public has easy access for recreation (particularly for hunting and angling).

Both extensive and intensive use of DNR buildings and facilities infrastructure (to include forest roads and bridges) mandate continuous efforts in repair and maintenance. Larger and more powerful boats require updated public water access sites. Logging and recreational traffic on forest roads and bridges results in the need for ongoing maintenance and repairs. Park campsites and facilities must be hardened and maintained to respond to intense use.

#### **Facility Management Costs**

The cost components of facility management for the agency are as follows:

**Administrative Costs** are the costs of having competent and qualified staff to manage the inventory of buildings and related infrastructure.

**Custodial Care Costs** include costs for managing the day-to-day operation of buildings.

**Utility Costs** include energy and all other building utility services. These are relatively stable in all areas except energy. Fluctuations in energy costs are funded directly out of operating budgets.

**Capital Maintenance Cost** is reinvestment in buildings and infrastructure to support occupancy and use. Current statute – M.S. 16A.11, *Agency Budgeting*, subd. 6, requires detailed agency operating budgets to include amounts to maintain buildings and budget for long-term capital maintenance. Further, the statute requires that a minimum of 1% of building replacement cost be budgeted for maintenance. The Statewide Facilities Management Group has completed an analysis that indicates that the DNR should budget 2.8% of its building replacement values. This estimate is adjusted to account for the specific character of the DNR's building inventory.

**Occupancy Management** is all activities involved in assignment, furnishing, equipping, and modifying of space within buildings to meet the business requirements of building users (\$1.50/SF of office space).

**Capital Investment** could more correctly be viewed as capital development and seen contributing to the agency's asset base as opposed to a cost. However, the demand for capital assets is engendered by the work requirements of the agency and the need to provide tools to increase productivity. Support of that work does compete for financial resources and acts in many ways like a cost. The occasional investment in new facilities is critical to maintaining that productive base of assets that is well adapted to the agency's work.

Actual funding for these cost areas is, in some cases, below recommended levels. In other areas changes can directly impact operating and program funding.

#### **Agency Process Used to Arrive at These Capital Requests**

The 2004 Capital Budget request was developed by the Commissioner's Office using an interdisciplinary approach. Staff from all major programs developed their internal requests. Those requests were reviewed and commented on by the DNR's four Regional Management Teams. The Commissioner's Office made final decisions based on the initial program recommendations and comments received from each regional management Team.

The Bureau of Facilities and Operation Support has reviewed and approved all building costs data for these requests. The department coordinates with other state environmental agencies to develop a comprehensive capital budget addressing the most pressing environmental needs.

#### **Capital Budget Plan**

The Capital Budget Plan identifies five priority areas where capital investment can contribute to achieving the DNR's strategic plan goals:

**Priority A:** Protect the health and safety of Minnesota citizens.

Projects: Flood Hazard Mitigation Grants, Dam Repair/Reconstruction /Removal

**Priority B:** Provide for conservation of and citizen access to our natural resource Heritage.

Projects: Rim Critical Habitat Match, RIM Wildlife Area Land Acquisition, Fisheries Acquisition and Improvement, Stream Protection and Restoration, Metro Greenways and Natural Areas, Native Prairie Bank Easements and Development, SNA Acquisition and Development, State Park Acquisition.

**Priority C:** Provide for the sustainable economic use of our natural resource heritage.

Projects: Reforestation, County Forestry, State Forest Land Acquisition, Forest Roads and Bridges.

**Priority D:** Provide for the sustainable recreational use of our natural resource heritage.

Projects: State Trail Acquisition and Development, Fish Hatchery Improvements, RIM-WMA Development, Shooting Range Development, RIM-ConCon Designated WMA Boundary Survey and Posting, Lake Superior Safe Harbors, Local Initiative Grants, State Trail Connections, State Park Building Development and Rehabilitation.

**Priority E:** Preserve and Rehabilitate Department Capital Assets.

Projects: Statewide Asset Preservation, Field Office Renovation and Improvements, Office Facility Development.

#### **Major Capital Projects Authorized in 2002 and 2003**

During the past six years, funding for capital projects has been appropriated in the following categories:

Forest Roads Improvement  
State Forest Acquisition  
State Parks Betterment Initiative and Acquisition  
State Trails Acquisition and Betterment

Fisheries Acquisition and Fish Hatchery Improvement  
Scientific and Natural Areas Acquisition and Improvement  
Dam Repair and Reconstruction  
Flood Hazards/Damage  
Well Sealing  
Reinvest in Minnesota  
Local Recreation Grants  
Department Buildings  
Statewide Deferred Renewal  
Metropolitan Council Regional Parks  
Stream Protection and Restoration  
Americans with Disabilities Act (ADA) Compliance  
Water Access Acquisition, Betterment and Fishing Piers  
Metro Greenways and Natural Areas

Flood Hazard Mitigation Grants

**2004 STATE APPROPRIATION REQUEST:** \$20,000,000

**AGENCY PROJECT PRIORITY:** 1 of 27

**PROJECT LOCATION:** City of Ada, City of Breckenridge, City of East Grand Forks, City of Montevideo, City of Roseau, Wild Rice Watershed

**Project At A Glance**

- ◆ Reduces repetitive flood losses.
- ◆ Provides match funding for federal flood control projects.

**Project Description**

This request will provide \$20 million in bonding for state cost-sharing grants to local government units under the Flood Hazard Mitigation Grant Assistance Program pursuant to Minnesota Statutes section 103F.161. This program allows the Department of Natural Resources (DNR) to make cost-sharing grants of up to 50% of non-federal project costs to study and implement measures that will reduce or eliminate flood damages. These projects will reduce future flood damages and be built in cooperation with federal, state, and local governments.

Major floods in 1997, 2001, and 2002 created a significant awareness of the damage floods can cause. Minnesota's flood damages in 1997 are estimated to have exceeded \$1.5 billion. It is very cost effective to prevent flood damages instead of having to fight flood and do extensive repair and rehabilitation of communities. Minnesota's repetitive flood damage could be significantly reduced by a long-term funding commitment to Flood Hazard Mitigation projects.

Funding on federal flood control projects is approximately 65% federal and 35% non-federal. Non-federal costs are split 50:50 between the state and the local project sponsor. Appropriation language in the 1999 and subsequent legislative sessions provided additional state funding for that

portion of the local share of projects that exceeded 2% of median household income.

This request includes funding to keep the federal flood control projects on schedule over this two-year bonding cycle and provides for a floodwater storage project in the Wild Rice watershed using state and local funds.

⇒ City of Montevideo - \$1.98 million

The U.S. Army Corps of Engineers is preparing the final plans and specifications for the construction of this federal flood control project. The plan includes the construction of flood control levees by raising and strengthening portions of U.S. Highway 212 and C.S.A.H. 7 to provide protection to significant portions of the city. The total project construction cost is estimated to be \$7.3 million.

The non-federal share of the project is \$2.9 million. Under the 2% of median household income threshold, the city's share will be \$922,000 with the state's share being the remaining \$1.98 million. Construction is scheduled to begin in 2004 and be completed by December 2005. An appropriation of \$250,000 was provided in 1999.

⇒ City of Breckenridge - \$3.25 million

The U.S. Army Corps of Engineers is constructing this federal flood control project for the city. The project includes construction of a flood by-pass channel and levees. The total project is estimated to cost \$22.2 million. The non-federal share is estimated to be \$7.9 million. Under the 2% of median household income threshold, the city would be responsible for providing \$642,000 of that amount. The by-pass channel is scheduled for construction in 2004 and the levee section will be built in 2005. State appropriations were provided in 1999 and 2000, but an additional \$3.25 million is needed in 2004 to complete the project.

⇒ City of East Grand Forks - \$11.0 million

The total project costs for East Grand Forks are approximately \$142 million. The non-federal portion is \$65 million. To date, the legislature has provided \$50 million. The total state cost-share is estimated to be \$63.3 million. At the 2% of median household income threshold, the city's responsibility is \$1.7 million, which the city has provided. Significant construction occurred in 2001, 2002, and 2003. The next two



Flood Hazard Mitigation Grants

stages involve construction of levees in the northwestern part of the city and construction of the Hartsville Coulee diversion channel. An appropriation of \$11 million is needed in 2004 to continue construction.

The remaining \$3.8 million of this request would be allocated among the following projects based on project timing.

- ⇒ City of Ada  
The U.S. Army Corps of Engineers is undertaking a feasibility study for the construction of levees to protect the city. Total project cost is estimated to be \$4 to \$6 million.
- ⇒ Wild Rice Watershed (Norman County)  
This is a state and local funded project to provide additional floodwater storage in the Wild Rice River watershed. Total project cost is estimated to be \$2 to \$3 million.
- ⇒ City of Roseau  
The U.S. Army Corps of Engineers is conducting a feasibility study for the city. It is estimated that a federal flood control project would have a total cost of about \$15 million.

**Other Priority Flood Hazard Mitigation Projects**

Demand for flood hazard mitigation projects exceeds this bonding request. Additional projects include:

Oakport Township	Acquisition/levee construction
Golden Valley	Flood-proofing homes
Minneapolis	Flood-proofing homes
Little McDonald Lake	Lake outlet and flood-proofing homes
North Ottawa	Red River mediation floodwater impoundment
Granite Falls	Acquisition/flood-proofing

**Impact on Agency Operating Budgets (Facilities Notes)**

Current agency staff funded with General Fund appropriations would administer flood hazard mitigation project bonding funds.

**Previous Appropriations for this Project (\$ Millions)**

Laws of 2003, 1SS Ch. 20, Art 2, Sec. 3, Subd. 2	3.00
Laws of 2003, 1SS Ch. 20, Art 1, Sec. 5, Subd. 7	1.40
Laws of 2002, Ch. 393, Sec. 7, Subd. 20	30.00
Laws of 2001, 1SS Ch. 12, Sec. 3	2.00
Laws of 2000, Ch. 492, Art 1, Sec. 7, Subd's. 23 & 24	14.30
Laws of 1999, Ch. 240, Art 1, Sec. 4, Subd's. 2 & 3	18.97
Laws of 1998, Ch. 404, Sec. 7, Subd. 9	30.00

During the last six years the legislature has provided \$99.67 million in state funds for Flood Hazard Mitigation Grants: \$30.3 million and \$69.37 million from the General Fund and Bond Fund, respectively.

**Other Considerations**

The consequences of taking no action are that projects may be delayed several years or may not be completed at all. This means that the current level of flood damage potential in these areas would continue unabated. Delays in funding also increase project costs due to inflation.

Grant criteria are identified in M.S. 103F.161. The most critical need is to have a consistent level of funding so that the DNR and local governments can plan for and schedule flood damage reduction projects. Over time, flood damage mitigation projects will significantly reduce damages to homes and businesses and provide environmental benefits. As the large federal flood control projects are completed, the need for future state bonding will decrease.

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Flood Hazard Mitigation Grants

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$20 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	236,231	103,829	51,000	51,000	442,060
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>236,231</b>	<b>103,829</b>	<b>51,000</b>	<b>51,000</b>	<b>442,060</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	69,373	20,000	20,000	20,000	129,373
General Fund Projects	30,300	0	0	0	30,300
<b>State Funds Subtotal</b>	<b>99,673</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>159,673</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	103,808	78,168	30,000	30,000	241,976
Local Government Funds	32,750	5,661	1,000	1,000	40,411
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>236,231</b>	<b>103,829</b>	<b>51,000</b>	<b>51,000</b>	<b>442,060</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Flood Hazard Mitigation Grants

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	75
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	465

Dam Repair/Reconstruction/Removal

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 27

**PROJECT LOCATION:** Heiberg, Jackson, Kenyon, Little Stone Lake, Ogechie Lake, Owatonna, and Statewide

Project At A Glance
<ul style="list-style-type: none"> <li>◆ Respond to emergencies at public dams.</li> <li>◆ Remove or modify river dams.</li> <li>◆ Repair or reconstruct lake outlet dams.</li> </ul>

**Project Description**

This request for \$1 million in state funds would provide for dam safety emergencies and priority repair, reconstruction, and removal projects.

Minnesota’s public dams infrastructure includes over 800 dams owned by the state, cities, counties, and watershed districts. Most of these public dams are over 50 years old and require ongoing repair to maintain their structural integrity and prevent public safety hazards. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure is causing property damage. To ensure ongoing response capability, a portion of dam project appropriations is retained for emergencies until the end of the two-year bonding cycle. Any emergency funds remaining at the end of the two-year bonding cycle are used on the next highest priority project.

Minnesota Statutes 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and section 103G.515, subd. 5, allows the state to pay the entire cost of removing certain dams. Funding would be used to address emergencies and implement the highest priority projects on the current statewide dam project priority list prepared pursuant to section 103G.511, subd. 12. Project priorities are subject to change based on results of dam safety inspections, readiness of local project sponsors, and

other factors. The top 10 projects on the statewide priority list as of 6-1-03 are shown in the following table. The requested \$1 million would fund about half of these projects.

Project	Owner	County	Project Type	Primary Needs
Kenyon	City	Goodhue	Remove	prevent collapse
Owatonna	City	Steele	Remove/modify	safety/restore fish passage
Ogechie Lake	DNR	Mille Lacs	Modify	safety/restore fish passage
Heiberg	WRWD	Norman	Remove/modify	restore fish passage
Little Stone Lake	County	St. Louis	Repair	safety
Jackson	City	Jackson	Modify/remove	safety/restore fish passage
Albert Lea Lake	County	Freeborn	Reconstruct	maintain lake levels
Nine WPA Dams	Various	Various	Feasibility Reports	rehabilitation
Esquagama Lake	DNR	St. Louis	Repair	maintain lake levels
Mountain Lake	DNR	Cottonwood	Reconstruct	required for bridge replacement

**Impact on Agency Operating Budgets (Facilities Notes)**

Current agency staff would administer dam safety bonding funds.

**Previous Appropriations for this Project**

Since 1998 the legislature has approved \$4.2 million in state funds: \$2.65 million and \$1.55 million from the Bond Fund and general fund, respectively.

**Other Considerations**

This request is part of an ongoing program to manage Minnesota’s public dams infrastructure and protect lakes and rivers. Dams maintain water levels on most of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example, Mille Lacs, Minnetonka, and Ottertail

## Dam Repair/Reconstruction/Removal

Lakes all depend on dams to maintain water levels and surrounding property values. Making needed repairs limits the potential liability of Department of Natural Resources (DNR) and the local governments that own dams; protects the public safety; and saves money over the long run. This program also includes the removal or modification of obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment.

Consistent, long-term funding of about \$2 million per biennium is necessary to adequately maintain public dams and to remove dams that are obsolete or become safety hazards. DNR Water's general operating budget does not include funding for dam safety projects.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	145	25	100	100	370
4. Project Management	0	0	0	0	0
5. Construction Costs	5,223	1,925	2,400	2,400	11,948
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>5,368</b>	<b>1,950</b>	<b>2,500</b>	<b>2,500</b>	<b>12,318</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,654	1,000	2,000	2,000	7,654
General Fund Projects	1,546	0	0	0	1,546
<b>State Funds Subtotal</b>	<b>4,200</b>	<b>1,000</b>	<b>2,000</b>	<b>2,000</b>	<b>9,200</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	391	700	250	250	1,591
Local Government Funds	777	250	250	250	1,527
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>5,368</b>	<b>1,950</b>	<b>2,500</b>	<b>2,500</b>	<b>12,318</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Dam Repair/Reconstruction/Removal

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	445



## RIM - Critical Habitat Match

**2004 STATE APPROPRIATION REQUEST:** \$4,000,000

**AGENCY PROJECT PRIORITY:** 3 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Matches \$4 million in private donations
- ◆ Acquires 4,000 acres of critical fish, wildlife, and native plant habitat

#### Project Description

This request is for \$4 million in state funds to match an equal amount of private donations. This program provides an opportunity for private individuals, groups, and businesses to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. Contributions of land, easements, or cash to the program are matched dollar-for-dollar with state funds. Cash donations and state matching dollars are used to purchase or enhance critical parcels of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, or state forests.

In addition to acquisition, critical habitat is improved to protect and restore fish and wildlife populations and native plant communities. The most common projects are planting critical winter cover, securing nesting cover, restoring wetlands, and improving forest habitat. Fisheries habitat may be protected or improved by acquiring riparian lands, stabilizing lake or stream shores, restoring aquatic vegetation, improving fish habitat in streams, reclaiming watersheds, and other fisheries management activities. Work is also undertaken to improve habitat for nongame species. The private match for the nongame projects comes from the contributions to the nongame wildlife management account.

The value of cash and land parcel donations to the Critical Habitat Match (CHM) Program have averaged \$1.5 million per year over the past five years. Additional CHM funds would allow the Department of Natural Resources (DNR) to more aggressively solicit donations to increase the level of annual donations to match an additional \$1 million in the next two years. Without adequate state matching dollars available to match an increase in donations or larger gifts, some potential donations could be lost. Currently, approved or completed donations exceed available state matching dollars by \$1.74 million.

Currently, \$2 million in annual proceeds generated by the CHM License Plate Program (M.S. 168.1296, Subd. 5) are credited to the Reinvest in Minnesota (RIM) Matching account (M.S. 84.943) and are used as *state matching funds* under the RIM Match Program. If the CHM Plate contributions were made consistent with other voluntary contribution programs, such as the Nongame Program check-off on the state tax forms, an additional \$2 million per year in RIM Matching dollars would be needed. A legislative change would be required in the 2004 session. Combined with the anticipated \$1.5 million/year in other private donations, a minimum of \$3.5 million/year (\$7 million/biennium) in RIM Match funds would be required to match these eligible donations.

#### Impact on Agency Operating Budgets (Facilities Notes)

Acquisition of lands under this program will increase agency costs in two areas: 1) Payment in-lieu-of-taxes that the state provides to counties to offset the loss of property taxes due to state ownership; and 2) development costs such as posting, parking lots, and habitat rehabilitation associated with the purchase of a new property. Acquisition of priority parcels in existing units will, however, enhance management and public use in projects where the state already has an investment in lands.

#### Previous Appropriations for this Project

Since 1998 the legislature has appropriated \$7.05 million in state funds for RIM – Critical Habitat Match: \$5.50 million from the general fund (Capital Projects); \$1.15 million from the Bond Fund, and \$400,000 from the Environment and Natural Resources Trust Fund.

## RIM - Critical Habitat Match

**Other Considerations**

The CHM Program is one of the most innovative and successful programs in the country for enhancing environmental quality; improving fish, wildlife, and native plant habitats; and ensuring quality recreational opportunities. The program has been highly successful in leveraging non-state funds. Over 426 different donors, including 212 conservation groups, 16 corporations, and 193 individuals, have contributed \$6.8 million in cash and \$21.5 million in land to the state through the CHM Program. Major donors include: The Nature Conservancy, Ducks Unlimited, Pheasants Forever, and the Minnesota Deer Hunters Association.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$4 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	12,426	8,210	8,210	8,210	37,056
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	1,381	912	912	912	4,117
5. Construction Costs	2,437	1,610	1,610	1,610	7,267
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>16,244</b>	<b>10,732</b>	<b>10,732</b>	<b>10,732</b>	<b>48,440</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,150	4,000	4,000	4,000	13,150
General Fund Projects	5,500	0	0	0	5,500
Env & Natural Resoures	400	0	0	0	400
<b>State Funds Subtotal</b>	<b>7,050</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>19,050</b>
Agency Operating Budget Funds	7,194	5,100	5,100	5,100	22,494
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	2,000	1,632	1,632	1,632	6,896
Other	0	0	0	0	0
<b>TOTAL</b>	<b>16,244</b>	<b>10,732</b>	<b>10,732</b>	<b>10,732</b>	<b>48,440</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	75	319	94	488
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	75	319	94	488
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>75</b>	<b>319</b>	<b>94</b>	<b>488</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

RIM - Critical Habitat Match

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	355

## RIM - Wildlife Area Land Acquisition

**2004 STATE APPROPRIATION REQUEST:** \$12,000,000

**AGENCY PROJECT PRIORITY:** 4 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Purchase 11,400 acres of Wildlife Management Area (WMA) lands in FY 2004-05
- ◆ Partner with private conservation organizations and other state and federal programs to acquire an additional 11,400 acres in FY 2004-05

#### Project Description

This request is for \$12 million in state funds to accelerate acquisition of WMAs. Minnesota has one of the finest systems of publicly owned WMAs in the country (1,355 units, 878,000 acquired acres in 86 of 87 counties). These areas permit Minnesota citizens and nonresidents to enjoy wildlife and share our natural heritage. In addition to protecting wildlife habitat, the WMA acquisition program is important in conserving surface water; preserving unique vegetation, natural beauty and open space; and providing areas for outdoor recreation compatible with wildlife management.

Minnesota's Wildlife system plays a major role in providing opportunities for hunting and wildlife-watching activities, a \$1 billion industry in the state. Fifteen percent of Minnesotans hunt and 52% of Minnesota residents watch wildlife. Additional WMA lands will play a key role in providing additional access to quality wildlife lands to meet future recreational needs for public hunting and wildlife-related recreation.

Based on an analysis of current and future needs for wildlife habitat, wildlife population management, and hunter access, a citizen's advisory committee recommended an accelerated goal of acquiring 210,500 acres of new WMA lands within the next 10 years ("Report on the Wildlife Management Area Land Acquisition Program – December 2002"). The estimated cost of

accomplishing this goal is \$22 million per year (\$44 million/biennium). Funding sources such as Reinvest in Minnesota (RIM) Match, the Environmental Trust Fund, or the \$6.50 surcharge on the small game hunting licenses are anticipated to generate approximately \$6 million/biennium for WMA acquisition. Additional existing and potential federal and private funding sources could provide an estimated \$6 million/biennium for direct and indirect acquisition of WMA lands. A funding level of \$32 million per biennium plus the estimated \$12 million/biennium in other funding sources would provide the \$44 million/biennium needed to obtain the accelerated acquisition goal recommended by the committee. The request for the FY 2004-05 biennium is for slightly less than half this amount due to the time necessary to develop an accelerated acquisition program and handle the increased workload.

Accelerated state acquisition dollars will be needed to help fund major collaborative acquisition efforts with private nonprofit organizations and other state and federal agencies. Existing partnerships such as the Legislative Commission on Minnesota Resources (LCMR) Outstate and Metro Habitat Corridor Projects and a potential acquisition project with The Nature Conservancy and Camp Ripley entitled the "Central Minnesota Prairies to Pines Partnership" can play a key role in meeting the long range WMA acquisition goal.

The above acquisition goal cannot be met without new appropriations for this purpose. Existing funds from the wildlife acquisition surcharge provides about \$915,000 annually for acquisition. Critical habitat match has helped, but acquisition is often restricted by donation contingencies. Presently, there are currently willing sellers for over \$14.5 million of priority WMA lands with more to be identified over the next few months. If these lands are not acquired now, the state may not have an opportunity to purchase them for many decades and some of the areas may be destroyed if they are not protected. Completing acquisition of parcels within existing WMA project areas would increase management efficiency, reduce development costs, compliment previous land and development investments, enhance public use and improve existing wildlife habitats.

## RIM - Wildlife Area Land Acquisition

**Impact on Agency Operating Budgets (Facilities Notes)**

Lands acquired as part of the WMA system present a future commitment for maintenance, development, and management costs. In the short-term, initial infrastructure costs (boundary survey, posting, parking lot and user facilities, building removal, well sealing, road approaches, etc.) are estimated to be \$13,000 to \$15,000 per parcel. Payments in-lieu of taxes (PILT) would increase approximately \$81,000 per year if \$12 million in new lands were acquired.

In the mid-term and long-term there is also a continuing commitment to the Section of Wildlife for development and maintenance on new WMA lands. Habitat restoration costs may include grassland development, forest or woody cover development or improvement, brushland management, and food plot development. These costs can be paid by other bonding requests, Game and Fish funds, Environmental Trust Funds, or funds from private partner organizations.

**Previous Appropriations for this Project**

The 1998 session provided \$1.5 million from the general fund (Capital Projects) and the 2002 session provided \$400,000 from the Bond Fund.

**Other Considerations**

Since 1998, the DNR has submitted funding requests to the LCMR for WMA land acquisition totaling \$13 million. None of these proposals have been funded.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$12 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	1,710	10,800	10,800	10,800	34,110
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	190	1,200	1,200	1,200	3,790
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>1,900</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>37,900</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	400	12,000	12,000	12,000	36,400
General Fund Projects	1,500	0	0	0	1,500
<b>State Funds Subtotal</b>	<b>1,900</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>37,900</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,900</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>37,900</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	300	1,062	162	1,524
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	300	1,062	162	1,524
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>300</b>	<b>1,062</b>	<b>162</b>	<b>1,524</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	12,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

RIM - Wildlife Area Land Acquisition

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	25
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	330



**2004 STATE APPROPRIATION REQUEST:** \$1,082,000

**AGENCY PROJECT PRIORITY:** 5 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Acquire various aquatic management area parcels throughout the state through easements or fee title.
- ◆ Implement habitat improvement, rehabilitation, and development projects that meet at least minimum improvement requirements.

#### Project Description

This request is for \$1.082 million in state funds for acquisition of aquatic management areas, expansion of existing parcels, and for implementing habitat improvement and development.

Up to \$1 million will be used to acquire aquatic management areas on lakes and streams. We will also implement lake/stream protection and management efforts including aquatic plant restoration, bank stabilization, and aeration. The funds may be used to assist local governments and individuals with projects that provide protection or access to aquatic systems.

The department's strategic plan, *Directions for Natural Resources 2000*, outlines the major goals and strategies for achieving the Department of Natural Resource's (DNR's) vision and provides the framework for guiding budget investment decisions. Acquisition and habitat improvements are a direct step to implementing two DNR goals: 1) "Aquatic systems will have a high degree of ecological health and integrity," and 2) "Outdoor enthusiasts will have access to Minnesota's natural resources for a variety of recreation opportunities."

#### Impact on Agency Operating Budgets (Facilities Notes)

The funds for this project will provide for the purchase of easement or fee title interest in properties where willing sellers are identified and for management and angler access and protection of aquatic habitats. The funds will also be used to support habitat improvements that may be done in cooperation with local watershed efforts. Without these funds, the DNR's ability to protect critical fish habitat and provide recreational access to Minnesota's aquatic systems is hampered. There will be no or minimal impact on administrative or staffing budgets. Any increased costs that do arise will be absorbed within the existing budget.

#### Previous Appropriations for this Project

Land acquisition costs of \$500,000 were funded in 1998 from the general fund (Capital Projects). In 2001, land acquisition costs of \$2 million and habitat improvement and restoration costs of \$250,000 were funded from the Environment and Natural Resources Trust Fund. This source of funds also provided \$984,000 in 2003 for land acquisition costs.

#### Other Considerations

Fishing is the foundation of Minnesota's tourism industry, providing \$1.3 - 2.8 billion annually in direct expenditures to the state's economy. Minnesota has about 1.6 million licensed anglers. The demand for property near or on the water is growing, and many areas are experiencing an increase in riparian area development. Acquisition of parcels will ensure that public access to water resources will be possible, that critical habitats can be protected, and that habitat improvement projects can take place so that Minnesota maintains its reputation for excellent fishing opportunities.

Today's economy presents an opportunity to acquire parcels that previously have not been available. Staff indicates that many agricultural producers are looking to sell small parcels to raise money during this time when profits from farm products are low. In addition, the demand for shore land is causing increases in prices. Many individuals who have not considered selling parcels in the past are now showing interest. The Section of Fisheries has identified some of these as having high resource value.

## Fisheries Acquisition and Improvement

The Section of Fisheries depends on outside funds for doing large-scale habitat improvements, and for acquisition opportunities that can't be funded with operational funds. These funds will be used to work in those corridors of the state and on projects that are not currently identified in either the Heritage or Legislative Commission on Minnesota Resources (LCMR) appropriations.

Acquisition and habitat improvement projects are based on the professional judgment of field managers. Projects must meet a variety of criteria to be eligible as defined in work program narratives. The Section of Fisheries develops statewide-prioritized lists of parcels and project areas that are valuable resource sites. Staff then takes advantage of those opportunities that arise as willing sellers are identified or specific habitat improvement needs are addressed.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1.050 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	3,634	850	850	850	6,184
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	100	150	150	150	550
5. Construction Costs	0	82	0	0	82
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>3,734</b>	<b>1,082</b>	<b>1,000</b>	<b>1,000</b>	<b>6,816</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	1,082	1,000	1,000	3,082
General Fund Projects	500	0	0	0	500
Env & Natural Resoures	3,234	0	0	0	3,234
<b>State Funds Subtotal</b>	<b>3,734</b>	<b>1,082</b>	<b>1,000</b>	<b>1,000</b>	<b>6,816</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>3,734</b>	<b>1,082</b>	<b>1,000</b>	<b>1,000</b>	<b>6,816</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	1,082	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Fisheries Acquisition and Improvement

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	340

## Water Access; Acquisition, Betterment, &amp; Fishing Piers

**2004 STATE APPROPRIATION REQUEST:** \$3,500,000

**AGENCY PROJECT PRIORITY:** 6 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ \$2 million for acquisition and development of new boat access sites
- ◆ \$1 million for rehabilitation of existing boat access sites
- ◆ \$500,000 for construction of new fishing piers and shorefishing sites

#### Project Description

This request is for \$3.5 million in state funds to provide the public with new and improved boat access fishing piers and shorefishing sites throughout the state. This proposal will allow for acquisition and construction of about eight-10 new boat access sites, rehabilitation of about 10 sites and construction of 20-25 fishing piers and shorefishing sites.

The current statewide system includes more than 1,550 boat access sites and over 275 fishing piers and shorefishing sites. This request has become more urgent since the program received no capital funds in either FY 2000 or FY 2002. The cost of lakeshore is rapidly escalating and the competing demand for lakeshore by the public continues to increase. Also, with the continuing technological improvement in boating and fishing equipment, the demand for quality, easy-to-use facilities is becoming essential to the recreational boating experience that the Minnesota angler and boater expect.

Minnesota is known for its lakes! We currently are fourth in the nation with 835,000 licensed boats and rank first per capita in boat ownership, with one boat for every six people. The number of boat licenses is increasing about 1% per year.

A typical Department of Natural Resources (DNR) boat access site is one to seven acres in size and contains an entrance road, a boat-launching ramp, a parking lot, and informational signing. At high-use sites, portable toilets, safety lighting, docks, landscaping, and shoreline improvements are provided.

A typical shore fishing site contains a parking lot, accessible paths to the water, and either a fishing pier or shoreline improvement, which provide a place to stand or sit while fishing.

The DNR's Water Recreation Program has a statewide list of boat access acquisition and development projects totaling over \$10 million and a backlog of fishing pier requests of over 50. Nearly all fishing pier and shore fishing projects, and some boat access projects, are developed and maintained in cooperation with local governments.

There are still many lakes that have no public access or have very few boat accesses for the size of the lake. This means the public cannot access public waters, which they already own as citizens of the state. Guiding our decisions on priorities is the water access policy, which contains criteria based on lake size, lake type, and water clarity. Other considerations are proximity to population centers, local demand, and statewide significance.

In a major boating study in the metro area by DNR in 1996, findings indicated that boat accesses were routinely full on weekends. The demand is significant enough to warrant both new sites and access expansion. In similar studies done later in the Brainerd area and around Willmar (central lakes), boat accesses were identified as becoming more of an asset to lakeside homeowners and resorts, accounting for nearly 40% of access use (somewhat less in the central lakes area). Boat accesses are becoming a necessity for all boaters, especially since boat and motor size has increased (average 18 foot length and 95 horsepower) and rendered many resort and private accesses inadequate.

Part of this project is to protect the state's current investment in boat access facilities. We recognize the need to rehabilitate existing facilities, not only to ensure a quality experience for the user, but also to bring facilities in line with current mandates and laws such as handicapped accessibility and storm water management. Projects initiated now will eliminate more costly repairs

## Water Access; Acquisition, Betterment, &amp; Fishing Piers

in the future. Technology changes also are driving the need for rehabilitation. Larger boats and trailers require better-designed launch ramps, turnarounds, and more parking to ease congestion and prevent conflicts. Recent boating surveys document these needs.

About 10% of the projects will have non-state participation that includes direct financial contributions, land donations, and in-kind services such as maintenance and operation of the facilities.

**Impact on Agency Operating Budgets (Facilities Notes)**

Maintenance funds are provided for access sites statewide through the Water Recreation Account. Part of this request is not expected to increase maintenance costs because the sites are currently being maintained. Rehabilitation will actually reduce maintenance costs once facilities are upgraded.

To reduce operating costs, the DNR emphasizes cooperative projects. Sites are developed with state capital funds and local units of government operate and maintain the sites (especially for fishing piers and shore fishing sites).

**Previous Appropriations for this Project**

During the past six years, the legislature has provided over \$12.2 million for the water access and fishing piers program: \$4.0 million from the Bond Fund; \$3.9 million from the Environment and Natural Resources Trust Fund, \$2.3 from the Future Resources Fund, and \$2.0 million from the general fund.

**Other Considerations****Federal Funding**

This program earns approximately \$2.2 million in federal funds per year under the federal Wallop-Breaux Act. The federal Sport Fish Restoration Program requires that Minnesota spend 15% of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75%. This means Minnesota must spend over \$2.1 million of state funds on boat access annually to earn over \$1.6 million in federal funds. At the federal level, these funds are administered by U.S. Fish and

Wildlife Service. The Boating Safety Program, managed by the U.S. Coast Guard, provides another \$600,000 per year on a 50/50 matching basis using state capital funds.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$3.5 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	7,500	900	900	900	10,200
2. Predesign Fees	0	0	0	0	0
3. Design Fees	350	100	100	100	650
4. Project Management	300	100	100	100	600
5. Construction Costs	4,070	2,400	2,400	2,400	11,270
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>12,220</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>22,720</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	4,000	3,500	3,500	3,500	14,500
General Fund Projects	2,000	0	0	0	2,000
Env & Natural Resoures	3,910	0	0	0	3,910
Minnesota Resources	2,310	0	0	0	2,310
<b>State Funds Subtotal</b>	<b>12,220</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>22,720</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>12,220</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>22,720</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	3,500	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	360



## Stream Protection &amp; Restoration

**2004 STATE APPROPRIATION REQUEST:** \$500,000

**AGENCY PROJECT PRIORITY:** 7 of 27

**PROJECT LOCATION:** Goodhue County (Hay Creek and Trout Brook), St. Louis County (Dark River), Statewide (Design)

#### Project At A Glance

- ◆ Restore two degraded trout stream segments.
- ◆ Conduct channel design work to ensure successful restoration.

#### Project Description

This request is for \$500,000 from the state bond fund for Stream Protection and Restoration.

Rivers are among the most greatly impacted ecosystems in Minnesota. Degraded rivers provide degraded property values; water quality, biological condition (e.g., loss of species), erosion and sediment movement, hydrology (amount and timing of water flow) and aquatic habitat are all affected. Restoration of rivers will improve property values, fish and wildlife habitat, water quality, and water availability, while reducing erosion and downstream flooding.

#### Stream Restoration – Design: (\$65,000)

This request for stream restoration design is necessary to ensure that restoration work follows natural channel design principles and is implemented with knowledgeable staff oversight. Restoration refers to returning the river to a condition where its dimensions, pattern and profile are matched with the water and sediment provided by its watershed so that the design channel neither accumulates nor removes sediment from its bed. The best blueprints for these design concepts are available through close (quantified) observations of the natural, stable channel form. This work requires specific knowledge and application of watershed hydrology, river

morphology, sediment size, and channel behavior. When the design plans are completed, digging the channel to specifications requires attention to its location and pattern on the land, bed and bank elevations, channel width and shape (i.e., riffles are shaped differently than pools) and sloping the banks and floodplain at the proper grades. Successful restoration also requires constructing riffles for bed stability, installing tree revetments for bank stability, landscaping (including installation of willow stakes), laying wood fiber mats and replanting the construction area with seeds.

#### Stream Restoration - Implementation: (\$435,000)

This request for stream restoration implementation places priority on the group of stream projects, listed below. Project costs include those associated with engineering services: conducting surveys for development of topography maps; developing design plans and specifications; producing bid and specifications packages; and final construction.

#### Hay Creek and Trout Brook, Goodhue County: (\$210,000)

Trout Brook is a small, but fishable, coldwater stream within the city limits of Red Wing, Minnesota. Although poor land management in the early 1900s caused severe degradation and extirpated the native brook trout, conditions have improved considerably, albeit slowly. The lower segment of Trout Brook was shortened considerably, from about 0.53 miles to 0.33 miles, in the 1970s when the Foot Tannery diverted the stream away from its settling basins. This diversion was permitted by the Department of Natural Resources (DNR), likely because the stream was still degraded and fishless at the time. Beaver dams have also diverted the lower segment of the stream at times. The substantial reduction in the length of this stream segment resulted in an increased stream gradient. As a result, a five-foot headcut has formed, eroding many tons of sediment while progressing to mid-way up the segment. The receiving water for this sediment is Hay Creek, which has been channelized and is also a designated trout stream. At present, this section of Trout Brook is providing little fish habitat in its degrading, unstable state. Restoring the channel gradient and dimensions would allow for natural riffle/pool maintenance. The project would restore the ecological functions of these coldwater streams with a self-sustaining brook trout population.

## Stream Protection &amp; Restoration

**Dark River, St. Louis County:** (\$225,000)

The Dark River is the premiere trout stream in the Grand Rapids Fisheries Management Area, supporting self-sustaining populations of brook and brown trout, northern brook lamprey, creek heelsplitter mussels and black sandshell mussels, which are listed on the U.S. Forest Service Sensitive Species list. Temperature and preliminary habitat modeling suggest that stream stability has been compromised in some reaches reducing quality habitat, preferred temperatures and ultimately, the abundance of the above listed species. Likely causes of the instability include: decades of beaver dams, road crossing impacts, and possibly other watershed alterations. This restoration project will ensure long-term sustainability of the channel and the species it supports.

This project is part of an ongoing cooperative effort to improve conditions in the Dark River for the above listed species. Partners in the project include the Minnesota DNR, U.S. Forest Service - Superior Nation Forest, Trout Unlimited, Potlatch Corporation, Minnesota Pollution Control Agency, Fond du Lac Reservation Department of Resource Management and U.S. Department of Agriculture (USDA) Wildlife Services. The restoration will also serve as a comparison on the stream geomorphology methodology for improving fish habitat compared to traditional habitat improvement techniques that focus on improving habitat for a single life stage of a single species without considering stream stability.

**Impact on Agency Operating Budgets (Facilities Notes)**

New restoration projects increase the workload within the stream habitat program. The level of funding in the two areas reflects that which is necessary to do all of the work, from field work to extract the channel geometry and ratios to be used in the design, to the design work itself and the work associated with bringing the design on paper to the landscape (contractor supervision and oversight) as well as costs for engineering services and construction.

**Previous Appropriations for this Project**

In 1999, Stream Protection and Restoration was funded at \$1 million with \$500,000 of the appropriation earmarked for the acquisition of easements and aquatic management areas on streams for fisheries management

purposes. In 2003, Stream Protection and Restoration was funded at \$500,000.

**Other Considerations**

Too many "river restorations" have been aimed at stabilizing the river with 'hard controls' (concrete and rip rap). Often these approaches have led to the need for additional work, as impacts were moved downstream or habitat was lost. The restoration approach being proposed has been shown to be successful in terms of physical (geomorphological) stability and providing for fish habitat and aesthetics.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$500,000 for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	90	65	65	65	285
5. Construction Costs	910	435	435	435	2,215
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>1,000</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	500	500	500	2,000
General Fund Projects	500	0	0	0	500
<b>State Funds Subtotal</b>	<b>1000</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1000</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Stream Protection & Restoration

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	325

## Reforestation

**2004 STATE APPROPRIATION REQUEST:** \$3,000,000

**AGENCY PROJECT PRIORITY:** 8 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ \$1 million for preparing 10,000 acres for reforestation to help ensure the successful establishment of trees
- ◆ \$2 million for planting and seeding 10,000 acres of state forestlands to assure optimal stocking of tree species most ecologically suitable to specific sites

#### Project Description

This request is for \$3 million in state funds to adequately address M.S. 89.002, subd. 2 that requires:

- ◆ reforestation of all harvested state forestlands;
- ◆ maintenance of all state forests in appropriate forest cover, plant stock, growth rate, and health; and
- ◆ restoration of productivity on state forestlands damaged by natural causes or that are in a poorly stocked condition.

Careful, adequate and full reforestation improves a long-term asset that increases in value over time. Forests return millions of dollars to Minnesota's economy in the form of forest products, secondary products (such as paper), recreational opportunities that support the tourism industry and ecological values that sustain our quality of life. Adequate reforestation addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense.

The goal of Division of Forestry's reforestation efforts is to ensure that 10 years after the harvest, the area is stocked with trees ecologically best suited to the site, that tree species meet the future desired conditions for the

landscape, and that trees are at least equal in height to the competition on the site.

In order to accomplish that goal, reforestation efforts consist of four components:

1. planting or seeding
2. site preparation
3. protection
4. release

Capital investments in reforestation would provide funding for the planting and site preparation components. The planting component would consist of purchasing the necessary seedlings to meet reforestation objectives and contracting or hiring labor to plant the trees. The site preparation component would involve using both mechanical and chemical means to reduce competition and prepare a suitable planting bed.

Protection and release are also critical components for meeting reforestation goals. Without these measures, initial investments in planting likely would be lost. As the acreage of young plantations increase, there is an increase in the amount of funding needed to protect the growing acreage. New plantings need protection for at least three to five years after planting. Because the protection and release components are not bond-eligible, the Division of Forestry's current general fund operating budget would have to be used for these reforestation expenses.

#### Impact on Agency Operating Budgets (Facilities Notes)

The Department of Natural Resources (DNR) Division of Forestry operating budget does not contain sufficient funds to plant and seed all sites that should be artificially regenerated, while at the same time, provide adequate protection of these areas after they are planted. Capital investment will help meet reforestation goals and statutory requirements.

#### Previous Appropriations for this Project

None.

## Reforestation

**Other Considerations**

In the Constitution of the State of Minnesota, Article XI, Section 5 one of the purposes for “public debt and works of internal improvements” is, item (f), “to promote forestation...”

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$3 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,000	3,000	3,000	9,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>9,000</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	3,000	3,000	9,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>9,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>9,000</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Reforestation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	410



Metro Greenways and Natural Areas

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 9 of 27

**PROJECT LOCATION:** Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties

**Project At A Glance**

- ◆ Permanent protection of regionally significant habitat in the metro area through acquisition of conservation easements and/or fee title from willing landowners.
- ◆ Leveraging approximately \$1.8 million of non-state funds.

**Project Description**

This request is for \$1 million in state bond funds to protect critical, high-value, ecologically significant natural areas, habitat and greenways within focus areas designated by the Metropolitan Area Wildlife Corridors Project. The Department of Natural Resources (DNR), through its Metro Greenways Program, will acquire through conservation easements and/or fee title, land parcels that provide regionally significant habitat. The program will be implemented in a manner consistent with the report of the 1997 Greenways and Natural Areas Collaborative: *Metro Greenprint – Planning for Nature in the Face of Urban Growth* and the Legislative Commission on Minnesota Resources (LCMR) 2003 Metropolitan Area Wildlife Corridors Project.

Acquisition will only be implemented when landowners are willing and local units of government or the community support the project. All land acquired by fee title will be owned and managed by a DNR unit or another government entity. DNR will also hold or co-hold the conservation easements acquired. In all cases, DNR will either hold title or a conservation easement. A natural resource management plan will be required of each project which will specify responsibility for ongoing management and stewardship. Metro Greenways will maintain project files containing these management plans and will

annually monitor the site’s management and its consistency with the management plan and any easement conditions.

Three to six projects will be funded which score highest based on criteria that address:

- ◆ location in, buffering or connecting a Regionally Significant Terrestrial and Wetland Ecological Area;
- ◆ ecological quality of the site;
- ◆ environmental and other public benefits;
- ◆ non-state cash and in-kind funds committed to the project;
- ◆ willing landowner;
- ◆ commitment of acquiring landowner;
- ◆ project timing and feasibility (including project readiness and absence of liability);
- ◆ capacity and commitment of the long-term site manager;
- ◆ imminence of threat;
- ◆ local community support;
- ◆ MAWC partner interest and support;
- ◆ potential as demonstration project (including visibility); and
- ◆ geographic distribution.

Very few of the regionally significant natural areas remain in the metro region and many of them are scattered patches that support fewer species and smaller populations as a result of habitat fragmentation. Preserving and linking these areas will assure that future generations will benefit from the ecological significance of such natural features as trout streams, fens, prairies, and the Big Woods. Saving these areas will also relieve some of the growing pressures on existing trails, parks and open spaces resulting from rapid population growth while adding further attractions to a \$3.5 billion regional tourism economy.

Working with multiple agency and non-profit partners, the Metro Greenways Program has solicited and received project nominations requesting over \$10 million in funds to protect regional and locally significant natural areas. A total of 26 projects have been completed or are underway to protect 205 acres through fee title acquisition, 820 acres through conservation easements, and restoration of another 100 acres.

## Metro Greenways and Natural Areas

This request will allow the Metro Greenways Program to continue developing a regional network of ecologically significant natural areas and inter-connected corridors in the seven-county metropolitan region. Without immediate protection, many of these natural areas will be irretrievably lost, and with it, the multiple benefits for present and future generations.

**Impact on Agency Operating Budgets (Facilities Notes)**

Approximately \$190,000 in general funds is provided annually to department for technical support and grants to assist local government units and organizations in the metropolitan area to acquire and develop natural areas and greenways. This, in addition to the LCMR Metropolitan Area Wildlife Corridors funding, is sufficient to provide basic program administration and oversight.

**Previous Appropriations for this Project**

During the past six years the legislature has approved \$9.1 million in capital funds for the Metro Greenways Program: \$3.5 million from the Bond Fund; \$3.6 million from the Environment and Natural Resources Trust Fund, and \$2.0 million from the general fund (Capital Projects).

Also, it is anticipated that the FY 2004-05 bonding request of \$1 million will leverage program participation of \$1.3 million from local units of government and \$570,000 from private sector sources.

**Other Considerations**

Deferral of this request may mean irreparable loss of high quality natural areas and may cause adverse environmental impacts.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	29,082	2,860	2,860	2,860	37,662
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>29,082</b>	<b>2,860</b>	<b>2,860</b>	<b>2,860</b>	<b>37,662</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,500	1,000	1,000	1,000	6,500
General Fund Projects	2,000	0	0	0	2,000
Env & Natural Resoures	3,549	0	0	0	3,549
<b>State Funds Subtotal</b>	<b>9,049</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>12,049</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	1,757	0	0	0	1,757
Local Government Funds	13,153	1,290	1,290	1,290	17,023
Private Funds	5,123	570	570	570	6,833
Other	0	0	0	0	0
<b>TOTAL</b>	<b>29,082</b>	<b>2,860</b>	<b>2,860</b>	<b>2,860</b>	<b>37,662</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Metro Greenways and Natural Areas

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	70
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	350

## Native Prairie Bank Easements &amp; Development

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 10 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Protects native prairie on private land through conservation easements.
- ◆ Less than 1% of Minnesota's native prairie still exists. It is home to more than 40% of the state's rare plants and animals.
- ◆ Participating landowners can conserve prairie while keeping the land "in the family." Seventy-five percent of Minnesota's native prairie is on private land.

#### Project Description

This request is for \$1 million for Prairie Bank Easement (PBE) acquisition and development funding. PBE acquisitions protect native prairie plant communities while leaving lands in private ownership. PBE protect plant and animal species on sites where landowners are reluctant to sell their land, yet are willing to see it remain as native prairie.

PBE protects significant prairie resources, which provide recreational, educational, and scientific opportunities for Minnesotans and non-residents alike. These acquisition programs have historically been funded through bonding and the Environmental Trust Fund.

Prairie Bank acquisition protects native prairies that have never been plowed and that are in danger of being lost forever unless they are protected now. Native prairie, Minnesota's most endangered community, requires innovative approaches to protection through acquisition programs such as prairie bank easements. This is especially necessary since landowners, who are often farmers, do not want to sell their prairie land. They prefer to keep it in the family and continue to use it for grazing or haying. Prairie bank easements permit this but in a limited fashion so as to protect the resource and native species.

PBE development protects and improves natural resource values. It also ensures that the ecological values of easement lands are maintained. The

development of previously acquired PBE includes restoring small old fields included in larger easements to prairie; removal of encroaching trees and exotic species; signing, posting, fencing, and gating.

#### Prairie Bank Easements: \$950,000

At the present time, 51 PBEs have been acquired, protecting 4,402 acres of prairie land. The Native Prairie Bank Program was established by the 1987 legislature to protect native prairie lands by authorizing the state to acquire perpetual conservation easements from landowners. These easements provide protection for the prairie resource while the land remains in private ownership.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than 1% remains (150,000 acres). These lands are home to more than 100 different species of rare and endangered plants and animals, more than any other natural habitat.

Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. The rich soil of most of Minnesota's productive farmland was formed under a prairie sod. Today, native prairies are important for agricultural research and provide valuable hay and pasture lands.

Seventy-five percent of the state's native prairie is privately owned. The long-range goal of the Native Prairie Bank program is to protect 75,000 acres of native prairie on private land. In the next 10 years our goal is to enroll about a third of this (20-25,000 acres). This funding request would enroll an estimated 15 prairie tracts, protecting about 1,200 acres of prairie on private land in FY 2004-05. The Native Prairie Bank Program provides many landowners with the option to keep the land in private ownership while protecting the prairie for future generations

The landowner is paid 65% of the Reinvest in Minnesota (RIM) permanent marginal agricultural land payment rate for a permanent easement (equal to 58% of the average estimated market value of cropland in the township). For an easement of limited duration, the landowner is paid 65% of the permanent prairie bank easement. Priority is given to perpetual easements. No limited duration easements have been enrolled to date. If the landowner is interested in continuing agricultural uses, such as limited haying or grazing, a set of conditions and practices is developed (often in consultation with

Native Prairie Bank Easements & Development

Natural Resources Conservation Service (NRCS), Minnesota Extension Service (MES) or Soil and Water Conservation District (SWCD)) that would allow such use yet still protect the prairie. The payment rate is adjusted to reflect the retention of these rights.

**Development: \$50,000**

This request for PBE development is necessary to ensure prairie resources found on PBE sites are retained and/or enhanced and not lost through accidental or willful human disturbance.

Development efforts are important to the long-term protection of acquired lands. Unless lands are adequately fenced, signed and posted, accidental trespass and destructive activities will take place. Without posting, landowners or others may encroach on the prairie. Fields occasionally included in acquired parcels also require restoration, which includes the collection and replanting of seed. Restoration also lessens the likelihood of problems from exotic species. Site management includes cutting back of woody encroachment by trees and brush, prescribed burning and control of exotic plants.

**Impact on Agency Operating Budgets (Facilities Notes)**

As new PBEs are acquired the annual operating budget will increase accordingly. Acquisition of PBE adjacent to existing Department of Natural Resources (DNR) lands or PBE sites often results in no increase or an actual decrease in long-term management costs since problems emanating from adjacent lands are eliminated (e.g. soil erosion, noxious weeds, and trespass). Site management includes prescribed burning and control of exotic plants, which is necessary to protect the state's investment of the native prairie found on the acquired PBE. The level of funding needed will depend upon the number of new Prairie Bank sites acquired as well as their location relative to other DNR lands.

**Previous Appropriations for this Project**

**General**

Prairie Bank	1998	\$ 400,000
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**Bonding**

Prairie Bank	2000	1,000,000
Prairie Bank	2003	1,000,000

**Trust Fund**

Prairie Bank, Corridors, Phase I	2001	300,000
Prairie Bank, Corridors, Phase II	2003	196,600
<b>TOTAL</b>		<b>\$2,896,000</b>

**Other Considerations**

Development and acquisition funds have historically been appropriated through bonding or from the Environmental Trust Fund. If additional funding is not provided for Prairie Bank, private prairie lands will be lost to continued agricultural conversion and intensive grazing. This loss of the prairie landscape and prairie-dependant species can be slowed by providing landowners who have no interest in selling their land, or who desire or need added income, an option through the prairie bank program to see them protected. Similarly, development funds are needed to ensure the states investment in PBE sites is maintained and the native prairie community is not threatened by lack of protective management activities.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	2,347	700	700	700	4,447
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	334	275	275	275	1,159
5. Construction Costs	216	25	25	25	291
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>2,897</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>5,897</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,000	1,000	1,000	1,000	5,000
General Fund Projects	400	0	0	0	400
Env & Natural Resoures	497	0	0	0	497
<b>State Funds Subtotal</b>	<b>2,897</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>5,897</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>2,897</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>5,897</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	84	196	280
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	84	196	280
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>84</b>	<b>196</b>	<b>280</b>
Change in F.T.E. Personnel	0.0	0.3	0.9	1.2

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Native Prairie Bank Easements & Development

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	280



## SNA's Acquisition &amp; Development

**2004 STATE APPROPRIATION REQUEST:** \$500,000

**AGENCY PROJECT PRIORITY:** 11 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Acquire unique land of state significance for rare species and natural communities
- ◆ Develop unique lands to ensure the natural attributes are protected and sustainable

#### Project Description

State funding of \$500,000 is requested to acquire and develop lands as Scientific and Natural Areas (SNAs) statewide.

SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, landforms, and rare and endangered species habitat. Examples are old growth forests and populations of rare plants. SNAs provide different recreational, educational, and scientific opportunities for citizens and visitors alike. These unique resources are in danger of being lost unless they are protected now.

#### SNA Acquisition: \$300,000

At present there are 138 SNAs with 184,021 acres. Of this total, 146,238 acres are in 16 ecologically significant peat lands, legislatively protected by the Wetland Conservation Act of 1991. This request follows the Long Range Plan (LRP) updated and approved by the Legislative Commission on Minnesota Resources (LCMR) in 1991. It prioritizes acquisition of natural areas and lands adjacent to existing sites. Minnesota tracks approximately 500 natural features. To preserve them, we estimate that 500 SNAs will be needed by 2085.

Protection priorities for SNAs are identified by the Minnesota County Biological Survey, historical data, immediate threats to critical parcels and first hand knowledge of a site. The process used allows the SNA Program to meet multiple protection objectives (communities and species/geological features) while protecting one site. Protection efforts also require a continual review of the existing public land base to determine the occurrence of rare species, geological features, and plant communities.

It is estimated that protection of the 12,000 acres that are currently identified as ecological priorities would cost over \$11 million. The requested level of funding will protect only a fraction of these priorities. To acquire the 57,641 acres of county and trust fund-owned peatlands would require an additional \$4.3 million.

#### Development: \$200,000

SNA development ensures that genetic and biological diversity is retained. Development also prevents the loss of important species, plant communities, and features, from accidental or willful human disturbance and from natural catastrophe.

Unless lands are adequately fenced, gated, surveyed, signed, and posted, trespass and destructive activities will take place. Without legal posting, regulations may not be enforceable. Fields included in acquired parcels require restoration actions, including removal of woody encroachment, seed collection, and subsequent replanting with seeds or nursery stock. Interpretive signage is necessary to ensure appropriate use.

This request has statewide significance because it supports the highest priority plant, animal and natural community resources throughout the state (including native prairie).

The department estimates that development of critical sites as SNAs would cost over \$3.6 million over the next six years

#### Impact on Agency Operating Budgets (Facilities Notes)

As new SNAs are acquired, the annual operating budget will increase. Acquisition of lands adjacent to existing SNA sites often results in an actual

SNA's Acquisition & Development

decrease in management costs when problems emanating from adjacent lands are eliminated (e.g. soil erosion, noxious weeds and trespass).

**Previous Appropriations for this Project**

		<u>Acquisition</u>	<u>Development</u>
M.L. 1998, Chapter 404	General	\$2,200,000	\$400,000
M.L. 2000, Chapter 492	Bonding	150,000	350,000
M.L. 2001, ISS, Chapter 2	Trust Fund	455,000	0
M.L. 2003, Chapter 20	Bonding	1,800,000	200,000
M.L. 2003, Chapter 128	Trust Fund	400,000	80,000
M.L. 2003, Chapter 128	Trust Fund	<u>264,000</u>	<u>0</u>
	Totals	\$5,269,000	\$1,030,000

**Other Considerations**

Funds have historically been appropriated though bonding or from the Environmental Trust Fund. Lack of funds for development would threaten the survival of natural communities and rare species and limit educational use. Lack of interpretive materials and facilities at SNA sites diminishes the full educational use of the area. User education is key to protecting these resources and others across the state.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$300,000 for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	4,529	235	600	600	5,964
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	740	65	100	100	1,005
5. Construction Costs	1,030	200	300	300	1,830
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>6,299</b>	<b>500</b>	<b>1,000</b>	<b>1,000</b>	<b>8,799</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	2,500	500	1,000	1,000	5,000
General Fund Projects	2,600	0	0	0	2,600
Env & Natural Resoures	1,199	0	0	0	1,199
<b>State Funds Subtotal</b>	<b>6,299</b>	<b>500</b>	<b>1,000</b>	<b>1,000</b>	<b>8,799</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>6,299</b>	<b>500</b>	<b>1,000</b>	<b>1,000</b>	<b>8,799</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	40	40	80
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	40	40	80
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>80</b>
Change in F.T.E. Personnel	0.0	0.5	0.5	1.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	500	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	315

State Trail Acquisition & Development

**2004 STATE APPROPRIATION REQUEST:** \$2,000,000

**AGENCY PROJECT PRIORITY:** 12 of 27

**PROJECT LOCATION:** Douglas Trail, Gateway Trail, Heartland Trail, Munger Trail, Paul Bunyan Trail

**Project At A Glance**

- ◆ Rehabilitate portions of five state trails
- ◆ Projects include: bridge rehabilitation, erosion control, grade stabilization, and bituminous replacement

**Project Description**

This request is for \$2 million in state bond funds to rehabilitate portions of five state trails: Heartland, Paul Bunyan, Munger, Douglas, and Gateway.

**Trail Acquisition, Development & Rehabilitation**

**Heartland Trail (Walker)**

Rehabilitation of three trestles to include piling replacement, superstructure repair and railing replacement. Some of the pilings and cross bracing have deteriorated and need to be replaced to maintain the integrity of the bridges.

**Amount**  
\$300,000

**Paul Bunyan Trail (Bemidji)**

Last spring (2003) an unusual amount of ice damage occurred along the southeastern shore of Lake Bemidji on the Paul Bunyan Trail. Installation of heavy rip-rap is needed to protect the trail.

\$400,000

**Munger Trail (Duluth)**

Project includes sub-grade stabilization, culvert replacement, erosion control and continued work on the stabilization of

\$500,000

slump areas near Duluth. Large fill areas have posed problems during periods of high rainfall. Due to steep slopes and culvert failures in these fill areas, we are experiencing erosion problems and slumping of the grade.

**Douglas Trail (Rochester)**

Replace the most severely deteriorated portions of the trail including sub-base repair and bituminous replacement. Poor sub-base on portions of the trail have caused the break-up of the bituminous treadway.

\$400,000

**Gateway (Ramsey and Washington Counties)**

Rehabilitate, widen and resurface a portion of the Gateway Trail just east of Highway 12. The bituminous is failing due to the need for the sub-base to be upgraded and resurfaced.

\$400,000

**TOTAL \$2,000,000**

**Impact on Agency Operating Budgets (Facilities Notes)**

It is anticipated that the completion of these rehabilitation projects will help decrease maintenance cost in the future. Projects that deal with bridge rehabilitation, erosion control, and stabilization of sub-grade will protect the initial investment and guard against total failure of the trail.

**Previous Appropriations for this Project**

During the past six years the legislature has provided \$19.3 million for State Trail Acquisition and Development: \$8.2 million from the Bond Fund; \$6.9 million from the general fund; \$2.4 million from the Future Resources Fund, and \$1.8 million from the Environment and Natural Resources Trust Fund.

**Other Considerations**

These trails offer great potential for return on state funds because they have become high-quality attractions with year-round use. They have gained a reputation on a statewide basis and have support from both local governments and citizens. These rehabilitation projects will help reduce future maintenance costs and help extend the life of the facility. It should be

**State Trail Acquisition & Development**

noted that cost estimates for these projects are only preliminary and the actual costs will not be known until final bid selection and approval.

**Project Contact Person**

Tom Danger, Manager  
Trail Recreation Section  
DNR Trails and Waterways Division  
500 Lafayette Road, Box 52  
St. Paul, Minnesota 55155-4052  
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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	2,895	300	300	300	3,795
4. Project Management	0	0	0	0	0
5. Construction Costs	16,420	1,700	1,700	1,700	21,520
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>19,315</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>25,315</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	8,125	2,000	2,000	2,000	14,125
General Fund Projects	6,900	0	0	0	6,900
Env & Natural Resoures	1,850	0	0	0	1,850
Minnesota Resources	2,440	0	0	0	2,440
<b>State Funds Subtotal</b>	<b>19,315</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>25,315</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>19,315</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>25,315</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	2,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	335



## County Forest Land Reforestation

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 13 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Reforestation of approximately 3,300 acres on county-administered forest lands
- ◆ Matching grants to counties for site preparation and tree planting/seeding to help ensure the successful establishment and optimal stocking of trees.

#### Project Description

This request is for \$1 million in state bond funds to provide matching grants to forested counties of the state based on need and level of county matching funds. Funding would be required to supplement, not replace, county funding for "timber development" as described in MS 282.08, paragraph (5)(i):

*"The county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for timber development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It must be expended only on projects approved by the commissioner of natural resources."*

Careful, adequate and full reforestation improves a long-term asset that increases in value over time. Forests return millions of dollars to Minnesota's economy in the form of forest products, secondary products (such as paper), recreational opportunities that support a tourism industry, and ecological values that sustain our quality of life. Adequate reforestation addresses the

long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense.

Successful reforestation consists of four components:

1. planting or seeding
2. site preparation
3. protection
4. release

State grants in county land reforestation would provide supplemental funding for planting/seeding and site preparation. The planting/seeding component would consist of purchasing the necessary seedlings/seed to meet reforestation objectives and contracting or hiring labor to plant the trees or spread the seed. Site preparation would involve using both mechanical and chemical means to reduce competition and prepare a suitable planting/seeding bed.

County operating budgets would be used to continue reforestation efforts on county-administered lands at historic levels and for additional reforestation activities resulting from state grants, such as release and protection, which are critical components for meeting reforestation goals. Without these measures, initial investments in planting likely would be lost.

#### Impact on Agency Operating Budgets (Facilities Notes)

Funding would be pass-through to counties in the form of matching grants. As such, it would have a minimal effect on the agency operating budget, but would require staff time to administer the grants.

The Department of Natural Resources (DNR) would work with the Minnesota Association of County Land Commissions to develop a reasonable method for allocating these state grants to the counties.

#### Previous Appropriations for this Project

None.

## County Forest Land Reforestation

**Other Considerations**

In the Constitution of the State of Minnesota, Article XI, Section 5 one of the purposes for "public debt and works of internal improvements" is, item (f), "to promote forestation."

**Project Contact Person**

John Bouthilet, Accounting Director  
Forestry Financial Management  
Department of Natural Resources  
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Phone: (651) 296-4487  
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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	2,000	2,000	2,000	6,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>6,000</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>3,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,000	1,000	1,000	3,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>6,000</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	1000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
Yes	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	435

## Fish Hatchery Improvements

**2004 STATE APPROPRIATION REQUEST:** \$1,750,000

**AGENCY PROJECT PRIORITY:** 14 of 27

**PROJECT LOCATION:** French River Hatchery, Hinckley Muskie Rearing Ponds, Lanesboro Hatchery, New London Hatchery

#### Project At A Glance

- ◆ \$950,000 for the French River Hatchery to install an equipment storage building, emergency generator, and heat pump system.
- ◆ \$300,000 for the Lanesboro Hatchery to install an equipment storage building and a raceway project.
- ◆ \$200,000 for New London Hatchery water control structure repairs and dividing ponds.
- ◆ \$300,000 for repairs to the Hinckley muskie rearing ponds.

#### Project Description

This request is for \$1.75 million in state bond funds for various improvements to the Department of Natural Resource's (DNR) fish culture facilities.

The department's strategic plan, *Directions for Natural Resources 2000*, outlines the major goals and strategies for achieving the DNR's vision and provides the framework for guiding budget investment decisions. Hatchery improvements help implement two DNR goals: 1) "Minnesota's natural resources will be able to produce outdoor recreation benefits over the long term;" and 2) "Water resources will be conserved and allocated among competing uses in the best interests of the public and long-term sustainability."

#### Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget.

The Section of Fisheries spends about 17% of its operating budget on fish culture and stocking. The hatchery facilities that would be improved with this request are important components of the state's fish culture program. Approximately \$1.5 million of hatchery improvement needs still exist to bring our facilities up to date in order to run them at maximum efficiency.

#### Previous Appropriations for this Project

Hatchery repair and update costs of \$1 million were funded in 1998 from the general fund (Capital Projects), and \$145,000 in 2001 from the Future Resources Fund.

#### Other Considerations

The French River Hatchery produces about 21% of the state's hatchery production of trout and salmon (45,000 pounds of Chinook salmon, Kamloops rainbow trout, and steelhead). The storage building would be used to protect vehicles and equipment used in the production and distribution of these fish. The Lake Superior sampling equipment would also be stored in this building. A 28-year old main emergency generator would be replaced. Detroit diesel stopped manufacturing these generators six to eight years ago. Parts are becoming increasingly hard to get and are now mainly re-manufactured parts. These factors add up to higher operation at risk because fish life support systems are dependent upon generator power when the electricity goes off. Installing a large-scale heat pump system can be a more cost effective way to heat the water needed for fish culture operations.

The Lanesboro Hatchery is an important rainbow and brown trout production facility and is relied on for stocking waters statewide. The storage building would be used to protect vehicles and equipment used in the production and distribution of these fish. Habitat improvement equipment and sampling equipment would also be stored in this building. The value of this equipment exceeds \$600,000. Lanesboro Area Fisheries underwent a betterment project back in FY 1992-93, which converted three of five garage stalls into office space. The diminished garage space meant vehicles would be stored outdoors. This expensive equipment has to be left unattended and unsecured. This project will provide the additional storage space necessary to make this site more functional, efficient, and safe. In 2001, money from the Future Resources Fund was appropriated to cover and enclose the

## Fish Hatchery Improvements

broodstock and raceways one thru eight. Additional funds might be needed to complete this project.

The New London Hatchery is changing its culture emphasis. The department is converting ponds from muskie and catfish production to walleye. The need for muskie and catfish stock will be met by other facilities and through purchases from the private sector. The New London conversion would provide additional walleye fingerlings used to meet the Accelerated Walleye Program goals. The facility could also be used to produce frylings, which are an intermediate size between fry and fingerlings. To accomplish this transformation and maintain maximum production, the water control structures in three ponds and all water lines need repair. It is also necessary to split the pond closest to the hatchery. For many years, the homeowner across the street from the pond has experienced flooding in his basement when the pond is filled. The department is unable to use the pond because of this situation.

The Hinckley ponds are important muskie production facilities that are relied on for providing a large percentage of our muskie for stocking waters statewide. The water control structures in three ponds and all water lines are in need of repair.

**Project Contact Person**

Linda Erickson-Eastwood, Fisheries Program Manager  
DNR, Fisheries  
500 Lafayette Road, Box 12  
St Paul, Minnesota 55155-4012  
Phone: (651) 296-0791  
Fax: (651) 297-4916

**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1.750 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	1,145	1,750	1,800	1,800	6,495
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>1,145</b>	<b>1,750</b>	<b>1,800</b>	<b>1,800</b>	<b>6,495</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,750	1,800	1,800	5,350
General Fund Projects	1000	0	0	0	1,000
Minnesota Resources	145	0	0	0	145
<b>State Funds Subtotal</b>	<b>1,145</b>	<b>1,750</b>	<b>1,800</b>	<b>1,800</b>	<b>6,495</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,145</b>	<b>1,750</b>	<b>1,800</b>	<b>1,800</b>	<b>6,495</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,750	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Fish Hatchery Improvements

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>Total</b>	700 Maximum	210



## RIM - Wildlife Management Area Development

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 15 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Develop and improve 130 user facilities on Wildlife Management Areas (WMAs) (parking lots, observation blinds, etc.)
- ◆ Develop and improve 64 miles of access roads and trails on WMAs
- ◆ Develop and restore 2,600 acres of prairie/grasslands, 3,900 acres of open /brush lands, and 1,220 acres of wetlands on WMAs to support wildlife populations

#### Project Description

This request is for \$1 million in state funds to support one of the largest Wildlife Management Area systems in the country, with over 1,350 WMAs located in 86 of 87 Minnesota counties. Funding for development and improvement needs on these lands ensures that habitats are maintained to support wildlife populations and recreational uses related to these wildlife populations.

#### Project Rationale

There is an ongoing need to protect and manage wildlife habitat on WMAs to support wildlife populations. Existing plant communities and wildlife habitat, for which wildlife lands were purchased, need to be retained and managed. This includes restoring wetlands, planting prairie grasses, and managing brush lands. Establishing and managing natural plant communities, such as prairie/grasslands, reduces operating costs and improves efficiencies by reducing the need for annual noxious weed control.

Access to state land needs to be developed so that users can safely and reasonably enjoy these resources. Public wildlife-related outdoor experiences are enhanced and resources protected through the development of parking lots, gravel roads, water access sites and walking trails.

Annual statewide WMA development and improvement needs identified by area managers provide estimates for basic WMA needs. Dedicated funds can be used for development and improvement projects, as well as other activities, but they provide for only a portion of total habitat and facility development needs. With the increased need to protect unique wildlife lands and improve customer service, a greater need exists to properly care for and develop these lands that have been purchased or donated. Not managing these lands will lead to loss of wildlife values, unsafe access to sites, reduced hunting opportunities, and loss of support by the public.

#### Impact on Agency Operating Budgets (Facilities Notes)

The Wildlife Section's operating budgets are not adequate to meet the basic needs of wildlife management and to develop and maintain wildlife habitat on state lands. Existing funds provide for only a portion of development needs. With the current system of WMAs and additional acquisitions, funds would have to be reallocated from existing operating and project development budgets to protect WMA lands.

#### Previous Appropriations for this Project

During the past six years the legislature has provided \$3.7 million for Reinvest in Minnesota (RIM)-Wildlife Management Area Development: \$2.5 million from the general fund (Capital Projects), and \$1.2 million from the Bond Fund.

#### Project Contact Person

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#### Governor's Recommendations

The Governor recommends general obligation bonding of \$600,000 for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	821	0	0	0	821
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	2,879	1,000	1,000	1,000	5,879
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>3,700</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>6,700</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,200	1,000	1,000	1,000	4,200
General Fund Projects	2,500	0	0	0	2,500
<b>State Funds Subtotal</b>	<b>3,700</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>6,700</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>3,700</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>6,700</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

RIM - Wildlife Management Area Development

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	330

State Forest Land Acquisition

**2004 STATE APPROPRIATION REQUEST:** \$1,300,000

**AGENCY PROJECT PRIORITY:** 16 of 27

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Acquire 344 acres of private in-holdings within state forests:
  - ⇒ 200 acres in the Sand Dunes State Forest (Sherburne County)
  - ⇒ 51 acres in the Richard J. Dorer State Forests (Southeast Minnesota)
  - ⇒ 93 acres in the St. Croix State Forest (Pine County)
- ◆ Reduce development pressures in these state forests
- ◆ Provide protection to the Tamarack River Valley Management Zone
- ◆ Address trespass and access problems

**Project Description**

This request is for \$1.3 million to acquire private lands within state forest boundaries to reduce development pressure on private land that threatens management options on adjacent state lands. These parcels would also help address trespass and access problems on state lands.

Acquisitions are critical because when private in-holdings are developed within state forests, management and use of adjacent state lands are often incompatible with the desires of private landowners. Acquisitions will also provide access to state lands to ensure appropriate forest management activities, public access for recreational opportunities, and public safety, particularly wildfire suppression.

Also, more dollars will be needed to help fund major collaborative acquisition efforts with private nonprofit organizations and other state and federal agencies. A potential acquisition project with The Nature Conservancy and Camp Ripley entitled the "Central Minnesota Prairies to Pines Partnership" can play a key role in meeting the long range forest acquisition goal.

The Division of Forestry administers nearly 4.4 million acres of the roughly 5.7 million acres of Department of Natural Resources (DNR) administered land. Minnesota has 14.7 million acres of commercial forestland. These lands are about equally divided between public and private ownership. Forestry manages about 20% of the commercial forestland in the state.

**Previous Appropriations for this Project**

The 1998 session approved \$800,000 from the general fund (Capital Projects) for State Forest Land Acquisition.

**Impact on Agency Operating Budgets**

The acquisition of state forestlands will increase the payment in-lieu-of-taxes made under M.S. 477A.12.

**Other Considerations**

Deferral of this project will result in the development of forest in-holdings for residential or private recreational purposes. State forests are coming under increasing pressure to stop or restrict forest management activities and restrict public recreation on state lands that are adjacent to private lands.

Forest Land Acquisition				
Reg	Property	Acres	Cost	Project Description
Cent	25-34n-27w	160	\$ 800,000	Surrounded by state lands in Sand Dunes
South	13-105n-13w	27	140,000	Provide access and protect trout stream
NE	18-41n-16w	93	110,000	Protect Tamarack River Mgt Zone
Cent	20-34n-27w	40	210,000	Surrounded by state lands in Sand Dunes
South	14-110n-11w	24	40,000	Protect integrity of flood plain forests
TOTALS		344	\$1,300,000	

State Forest Land Acquisition

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	720	1,170	1,170	1,170	4,230
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	80	130	130	130	470
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>800</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>4,700</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,300	1,300	1,300	3,900
General Fund Projects	800	0	0	0	800
<b>State Funds Subtotal</b>	<b>800</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>4,700</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>800</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>4,700</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

State Forest Land Acquisition

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	215

## Forest Roads and Bridges

**2004 STATE APPROPRIATION REQUEST:** \$1,300,000

**AGENCY PROJECT PRIORITY:** 17 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Replace and upgrade in excess of 30 water crossing structures
- ◆ Reconstruct approximately 16 miles of state forest roads
- ◆ Construct at least 15 turnouts and a blind curve to address public safety issues
- ◆ Reconstruct an intersection to eliminate the need for building a bridge
- ◆ Resurface approximately 60 miles of state forest roads

#### Project Description

This \$1.3 million request will provide for replacement and updating in excess of 30 water crossing structures, reconstruction/resurfacing of over 70 miles of existing forest roads, and address specific public safety issues to meet current and projected use and load levels.

The commissioner is directed in M.S. 89.002 to provide a system of forest roads and trails that provide access to state forest land and other forest land under the commissioner's authority. The system must permit the commissioner to manage, protect, and develop those lands and their forest resources consistent with forest resource policies, and to meet the demands for forest resources. Funding at this level will help address the backlog of identified road and water crossing needs required to maintain the state forest road system to a standard appropriate for current use.

Forestry maintains approximately 2,175 miles of roads that serve the 4.6 million acres of forestry administered lands. These roads also serve several million acres of county, federal, and private forestlands. State forest roads provide a strategic link between our forest resources and the public road

system. While state forest roads are used for resource management and hauling forest products, 95% of their use is for recreation.

The existing state forest road system is a capital asset worth more than \$75 million. Regular maintenance and resurfacing reduces the need for costly reconstruction in the future. Capital funding is needed to supplement dedicated gas tax dollars and other annual appropriations for critical rehabilitation of portions of the state forest road system, and to repair and replace out-of-date water crossing structures to bring facilities up to required use and safety standards.

#### Impact on Agency Operating Budgets (Facilities Notes)

Forestry currently receives approximately \$330,000 each year in dedicated state gas tax, dollars that are used for routine maintenance. In reality, at least \$500,000 is needed annually to address maintenance needs. This amount does not include reconstruction and major resurfacing needs. Currently, there are no general funds available for state forest road construction, reconstruction, major resurfacing or replacement of water crossing structures. Past bonding funds have provided for approximately 20% of construction, reconstruction, and water crossing structure replacement needs.

The increasing recreational use in our forests has placed increased pressure on the state forest road system. Recreational traffic is 95% of total traffic on the system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities. The anticipated increased harvest, as a result of 2001 forestry legislation, will require an adequate road network able to transport additional timber harvest.

#### Previous Appropriations for this Project

During the past six years the legislature has provided capital budget appropriations of \$3.9 million for Forest Roads and Bridges: \$1.3 million from the general fund (Capital Projects), and \$2.6 million from the Bond Fund.



Forest Roads and Bridges

**Other Considerations**

Alternatives to this request include the following:

- ⇒ Increased road closures to all-road vehicles to reduce wear and damage to forest roads and address public safety concerns. Closing roads during fall and spring seasons (or other wet soil periods) may be more common to protect the road structure. This would include hunting, boating, color tours, and other dispersed recreation.
- ⇒ Increase and extend restrictions on maximum weight.

If this request is not funded, access for forest resource management will be increasingly limited to winter only. The volume and value of timber the Department of Natural Resources (DNR) is able to sell may be reduced. Good summer access enhances the department's ability to use natural seeding techniques involving summer-logged shelterwood and all-age harvesting techniques.

Region	Project	Cost	Description
NW	Hogsback	\$ 44,000	Reconstruct two miles
NE	Ditchbank	187,500	Resurface nine miles; replace culverts
NE	Oaks Corner	7,000	Reconstruct intersection
NE	Net Lake	152,000	Resurface 13 miles
Central	Kanabec	37,500	Reconstruct and replace two large culverts
NW	Faunce	102,000	Widen corners and create turnouts
NW	Dick's Parkway	38,000	Resurface; replace culverts with cement box
NE	Wilson Lake	25,000	Replace culverts; remove blind corners
NW	Moose River West	82,000	Reconstruct seven miles
NE	St. Croix	93,500	Resurface seven miles
NW	Frontier-Farmer	25,000	Resurface six miles
NE	Irish Creek Entrance	62,500	Rework entrance; eliminate need for bridge
NW	Stott's	12,500	Reconstruct 2.5 miles

NE	East General Grade	34,500	Resurface: crush and spread 8,000 yards of gravel
NE	North Ash Lake	10,000	Construct 15 turnouts
NE	Chengwatana	11,500	Resurface one mile
NW	Beaver Dam Loop	12,500	Reconstruct two miles of road
NW	Bridge rip-rapping	28,750	Rip-rap wingwalls of seven bridges
NW	Rapid River	24,000	Resurface 8.5 miles
NW	Aichele	23,000	Resurface five miles
NW	Spider Lake	87,500	Reconstruct 1.7 miles
South	Funk's Ford Bridge	136,000	Upgrade bridge
NW	Rako Pit	18,750	Produce and stockpile gravel
NW/NE	Gates & culvert s	45,000	Purchase/make gates and culverts
TOTAL		\$1,300,000	

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	3,922	1,300	1,300	1,300	7,822
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>3,922</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>7,822</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,672	1,300	1,300	1,300	6,572
General Fund Projects	1,250	0	0	0	1,250
<b>State Funds Subtotal</b>	<b>3,922</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>7,822</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>3,922</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>7,822</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Forest Roads and Bridges

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	310

## State Park Acquisition

**2004 STATE APPROPRIATION REQUEST:** \$3,000,000

**AGENCY PROJECT PRIORITY:** 18 of 27

**PROJECT LOCATION:** Lake Superior North Shore (within state parks),  
Statewide

#### Project At A Glance

Acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries:

- ◆ \$1 million statewide acquisition.
- ◆ \$2 million for special initiative to acquire critical Lake Superior North Shore lands within state parks.

#### Project Description

This request for \$3 million in state funds is to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries. These funds would provide \$1 million for statewide acquisition and \$2 million for a special initiative to acquire critical Lake Superior North Shore lands within state parks that are facing imminent development pressure. A list of potential acquisitions is available.

The state park system continually faces management challenges caused by private in-holdings within state parks. In many cases, these private parcels separate park management areas and create physical barriers to maintaining contiguous recreation and natural areas within the park. Many of these parcels are facing residential or commercial development pressure that would be incompatible with traditional park uses.

The goal of the state park real estate program is to purchase all private lands within legislatively authorized state park and recreation area boundaries that are offered for sale by willing sellers. Approximately 15% of the state park

system's 260,000 acres is privately owned. Cost to acquire all of these private in-holdings would range from \$30 million to \$50 million.

#### Impact on Agency Operating Budgets (Facilities Notes)

In most cases, acquisition of in-holdings has a neutral impact on the state park operating budget. This is due to increased efficiency gained by managing more continuous and contiguous natural and recreational areas that are already receiving services. In some cases, new acquisitions may be considered for relocation or expansion of existing facilities such as campgrounds and picnic areas, requiring additional capital budget funding.

#### Previous Appropriations for this Project

During the past six years the legislature has provided \$8.0 million for State Park and Recreation Area Acquisition: \$2.3 million from the general fund (Capital Projects); \$3.6 million from the Environment and Natural Resource Trust Fund; \$1.5 million from the Bond Fund, and \$.6 million from the Future Resources Fund.

#### Other Considerations

Priorities for acquisition are based on the availability of willing sellers and the potential for residential or commercial development if the parcel were not acquired. Delays in purchasing parcels from willing sellers may mean that they will be developed and lost for recreational use.

#### Project Contact Person

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#### Governor's Recommendations

The Governor recommends general obligation bonding of \$2 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	7,172	2,700	2,700	2,700	15,272
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	800	300	300	300	1,700
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>7,972</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,972</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,500	3,000	3,000	3,000	10,500
General Fund Projects	2,250	0	0	0	2,250
Env & Natural Resoures	3,606	0	0	0	3,606
Minnesota Resources	616	0	0	0	616
<b>State Funds Subtotal</b>	<b>7,972</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,972</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>7,972</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>16,972</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

State Park Acquisition

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	255

**2004 STATE APPROPRIATION REQUEST:** \$18,200,000

**AGENCY PROJECT PRIORITY:** 19 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Red River State Recreation Area (East Grand Forks) – construct new visitor center.
- ◆ Grand Portage State Park (Cook County) – construct new visitor center and maintenance shop.
- ◆ State park building rehabilitation and replacement projects.
- ◆ State park infrastructure improvements.

#### Project Description

This request will provide \$18.2 million to fund building, utility, and natural resource rehabilitation and replacement projects within the state park system. This capital project request for Minnesota state parks continues the initiative begun in 2002 and is focused on rebuilding and repairing existing buildings and infrastructure to ensure a quality experience for approximately eight million visitors each year.

The Minnesota state park system was started in 1891 with the creation of Itasca State Park, and is the second oldest state park system in the United States. The state park system consists of 66 parks, six recreation areas, eight waysides, one state trail, and 54 forest campgrounds and day use areas. The system includes over 1,600 buildings, 1,255 miles of trails, 332 miles of roads, 72 bridges, 6,500 campsites, 6,500 picnic sites, 75 group camps, 40 beaches, and 135 water access sites. There are 619 buildings and structures that are on the National Register of Historic Places and many date from the days of the Civilian Conservation Corps (CCC) and Works Progress Administration (WPA) and are over 65 years old. Douglas Lodge,

probably the most well-known building in the state park system, was built in 1905, the same year as the state capitol.

The largest portion of this request (\$9 million) will be directed toward infrastructure improvements to state parks including water systems, sewage treatment systems, road and trail reconstruction, campground electrical upgrades, campground and picnic area site improvements, and natural resource restoration projects.

State park building rehabilitation and replacement projects will receive \$4.5 million in this request. This work will include rehabilitation of existing sanitation buildings, visitor centers, and contact stations to meet current codes; provide easily maintained spaces; enhance user safety; and enhance accessibility. Replacement buildings will be constructed when rehabilitation is not feasible. Historic buildings will be repaired and reconstructed to historic appearance and function, to the extent possible, in cooperation with the Minnesota Historical Society.

This request will also fund several important new buildings within the state park system. The Red River State Recreation Area in East Grand Forks was established by the legislature in 2000. Funding for a new visitor center (\$2.9 million) to serve the campground, greenway, and larger community passed the legislature in 2002, but was vetoed by the governor. This request will restore that funding. Funding is also requested for a new visitor center and maintenance shop at Grand Portage State Park (\$1.8 million). This park is an important gateway to Minnesota on Lake Superior, located on tribal land and cooperatively managed with the Grand Portage Band. The park contains the highest waterfall in Minnesota and the new visitor center will provide for telling the story of early fur trading in northeastern Minnesota and the Grand Portage Ojibwe culture.

Projects in this request are located throughout the state within the state park system. A detailed list of projects is available.

#### Impact on Agency Operating Budgets (Facilities Notes)

These projects will not result in a reduction to the agency's operating budget. However, there will be efficiencies gained throughout the system allowing staff to serve the public more effectively. Lifespan of historic buildings will be

extended; reliability and safety of utility systems, roads, and bridges will be greatly strengthened; and maintenance costs for buildings affected will be reduced. Clean, well-maintained facilities will increase user satisfaction in campgrounds, picnic areas, and swimming beaches, and will promote additional park usage and revenue growth.

#### **Previous Appropriations for this Project**

During the past six years the legislature has provided \$45.8 million of capital funds for state park building development and rehabilitation, and other infrastructure improvements. The sources of funds for these appropriations include: \$36.9 million from the Bond Fund; \$6.6 million from the general fund (Capital Projects); \$.4 million from the LAWCON Fund (Natural Resources Fund); \$744,000 from the Future Resources Fund, and \$1.2 million from the Environment and Natural Resource Trust Fund.

The 2002 session provided the largest single capital appropriation of \$28 million for the new State Park Initiative. However, \$4.5 million of this Bond Fund appropriation was vetoed by the governor.

#### **Other Considerations**

Many of these projects address building code deficiencies, bridge safety issues, and environmental deficiencies in state park facilities.

The projects included in this request have been prioritized through a process involving field staff, regional park management, and state park management, and represent the most urgent needs of the state park system. If safety and environmental deficiencies are not corrected, some facilities may be closed. The state park system will not be able to accommodate growing user demand if facilities are not rehabilitated.

#### **Project Contact Person**

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#### **Governor's Recommendations**

The Governor recommends general obligation bonding of \$3 million for this project.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	5,625	2,250	1,950	1,950	11,775
4. Project Management	375	150	150	150	825
5. Construction Costs	38,600	15,315	14,500	14,500	82,915
6. One Percent for Art	61	35	25	25	146
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	1,125	450	375	375	2,325
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>45,786</b>	<b>18,200</b>	<b>17,000</b>	<b>17,000</b>	<b>97,986</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	36,917	18,200	17,000	17,000	89,117
General Fund Projects	6,565	0	0	0	6,565
Env & Natural Resoures	1,156	0	0	0	1,156
Minnesota Resources	1,148	0	0	0	1,148
<b>State Funds Subtotal</b>	<b>45,786</b>	<b>18,200</b>	<b>17,000</b>	<b>17,000</b>	<b>97,986</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>45,786</b>	<b>18,200</b>	<b>17,000</b>	<b>17,000</b>	<b>97,986</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	18,200	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	380

## RIM - Con-Con Designated WMA Boundary Survey &amp; Pos

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 20 of 27

**PROJECT LOCATION:** Aitkin, Beltrami, Marshall, and Roseau Counties

#### Project At A Glance

- ◆ Survey and post 585 miles of Con-Con designated Wildlife Management Areas (WMA) in Beltrami, Marshall, and Roseau Counties
- ◆ Survey and post 48 miles of Con-Con designated WMAs in Aitkin County

#### Project Description

This request is for \$1 million in state funds to survey and post boundaries of the remaining designated Consolidated Conservation Lands (Con-Con) lands in four counties, Beltrami, Marshall, Roseau, and Aitkin.

A total of 243,815 acres of Con-Con lands were designated in the 2000 and 2002 legislative sessions (Laws of 2000 Chapter 485; M.S. 97A.133 – 2001; Laws of 2002 – Chapter 353) as WMAs. Forty-eight miles of boundary for these designated Con-Con lands remain to be surveyed and posted in Aitkin County and a total of 585 boundary miles need to be surveyed and posted in Beltrami, Marshall, and Roseau Counties.

WMAs are used by the public for hunting and trapping as well as for wildlife and plant observations. The accurate surveying and posting of these WMA lands fosters good relations with neighboring land owners, improves management and support for these lands, and enhances public access and use of WMAs.

#### Project Rationale

Acquired land needs to be surveyed and posted to protect land values and investments for the future. Public wildlife-related outdoor experiences are

enhanced and resources protected through the professional surveying and posting of these lands.

Not managing or protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites and reduced hunting opportunities and less support by the public.

#### Impact on Agency Operating Budgets (Facilities Notes)

The Wildlife Section's operating budgets are not adequate to survey and post the designated Con-Con WMAs. Funds would have to be reallocated from existing operating and project development budgets to protect these designated lands. Not protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites, and reduced hunting opportunities and support by the public.

#### Previous Appropriations for this Project

None.

#### Project Contact Person

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#### Governor's Recommendations

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	940	433	0	1,373
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	60	317	0	377
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,000</b>	<b>750</b>	<b>0</b>	<b>1,750</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	750	0	1,750
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,000</b>	<b>750</b>	<b>0</b>	<b>1,750</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,000</b>	<b>750</b>	<b>0</b>	<b>1,750</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

RIM - Con-Con Designated WMA Boundary Survey & Pos

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>Total</b>	700 Maximum	125

## Shooting Range Development

**2004 STATE APPROPRIATION REQUEST:** \$1,000,000

**AGENCY PROJECT PRIORITY:** 21 of 27

**PROJECT LOCATION:** Seven County Metro

#### Project At A Glance

- ◆ Acquire land and develop a new shooting range facility in the St. Paul-Minneapolis metropolitan area.

#### Project Description

State funding of \$1 million is requested to appraise, acquire and develop a publicly owned and/or operated shooting range facility in the St. Paul-Minneapolis metropolitan area.

Specific facilities built at a shooting range would include backstop berms, side berms, firing line enclosures, parking areas, access paths, and other state of the art safety features, such as lighting, gating, and baffles, if needed. Nationally accepted guidelines developed by the National Rifle Association would be used in the design and installation of all range facilities. Also, provision of personal accommodation needs, such as access paths, sidewalks and lavatory facilities would be installed that are fully compliant with the Americans With Disabilities Act (ADA).

Since 1999, through funding provided by Legislative Commission on Minnesota Resources (LCMR), the Department of Natural Resources (DNR) Division of Enforcement has provided over \$1.5 million in matching grants to over 80 local shooting range operators throughout the state, to install the aforementioned improvements or new installations. We have identified through this work that there are unmet needs for additional shooting facilities. The largest need or demand for additional ranges is in the Twin City metropolitan area.

With over half of Minnesota's population residing in the Minneapolis-St. Paul greater metropolitan area, it can be inferred that approximately half or more of the 600,000+ of the participants in annual hunting seasons also reside in the metropolitan area.

With most shooting ranges in the metropolitan area being at or near membership capacity, demand for additional shooting ranges in this area is high.

DNR Enforcement administers a statutorily mandated youth firearm safety program, required of all licensed purchasers born after 12-31-79. Additional public venues are also in demand for recreational shooting, law enforcement training, and general firearms proficiency use by the public. This facility would allow DNR to provide safe shooting opportunities for 3,000 to 4,000 annual firearm safety training class participants, and other users from the southwest metro population. At present, between the metropolitan area and Glencoe, there are no known facilities providing the public at large with an opportunity to safely test discharge their firearms prior to going out in the field to hunt. Pre-hunt preparation of firearms at a shooting range is key to a safe hunting experience.

#### Impact on Agency Operating Budgets (Facilities Notes)

Funds for partial operating costs would be available through dedicated funds currently deposited in the Game and Fish Fund. Up to \$200,000 is available to be earned annually from the U.S. Fish & Wildlife Service's Pittman-Robertson (i.e. Wildlife Restoration) Program Section 10 Fund. These funds are to be used specifically for either shooting range development or hunter education in Minnesota.

Other impacts on operating budgets have not been determined.

#### Previous Appropriations for this Project

The LCMR has provided the following amounts to provide technical assistance and matching cost-share grants to local recreational shooting and archery clubs for the purpose of developing or rehabilitating shooting and archery facilities for public use: \$1.26 million from the Future Resources Fund; and \$240,000 from the Environment and Natural Resource Trust Fund.

## Shooting Range Development

**Other Considerations**

Additional development alternatives at a shooting range might include constructing a hunter education or instruction teaching facility, developing a skills competence course for all terrain vehicles/off-highway vehicles/off-highway motorcycles (ATV/OHV/OHM) users, or partnering with law enforcement and fire fighting agencies operating in the area.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	1,500	1,000	1,000	1,000	4,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,500</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
Env & Natural Resoures	240	0	0	0	240
Minnesota Resources	1,260	0	0	0	1,260
<b>State Funds Subtotal</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,500</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,500</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,500</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009



Shooting Range Development

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>Total</b>	700 Maximum	120

## Lake Superior Safe Harbors

**2004 STATE APPROPRIATION REQUEST:** \$3,500,000

**AGENCY PROJECT PRIORITY:** 22 of 27

**PROJECT LOCATION:** Knife River Harbor and Marina, McQuade Road Harbor and Access

#### Project At A Glance

Knife River Harbor and Marina

- ◆ Purchase marina improvements from Lake County, rebuild safe harbor, boat access and marina in cooperation with Corps of Engineers

McQuade Road Harbor and Access

- ◆ Develop a safe harbor and boat access in cooperation with the Corps of Engineers

#### Project Description

##### Knife River (Lake County): \$2.5 Million

This request will provide funds to finalize the purchase of the improvements from Lake County and to rehabilitate the infrastructure and redesign and rebuild a safe harbor, boat access and marina in cooperation with the Corps of Engineers.

Knife River Marina was transferred to the Department of Natural Resources (DNR) through a land exchange with Lake County in May 2001. *Under a legal agreement with Lake County, the DNR will seek capital funds to purchase the improvements for \$250,000. DNR currently leases the improvements from Lake County and oversees marina and boat access operations.*

The marina currently has 95 boat slips and a boat access operated by a private vendor under a lease transferred from the county to the DNR.

The facility is both a federal and state designated harbor. The Corps built the harbor over 30 years ago with minimal cost share from Lake County. Very few improvements have been made to the harbor or marina since it was built. The 2001 legislature appropriated \$150,000 to allow the DNR to bring the facility into compliance with building and electrical codes and make immediate repairs to the docks, the fuel system, etc.

However, the safe harbor and marina is in need of complete rebuilding and expansion. All of the docks need to be replaced. The harbor needs to be expanded to accommodate more boats, especially to provide for safe haborage and transient boaters. The existing boat access at the facility is in poor condition and needs to be redesigned and relocated.

A local citizens committee has been meeting to make recommendations to the DNR. The DNR will work with the Corps of Engineers and Lake County to make this a quality facility similar to the Silver Bay Safe Harbor and Marina constructed in 1998.

The facility currently provides public access to Lake Superior, providing both access for trailer able boats and access to the beach for the general public through the marina and adjacent Lake County lands.

##### McQuade Road (Duluth Area): \$1.0 Million

This request will provide funds to complete development of a safe harbor and facility at McQuade Road located in the city of Duluth, and Lakewood and Duluth townships in cooperation with the Corps of Engineers.

New legislation passed in 2001 (1SS Chapter 2, Section 158) required the DNR to acquire the land owned by the city of Duluth without undue delay. The acquisition was completed and the project is in the final stages of design review.

The facility will include a 3.1-acre harbor basin created by modified berm-like breakwaters, three boat launch ramps, docks at the launch ramp, and a 65-car/trailer and 20-car only parking lot. Also included is a bridge for access under County Highway 61 for the entrance to the launch ramp and minor relocation of the county highway. Specifically, this request will provide funds for lighting, walkways, landscaping, shorefishing docks, restrooms, a fish-cleaning station, and other amenities.

Lake Superior Safe Harbors

A Joint Powers Agreement is in place with St. Louis County, the city of Duluth, Lakewood and Duluth townships. Other partners are the Corps of Engineers and the McQuade Public Access Committee (representing local stakeholders & user groups). The Committee has conducted a planning process for over ten years to select a publicly acceptable and technically feasible site, conduct a public process, provide public information, assist with cooperation, and assist DNR and the Corps with the design and parameters of the facility. St. Louis County is assisting with the road/bridge designs for County Road 61 and McQuade Road.

The facility will be owned and maintained by the state. Assistance from local governments on maintenance may also be possible in the future.

McQuade Road Harbor Construction Funding Summary to Date:

(\$ in 000's)					
<u>Project</u>	<u>Federal</u>	<u>2001 LCMR</u>	<u>2000 Bonding</u>	<u>Co/State Aid Road</u>	<u>Total Funds Available</u>
McQuade	\$3,650	\$500	\$2,000	\$1,000	\$7,150

All harbor projects follow the same process: local units of government initiate the implementation process by appointing a citizens advisory committee that studies the issues, reviews and discusses options, and finally makes recommendations to the DNR. DNR and the Army Corps of Engineers cooperate on design and construction.

Additional federal funds of \$1.0 million have been requested.

**Impact on Agency Operating Budgets (Facilities Notes)**

All projects will be supported by user financing. Safe harbors (with marinas) will be operated and maintained by funds generated by operating leases, boat slip rentals and the sale of marine fuel and other services. Revenues that exceed operational costs will be dedicated to long-term improvements, maintenance, and operation of the entire system. Users also directly support these facilities with boat license fees and gasoline taxes that are dedicated to the Water Recreation Account.

**Previous Appropriations for this Project**

*Knife River:* The 2001 session provided \$150,000 from the Water Recreation Account for necessary improvements and repairs.

*McQuade Road:* In the 1996 Capital Budget, the legislature appropriated \$500,000 for this project to acquire the private land. The city of Duluth donated \$50,000 to the DNR for planning and design. Federal funds totaling \$350,000 were appropriated to the Army Corps of Engineers for preliminary survey and design review in FY 1998-99. In FY 2000 \$2.0 million in bonding was appropriated and in FY 2001 \$500,000 from the Legislative Commission on Minnesota Resources (LCMR). Federal construction funds of \$3.650 million have been appropriated.

Other capital appropriations provided by the legislature during the past six years include \$4.5 million for Two Harbors and \$1.5 million for Taconite Harbor.

**Other Considerations**

**Federal Funds**

Federal matching funds of \$2.0 million for the Corps of Engineers have been requested for Knife River and \$1.0 million for McQuade Road. These funds require a 50% state match.

A boating study on Lake Superior was conducted in 2002. The primary activity of boaters on Lake Superior is fishing (60%). Over 70% of boaters are concerned about being caught out on Lake Superior without a safe harbor nearby. A majority of boaters indicated that the safe harbors DNR has provided so far have allowed boaters to boat more often on the lake. Nearly one third of boaters have had to use a safe harbor in an emergency and over 70% of boaters believe that more safe harbors are needed.

Lake Superior Safe Harbors

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	140	250	0	0	390
2. Predesign Fees	0	0	0	0	0
3. Design Fees	1,025	200	200	200	1,625
4. Project Management	1,365	850	500	500	3,215
5. Construction Costs	12,020	8,950	6,300	6,300	33,570
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>14,550</b>	<b>10,250</b>	<b>7,000</b>	<b>7,000</b>	<b>38,800</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,223	3,500	3,500	3,500	16,723
General Fund Projects	1,777	0	0	0	1,777
Minnesota Resources	500	0	0	0	500
<b>State Funds Subtotal</b>	<b>8,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>19,000</b>
Agency Operating Budget Funds	150	0	0	0	150
Federal Funds	5,900	6,750	3,500	3,500	19,650
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>14,550</b>	<b>10,250</b>	<b>7,000</b>	<b>7,000</b>	<b>38,800</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	10	10	20
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	10	10	20
Revenue Offsets	0	<10>	<10>	<20>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Lake Superior Safe Harbors

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	280

## Local Initiative Grants

**2004 STATE APPROPRIATION REQUEST:** \$2,500,000

**AGENCY PROJECT PRIORITY:** 23 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

Matching grants to local governments for acquisition, development and redevelopment of regional parks outside the Twin Cities Metro Area.

- ◆ The \$2 million requested in state funds will be matched by at least \$1.33 million in local match.
- ◆ Matching grants to local governments and school districts for acquisition of natural and scenic areas statewide.
- ◆ The \$500,000 requested in state funds will be matched by at least \$500,000 in local match.

#### Project Description

State funding of \$2.5 million is requested for two matching grant programs (Regional Parks Outside the Metro Area and Natural and Scenic Area grants) that provide matching grants to local governments for acquisition and protection of local natural and scenic areas with outstanding biological, geological, ecological, and scenic values and for larger, natural resource based parks of regional significance.

The Regional Parks (Outside the Metro Area) grant program and the Natural and Scenic Area grant program provide critical matching funds to local governments. Opportunities for local governments to acquire larger open space and natural resource lands at reasonable cost are diminishing, especially in counties in the urban growth corridor between St. Cloud and Rochester. Development pressure is increasing, land prices are rapidly escalating, and opportunities for protection of key open space amenities, such as shore lands and woodlands, are dwindling. Local governments often do not have adequate resources to respond to opens space acquisition

opportunities in a timely manner. Failure to aggressively address these issues over the next several years will result in loss of natural habitat and inadequate provision of open space and outdoor recreation areas due to continued urban sprawl.

These grants are effective tools that enable the state to work collaboratively with local governments to address the common goals of open space and natural habitat protection. Local governments acquire the land and are reimbursed for 50-60% of the appraised value. The same match is also provided for development or redevelopment of natural resource based outdoor recreation facilities, such as trails, fishing piers, swimming beaches, campgrounds and picnic areas. Local governments assume the responsibility for ongoing operations and maintenance of these areas and agree that they will not convert the property to other uses in the future. This partnership allows the state to contribute to the protection of significant public natural resource and recreation areas without incurring long-term operating and maintenance costs. These grants also provide a catalyst to encourage local investment in these areas.

In addition to addressing the state's concerns about loss of habitat and the effects of urban sprawl, these programs also promote other state priorities, such as acquiring lands that connect with or add to existing natural and open space areas, providing environmental education opportunities, providing natural resource based outdoor recreation opportunities, protecting rare plant and animal communities, and enhancing existing Department of Natural Resources (DNR) conservation efforts.

#### Impact on Agency Operating Budgets (Facilities Notes)

No impact on the department's operating budget.

#### Previous Appropriations for this Project

The Regional Parks Outside the Metro Area grant program was first funded in 2000 with a \$500,000 bonding appropriation. An additional \$700,000 in Legislative Commission on Minnesota Resources (LCMR) funds was approved in 2001. The 2003 legislature appropriated \$2.58 million in LCMR funds for Local Initiative Grants and \$1.250 million has allocated to Regional Parks Outside the Metro Area.

## Local Initiative Grants

The Natural and Scenic Area grant program was first funded in 1994. In recent years the legislature appropriated \$3.63 million in LCMR funds in 1999 for Local Initiative Grants, of which \$870,000 was allocated for Natural and Scenic Area grants. In 2001 over \$5 million in LCMR funds was appropriated, of which \$1.25 million was allocated for Natural and Scenic Area grants. In 2003 the legislature again appropriated LCMR funds and \$965,000 has been allocated to Natural and Scenic Area grants.

**Other Considerations**

None.

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	12,998	4,330	4,330	4,330	25,988
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>12,998</b>	<b>4,330</b>	<b>4,330</b>	<b>4,330</b>	<b>25,988</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	2,500	2,500	2,500	8,000
General Fund Projects	1,272	0	0	0	1,272
Env & Natural Resoures	5,149	0	0	0	5,149
Minnesota Resources	250	0	0	0	250
<b>State Funds Subtotal</b>	<b>7,171</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>14,671</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	5,827	1,830	1,830	1,830	11,317
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>12,998</b>	<b>4,330</b>	<b>4,330</b>	<b>4,330</b>	<b>25,988</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Local Initiative Grants

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	41
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>Total</b>	700 Maximum	141

## State Trail Connections

**2004 STATE APPROPRIATION REQUEST:** \$250,000

**AGENCY PROJECT PRIORITY:** 24 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ Local trail connections & regional trail grant programs
- ◆ \$250,000 request for these programs
- ◆ Provides up to 50% match to local units of government
- ◆ Grants are for acquisition and development

#### Project Description

This request is for \$250,000 in bonding for matching grants to units of government for up to 50% of the costs of acquisition and betterment of public land and improvements needed for trails of regional significance and trails that connect communities, trails, and parks. However, on average the state's portion of the total cost for these types of projects amounts to just 23% due to local governments securing large federal grants for major development projects. If land used for the trails is not in full public ownership, then the recipients must ensure that the trail development will be available for at least 20 years. Bond proceeds will only be used for publicly owned trail portions. Land acquired with these funds is perpetually dedicated for recreational trail purposes.

The Local Trail Connections and Regional Trail grant programs depend on local communities and their local government representatives to provide inspiration, planning, and commitment, as well as the local matching requirement, to make the outdoor recreational trail projects a reality. Local governments complete the acquisition or projects and are reimbursed for a portion of the acquisition or project actually completed.

Applications for grants are due on February 28 of each year that funding is available. These dollars would be used to assist communities to develop local trail connections as well as trails of regional significance. Funds would be divided evenly between outstate Minnesota and the metropolitan area. In 2003, the state received 41 grant applications totaling \$3.250 million in requests. Utilizing historical average requests for the programs, \$250,000 would fund approximately four projects with costs totaling over \$1.0 million.

#### Impact on Agency Operating Budgets (Facilities Notes)

This \$250,000 request for matching grants to local units of government will not require additional Department of Natural Resources (DNR) staff support to provide project evaluation and selection, environmental review, technical assistance, contract preparation and administration, project billings, and project monitoring. The local governments assume the responsibility for ongoing, long-term operations and maintenance of the trail projects and must not convert the property to uses other than those for which the grant was provided.

#### Previous Appropriations for this Project

During the past six years the legislature has provided \$3.9 million for the Local Trail Connections and \$6.2 million for the Regional Trail Grant Programs: \$4.5 million from the general fund (Capital Projects); \$2.2 million from the Future Resources Fund; \$500,000 from the Bond Fund; \$320,000 from the Environment and Natural Resources Trust Fund; and \$2.5 million from the Lottery in-Lieu of Sales Tax (agency operating budget).

#### Other Considerations

The increased urbanization of the state has led to shortage of outdoor recreational opportunities through the rapid disappearance of natural and open space areas in growing communities throughout the state. This has resulted in a loss of natural area to provide accessible public outdoor recreational opportunities at the local level. In addition, many communities have realized the benefits of a good locally based trail system and are interested in linking local trail projects with regional and state trails.

## State Trail Connections

The Local Trail Connections and the Regional Trail grant programs are cost-effective tools that enables the state to work collaboratively with local governments to help address needs and provides increased public access to recreational trail opportunities at the local level.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	53,585	7,220	7,220	7,220	75,245
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>53,585</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>75,245</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	250	250	250	1,250
General Fund Projects	4,500	0	0	0	4,500
Env & Natural Resoures	320	0	0	0	320
Minnesota Resources	2,200	0	0	0	2,200
<b>State Funds Subtotal</b>	<b>7,520</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>8,270</b>
Agency Operating Budget Funds	2,500	1,100	1,100	1,100	5,800
Federal Funds	0	0	0	0	0
Local Government Funds	43,565	5,870	5,870	5,870	61,175
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>53,585</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>75,245</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

State Trail Connections

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	235

Statewide Asset Preservation

**2004 STATE APPROPRIATION REQUEST:** \$5,000,000

**AGENCY PROJECT PRIORITY:** 25 of 27

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- ◆ Initiates maintenance and repair projects in existing Minnesota Department of Natural Resources (DNR) Facilities.
- ◆ Addresses a wide range of critical life safety and other code violations by reducing risk of illness and injury.
- ◆ Reduces the \$29 million deferred maintenance iceberg by \$5 million

**Project Description**

This request is for \$5 million in bonding for the DNR Asset Preservation Program.

The department has identified more than \$29 million in deferred asset preservation projects for agency facilities statewide. These projects are focused on maintenance and repairs that need to be done to maintain existing values in buildings. Statewide, facility maintenance programs have been under-funded. The result is a “capital iceberg” of deferred maintenance. This request represents the minimal level of funding necessary to check the growth of the DNR “capital iceberg” and to resolve the most urgent problems, particularly those problems that are eroding the capital value of state owned buildings.

Our project plan addresses a wide range of critical life safety and other code violations by reducing risk of illness and injury, improving indoor air quality, enhancing accessibility, and increasing security. It will eliminate physical hazards that pose risks to staff and the public. Funding this request will provide for all aspects of asset preservation, including: roofing, plumbing and heating, electrical repair and renovations, energy efficiency

improvements, and structural renovations. As opportunities arise, we will update failed building systems using improved technologies.

The DNR continues to invest in human resources by supporting a trained, equipped, productive, and culturally diverse work force. Facility condition significantly contributes to, or detracts from, the DNR’s ability to achieve the state’s natural resources management mission. Poor or degraded building and utility services often hinder day-to-day efforts to manage natural resources. It is in the state’s best interest to maintain facilities in fully functional condition to enhance employee productivity, to reduce operating costs, and to protect the long-term investment in buildings.

The facility maintenance and repair projects in the DNR request are separate from, and not included in, the Department of Administration’s Capital Asset Preservation and Replacement Account (CAPRA) request. The Department of Administration will be requesting a reduced amount of CAPRA funds this session. These funds will be for emergency life safety projects only. These projects do not duplicate any other DNR request. A detailed project list is available.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will help the DNR to address the backlog of deferred asset preservation projects. The net result is to slow the erosion of our annual operating budgets. Installation of more efficient building systems and enhancing the energy conservation characteristics of buildings will net operating savings. Adequate funding for annual maintenance, repair, and betterment obligations will result in lower future obligations for more costly deferred repair and replacement.

**Previous Appropriations for this Project**

M.L. 1998, Chapter 404	\$2.2 million	General
M.L. 2000, Chapter 492	\$2.0 million	Bonding
M.L. 2002, Chapter 393	\$2.6 million	Bonding

## Statewide Asset Preservation

**Other Considerations**

If this proposal is not funded more basic building maintenance will be deferred. Not maintaining buildings in a timely manner results in eroded capital values and high maintenance costs to address a higher than necessary rate of facility deterioration.

In addition, the failure to address maintenance issues will result in building conditions that are unsafe and unhealthy.

No money is requested for public art as each of these projects falls below the \$500,000 construction cost level, thus making these projects exempt from the requirement.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2 million for this project.



<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	440	400	400	400	1,640
4. Project Management	185	175	175	175	710
5. Construction Costs	6,115	4,365	4,365	4,365	19,210
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	80	60	60	60	260
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>6,820</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>21,820</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	4,600	5,000	5,000	5,000	19,600
General Fund Projects	2,220	0	0	0	2,220
<b>State Funds Subtotal</b>	<b>6,820</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>21,820</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>6,820</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>21,820</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2004-05</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	5,000	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Statewide Asset Preservation

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	340

## Field Office Renovation &amp; Improvements

**2004 STATE APPROPRIATION REQUEST:** \$4,000,000

**AGENCY PROJECT PRIORITY:** 26 of 27

**PROJECT LOCATION:** Statewide

#### Project At A Glance

- ◆ This project represents the redevelopment of Department of Natural Resources (DNR) facilities to support core programs
- ◆ Initiate office, shop, and storage renovation and improvement projects at nine existing DNR work sites and accessibility projects at six field sites.
- ◆ To bring buildings up to code and relieve substandard employee working conditions and improve public access.

#### Project Description

This request will provide \$4 million in state bond funds for acquisition, construction, renovation, and rehabilitation of field offices to relieve substandard employee working conditions in existing facilities. The proposed projects address conditions that cannot be resolved through common repair and maintenance activities. We propose to resolve issues like overcrowded conditions, unsuitable occupancies, and missing functionality.

Much of the building inventory of DNR field offices is 50 years old and only a few have been updated to accommodate changes in natural resources management work requirements. Very little has been done to assure proper lighting, heating, air conditioning, ventilation, access, or egress. We consider these to be critical life safety emergency issues. Equally little has been done to redevelop the existing facilities to provide appropriate meeting space, sanitary facilities, shop spaces, storage facilities, or security systems.

Our goal is to improve delivery of services to citizens. It is our strong belief that development of up-to-date workplaces enhances the efficient and productive work of our employees and allows for high quality public service.

Modifications to offices will allow us to ensure adequate public meeting space and to create space for needed educational and tourist information.

Project List includes:

**Accessibility Improvements** – Initiate accessibility improvement projects at DNR building sites across the state to meet Americans with Disabilities Act (ADA) requirements. These projects will be in addition to the accessibility components of the projects listed below.

**Washburn Lake / Spire Valley consolidation** – Consolidate Washburn Lake (Forestry) and Spire Valley (Fisheries) at Spire Valley site. Currently there is no office, little storage, and only temporary hatchery buildings at the site. The Washburn Lake Forestry site will be vacated.

**Little Fork Forestry** – The existing site has inadequate office space, which will require adding onto the existing structure.

**Talcot Lake Wildlife Management Area** – Construct an addition to the existing maintenance shop to accommodate equipment repair. Add restrooms to the facility and improve overall HVAC, lighting, and accessibility.

**Effie Forestry** – Construct an addition to the existing office and remodel the existing structure to provide accessibility and meet the office requirements of existing staff.

**Zimmerman Forestry** – Vacate the existing site and construct a new adequate office with both heated and unheated storage space at Sand Dunes State Forest site.

**Region 2 Headquarters (Grand Rapids)** – Complete the boiler upgrade and HVAC and fire protection systems at the existing Regional Headquarters.

**Walker Fisheries** – Redesign and expansion of the existing office to address over crowded conditions. Construct additional on-site storage including heated area for net repair/storage.

**Spicer Area Office** – The existing office is inadequate. The proposal includes an office addition for restrooms, meeting space, and accessibility.

## Field Office Renovation &amp; Improvements

**Roseau River Wildlife Management Area** – Addition to existing office to resolve space, visitor access and ADA issues.

Cost detail on the individual projects is available. No pre-design costs are included in these requests as we fund these internally. We expect minimal disruption due to construction, which we plan on mitigating by careful scheduling of work stages.

#### Impact on Agency Operating Budgets (Facilities Notes)

This project will result in small increases in square footage of office and service facilities, which are incidental to specific project requirements.

#### Previous Appropriations for this Project

Previous state capital budget appropriations include:

M.L. 2002 Chapter 393	\$1.5 million	Bonding
M.L. 2000 Chapter 492	\$2.0 million	Bonding

#### Other Considerations

Existing facilities are physically inefficient, a hindrance to the resource management effort, inaccessible, unhealthy, and unsafe for employees and the public. Improved facility conditions and workplace utility will enhance morale, collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with unsafe, unhealthy and inaccessible facilities.

#### Project Contact Person

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#### Governor's Recommendations

The Governor recommends general obligation bonding of \$1 million for this project.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	175	200	200	200	775
4. Project Management	130	140	140	140	550
5. Construction Costs	3,015	3,460	3,460	3,460	13,395
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	180	200	200	200	780
9. Inflation	0	0	0	0	0
<b>TOTAL</b>	<b>3,500</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>15,500</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,500	4,000	4,000	4,000	15,500
<b>State Funds Subtotal</b>	<b>3,500</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>15,500</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>3,500</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>15,500</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Field Office Renovation & Improvements

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	245

## Office Facilities Development

**2004 STATE APPROPRIATION REQUEST:** \$6,854,000

**AGENCY PROJECT PRIORITY:** 27 of 27

**PROJECT LOCATION:** Fergus Falls, Glenwood, Grand Marais

#### Project At A Glance

- ◆ This project represents the development of Department of Natural Resources (DNR) facilities to support core programs.
- ◆ Completion of the consolidated office at Fergus Falls (\$1.3 million) and the development of co-located DNR facilities at Grand Marais (\$3.2 million) and Glenwood (\$2.3 million).
- ◆ These projects replace existing over crowded and unsuitable work sites.

#### Project Description

This request is for \$6.854 million to acquire, construct, remodel, renovate or otherwise develop new employee offices and workspaces in Grand Marais and Glenwood and complete the Fergus Falls Area office.

The agency is developing Field Offices to consolidate services within service areas, provide space to reorient field workers currently located in the central office, and to replace substandard facilities. One of the specific business objectives of the DNR is to work collaboratively within common resource management areas and to manage natural resources in an integrated fashion.

**Fergus Falls** – The DNR purchased an existing building in Fergus Falls and completed the remodeling of this facility to provide offices and heated storage. This project will complete some minor building remodeling items, construct unheated storage for equipment and vehicles, complete construction of road and parking needs, and finish final site work and landscaping.

**Grand Marais** – Construct a consolidated field office to replace the existing facility. The existing facility is on a very small site and consists of one building and a trailer connected by a covered outdoor walkway. The offices and work areas are very cramped and storage is very inadequate. An industrial park site is available in the city of Grand Marais.

**Glenwood** – Construct new office and storage buildings to replace existing facilities. The current office is a converted residence with overcrowded conditions and little storage. The existing building has ongoing asbestos, lead paint and bat guano issues. The facility also has poor heating, no air conditioning and is not Americans with Disabilities Act (ADA) accessible.

#### Integration of work processes requires:

- ⇒ A workplace that serves the functional requirements of natural resource management work.
- ⇒ A workplace that can be quickly and inexpensively adjusted to maximize productivity and satisfaction.
- ⇒ A workplace that is comfortable, efficient, technologically advanced, and allows people to accomplish their work in the most efficient way.
- ⇒ A workplace that meets our need and justifies its cost through the benefits gained.

#### The specific benefits of an integrated workplace are:

- ◆ improved productivity
- ◆ improved job satisfaction and health
- ◆ better use of limited resources – specifically, people, space, time, and money.

#### Impact on Agency Operating Budgets (Facilities Notes)

These projects will result in a net increase in the facility inventory, with corresponding increases in facility operating costs associated with maintenance and replacement.

Modernized facilities and building systems will ensure that the agency will get more value for each maintenance and operations dollar spent.

## Office Facilities Development

Increases in costs will be offset by significant increases in employee productivity due to properly configured facilities.

**Previous Appropriations for this Project**

Previous State Capital Budget appropriations include:

M.L. 1998 Chapter 240	\$7.391 million	Bonding/General
M.L. 2000 Chapter 492	\$3.25 million	Bonding
M.L. 2002 Chapter 393	\$1.5 million	Bonding

**Other Considerations**

Existing facilities in Grand Marais and Thief River Falls are physically inefficient, a hindrance to the resource management effort, inaccessible, unhealthy and unsafe for employees and the public. Improved facility conditions and workplace utility will enhance many performance factors. Among them are: employee retention, moral, collaboration, and productivity. These same improvements will reduce the states exposure to risk associated with unsafe, unhealthy, and inaccessible facilities.

No predesign costs are included as we have funded them internally. As these are new facilities, staff will remain in their current locations until these are complete.

**Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2.3 million for this project.



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	74	0	66	66	206
3. Design Fees	780	400	800	800	2,780
4. Project Management	400	250	432	432	1,514
5. Construction Costs	10,081	5,344	10,872	10,872	37,169
6. One Percent for Art	86	46	94	94	320
7. Relocation Expenses	80	40	80	80	280
8. Occupancy	640	320	656	656	2,272
9. Inflation	0	454	0	0	454
<b>TOTAL</b>	<b>12,141</b>	<b>6,854</b>	<b>13,000</b>	<b>13,000</b>	<b>44,995</b>

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	11,850	6,854	13,000	13,000	44,704
General Fund Projects	291	0	0	0	291
<b>State Funds Subtotal</b>	<b>12,141</b>	<b>6,854</b>	<b>13,000</b>	<b>13,000</b>	<b>44,995</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>12,141</b>	<b>6,854</b>	<b>13,000</b>	<b>13,000</b>	<b>44,995</b>

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,854	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2009

Office Facilities Development

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>Total</b>	700 Maximum	185